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Pharmaceutical Management Agency

Media release

Cancer drug funding a challenge – PHARMAC

Planning and budgeting for new cancer treatments provides one of PHARMAC's biggest challenges for the future, says PHARMAC's Medical Director Dr Peter Moodie.

Writing in the government drug funder's 2005 Annual Review, Dr Moodie says funding for new cancer drugs is already provoking discussion and some difficult decisions lie ahead in coming years.

PHARMAC figures show that spending on cancer drugs funded from the community pharmaceutical budget has grown from just over \$1 million three years ago, to nearly \$12 million in 2005. This makes it one of the fastest-growing areas of expenditure, and some new and expensive treatments are also under consideration.

DHB hospitals already have a list of cancer drugs (the oncology "basket") which they are required to fund to enable national consistency. Work is underway on a strategy to have assessment and funding of new pharmaceutical cancer treatments managed by PHARMAC. The aim is to continue national consistency of access to new cancer treatments and streamline the process for adding new drugs.

"Although this is undoubtedly a sensible move it is already bringing into sharp focus two issues," writes Dr Moodie.

"The first is that the newer oncology drugs are often extremely expensive; often in the range (and sometimes greater than) \$50,000 per year per patient. A new treatment for a type of brain cancer (temozolomide) or another for breast cancer (trastuzumab) are examples.

"If we are to make these treatments available then it is essential that we budget for them, or make savings in other areas.

"The second and more important issue is that these drugs will force us to come to wise decisions about where our priorities lie. Although we may have our views about the science of economics, it is simply put, an attempt to allocate scarce resources in a fair way."

"If we have to choose, let's do it in a way everyone can understand."

Dr Moodie says transparency in the decision-making is important so that people understand the decision, even if they don't agree with it.

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