

Expanded role for PHARMAC

The Minister of Health has decided to extend PHARMAC's role to include the management of all hospital medicines and, eventually, medical devices. PHARMAC already decides which hospital cancer drugs are funded by District Health Boards (DHBs) and manages the purchase of off-patent medicines used in hospitals. The move follows recommendations from the Minister's High Cost Highly Specialised Medicines (HCHSM) panel and the Ministerial Review Group.

There are two primary aims of PHARMAC's widened role – providing national consistency in access to hospital medicines and devices, and creating efficiencies in spending. DHBs currently spend around \$200 million each year on hospital medicines.

PHARMAC will take a gradual approach to implementing the move, allowing time to connect with hospital doctors and a chance for them to contribute to the process. A broad consultation that will include DHB managers and clinicians, medical groups and consumers will be under way before the end of 2010.

Cabinet is also proposing PHARMAC manage the prioritisation, assessment and procurement of medical devices. New technologies are one of the biggest cost drivers in the health service, with medical devices costing around \$770m per year – a figure that has grown by 20% in the past two years.

PHARMAC already manages medical devices such as testing kits for pregnancy, blood glucose and urine, and will now assume management of insulin pumps. This will be run as a separate process to the hospital pharmaceuticals project, but will take a similar gradual approach. As clinical confidence in the process grows more devices will be added.



Exceptional Circumstances consultation

We've begun a review of the Exceptional Circumstances schemes, seeking views on what constitutes exceptional medical circumstances and how this should be defined.

Currently there are three Exceptional Circumstances (EC) schemes – Community, Hospital and Cancer. These aim to give individual patients, in some circumstances, access to medicines that are not otherwise funded or considered for funding through the Pharmaceutical Schedule or DHB Hospitals. The review follows recommendations from the HCHSM panel and Medicines New Zealand.

The review has three aims – to clarify the purpose of the requirement for PHARMAC to provide funding in 'exceptional circumstances'; clearly define what 'exceptional circumstances' means; and to ensure that EC is administered in the best way possible.

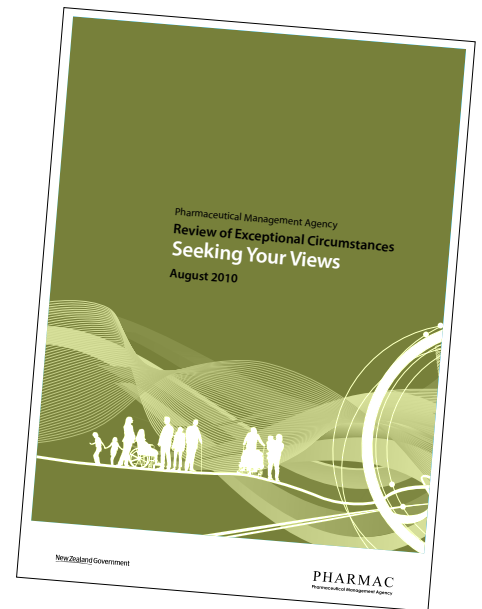
We've issued a discussion paper that provides the background to the current schemes and outlines how the review will proceed. And it poses a series of questions to help guide feedback. While we are interested in any and all feedback, we felt it would be useful to

include the questions that PHARMAC will be considering throughout the review.

Examples of the questions we're seeking feedback on include:

- What should constitute 'exceptional circumstances'?
- What should the access criteria be?
- How should funding be managed?
- How should PHARMAC balance the funding for EC with other potential uses of funding (such as for a general Schedule listing)?

Feedback on this part of the review, which is due by 3 September, will be used to help develop a proposal. Our aim is to consult on that proposal – a revised EC scheme – by the end of 2010, with recommendations going to the PHARMAC Board for a decision in early 2011.



The discussion paper is available on the PHARMAC website at <http://www.pharmac.govt.nz/ecreview>.

We're also keen to meet interested groups and individuals face to face. You can contact us at ecreview@pharmac.govt.nz to arrange a meeting.

Consumer participation

Earlier this year we asked for feedback about potential changes we could make to enable us to better connect with consumers. The PHARMAC Board has now approved some changes for us to put in place that will help us better connect with consumers, in line with the suggestions we received.

The results of our Consumer Participation survey reinforced that we already interact with the consumer sector in a number of ways, and while these continue to be useful there is room for improvement. These methods include our website, face to face meetings, our consultation documents, media releases and answering consumer queries. Many of the suggested changes were refinements to these methods, which we will implement progressively.

We will focus on improving what we already do, meeting our commitments and continuing to weigh up the potential benefits of new initiatives against their costs. The Board considered this a sensible approach in the current economic environment.

Changes under way or planned include:

- **Changes to the Consumer Advisory Committee** - We've reviewed the Terms of Reference for the committee, which is one of the ways we gain consumer perspectives on our work. We've also refreshed the membership and, under the new Terms of Reference, this will now occur more frequently.
- **Application Tracker** - This will be an internet-based tool to enable people to see where medicine funding applications are in the PHARMAC system. We expect the Application Tracker to be operational about October 2010.

- **Improvements to the website** - The PHARMAC website is the main way most people interact with PHARMAC, so it needs to work well for them. Improvements will be made progressively as we seek to keep the website as up to date and useful as possible.

- **Greater use of 'Plain English'** - We seek to make our public documents as easy to read as possible; however, there is always the chance that jargon will creep in. We'll remain vigilant about this and make sure that we use everyday language as much as possible in our documents. We're already making strides, winning a Plain English award in 2007, and being shortlisted in 2009.

