

30 August 2010

Media release

Funding change for mental health medicine to save \$24 million

Price reductions for antipsychotic medicines will release \$24 million of savings over the next five years which PHARMAC can use to fund other medicines, the Government drug funder says.

PHARMAC's decision to fund the Dr Reddy's brand of the antipsychotic medicine quetiapine adds a third option to the existing two brands of quetiapine: Quetapel and Seroquel. About 34,000 people a year take quetiapine.

From 1 October PHARMAC will reduce the subsidy paid on the Seroquel brand to match the price of Dr Reddy's (a process called reference pricing). This may mean that Seroquel, which is the most-commonly used brand of quetiapine, will carry a patient charge unless the supplier reduces its price to match the new subsidy. The Quetapel brand is currently unaffected by the change because of contractual obligations.

PHARMAC Medical Director Dr Peter Moodie says: "This decision will mean three brands will be funded, with at least two of them fully funded. In addition, there are a range of other funded products to treat psychoses and related mental illness."

Dr Moodie says some patients may need to change brands; however, he expects any change to go smoothly.

"We have had extensive discussions with clinical experts about this decision," he says.

"The advice we have received is that a change in brands for patients taking quetiapine should be manageable. With more than one brand of quetiapine available, it's not uncommon for people to change brands of quetiapine even without changes in funding," he says.

Dr Moodie says quetiapine is used to treat schizophrenia and other psychotic illnesses and at times is prescribed as a sedative.

Savings such as those achieved through the quetiapine decisions are important to help PHARMAC manage overall pharmaceutical spending, says Dr Moodie.

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