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Media release

PHARMAC pays tribute to health professionals' role in brand changes

PHARMAC is acknowledging the role health professionals played in implementing medicine brand changes that affected a very large number of New Zealanders during 2008/09.

Highlights from the year included:

- Spending managed on budget at \$653 million
- 35.3 million prescriptions funded for about 3.1 million New Zealanders
- Eight new medicines funded, and access widened to a further 55
- Improving how brand changes are made, including through a 'wholesaler uplift fee' to pharmacy.

Acting Chief Executive Steffan Crausaz says PHARMAC had a busy year with savings-related activity, which was needed to help balance out increases in pharmaceutical prescribing.

Three of the medicine brand changes involved commonly-prescribed medicines – paracetamol for pain relief, omeprazole for gastric problems, and simvastatin for raised cholesterol.

“Overall these changes affected about 550,000 New Zealanders, and we know that change can be unsettling for people,” says Steffan Crausaz. “We wanted to take particular care with these changes because of the numbers of people involved and we took steps to help that happen, but we were really dependent on health professionals to help people adjust.”

“The changes have gone relatively smoothly, which reflects very positively on the quality of frontline healthcare delivered to patients. I would like to take this opportunity to thank healthcare professionals for that.”

Savings from brand changes were needed to make up for a shortfall in funding, even before any new investments were made. In any year, PHARMAC needs to find about \$60 million to cover the cost of increased prescribing (increased use of medicines already funded). In the past year this was done through a mixture of savings (\$35m) and increases in the budget.

As well as savings activity, PHARMAC added eight new medicines to the Pharmaceutical Schedule, and widened access to 55. This included reducing prescribing restrictions and rules, and less paperwork for health professionals.

Major decisions included:

- Imiquimod – a cream for some forms of skin cancer or to treat genital warts
- Extended release methylphenidate, and atomoxetine – long-acting treatments for children with ADHD
- Topiramate – widened access to this epilepsy treatment for treating migraines
- Bicalutamide and finasteride – for prostate disease (including prostate cancer)
- Amisulpride – a new treatment for people with schizophrenia
- Isotretinoin – an acne drug that can now be funded when prescribed by a GP
- Pegylated interferon – now funded to treat hepatitis B and hepatitis C

Steffan Crausaz says these and other decisions represent a major investment that will improve both New Zealanders' quality and length of life.

“A funding boost from Government, combined with ongoing savings, has helped us to fund eight new medicines already in this current financial year, and widen access to a further two.”

Continuing to improve how it works with health professionals will be one of the challenges PHARMAC focuses on in the year ahead, Steffan Crausaz says.

“Our relationships with the pharmacy sector in particular are on a much stronger footing, which is positive for all concerned,” he says. “Our challenge is to build on the gains that have been made and work to help doctors and pharmacists do their work even better.”

PHARMAC will also pay close attention to improving its communications and relationships, which will include responding to feedback it received at the recent PHARMAC Forum.

PHARMAC's Annual Report is available at:

<http://www.pharmac.govt.nz/patients/reports/AnnualReport>.

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