- **Consider the use of social media** - Facebook, Twitter and chat sites are where many people now meet and share ideas. We're already using some of these communication tools as part of our Access and Optimal Use campaigns, and will continue to explore opportunities to use them for PHARMAC purposes.



Left to right; Stuart McLauchlan (chair), David Moore, Dr David Kerr, Kura Denness, Jens Mueller, Anne Kolbe.

New chair, Board members

Health Minister Tony Ryall has appointed two new members to the PHARMAC Board, while appointing Stuart McLauchlan as chair.

Mr McLauchlan, a Dunedin accountant, succeeds Richard Waddell as chair, while Associate Professor Jens Mueller of Waikato University and specialist paediatric surgeon Prof Anne Kolbe of Auckland University School of Medicine are newly appointed members of the board.

Christchurch GP David Kerr and Wellington economist David Moore have been reappointed to the Board.

The sixth member, whose term is continuing, is Kura Denness of New Plymouth.

CAC | Consumer Advisory Committee

Refreshed membership

Five new members have been appointed to our Consumer Advisory Committee.

The refreshed membership follows a review of the Committee's Terms of Reference, and brings the committee to nine members. New members have a range of skills and experience that augment those of the previously appointed members.

The committee's role is to provide PHARMAC with input from a patient or health consumer perspective. It considers a broad range of issues related to PHARMAC's work, however under the revised Terms of Reference it does not consider medicine funding applications.

PHARMAC received 35 applications for positions on the committee. The new members are:

Barbara Greer (Hokitika) – a registered psychiatric nurse and life member of the Māori Women's Welfare League, bringing a background in Māori and rural issues. Barbara is a member of the New Zealand Order of Merit for her services to health and Māori.

Shane Bradbrook (Wellington) – a tobacco control advocate with iwi affiliations to Ngāi Tamanuhiri, Rongowhakaata and Ngāti Kahungunu. He has significant experience with health and indigenous people's issues, including with the United Nations, the World Health Organisation, and in New Zealand.

Anna Mitchell (Christchurch) – current Chairperson of Canterbury Arthritis Advocates and the Vice-President of the Disabled Persons Assembly for Christchurch and surrounding districts. She is also Chairperson of the Christchurch City Council Disability Inclusion Group.

Moana Papa (Auckland) – has close connections to the south Auckland Pacific community. Moana is involved with a number of organisations, including Breast Cancer Aotearoa Coalition (BCAC), the Māori Leadership Group – Northern Cancer Network, BreastScreen Aotearoa in Manukau and Raukura Hauora O Tainui Ki Tamaki, a charitable trust that is the largest Māori health provider in the Auckland South region.

Katerina Pihera (Rotorua) – with links to Ngāti Rangiwewehi and the Te Arawa confederation, Katerina is a representative of the Te Arawa Health Board, providing advice and advocacy to the Lakes DHB through her membership of the Community and Public Health Advisory Committee for Lakes DHB.

The existing committee members are:

Kate Russell (Christchurch, acting chair); **Anne Fitisemanu** (Auckland, acting deputy chair); **Maurice Gianotti** (Taupo), **Jennie Michel** (Auckland).



Putting the Boot into heart disease

One Heart Many Lives 'Boot Camps' are becoming an important part of taking the campaign messages to communities through grass roots 'champions'. This year we have held boot camps at Te Aute College in Hawke's Bay, and in Kaitiāia.

These camps build on the success of taking One Heart Many Lives into the community through community-led initiatives, led by men as role models. The camps are an opportunity for these men to get together, share ideas and draw encouragement from each other.

Men at the camps had experience in living with, or experiencing the effects of, heart disease (including one man who told of his experience with heart transplantation – and produced his old heart to prove it).

One Heart Many Lives is spreading nationally. The campaign was also the inspiration for a men's health heart check programme in Whanganui in June. One of the men who attended the Hawke's Bay camp took the concept back to Whanganui, where free heart checks were arranged with support from a Whanganui PHO, PHARMAC and the Heart Foundation.

And in Porirua, a group of three well-known local figures entered into a health challenge inspired by the One Heart Many Lives messages.

**BOOT
CAMP**



New medicine funding

The community pharmaceuticals budget will rise to \$710 million for 2010/11. This arises from the \$20 million increase in pharmaceutical spending the Government committed as part of the 2010 Budget.

The funding increase, combined with PHARMAC's ongoing savings activity, gives considerable scope to increase the range and cover of funded community and pharmaceutical cancer medicines. PHARMAC is already putting in place new funding decisions that are projected to lead to up to 150,000 new patients receiving funded medicines in the new financial year, with further decisions in the pipeline. Decisions to date include:

- **Long-acting contraceptive implants** – the Jadelle brand of long-acting contraceptive providing up to five years' contraception for women, without the need for a daily pill;
- **Alzheimer's treatment** – donepezil, the first medicine funded in New Zealand specifically for Alzheimer's Disease;
- **Clopidogrel** – widened access to this medicine used to thin the blood of patients at risk of heart attack or stroke;
- **HIV** – specialists treating patients with HIV can now prescribe up to four antiviral medicines; and
- **Diabetes** – insulin glargine, long acting insulin, formerly only available under Special Authority for some patients with Type 1 diabetes, is now available to all patients with diabetes including Type 2 diabetes.

PHARMAC is also looking at treatments for iron overload, lung cancer, kidney cancer, auto-immune disorders, brain tumours and depression, which will continue to grow the range of funded medicines for New Zealanders.

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PHARMAC is the Government agency responsible for deciding which medicines are subsidised for New Zealanders.

It manages spending on pharmaceuticals for the District Health Boards, and ensures that a comprehensive list of medicines (the Pharmaceutical Schedule) is subsidised for New Zealanders.

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