

4 May 2026

PHARMAC
PO Box 10254
The Terrace
Wellington 6143

Sent via email to: tenderconsult@pharmacy.govt.nz

Dear Sir/Madam,

Re: Consultation on possible brand changes through the annual tender

The Pharmacy Guild of New Zealand (Inc.) (the Guild) is a national membership organisation and the largest representative of community pharmacy owners in New Zealand. We provide leadership on all issues affecting the sector and advocate for the business and professional interests of community pharmacy.

This submission focuses on Guild members' concerns around general economic, funding, access and supply issues. Guild submissions should not be taken as any endorsement of, or any attempt to comment on, medicine safety, efficacy, or appropriateness for individual patients.

We support the intent of the annual tender process to achieve cost efficiencies and enable reinvestment into improved access to medicines. However, we remain concerned that brand changes, particularly movement to single funded brands, continue to introduce avoidable clinical risk, operational burden, and system inefficiency at the point of care.

While we acknowledge Pharmac's move toward earlier consultation, it is important that this translates into meaningful changes in decision-making, implementation support, and funding mechanisms, not simply improved engagement. In this context, we suggest the following principles are essential to support safe and effective implementation:

- Brand changes should not shift operational, financial, or clinical risk onto community pharmacy without appropriate mitigation.
- Patient safety, continuity, and adherence should be prioritised alongside procurement efficiency.
- Implementation should be appropriately funded, structured, and clinically governed.
- Pharmac decisions on brand changes should be accompanied by clear, funded implementation plans, including clearly defined accountabilities, timelines, and risk mitigation strategies.

We recognise that the annual tender is a core mechanism used by Pharmac to manage pharmaceutical expenditure and generate savings to fund new treatments. However, from a community pharmacy perspective, key challenges associated with brand changes remain:

- Disruption to patient familiarity and adherence.
- Increased workload for pharmacy teams.
- System fragmentation across prescribing, dispensing, and patient communication.
- Unfunded administrative burden.

We support a balanced approach where procurement decisions are considered alongside patient safety, system sustainability, workforce capacity, and real-world delivery. Poorly implemented

brand changes risk widening inequities, particularly where access, understanding, or continuity of care is already fragile. The success of the annual tender depends not only on cost savings, but on how changes are implemented and experienced in practice, where community pharmacy plays a central role in both design and delivery.

Key issues for Pharmac to consider with a change in funded brand

- **Supply chain resilience** – Sole supply arrangements may offer cost savings but create vulnerability if supply is disrupted. Reliance on a single supplier can lead to nationwide shortages, impacting patient care and requiring rapid, resource-intensive responses across the health system, with increased workload for prescribers and pharmacists managing treatment changes and continuity of care.
- **Patient adherence and safety** – Brand changes can affect adherence, particularly where medicines differ in taste, appearance, or formulation. This is especially relevant for children (liquids), older adults, and patients with cognitive impairment. Patients stable on mental health medicines may also experience anxiety or reduced adherence due to perceived differences (nocebo effect).
- **Financial impact and stock management** – Pharmacies may face financial loss from residual stock of delisted brands, particularly for high-cost, high-volume, or slow-moving medicines. Adequate lead-in times, clear communication, and return or credit mechanisms are essential to minimise wastage and financial risk.
- **Operational workload and system impact** – Brand changes require updates to systems, workflows, and stock management processes. They also increase the need for patient counselling and support, adding pressure to already stretched pharmacy teams and potentially impacting service delivery, including misalignment with prescribing practices where brand changes are not consistently reflected or understood.

Groups for whom brand changes may be clinically inappropriate or more difficult

Certain population groups may be at higher risk of harm or may experience greater difficulty when transitioning between brands, and these should be carefully considered.

- **Children** – More sensitive to changes in formulation and excipients, with differences in taste, texture, or appearance affecting acceptance and adherence. There is also increased risk of dosing errors where formulations differ.
- **Older adults and those with cognitive impairment** – Changes in medicine appearance, packaging, or instructions can cause confusion, disrupt established routines, and increase the risk of administration errors, particularly in those managing multiple medicines.
- **Patients with clinically complex or high-risk conditions** – Individuals requiring stable and consistent therapy may be vulnerable to even small variations between brands, which can impact therapeutic outcomes and increase the risk of adverse effects or loss of disease control.
- **Patients with sensitivities or intolerances to excipients** – Differences in non-active ingredients between brands may lead to allergic reactions, intolerance, or reduced tolerability, potentially affecting adherence.
- **Patients with mental health conditions stable on treatment** – Brand changes may lead to anxiety, reduced confidence in treatment, or perceived loss of effectiveness (nocebo effect), which can impact adherence and clinical stability.
- **Neurodiverse individuals** – May have heightened sensitivity to changes in sensory characteristics such as taste, texture, colour, or appearance, and may rely on routine and consistency, making transitions more challenging.

