Matter name:	Juno & Ors – Application for authorisation
Date & Time:	12:00pm 21 February 2022
External attendees:	Anita Shutt, Director Medication Strategy and Reform, Tasmanian Department of Health
ACCC participants:	Sophie Mitchell, Susie Black, Lily Xiao, Andrew Ng

Information provided by Tasmania Department of Health in relation to the application for authorisation is summarised below:

- For the medicines provided by public hospitals in Tasmania, the Tasmanian Department of Health (the **Department**) goes to public tender every couple of years for those medicines requiring contracts, as dictated by the Tasmanian Treasury. The Department assesses the tender offers received against a number of factors including cost, safety and risk then enter into contracts with the successful tenderers. Generally, for products where there is only the originator product on the market, the originator may choose not to provide a tender offer, and the Department does not enter into contracts with them.
- The list of medicines the Department supplies includes Pharmaceutical Benefits Scheme (PBS) listed products, as well as some non-PBS listed products. The hospitals cannot supply PBS subsidised products to inpatients, but can supply them to eligible patients on discharge, to outpatients and to some day-admitted patients.
- The Department is not aware of when generics are set to enter the market. It typically only becomes aware once generics are listed on the ARTG, or the generic company approaches the Department. It is difficult for the Department to know when patents are set to expire.
- Generally, the Department will contract with a generic manufacturer, if appropriate. Some factors the Department will consider, are cost, safety and the type of product. For example, if it is a high-risk product, the Department may choose to keep the originator, particularly if they have a risk management plan in place and the Department is hesitant to switch to a different plan (that may be more burdensome for example), but this might not be determinative.
- There is a first mover advantage for the generic manufacturer who begins supplying first. This advantage is likely to last between 2-5 years for the length of the contract. This first mover advantage may extend possibly beyond any immediate/short term effect, particularly where additional risk mitigation programs are in place, and it may be deemed unsafe, or costly to change programs frequently.
- There tends to be more generics entering/generic competition in low value drugs, rather than high value drugs.
- This agreement between Celgene-Juno/Natco will not have an impact on the co-payment price paid by the patient for PBS indications, or indications approved for funding by the Department.
- The Department sees some benefits to this agreement, one being the drop in the cost price which will reduce the cost to the PBS, state, or individuals. This will have flow on benefits for public health. The Department is aware of around 15 other indications for lenalidomide and 3-4 other indications for pomalidomide that are not PBS funded. If the price for these products reduces as a result of generic entry, this could open up the benefits for patients who could self fund these medicines and receive them more freely through government-funded systems.
- The Department sees some negatives to this agreement, in terms of the potential future viability of the market. The Department noted that in the high-cost oncology space, it has previously seen originators pull out of the market when generics enter. This caused the

market to destabilise and created supply shortages. Patients who were not going to be switched to the generic product or were in access regimes with the originator were affected.