

Media release

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“Good housekeeping” is all about the benefits – Pharmac

“Good housekeeping” delivers significantly more health benefits to New Zealanders than similar sized budgets would provide in possibly any other country, says PHARMAC’s Acting Chief Executive Matthew Brougham.

In the drug funding agency’s 2007 Annual Review, Matthew Brougham says PHARMAC is often wrongly accused of being only concerned about money, rather than the needs of patients.

“I’ve lost count of the times I’ve heard this criticism, yet it couldn’t be further from reality,” says Matthew Brougham.

He says while not trivialising the choices confronting PHARMAC, the process could be likened to the way households have to live within their budget.

“We’re given a budget – and a mandate to derive as much health benefit as possible when subsidising pharmaceutical treatments.

“In drawing the analogy with good housekeeping, I’m not intending to trivialise the choices confronting PHARMAC. My analogy draws attention to what is considered when making these choices,” Matthew Brougham says.

“The good housekeeper, in making choices, does not focus solely on cost – that is relatively easy to track; instead the focus is firmly on the relative benefits of competing choices. Which mix of options will provide the greatest satisfaction?

“Similarly, when doing our job, PHARMAC focuses on the relative benefits of competing options. So, in reality, it’s all about the benefits.”

“When we are considering funding new treatments, we endeavour, through careful analysis of the competing options, to maximise health benefits.”

PHARMAC’s analysis of spending, published in the Annual Review, shows that new spending on medicines in 2006-07 translates into the equivalent of 246 full years of extra life for New Zealanders. These health gains come at a cost of \$7 million alone.

In the past year, PHARMAC funded 39 new investments in medicines, including 11 new medicines. Pharmaceutical spending rose to \$599.37 million, 0.1% within budget.

Matthew Brougham says with a set budget for pharmaceuticals, the need to make choices is inevitable, whatever the budget size.

“We can’t subsidise everything, in the same way that every New Zealander can’t afford everything we see advertised on television. But in deciding what to fund, PHARMAC aims to fund the mix that provides the greatest health benefit.”

[more]

2/Good housekeeping

The Annual Review shows that one of the biggest changes in medicine use during the year was an 11.8% rise in subsidised prescribing, in-part driven by changes in the Government’s access policies.

Prescribers wrote 31.92 million subsidised prescriptions

At least 2.69 million people had their medicine subsidised

Prescriptions rose by 11.8% or 3.3 million prescriptions

11 new medicines were funded

Pharmaceutical spending was 0.1% within budget at \$599.37 million

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