Support and resources needed for a brand change

Patients would require clear, accessible, and consistent support to ensure a safe and confident transition.

- **Clear communication and reassurance** – Simple explanations about why the change is occurring, confirmation of equivalence, and reassurance around safety and effectiveness.
- **Guidance on what to expect** – Information on normal differences (e.g., appearance) and when to seek advice, including encouragement to report any concerns or side effects.
- **Visual and practical aids** – Resources such as images of new packaging or product appearance to reduce confusion, particularly for those managing multiple medicines.
- **Accessible and inclusive resources** – Information provided in multiple formats and languages to meet diverse needs, including those with low health literacy or limited digital access, with a focus on equity and co-design for priority populations.
- **Clear support pathways** – Easily identifiable contact points for further advice, including healthcare providers and relevant helplines.

Support and resources for healthcare professionals

Healthcare professionals would need timely, practical, and system-aligned support to ensure safe implementation and continuity of care.

- **Advance notice and planning time** – Sufficient lead-in (e.g., several months) to support stock management, workflow adjustments, and minimise disruption and wastage.
- **Clear clinical guidance** – Accessible, detailed information outlining any relevant differences between brands (e.g., formulation, dosing considerations, monitoring requirements) to support safe switching.
- **Targeted education and support** – Additional guidance for higher-risk scenarios or vulnerable populations where changes may increase the risk of error, reduced adherence, or clinical instability.
- **Training for administration changes** – Specific training where changes affect preparation or administration processes, to prevent errors and ensure safe handling.
- **Consistent, multi-channel communication** – Clear and timely updates to support informed decision-making, consent processes, and safe prescribing and dispensing, including support to meet informed consent obligations where brand changes may affect patient understanding or confidence in treatment.
- **System and software alignment** – Updated dispensing and prescribing systems, including accurate product information and alerts during transition periods to reduce selection and dispensing errors.

Additional features to consider

Several practical and safety-related features should be considered when implementing a brand change:

- **Physical characteristics of medicines** – Changes in size, shape, scoring, or formulation can affect swallowing, dosing accuracy, and adherence, particularly for vulnerable populations.
- **Device and packaging design** – Differences in usability, handling, or dosing mechanisms may impact safe administration, especially for those with dexterity or cognitive challenges, and may also create storage constraints in pharmacy settings.
- **Look-alike risk** – Similarities in packaging or appearance between medicines can increase the risk of selection, dispensing, or administration errors, highlighting the need for clear differentiation.

- **Pack size and format** – Packaging that is not aligned with dispensing workflows can increase workload, reduce efficiency, and introduce additional costs and risks associated with repackaging.

Further feedback

- **Brand switch fee** – Continued and consistent application of the brand switch fee is important to recognise the additional workload associated with brand changes, including patient counselling and coordination with prescribers, which often exceeds current funding levels, particularly when multiple medicines change at the same time, and should be reviewed to better reflect actual workload.
- **Dispensing frequency and clinical oversight** – Decisions on dispensing frequency should consider clinical outcomes, as more frequent dispensing supports adherence, enables regular patient contact, and provides valuable opportunities for monitoring, counselling, and early intervention.
- **Reducing medicine wastage** – Ongoing efforts are needed to minimise wastage through appropriate pack sizes and dispensing practices. Larger quantities supplied at once can increase unused medicines due to therapy changes or non-adherence, resulting in financial, environmental, and safety impacts.

Thank you for the opportunity to provide feedback. If you have any questions about our feedback, please contact our Senior Advisory Pharmacists, Martin Lewis (martin@pgnz.org.nz, 04 802 8218) or Cathy Martin (cathy@pgnz.org.nz, 04 802 8214).

Yours sincerely,



Nicole Rickman

General Manager – Membership and Professional Services