

11 July 2018

Dear Suppliers

REQUEST FOR INFORMATION – COMPRESSION HOSIERY PRODUCTS COMMERCIAL ARRANGEMENTS

In 2014 PHARMAC issued a Request For information on a proposal to fund compression bandages and hosiery for the treatment of VLU. In summary we heard that:

- education, training and dedicated customer support was considered essential
- a quality product, which meets international manufacturing and medical standards (e.g. RAL standard), and supporting clinical evidence of efficacy was necessary.
- there was need to consider new technology to achieve cost efficiencies.
- continuity of the same product for the patient is important.

We recognise that numerous changes may have occurred since 2014 so this RFI is to seek current information about the market for compression hosiery.”

PHARMAC is seeking information from manufacturers, product suppliers and distributors of compression hosiery (“Suppliers”) regarding the supply of compression hosiery products to be used in District Health Board (DHB) Hospitals and in the community for the treatment and prevention of venous leg ulcers (VLU), to inform a potential procurement process. The specific compression hosiery products for which information is sought are set out in Schedule 1 (Compression Hosiery Products) of this Request for Information (RFI).

This is the first time that Compression Hosiery Products have been considered for funding by PHARMAC. The potential funding of Compression Hosiery Products via the Combined Pharmaceutical Budget (CPB) managed by PHARMAC would support the consistency of availability of VLU Products to patients throughout New Zealand who need them.

For the purpose of this potential procurement process, Compression Hosiery Products would be listed in Part II of Section H of the Pharmaceutical Schedule (which sets out the list of pharmaceuticals that must be funded by DHB hospitals and which, from 2018/19, are funded via the CPB), as opposed to Part III of Section H of the Pharmaceutical Schedule (which currently sets out those medical devices for which PHARMAC has negotiated national contracts setting out terms for supply and pricing where DHBs choose to buy the products covered.

This RFI will inform and assist PHARMAC in developing its approach and the scope of commercial bids sought and accepted in securing supply of Compression Hosiery Products in a potential competitive process.

PHARMAC would be grateful if you could share this RFI with your colleagues who are familiar with the commercial arrangements typically involved in the supply and distribution of Compression Hosiery Products, and who may be able to provide useful insight to assist us to develop our approach to ensure a positive response from the market and a good outcome for patients.

This RFI letter incorporates the following schedules:

- Schedule 1 sets out the scope of Compression Hosiery Products that PHARMAC is considering including in a potential competitive process.
- Schedule 2 sets out the specific questions PHARMAC is requesting responses to that will assist with the development of commercial options for the supply of the Compression Hosiery Products.

How to respond

This is a comprehensive RFI that covers the general questions relating to a potential competitive process PHARMAC may issue (**Pages 4-8**).

Please provide the information requested in this RFI, and any additional information you consider may be of assistance to PHARMAC, via [GETS](#) by **5pm (New Zealand time) 25 July 2018**.

PHARMAC is interested in receiving responses from a variety of interested parties. Not all questions will be relevant or of interest for all, so your responses can be limited to just some of the questions asked or can cover the full range questions.

Suppliers are encouraged to raise any queries via the GETS Question and Answer function. Where PHARMAC identifies that a question may be of value to other suppliers, PHARMAC reserves the right to publish both the question and the answer so they are visible to all interested parties. Alternatively, suppliers may use the GETS Question and Answer function to request a confidential teleconference with PHARMAC.

Feedback we receive is subject to the Official Information Act 1982 (OIA) and we will consider any request to have information withheld in accordance with our obligations under the OIA. Anyone providing feedback, whether on their own account or on behalf of an organisation, and whether in a personal or professional capacity, should be aware that the content of their feedback and their identity may need to be disclosed in response to an OIA request.

We are not able to treat any part of your feedback as confidential unless you specifically request that we do, and then only to the extent permissible under the OIA and other relevant laws and requirements. If you would like us to withhold any commercially sensitive, confidential proprietary, or personal information included in your submission, please clearly state this in your submission and identify the relevant sections of your submission that you would like it withheld. PHARMAC will give due consideration to any such request.

We wish to emphasise that this is not a competitive process and, at this time, PHARMAC is not seeking commercial proposals for the supply of Compression Hosiery Products. PHARMAC does not intend to convert the information provided in response to this RFI into a contract for supply. Any information you provide in response to this RFI will be considered non-binding in relation to any competitive process that PHARMAC may, at its sole discretion, undertake in the future.

Thank you for your assistance, we look forward to receiving your feedback.

Yours sincerely



Lisa Williams
Director of Operations

Background and Desired Outcome

1. Compression Hosiery Products Procurement

PHARMAC is seeking information regarding the range of commercial arrangements, for example but not limited to the structures, mechanisms and agreements that PHARMAC could consider in order to ensure a positive response from the market for any competitive process for Compression Hosiery Products.

2. Background

PHARMAC is the New Zealand government agency that decides which pharmaceuticals to publicly fund in order to get the best health outcomes from within available funding. All funded products that are subsidised by the Government are listed in the Pharmaceutical Schedule. Schedule H, Part II, of the Pharmaceutical Schedule lists pharmaceuticals that must be made available in DHB Hospitals.

