

Media release – 17 December 2008

PHARMAC says future challenges require innovative thinking

PHARMAC has released its 2008 Annual Review highlighting future issues for the medicines system.

PHARMAC's Chief Executive Matthew Brougham says many future challenges will only be addressed through new and innovative thinking, and by working better with stakeholders, particularly with prescribers, pharmacists and consumer groups.

"The overall aim of the Annual Review is to promote further consideration, by PHARMAC itself and stakeholders, of issues central to the future success of the medicines system. We don't claim to have all the answers, but we do want to raise important issues and be part of the discussion with others."

With changes in brands of some subsidised medicines occurring in the coming months, and given the importance of generic medicines in managing future pharmaceutical expenditure, the Annual Review highlights issues around brand changes and use of generic medicines.

Changes in brands of subsidised medicines result from PHARMAC making pharmaceutical suppliers compete with each other, resulting in millions of dollars of savings for New Zealand each year that can be reinvested in new medicines or other health services.

"PHARMAC understands that changing brand of a medicine can have an impact on health professionals and patients, which we always want to minimise. We carefully select what brand changes are clinically appropriate, including checking with clinicians and consulting with all interested parties. However, PHARMAC is seeking to improve how brand changes are implemented, and we must continue to work better in this important area, particularly with doctors and pharmacists."

"While each brand change must be considered on its own merit, New Zealanders can take confidence that generic medicines are safe and effective. Generics must pass the same regulatory testing standards as the original medicine, and are often made using newer and superior production processes."

The Annual Review also discusses PHARMAC's focus on getting the best possible health outcomes from the pharmaceutical budget and, no matter what the size of the budget, the difficult funding choices that inevitably have to be made.

"Some stakeholders have expressed concern about the budget setting process; concerns that, working with others, we will try and address. This includes ongoing improvement in how DHBs determine what portion of health funding they spend on medicines versus other health services."

The Annual Review also focuses on:

- the role of *Medicines New Zealand*, the medicines strategy, in guiding the future direction of the medicines system, including the importance of influencing how medicines are used;

- different ways of measuring pharmaceutical expenditure growth and the importance of carefully considering how growth is measured and judged;
- changes in the medicines funding landscape internationally, and increased international awareness around the quality of medical evidence; and
- PHARMAC's decision making process; the role of clinical and consumer advisory committees; and the roles of some PHARMAC staff (explanations aimed at increasing understanding of PHARMAC's work).

Alongside the Annual Review, PHARMAC has also published new Information Sheets to help improve understanding about its work.

ENDS

Annual Review – <http://www.pharmac.govt.nz/patients/reports/AnnualReview>

Information Sheets –<http://www.pharmac.govt.nz/patients/AboutPHARMAC/infosheets>

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