

Examples – No Reduction Low Volume / Low Discount Item

These examples demonstrate application of the ‘no reduction’ criteria under the proposed 2015 price disclosure changes. *The figures are for illustrative purposes – the percentage discounts are not exact calculations.* **PI** means legal pharmaceutical item (drug, form, manner of administration). **MoA** means manner of administration.

In Example 1 below the Tablet 1 mg pharmaceutical item will not take the reduction because it meets the low volume / low discount criteria, there is no bioequivalent brand in another PI that does not meet the criteria and no PBAC advice has been received on this matter. Brands of the Tablet 20 mg and Caplet 60 mg items will take the reduction.

Pharmaceutical item (PI)		Example 1						
Drug / MoA	Form	Brand	Brand Volume	PI Volume (Total volume across all brands of the pharmaceutical item)	PI Discount (weighted average percentage difference across all brands of the pharmaceutical item)	Drug/MoA Discount (Weighted average percentage difference across all PIs for the drug/MoA ... assume same 10% test outcome)	PI Volume not more than 10% of volume of all PIs for drug/MoA? (total drug/MoA volume = 20,050)	Reduction?
Zues / Oral	Tablet 20 mg	A	500	19,500	15%	13.5%	No – 19,500 PI volume over 10% of 20,050 drug/MoA volume	YES
Zues / Oral	Tablet 20 mg	B	500	19,500	15%	13.5%	No - see above	YES
Zues / Oral	Tablet 20 mg	C	1,500	19,500	15%	13.5%	No - see above	YES
Zues / Oral	Tablet 20 mg	D	17,000	19,500	15%	13.5%	No - see above	YES
Zues / Oral	Tablet 1 mg	C	50	550	2%	13.5%	Yes - 550 PI volume under 10% of 20,050 drug/MoA volume	NO (no PBAC advice & no bioequivalent PI)
Zues / Oral	Tablet 1 mg	D	500	550	2%	13.5%	Yes - 550 PI volume under 10% of 20,050 drug/MoA volume	NO (no PBAC advice & no bioequivalent PI)
Zues / Oral	Caplet 60 mg	C	0	0	-	13.5%	N/A – nil PI volume	YES (no volume)

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In Example 2 below the Tablet 20 mg (modified release) and Tablet 40 mg (modified release) pharmaceutical items will not take the reduction because they meet the low volume / low discount criteria, there are no bioequivalent listed brands in other PIs that do not meet the criteria and no PBAC advice has been received on this matter. Other brands take the reduction as they do not meet the criteria: a) the Tablet 20 mg has volume more than 10% of total volume for all PIs for the drug/MoA; and b) although Tablet 40 mg meets the low volume criteria, it does not meet the low discount criteria because it discounts more than 3%; and c) although the Capsule 20 mg meets the low volume / low discount criteria, it is bioequivalent to a brand in another PI that does not meet the criteria

Pharmaceutical item (PI)		Example 2						
Drug / MoA	Form	Brand	Brand Volume	PI Volume (Total volume across all brands of the pharmaceutical item)	PI Discount (weighted average percentage difference across all brands of the pharmaceutical item)	Drug/MoA Discount (Weighted average percentage difference across all PIs for the drug/MoA ... assume same 10% test outcome)	PI Volume not more than 10% of volume of all PIs for drug/MoA? (total drug/MoA volume = 357,500)	Reduction?
White / Oral	Tablet 20 mg	A	95,000	295,000	29.24%	24.84%	No - 295,000 PI volume over 10% of 357,500 drug/MoA volume	YES
White / Oral	Tablet 20 mg	B	200,000	295,000	29.24%	24.84%	No - see above	YES
White / Oral	Capsule 20 mg	B	22,500	22,500	2.69%	24.84%	Yes -22,500 PI volume under 10% of 357,500 drug/MoA volume	YES [bioequivalent brand in another PI that does not meet the criteria]
White/ Oral	Tablet 40 mg	A	25,000	35,000	21.10%	24.84%	Yes - 35,000 PI volume under 10% of 357,500 drug/MoA volume	YES [PI discount over 3%]
White/ Oral	Tablet 40 mg	B	10,000	35,000	21.10%	24.84%	Yes - see above	YES [see above]
White/ Oral	Tablet 40 mg (modified release)	B MR	5,000	5,000	1.02%	24.84%	Yes – 5,000 PI volume under 10% of 357,500 drug/MoA volume	NO [no PBAC advice & no bioequivalent PI]