

*Media Release*

## **More New Zealanders benefit from subsidised medicines**

An additional 13,000 New Zealanders were treated with subsidised medicines last year than in the previous year, according to new figures released by PHARMAC.

In its Annual Review, PHARMAC says that 15 new products have been funded during the year, which is a significant rise over the previous year.

“This means continuing access to new and better medicines for New Zealanders,” says Chief Executive Wayne McNee. “As many of the decisions were implemented part way through the year, the number of people being treated with subsidised medicines through these decisions will continue to grow in future years.”

He says New Zealanders can expect more spending on new medicines in coming years following the move that enables PHARMAC to take a longer-term view on the funding of pharmaceuticals.

“The three-year funding path, as well as increases in funding and our success in managing expenditure, means that we will continue to give more New Zealanders access to subsidised medicines.”

Wayne McNee says the three-year path means the agency can look ahead with more certainty and make plans that can be implemented long-term.

He says PHARMAC will continue with strategies that have helped bring it to the point where it can plan for continuing growth in medicines being prescribed. The strategies include tendering for medicines that are off-patent and to pay the same for products that do the same or similar things.

“The pricing and access to pharmaceuticals continues to be a hot topic for other countries, particularly the United States. The US has no large-scale public health structure as there is in New Zealand and no universal subsidised medicine scheme.

“Three quarters of America’s elderly and 44 million other Americans who don’t have health insurance have to pay for all their medication themselves.”

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Wayne McNee says PHARMAC's success has given it the platform to continue spending more on medicines to improve the health of New Zealanders

Overall, there was new or improved access to 24 treatments including medicines for hepatitis C, depression, alcohol addiction, breast cancer, childhood arthritis and glaucoma.

"We are pleased to report that as well as funding 15 new products, PHARMAC has also negotiated savings worth \$50.7 million. This means more money can be spent in other health areas."

"Over the years PHARMAC has gained the reputation as an organisation that gets a lot of health care out of the money it manages, and this year is a case in point."

Wayne McNee says another highlight of the year was savings gained for hospitals.

PHARMAC's strategy to manage medicine buying for hospitals has meant that New Zealand hospitals are now paying over \$10 million less for their drugs every year.

The strategy includes the publication of a nationally-consistent list of hospital medicines and the inclusion of hospital medicines in the annual PHARMAC tender.

PHARMAC has been involved in purchasing a range of medicines for DHB hospitals since 2002.

Following the success of this programme, PHARMAC has agreed with DHBs to manage the purchasing of influenza vaccines, radiological materials and bulk intravenous fluids from 2005.

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