

13 August 2008

Ken Shirley
Chief Executive Officer
Researched Medicines Industry
By email: kshirley@rmianz.co.nz

Dear Ken

LEVETIRACETAM

Thank you for your letter of 29 July 2008.

A consultation is simply that – a consultation, not a final recommendation, and not a decision. The purpose of consultation is to seek the views of parties that may be affected by any proposal. It also serves to uncover issues that PHARMAC may not have considered when making a proposal. You made your views known, as did other parties, and various modifications were made to the proposal as a result of consultation responses and further consideration of the issues.

You state that “the only reason Medsafe approved Keppra is not available on the New Zealand market is intransigence over pricing negotiations.” This is simply untrue. At no point in our negotiations with UCB was pricing a reason for not reaching an agreement.

When a pharmaceutical supplier such as UCB fails to provide assurances around continuity of supply, and demands concessions around PHARMAC's requirements relating to patient safety, we are left with little choice but to seek alternative funding mechanisms.

In the case of levetiracetam, while uncertainty exists around the price (and, therefore, cost effectiveness) of Keppra being supplied in New Zealand, it is entirely appropriate that we seek to ensure that only those patients at greatest clinical need receive funded Keppra.

I respect your choice to contact Ministers regarding your concerns, but stand by our view that this was premature in the context of our consultation.

Yours sincerely



Matthew Brougham
Chief Executive