

15 December 2011

Media release

## Investment in medicines highest in PHARMAC history

A surge in the medicines budget over the past three years, combined with PHARMAC's savings programmes, has seen PHARMAC investing heavily in new medicines.

In its Annual Review, released today, PHARMAC reports that it funded 39 new medicines in 2010/11 financial year, and widened access to 43. In the previous year, it provided new or widened access to 45 medicines – a total of 127 medicines with new or widened access in two years. This was achieved even with large increases of around 7% in the volume of existing medicines subsidised.

Spending on community medicines (the portion PHARMAC is responsible for) rose to \$706.1 million in 2010/11, and this funded 39.7 million prescriptions. In all, PHARMAC estimates more than 260,000 people will benefit from decisions made during 2010/11 in a full year.

“Over the past two years regular increases in the funding allocated to medicines by the Government, together with the impact of PHARMAC's long-term savings programmes, has created significant ‘headroom’ for PHARMAC to invest in new medicines, and to widen access to those already funded,” says acting Chief Executive Steffan Crausaz.

“In the past year we have provided new or wider access to 82 medicines – the heaviest and most sustained period of medicine investment in PHARMAC's 18-year history.”

Key decisions included:

- First funded medicine for Alzheimer's Disease – **donepezil**
- New-generation cancer treatments funded – targeted to specific cancers and in pill form that patients can take at home – **sunitinib** and **erlotinib**
- The **Jadelle** implant, a long-term reversible contraceptive giving up to 5 years' contraception, funded.
- A new-generation anticoagulant, **rivaroxaban**, funded for major orthopaedic surgery
- Two new treatments, **darunavir** and **etravirine**, funded for HIV
- **Bortezomib**, a new type of cancer therapy, funded for multiple myeloma

Steffan Crausaz says the funding of some cancer medicines, in particular sunitinib and erlotinib, continues a trend of increasing options for cancer treatment into the community. Both sunitinib and erlotinib are medicines that patients can take at home, meaning less hospital resources are needed to provide such treatments.

Looking ahead, PHARMAC will also continue to look for benefits in hospital medicines, and in developing its work with medical devices.

“These are areas where the Government has indicated it sees potential for making improvements, so we will be looking to apply a carefully considered approach in those areas as we already do with pharmaceuticals used in the community,” says Steffan Crausaz.

“PHARMAC will continue to maximise the value for money obtained for New Zealanders from the medicines and health technologies it is able to fund. Medicine funding decisions have long-term effects. While we expect them to produce better long-term health outcomes for New Zealanders, the decisions will also have budgetary impacts into the future that PHARMAC will have to take care in managing,” he adds.

ENDS