

12 January 2015

Decision relating to price increase for Sustagen Hospital Formula

PHARMAC has made a decision in relation to a manufacturer's price increase for Sustagen Hospital Formula. This was the subject of a consultation letter dated 20 November 2014 which is available on the PHARMAC website at www.pharmac.health.nz/news/consultation-2014-11-20-sustagen. In summary, the effect of the decision is that:

From 1 February 2015:

- Sustagen Hospital Formula will be available, subject to a manufacturer's surcharge, for patients with a valid Special Authority number for Standard Supplements but do not have fat malabsorption, fat intolerance or chyle leak.
- Full subsidy for Sustagen Hospital Formula will be available by endorsement for patients with a valid Special Authority number for Standard Supplements and have fat malabsorption, fat intolerance or chyle leak and the prescription is endorsed accordingly.

Please note that the Ensure (chocolate and vanilla flavour) and Fortisip (vanilla flavour) brands of oral feed powders will remain listed and fully subsidised in Section D of the Pharmaceutical Schedule for all patients with a valid Special Authority number for Standard Supplements.

Details of the decision

- From 1 February 2015, a price increase will occur on Sustagen Hospital Formula oral feed powder which is listed in Section D of the Pharmaceutical Schedule. This is the result of the manufacturer, Nestle, increasing the price of this product. This price increase will result in a change of price from \$10.22 to \$14.90 (ex. manu, excl. GST) for each 900 g can, and will be recorded in both Section D and Part II of Section H of the Pharmaceutical Schedule. This price increase will affect both the vanilla flavour and the chocolate flavour.
- At this time, an increase in subsidy for Sustagen Hospital Formula will not be implemented. This will result in a manufacturer's surcharge on this product and Sustagen Hospital Formula will no longer be fully subsidised for all patients with a Standard Supplements Special Authority approval in the community.
- From 1 February 2015, a higher subsidy of \$14.90 by endorsement will be available for Sustagen Hospital Formula for patients meeting the following endorsement criteria:
 - Additional subsidy by endorsement is available for patients with fat malabsorption, fat intolerance or chyle leak. The prescription must be endorsed accordingly.

Higher subsidy for Sustagen Hospital Formula will only be reimbursed for patients with both a valid Special Authority number for Standard Supplements and an appropriately endorsed prescription. This will result in Sustagen Hospital Formula remaining fully funded for these patients.

- Patients that have a valid Special Authority number for Standard Supplements, but do not meet the endorsement criteria for Sustagen Hospital Formula have the options of paying a manufacturer's surcharge to access Sustagen Hospital Formula, or to receive one of the alternative fully subsidised oral feed powders (Ensure or Fortisip).

Feedback received

We appreciate all of the feedback that we received and acknowledge the time people took to respond. All consultation responses received by 5 December 2014 were considered in their entirety in making a decision on the proposed changes. The following issues were raised in relation to specific aspects of the proposal:

Theme	Comment
<p>A number of dietitians noted that the alternative funded oral feed powders may not be suitable for some patients who meet the Special Authority criteria and also have the following conditions:</p> <ul style="list-style-type: none"> • Cystic Fibrosis • Lymphangectasia • Chyle leaks • Liver disease • Pancreatitis • Fat malabsorption • Fat intolerance <p>Sustagen Hospital Formula may be more appropriate in these circumstances due to its low fat content.</p>	<p>We note these comments and anticipate that the proposed higher subsidy by endorsement, as worded, would enable these patients to continue to access fully subsidised treatment.</p>
<p>A supplier noted that alternative oral feed powders are currently available and fully subsidised for the majority of patients.</p>	<p>We note this comment, however we also note that our clinical advice and other responses to consultation indicate there may be circumstances where the alternative oral feed powders are not suitable.</p>

More information

If you have any questions about this decision, you can email us at enquiry@pharmac.govt.nz or call our toll free number (9 am to 5 pm, Monday to Friday) on 0800 66 00 50.