

Let the facts speak for themselves?

When we live in a world where evidence is meant to trump opinion, you'd think facts were all that's needed to convince others of the strength of an argument. But facts can be mistakenly connected to other facts, leading to incorrect interpretations.

We've seen a bit of this around the topic of PHARMAC lately. Take this statement for example: "New Zealand's per capita spending on pharmaceuticals is below the OECD average." The statement is undeniably true. But what does it mean, and is it good or bad?

If you are a pharmaceutical lobby group calling for more funding for medicines, the meaning put around this fact is a claim that spending more on medicines leads to better health outcomes (despite the report cited¹ showing the United States, which has the highest prices and highest per capita spend on pharmaceuticals, also has the highest mortality from preventable diseases).

From PHARMAC's point of view, the fact that we spend less per capita on pharmaceuticals is pretty good. Because New Zealand's population health outcomes are broadly in line with OECD averages, the fact illustrates the value for money PHARMAC achieves for our medicine funding system.

Here's another fact: "New Zealand's mortality from preventable diseases has been improving faster than the OECD average." We think this fact is a good thing. It also comes from the same report the industry



has been using to promote its case that it is a bad thing that New Zealand spends less on pharmaceuticals.

Unfortunately such recent comments haven't had a lot of factual backing. Rather, these arguments need to be unpicked and corrected, something that is readily done using documents easily obtained through our website or from other sources.

And that's a fact.

"A MAN WITH A CONVICTION is a hard man to change. Tell him you disagree and he turns away. Show him facts or figures and he questions your sources. Appeal to logic and he fails to see your point."

-Leon Festinger

¹ Measuring The Health Of Nations: Updating An Earlier Analysis Ellen Nolte and C. Martin McKee Health Affairs, 27, no. 1 (2008): 58-71 doi: 10.1377/hlthaff.27.1.58

Tracking the use of human growth hormone

Human growth hormone is one of the more expensive medicines PHARMAC funds, but up until recently not a lot was known about how the medicine was used by patients. The drug is mainly used to treat children with slow rates of growth but is now also funded for some adult patients.

PHARMAC has supported research by Auckland University investigators that audited patients' use of funded growth hormone. The paper, published online by the Public Library of Science,² has revealed that some people aren't getting the health benefits they could from the drug.

Researchers, led by Prof Wayne Cutfield of the Liggins Institute at Auckland University and supported by PHARMAC, looked at how well the distribution and patient management strategy used for growth hormone was working. Currently, just over 200 people have funded growth hormone, at a total annual cost of \$4.4 million.

The national audit was the first of its kind internationally for growth hormone. The study looked at the number of unused vials of growth hormone returned, compared to the number requested. This revealed that nearly two-thirds of patients had less than 85% compliance with their medicine regimen.

Further, the study showed that those patients with lower compliance were those with lower rates of growth. This can lead to developmental problems, particularly in children.

Access to funded growth hormone is managed by PHARMAC, which uses a panel of clinical experts to decide who gains access. PHARMAC actively manages distribution of growth hormone to patients.

PHARMAC is using the study's findings to look at ways to improve medicine compliance and the health outcomes from using funded growth hormone, and to reduce wastage.

