

12 February 2010

Proposal relating to bimatoprost, brimonidine tartrate with timolol maleate and prednisolone acetate

PHARMAC is seeking feedback on a proposal relating to a provisional agreement with Allergan Australia Pty Ltd for a number of products. In summary, this proposal would result in:

- Bimatoprost (Lumigan) eye drops remaining fully funded - a confidential rebate would apply
- Brimonidine tartrate with timolol maleate (Combigan) eye drops remaining fully funded - a confidential rebate would apply
- Prednisolone acetate (Pred Mild and Pred Forte) eye drops would be fully funded (currently there is a manufacturer's surcharge)

Background

On 1 January 2010 the price of latanoprost was reduced from \$19.50 to \$9.75. In December 2009, PHARMAC consulted upon reference pricing the prostaglandin analogues, bimatoprost and travoprost which had a price and subsidy of \$19.50, to latanoprost.¹

Reference pricing would mean that the subsidy for bimatoprost and travoprost would reduce. The impact of this would depend on whether the suppliers reduced their pricing to match the proposed new subsidy (or otherwise entered into an alternate arrangement with PHARMAC).

Subsequent to the reference pricing consultation, PHARMAC and Allergan have entered into this provisional agreement which would secure the subsidy from reference pricing, for a period of time. This provisional agreement is the topic of this consultation letter. We decided to defer the decision on reference pricing whilst this current proposal for bimatoprost is also under consideration.

We intend to make a decision on both proposals following this current consultation. If both were adopted as proposed, it would mean that latanoprost and bimatoprost would remain fully funded. Whether travoprost remained fully funded would depend on whether the supplier decided to reduce its price to the proposed new subsidy.

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday, 26 February 2010** to:

¹ <http://www.pharmac.govt.nz/2009/12/10/2009-12-10%20Reference%20pricing%20prostaglandin%20analogues.pdf>

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All feedback received before the closing date will be considered by PHARMAC's Board (or Chief Executive acting under delegated authority) prior to making a decision on this proposal.

Details of the proposal

Bimatoprost

- Bimatoprost would remain fully funded in Section B of the Pharmaceutical Schedule at the current price and subsidy (ex-manufacturer, exclusive of GST):

Chemical	Presentation	Brand	Pack size	Price and subsidy
Bimatoprost	Eye drops 0.03 %	Lumigan	3 ml OP	\$19.50

- Lumigan would be protected from subsidy reduction or delisting until 30 June 2012
- A confidential rebate would apply to Lumigan

Brimonidine tartrate with timolol maleate

- Brimonidine tartrate with timolol maleate (Combigan) would remain fully funded in Section B of the Pharmaceutical Schedule at the current price and subsidy (ex-manufacturer, exclusive of GST):

Chemical	Presentation	Brand	Pack size	Price and subsidy
Brimonidine tartrate with timolol maleate	Eye drops 0.2% with timolol maleate 0.5%	Combigan	5 ml OP	\$18.50

- Combigan would be protected from subsidy reduction or delisting until 30 June 2012
- A confidential rebate would apply to Combigan

Prednisolone acetate eye drops

- The price for Pred Mild and Pred Forte would reduce to the current subsidy level, from 1 April 2010, so that they are fully funded in Section B of the Pharmaceutical Schedule at the following prices and subsidies (ex-manufacturer, exclusive of GST):

Chemical	Presentation	Brand	Pack size	Price and subsidy
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Prednisolone acetate	Eye drops 0.12%	Pred Mild	5 ml OP	\$4.50
Prednisolone acetate	Eye drops 1%	Pred Forte	5 ml OP	\$4.50

- Pred Mild and Pred Forte would be protected from subsidy reduction or delisting until 30 June 2012