

June 2005

From the chief executive

In New Zealand we are accustomed to a settled environment for prescription medicines, where all New Zealanders have the same access regardless of age, income or where they live, and spending on drugs is managed effectively.

The amount of subsidised drugs as a proportion of all drug sales is high in New Zealand. Nearly 80 percent of all medicines sold are Government-subsidised, and this compares favourably with countries such as Germany (74 percent), Canada (37 percent) and the United States (19 percent).



It's not surprising that we are seeing an increase in the level of interest shown in the New Zealand experience by other countries, where the fast-rising cost of prescription medicines continues to be a budgetary headache. Earlier this year we were visited by a delegation from the Belgian Senate, and I was asked to speak at a health symposium in Calgary, Canada where there was positive comment both in the media and by health officials of the New Zealand system.

PHARMAC is committed to ensuring New Zealanders continue to have access to the latest and best pharmaceuticals, and this work is ongoing with more money now being spent on pharmaceuticals. This edition of inPHARMation outlines some of the new spending that has taken place and others that are in the pipeline.

Wayne McNee

New medicine funding

Access has been widened to the Hepatitis B drug lamivudine, which can now be used by patients who are Hep-B positive and undergoing chemotherapy. This reduces the risk that the chemotherapy will "reactivate" the Hep-B virus and the subsequent liver damage which can result.

Kaletra, a combination treatment for HIV/AIDS has had access widened. Previously Kaletra had been funded as a last-line therapy for HIV-AIDS and this decision to widen access follows a commitment by PHARMAC to review access within six months of listing.



The anti-convulsive drug gabapentin (Neurontin), which was previously subsidised for epilepsy patients, is now also available to treat neuropathic pain. This decision is a sizeable investment by PHARMAC, in the region of \$18 million over three years.

Work is in progress on a number of other investment opportunities. One of these is the TNF-alpha inhibitor drugs, new generation treatments for rheumatoid arthritis.

One of these drugs, etanercept, is already funded for juvenile rheumatoid arthritis (patients aged under 18 when diagnosed), and we are currently asking the drugs' suppliers for proposals that would allow access to be widened to adults.

Haemophilia treatments

Agreements with three companies have secured supply of the primary clotting agent used by patients with haemophilia, Recombinant Factor 8. The agreements mean that patients will be able to continue using the same treatment they have been using, and cover the period up to June 2008.

The decision has the support of the Haemophilia Foundation, the main support group for patients with haemophilia.

In addition to patients continuing to take the same Recombinant Factor 8, there will be savings to DHB as a result of the new agreements in the region of \$31 million over five years.

Flu vaccine

Three brands of influenza vaccine are being used for the subsidised influenza vaccine campaign, which is currently underway. This follows a problem being identified with the brand originally contracted for supply by PHARMAC, Vaxigrip. The subsequent delay in registration for Vaxigrip meant other suppliers had to be sought.

Distribution of the subsidised vaccines began at the end of April, and over 500,000 doses were available. Based on the number of people getting a subsidised flu jab in the past, this should be more than enough to cover the eligible people who want to receive a subsidised flu shot. Subsidised vaccines are available until the end of July.

Consumer groups discussion paper

PHARMAC has a Consumer Advisory Committee (CAC) to provide it with input from a patient or health consumer perspective. This committee, chaired by Sandra Coney, has nine members and is made up of people with wide experience in consumer advocacy in the health environment. It has provided PHARMAC with important input on issues such as the return to all-at-once dispensing, hormone replacement therapy and the SSRI antidepressants.

The committee has developed a discussion document Health Industry sponsorship of Consumer Health Organisations, and is seeking feedback from consumer health groups. The paper outlines the issues and options that might be considered, and is designed to stimulate debate in New Zealand on an issue that has been identified internationally.

The committee's view is that once it has received feedback, a voluntary guideline or checklist for consumer groups could be developed.

PHARMAC welcomes your feedback. You can contact us at PO Box 10-254 Wellington, by phone on 0800 66 00 50, or via the PHARMAC website www.pharmac.govt.nz