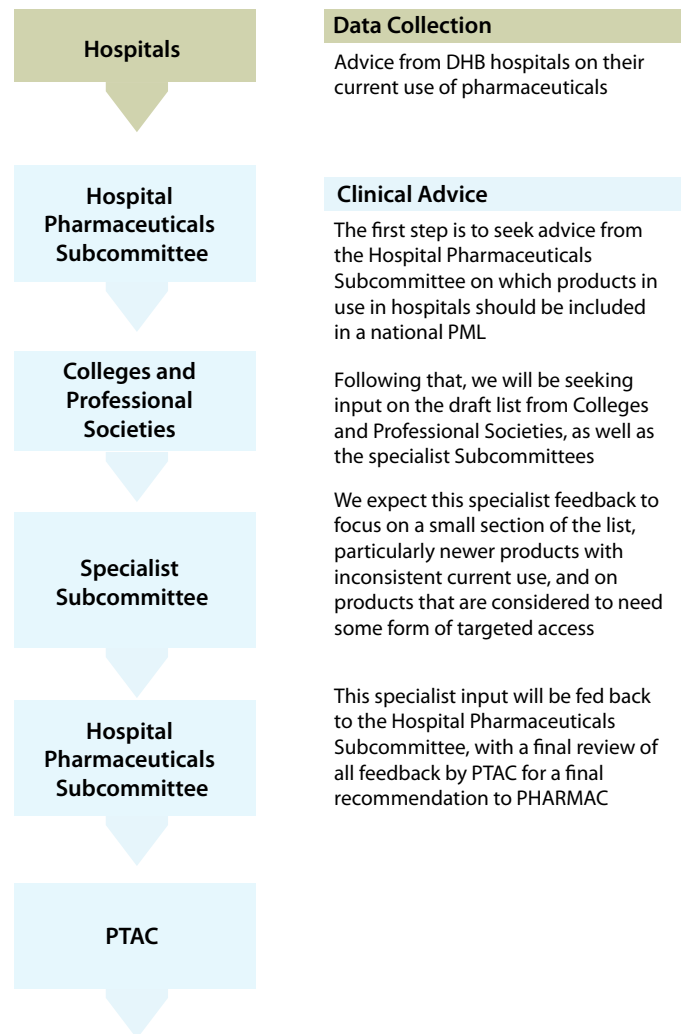
Hospital medicines

We've made considerable progress towards taking on national management of all hospital medicines. District Health Boards have agreed to our approach, so we will be progressively implementing the plan over the coming months.

In simple terms, we plan to compile a national Preferred Medicines List (PML). This will be the list of medicines that hospitals must provide in a nationally-consistent manner, where the related clinical services are provided by that hospital. This is a big job that will take time, so we have decided to slice it up into bite-sized chunks. Rather than seek information and compile an enormous list, we will be compiling 17 lists structured around the therapeutic groups we use for the community Pharmaceutical Schedule. We will be seeking information, then advice from our new Hospital pharmaceuticals subcommittee (a subcommittee of our primary clinical advisory committee PTAC), on each of these therapeutic groups in turn.

The first therapeutic group to be addressed is cardiovascular medicines, followed by musculoskeletal, then infections.

An outline of the process we're using for each therapeutic group is contained in the flow chart.



Data Collection

Advice from DHB hospitals on their current use of pharmaceuticals

Clinical Advice

The first step is to seek advice from the Hospital Pharmaceuticals Subcommittee on which products in use in hospitals should be included in a national PML

Following that, we will be seeking input on the draft list from Colleges and Professional Societies, as well as the specialist Subcommittees

We expect this specialist feedback to focus on a small section of the list, particularly newer products with inconsistent current use, and on products that are considered to need some form of targeted access

This specialist input will be fed back to the Hospital Pharmaceuticals Subcommittee, with a final review of all feedback by PTAC for a final recommendation to PHARMAC

Consultation

Once we have received all necessary clinical advice, we will augment that with other information necessary to make a decision on the content of a national PML, such as pharmacoeconomic analysis and assessments of the financial impact on each DHB. We will then be in a position to seek feedback on a final draft list for each therapeutic area.

Such consultation will include to DHBs and DHB hospital staff, colleges and societies, interest groups and pharmaceutical suppliers. It is likely that consultation with DHBs and DHB hospital staff will take a different format to our standard consultation process.

We want to get the job right and consult with hospital clinicians along the way. For this reason, we see this as a multi-year project with the overall task of compiling the PML likely to be completed by mid 2013.

² <http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0016223>

Medicine funding

Bortezomib and thalidomide for multiple myeloma

From 1 May 2011, PHARMAC funded bortezomib so that it can be used as first or second line treatment for multiple myeloma (MM) or amyloidosis, both of which are incurable blood disorders with few treatment options.

Thalidomide has been funded for patients with relapsed or refractory multiple myeloma for many years. The latest decision allows treatment with thalidomide at any stage in the disease process for patients with either MM or amyloidosis.

Both thalidomide and bortezomib are hospital cancer treatments. Bortezomib is administered in-hospital through an intravenous line, while thalidomide is given orally.

The decisions are likely to mean that bortezomib will become the first-line treatment of choice in NZ for multiple myeloma and amyloidosis.

