

PHARMAC

Pharmaceutical Management Agency

Media release

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PHARMAC seeking feedback on High Cost Medicines

PHARMAC is seeking public submissions on a review of how high cost medicines are assessed and funded.

High Cost Medicines are generally regarded as those treatments costing more than \$20,000 per patient per year. This is an important issue for New Zealand given the significant cost of some medicines (some of which only treat small numbers of people) and potentially even higher costs for new medicines in the future.

PHARMAC is posting the consultation paper, and background information, on its website (www.pharmac.govt.nz).

Acting Chief Executive Matthew Brougham says the fundamental question PHARMAC is seeking to answer is whether high cost medicines should be assessed differently to other medicines, when considering them for funding.

“This issue – how best to assess and fund high cost medicines - is not unique to PHARMAC; it is a challenge to all medicines funding bodies worldwide, and a hotly debated topic in international medical journals,” Matthew Brougham says

“PHARMAC currently uses the same assessment framework for all medicines, and the question we are posing is whether high cost medicines should be assessed differently to other medicines,” Matthew Brougham says.

“The expert views are thought-provoking and cover a wide range of issues. Having considered those views, our preliminary conclusion is that there are no persuasive arguments for treating the funding of high cost medicines differently to other medicines.”

“In other words, while there are some alternative approaches that can be used, the analytical tools and decision making framework that PHARMAC currently uses are appropriate. We now want to test this preliminary view publicly.”

PHARMAC has sought views on the issue from both New Zealand and international expert commentators. Initial reports were commissioned from an international medical ethicist and a respected health economist. These reports were then commented on by nine reviewers representing consumer, Maori, clinical, economic and philosophical perspectives. All of these reports are being made publicly available, in order to make the consultation process as open and well-informed as possible.

Matthew Brougham says the release of the Government's medicines strategy discussion document last week acknowledges the importance of the high cost funding issue and PHARMAC's ongoing work in this area.

Feedback is being sought by 5 March 2007.

ENDS

More information: 021 863 342