

February 2004

From the chief executive's desk

Another new year has begun and at PHARMAC it has been a busy couple of months, negotiating with pharmaceutical suppliers and approving funding for new medicines.

The budget for the 2003-04 financial year gave us some scope for new investments, and we have already funded new treatments for depression and childhood rheumatoid arthritis. We've also approved more funding for treatments for cancer and Hepatitis C. This is all good news for patients as it increases the number of subsidised treatment options available.

We've also begun the process of setting the budget for 2004 and beyond. We hope to be able to secure a longer-term funding stream to enable better planning, and continued widening access to existing medicines and funding of new treatments for New Zealanders.

We also look forward to continuing to work with DHBs to assist them in managing their budgets.

Wayne McNee



New anti-depressant funded Love me tender - again

A new fully subsidised treatment is now available for people with severe depression, following an agreement between PHARMAC and pharmaceutical company Wyeth. Venlafaxine (Efexor XR) works by blocking some of the chemicals in the brain that cause depression and provides another option for clinicians to treat people whose illness is particularly serious. It became fully funded from 1 January 2004.

The decision represents a significant investment, of up to \$5 million a year. Our estimate is that up to 8000 people may eventually qualify for treatment with venlafaxine.

PHARMAC is again running a tender in 2004. Over the past few years the tender has become an important tool for purchasing medicines, and managing pharmaceutical expenditure.

This year's tender covers 535 medicines used in both hospitals and the community, making it one of the biggest tenders we've run. We won't know what impact this year's tender will have on expenditure until we have had a chance to assess all the bids, but typically the tender produces savings in the region of \$20 million per annum.

Bids are due by 1 March 2004.

Annual Review 2003

Our 2003 Annual Review was released in November, and took the opportunity to review PHARMAC's first 10 years, as well as highlight the achievements of the 12 months to June 2003.

The Review contains a wealth of data on pharmaceutical usage patterns, including the top 20 drugs by expenditure, PHARMAC's impact on expenditure over time, and breakdowns of prescribing patterns within individual drug groups.

We also took the opportunity to highlight some of the issues PHARMAC is faced with, such as the increasing volume of drugs being prescribed, and changing usage patterns such as the increase in use of statins (for raised cholesterol), antidepressants and new generation antipsychotics, and the decline in use of HRT.



Antibiotics campaign success continues

An independent evaluation of the Wise Use of Antibiotics campaign has shown that it is continuing to have an effect on the way antibiotics are used.

The campaign, co-ordinated and funded by PHARMAC for the last five years, promotes the message that antibiotics can't treat viral infections like colds or flu. At the same time, it encourages people to visit their doctor if they have any doubts. It is run in conjunction with general practitioner groups and this year also involved Plunket and the Pharmaceutical Society.



The evaluation by Colmar Brunton showed that people are now less likely to expect an antibiotic to treat colds or flu than they were three years ago, and this was translating into fewer prescriptions being written. In 2003, there were about 20,000 fewer antibiotics prescriptions written than in the previous year.

New childhood arthritis treatment funded

A small but significant patient group now has access to a new fully-funded treatment. Etanercept (Enbrel), a disease-modifying drug for the treatment of rheumatoid arthritis, is being fully subsidised for use in children from 1 February 2004.

Etanercept is one of a new generation of drugs that attacks the underlying cause of arthritis, rather than just the symptoms. Its approval in children increases the effective treatment options available for a small but vulnerable group.

It's a relatively expensive treatment – costing up to \$30,000 per patient per year, and we estimate that it will be used by 20-30 children per year.

PHARMAC welcomes contact from patients, health professionals and health sector groups. You can contact us on 0800 66 00 50 (9am-4pm weekdays) or via the PHARMAC website www.pharmac.govt.nz.