

14 October 2003

By facsimile

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To: Pharmaceutical Suppliers and other interested parties.

Declining applications for the listing of various acetylcholinesterase inhibitors on the Pharmaceutical Schedule

PHARMAC has received submissions to list the following acetylcholinesterase inhibitors in Section B of the Pharmaceutical Schedule:

Chemical	Brand	Supplier	Strength/Presentation
Donepezil	Aricept	Pfizer	5 mg and 10 mg tablets
Galantamine	Reminyl	Janssen Cilag	4, 8 and 12 mg tablets
Rivastigmine	Exelon	Novartis	1.5, 3.0, 4.5 and 6.0 mg capsules

PHARMAC has undertaken extensive assessment of the benefits, costs and cost-effectiveness of these medicines.

PTAC (Pharmacology and Therapeutics Advisory Committee), and the Neurological Subcommittee have evaluated these submissions on several occasions between 1998 and 2003. In summary PTAC advised that:

- the evidence available showed that these products had a limited benefit for a small proportion of patients and for a limited duration;
- there was little evidence to suggest that there were significant differences in effectiveness or tolerability between the three products; and
- acetylcholinesterase inhibitors should be assigned a low priority for listing based on current evidence, having regard to their relatively high cost.

In 2003 PHARMAC completed an economic analysis on acetylcholinesterase inhibitors as part of the prioritisation process. The results of the analysis indicated that these medicines are not good value for money compared with other pharmaceuticals that could be funded.

These medicines are not, therefore, considered to be a high priority for investment compared to other pharmaceuticals awaiting funding.

PHARMAC has also been working on the development of a pilot project to test whether it would be possible to manage entry and exit criteria to these medicines for people with Alzheimer's disease in order to target treatment to the small group of patients who may benefit from treatment. In developing the pilot project PHARMAC sought advice from

PTAC, who considered that the exit criteria would be very difficult, if not impossible, to enforce.

Given the nature of the disease, and number of patients who may desire access to the medicines, a pilot would create inequalities. It would be inevitable that some patients would be denied entry to the pilot due to limited numbers, and that some would be required to stop therapy. Additionally the longer-term expectations of a pilot programme would be for access to be expanded, however, the pilot would not address the key concerns relating to full-scale funding of these medicines.

PHARMAC staff propose to recommend to the PHARMAC Board in October 2003, that these applications, and the pilot project be declined.

This letter serves as formal notification of that intention so that you may provide comment for consideration by the PHARMAC Board. If you would like to provide any comments on this proposal for consideration by the Board, please forward them to Steffan Crausaz (Therapeutic Group Manager) at PHARMAC by 12 pm **Friday, 14 November 2003**.

Should the PHARMAC Board decline these applications it would not preclude their inclusion in further contractual arrangements at a future date. Rather, it indicates that PHARMAC is not actively progressing funding for acetylcholinesterase inhibitors at this time.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Wayne McNee', written in a cursive style.

Wayne McNee
Chief Executive