

7 February 2001

To all interested parties

### **Funding arrangements for beta-interferon for multiple sclerosis (MS)**

PHARMAC seeks submissions on a proposal to remove the existing waiting list and the limit on the available budget for subsidies for beta-interferon (the "Cap"). If the proposal is accepted by PHARMAC's Board, patients currently approved subject to funding, and those meeting the entry criteria for subsidies for beta-interferon in future would no longer have to wait for subsidies for beta-interferon.

Subsidies for beta-interferon were made available by PHARMAC in July 2000 following the Minister of Health's December 1999 directive. A limit was placed on the number of subsidised places that were to be made available. The Cap of 180 fully funded applicants, was reached as of December 2000. There are now close to 50 patients who have met the entry criteria for a subsidy but who are waiting for a funded place to become available.

Patients can currently only move off the waiting list on to funded treatment if a patient on subsidised treatment decides to withdraw from treatment or meets the criteria for stopping treatment and has the subsidy withdrawn. The rate of patients being approved by the Multiple Sclerosis Treatments Advisory Committee (MSTAC) has exceeded the number of patients discontinuing therapy for either reason. Given the existence of strict exit criteria, this trend indicates that PHARMAC's access criteria have been successful in targeting subsidies for beta-interferon to patients who obtain clinical benefit from treatment with beta-interferon.

In addition to removing the waiting list, MSTAC has also recommended that PHARMAC widen the current entry criteria. However, under this proposal, the current entry and exit criteria would remain unchanged. The Pharmacology and Therapeutics Advisory Committee (PTAC) is considering this other recommendation from MSTAC separately.

PHARMAC expects the number of patients meeting the current access criteria to continue to grow slowly over coming years. At the current prices for beta-interferon, the proposal to remove the Cap would represent an initial additional investment of around \$865,000 (ex-manufacturer, GST exclusive) per year – that being solely the cost of funding the patients currently on the waiting list. Further additional expenditure would be required in future years has more patients were approved. The funding required to support this proposal would be derived from the pharmaceutical budget. If approved, this funding would not be available for other pharmaceutical investments or to other parts of the health sector.

If you would like to offer comment on this issue, and you would like that comment considered by the PHARMAC Board, please respond by **4pm, 19 February 2002**.

Yours sincerely

Cristine Della Barca  
Manager, Hospital Pharmaceuticals

P30-7-3 #61444