PHARMAC is considering a potential competitive process for Compression Hosiery Products.

Reasons for RFI

Prior to the issuance of any competitive process PHARMAC wishes to better understand the scope and different types of products available from the perspective of the market for the supply of Compression Hosiery Products.

Specifically, PHARMAC is seeking to understand:

- Which commercial arrangements would be practical for the supply of Compression Hosiery Products and the reasons for this.
- Current commercial arrangements you have engaged in, or are aware of, for the supply of the same or similar Compression Hosiery Products.

In addition to the above PHARMAC wishes to understand the supply markets' opinion of the range of Compression Hosiery Products specifically stated in this RFI:

- Whether there are any other products the supply market considers should be included and the reasons for this.
- Any innovations, supply market, or product developments PHARMAC should be aware of.

3. Desired Outcome

PHARMAC aims to gain further information and input from the supply market to contribute to and develop its understanding, prior to the issuance of any competitive process.

The information provided will help inform PHARMAC's approach to any competitive process, ensure a positive response from the market, and support the consistency of availability of Compression Hosiery Products to patients throughout New Zealand who need them.

The specific information requested is set out in Schedule 2 of this RFI.

Schedule 1: Compression Hosiery Products

Product	Presentation
Knee length Compression Hosiery (standard product)	Circular knit weave Flat knit weave With or without Grip Tops Pressure classes I, II, III and IV Range of sizes, Leg length, foot lengths etc Open/closed toe Range of Colours
Knee length Compression Hosiery (made to measure)	Circular knit weave Flat knit weave With or without Grip Tops Pressure classes I, II, III and IV Range of colours Sizes - made to measure for leg & foot length, circumference etc
Donning aids (Butlers)	Range of stocking donning aids

All products supplied must comply with an internationally approved standard for compression hosiery. The RAL-GZ 387/1 (January 2008 edition) is PHARMAC's preferred standard.

Products considered out of scope for any competitive process for Compression Hosiery Products:

- Anti-embolism hosiery;
- Upper thigh length compression hosiery;
- Compression arm and hand wear;
- Light weight compression stockings and support stockings;
- Lymphedema hosiery garments;
- Non-medical support hosiery; and
- Compression bandages.

Current Pharmaceutical Schedule listing and anticipated usage volumes

Compression Hosiery Products are not currently funded by PHARMAC and at this stage PHARMAC has no current usage figures available for any Compression Hosiery Products in DHB Hospitals.

Schedule 2: Information Requested – Response form

You should expand the boxes as necessary.

[Insert Date]

Jeremy Price (Procurement Manager)
Sarita Von Afehl (Therapeutic Group Manager)
PHARMAC
PO Box 10 254
Wellington 6143
New Zealand

Via GETS

Dear PHARMAC

Information regarding the provision of Compression Hosiery Products.

- In response to PHARMAC's request for information (**RFI**) dated 11 July 2018, we put forward the following information in respect of Compression Hosiery Products:

Our contact details:

Name of organisation	
Department if relevant	
Contact person	
Physical Address	
Phone	
Facsimile	
Email address	

Are you willing to be contacted for any follow up questions relating to the responses?

Yes / No *(delete as appropriate)*

1. What specific Compression Hosiery Products (for the treatment and prevention of Venous Leg Ulcers) do you currently supply to the New Zealand market?

2. What are your annual volumes (classes, sizes, standard hosiery and made to measure hosiery) sold to

(a) DHB Hospitals?

(b) Other publicly funded health services?

(c) Directly to Patients?

3. Do you supply directly to patients?

If so, what sizing and other information do you require from the patient?

Is there a delivery charge in addition to the cost of the hosiery?

4 When supplying Compression Hosiery products to DHBs what level of detail do you require to be submitted via the purchase orders?

5. What clinician education and information do you provide?

Please give details of training courses / education sessions for clinical staff relating to measuring and fitting of compression hosiery etc.

6. What patient education and information do you provide?

7. Do you currently hold any contracts for the supply of Compression Hosiery Products to DHB Hospitals, if so:

- which line items does the contract(s) cover?
- which DHBs are contracted?
- what is the tenure of the contract(s) and when will it expire?
- does the contract(s) include any pricing mechanism such as tiered pricing or volume commitments. If so, what is the impact on the price to the DHB Hospital?

8. Do you have a current distribution arrangement for your Compression Hosiery Products within New Zealand, and if so, who is this with?

8. Please provide any additional information you consider may be of assistance to PHARMAC with regard to any competitive process for Compression Hosiery Products



9. Are you likely to respond to any competitive process for Compression Hosiery Products (Y/N)

Please note that for the purposes of any competitive process for Compression Hosiery Products PHARMAC will treat Compression Hosiery Products as pharmaceuticals (medicines) and as such the standard PHARMAC contract terms for pharmaceuticals (medicines) will be applied in the event any listing agreement is entered into.