

15 December 2010

Media release

Adaptable approach key to success in hospitals, says PHARMAC CE

Learning from past experience will serve PHARMAC well as it takes a greater role in purchasing hospital medicines, says Chief Executive Matthew Brougham.

The Government this year gave PHARMAC an expanded role in purchasing hospital medicines. PHARMAC has begun this task with a series of meetings with senior DHB executives, clinical leaders and pharmacy staff to gather information about how each DHB deals with hospital purchasing. PHARMAC has visited 21 DHB hospitals.

Writing in PHARMAC's Annual Review, released today, Matthew Brougham says the hospital project is a long-term one, and building relationships and trust will be an important part of ensuring its success.

"It's likely that over time there will be savings, but that's not the critical issue at the outset," says Matthew Brougham.

"What is most important is making sure the opportunity to access medicines is nationally consistent, and that we get rid of the phenomenon known as postcode prescribing. If we can do that, have the support of clinicians and help better manage national spending on hospital medicines, those will be true measures of success."

PHARMAC is working towards building a nationally-consistent hospital 'formulary' – a list of medicines that all DHBs will provide for their hospital patients (similar to the community Pharmaceutical Schedule that PHARMAC already manages).

In the Annual Review, Matthew Brougham outlines the key components of PHARMAC's approach to pharmaceutical purchasing, and says these same components will be the foundation for the hospital work, and that they are adaptable enough to suit different situations.

Matthew Brougham acknowledges there is some nervousness about PHARMAC taking a greater role in hospitals.

"I sometimes hear that PHARMAC is just intent on "tendering everything"; on taking a one-size-fits-all approach to pharmaceutical contracting, but this isn't the case. Our approach in recent years has been more about horses for courses – adapting our approach to suit the situation," he adds.

"Choosing the right approach for each situation will be critical to our success in hospitals."

Matthew Brougham says the next stage of PHARMAC's hospital work will be putting together 'baskets' of medicines in each therapeutic group, and then seeking feedback on these from DHB clinicians. That work is likely to begin in 2011.

PHARMAC will also be developing a nationally-consistent approach to providing access to 'exceptions' – those patients whose conditions require treatment with medicines that aren't on the approved medicines list.

The Annual Review is available at
<http://www.pharmac.govt.nz/patients/AccountabilityDocuments/AnnualReview>

PHARMAC 2010 Annual Review

Highlights of 2009/10

- Community pharmaceutical spending managed on budget - \$693.8 million compared to a budget of \$694 million
- 20 new medicines funded and access widened to 25 others
- New investment decisions include medicines for arthritis and auto-immune conditions, pulmonary arterial hypertension, HIV/AIDS, smoking cessation, chronic myeloid leukaemia and various types of cancer
- The largest number of major investments in medicines since 1999 (45)
- Transactions leading to two of the most significant savings—in dollar and percentage terms—in PHARMAC's history
- Completed a pilot of the Space to Breathe – He Tapu te Ha project in Taranaki
- Continued to grow and promote the One Heart Many Lives cardiovascular campaign nationally
- Hosted the second PHARMAC Forum
- Piloted a campaign in the Bay of Plenty to promote awareness about generic medicines
- Reviewed and updated the Consumer Advisory Committee's Terms of Reference
- Completed a project to examine the optimal way for consumers to participate in PHARMAC's activities

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