PHARMAC expects between 700 and 750 patients to be treated each year, at a total cost (before rebates) of \$24 million over 5 years.

New epilepsy treatment

Funding for a new epilepsy treatment, lacosamide (Vimpat), began from 1 May 2011.

Lacosamide is funded for people whose epilepsy symptoms haven't been adequately controlled by currently-funded treatments – and for those people who have unacceptable side-effects from other treatments.

PHARMAC estimates that after three years, approximately 400 people will be prescribed lacosamide. PHARMAC's estimate is that funding lacosamide will cost \$4.8 million over five years (including pharmacy markups and dispensing fees).

Sleep disorder treatment gets funding

PHARMAC is now funding modafanil, a treatment for the sleep disorder narcolepsy.

Narcolepsy is a condition that causes people to be excessively drowsy during the day, or to fall asleep when they don't expect to. Onset can be sudden and can affect people going about everyday activities such as moving about the house, being at work or while driving (though typically, people with narcolepsy are not permitted to drive).

Narcolepsy is typically treated with stimulant drugs. For people with particularly severe symptoms, this can include treatments such as methylphenidate and dexamphetamine, which are also used to treat ADHD. Modafanil, however, can only be used as a treatment for narcolepsy.

In order to access funded modafanil, people will first have to try other funded stimulants.

PHARMAC estimates about 200 people receive funded methylphenidate or dexamphetamine for narcolepsy. We think up to 85 people will receive funded modafanil after three years. Numbers are expected to grow in future as, once stabilised on treatment, people continue taking these medications long-term.

The five-year cost of funding modafanil is estimated to be approximately \$950,000.

Improving access to Special Foods

Changes to the funding of Special Foods began on 1 April 2011.

Special Foods aren't medicines, but have been one of the fastest-growing groups of products on the Pharmaceutical Schedule in recent years. Used by people who need specific foods due to a medical condition, or who can't eat a normal diet, spending on them is now over \$18 million and growing at about 17% per annum. The changes we have made will help ease this cost to taxpayers. However, the changes have primarily been made to create a wider range of prescribers and move access in-line with international guidelines

One of the changes is to widen access to the types of health professionals who can write prescriptions and who can apply for funding. This will include some dietitians and most general practitioners; previously all applications had to be authorised by hospital doctors which made it hard to get access. This will give easier

access to funded Special Foods, particularly for people living in rural communities.

As well as widening the range of prescribers and those who can apply for funding, other changes include:

- Fortisip and Ensure Plus powders will be fully funded, but the ready made liquids are likely to have a part charge unless the patient is being tube fed. This means that people will have to add water or milk to the powder in much the same way as people mix up a glass of Milo or powdered infant formula.
- Some gluten-free foods are partially subsidised and we will continue with those subsidies, but we will not be increasing them if the supplier increases the price. These foods can often be bought in supermarkets at very competitive prices. >>

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- Patients with severe genetic diseases (inborn errors of metabolism) will have easier access than before.
- Children who need specialised infant formulae will need to follow international guidelines – these require people to try simpler and cheaper formulae before more complex and expensive formulae.

We have received the most feedback from people about changes to adult sip feeds. They come in two types – ready-made liquid preparations and powdered versions that need to be mixed with water. The ready-made versions have been more expensive for PHARMAC to fund.

We've had advice that the powdered and ready-mixed versions of these products are pretty much the same, so we think it's reasonable to pay the same subsidy for both. Powdered drinks will be fully subsidised, and people can choose to pay the difference if they opt for the ready-made liquid products.

In making the funding changes, we've thought about people with particular needs like those who are tube fed and rely on liquid feeds for their full nutrition (known as enteral feeds). We've created rules so that tube-fed patients can have ready-mixed enteral feed preparations fully funded and not have to pay a part-charge. We've also worked to ensure that access to funded Special Foods is appropriately targeted so that the people who are in genuine clinical need receive funded products.

Full details and patient information about the changes are available at <http://www.pharmac.govt.nz/patients/SpecialFoodsChanges>

Te Matatini and Whānau Hauora Village

A PHARMAC-led initiative was a major drawcard at the Te Matatini o te Rā national kapa haka festival in Gisborne on 16-20 February.

PHARMAC worked with a range of groups including Tairāwhiti District Health Board, Plunket, National Heart Foundation, Te Hotu Manawa Māori, Quit Group, Māori Pharmacists Association, Turanganui a Kiwa health and Midlands Health Network to create a Whānau Hauora Village for the duration of the festival.

Services offered included men's heart health checks, diabetes screening, well child checks, cancer services including cervical screening, nutrition and physical activity guidance and smoking cessation advice and support. Specialist services included sexual health and oncology (cancer) expertise, medications advice and counselling, all provided by senior Māori clinicians.

The village concept was extremely popular, with 2,500 people visiting the Village (out of approximately 50,000 people attending the festival). PHARMAC and the festival organisers put a lot of effort into creating an environment where people felt safe and welcomed and were willing to take part in the various services on offer. This meant that, despite being set up in little more than a tent in a field, highly professional services were offered in a setting that made people feel at ease and well cared for.

Services provided during the festival included:

- 303 men had their heart and diabetes status checked (of these, 145 were considered high risk – greater than 15% chance of a heart event)
- 200 women had diabetes checks
- 20 women had cervical smears
- 200 contacts were made with families with young children

The Village concept emphasised the idea that healthcare is a concern for families as a whole, not just for individuals.

Many of the people seen at the Village did not have regular contact with health professionals. Two of the women who had cervical smear tests had never had one before.

PHARMAC and its partners in the Whānau Hauora Village felt the concept, bringing together a range of services working together under one roof, worked extremely well. The concept of a health village is an exercise they are keen to repeat at future festivals and the Whānau Hauora Village has been invited back to be part of the Te Matatini festival in 2013.

Whānau Hauora Village



What's cooking in Prescription Kitchen?

PHARMAC has been involved in a new and innovative way to deliver medical education to clinicians.

Prescription Kitchen, the first in a series called HealthQ, was a collaboration between PHARMAC, BPACnz and Mobile Surgical Services that provided an innovative way to deliver continuing medical education (CME) to health professionals. As part of this, a live and interactive CME session was held on Thursday 5 May and screened on Sky TV.

This first session focused on the current Pharmaceutical Schedule changes to Special Foods, and supplemented the other medical education that is occurring. The Sky TV session, compered by veteran broadcaster Ian Fraser, involved live panel discussion with expert clinicians as well as pre-recorded video clips and opinion pieces in order to provide as dynamic an approach to CME as possible.

There was also the opportunity for health professionals to text or email questions they had for the panel both in advance of the show, as well as during its screening. Health professionals, including GPs, paediatricians, geriatricians and dietitians were sent an 'invite' to tune in to the screening.

We will be monitoring the response to Prescription Kitchen. Should this first session be successful, a further two Sky TV based sessions may be developed for other medical subject matter during 2011.



Special Authority vigilance

Special Authority is the mechanism PHARMAC uses to target medicines to people who need them most. The system is only as good as our ability to ensure it is used properly, so we routinely commission audits to check the system is being used as intended.

During the course of an audit into the Special Access process (which is similar to the Special Authority process) for the ADHD drug Ritalin SR, we became aware of some irregularities around some doctors' use of the forms. Having identified particular concerns in relation to two doctors, we made a complaint to the Medical Council, whose Professional Conduct Committee decided to lay charges against the doctors before the Health Practitioners' Disciplinary Tribunal.

The charge against one of the doctors was withdrawn after he acknowledged that he had completed some of the criteria in the special access forms in error in the context of a busy practice. The charges against another doctor, Dr John Anthony Hanne of Auckland, proceeded to a tribunal hearing. During the course of the hearing the tribunal agreed to the withdrawal of the charges after Dr Hanne agreed to make a statement accepting that his actions fell below the standards of optimal practice, that he regretted the errors, and that he will take more care with completing forms in future.

The full decision can be found at <http://www.hpdt.org.nz/Default.aspx?tabid=293>.

PHARMAC will continue to commission regular audits of Special Authority Processes.

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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.

Contact: PHARMAC, Level 9, 40 Mercer Street, PO Box 10-254, Wellington 6143, New Zealand

Phone: +64 (0)4 460 4990 - **Fax:** +64 (0)4 460 4995 - www.pharmac.govt.nz