Minutes of the PHARMAC Consumer Advisory Committee (CAC) meeting

Friday 17 March 2006

The meeting was held in the Tait Room, 14th floor, Cigna House, 40 Mercer St, Wellington from 9.30am.

Present:

Sandra Coney	Chair
Matiu Dickson	CAC member
Dennis Paget	CAC member
Paul Stanley	CAC member
Heather Thomson	CAC member
Te Aniwa Tutara	CAC member

Apologies

Vicki Burnett	CAC member
Sharron Cole	CAC member
Kuresa Tiumalu-Faleseuga	CAC member

In attendance

Simon England	PHARMAC (minutes)

Dr Peter Moodie, Marama Parore-Katene, Adam McRae, Steffan Crausaz, Scott Metcalfe, Stephen Woodruffe, Rachel Grocott, Rico Schoeler, Dr Dilky Rasiah, Jayne Chaulk, Ginny Priest, (PHARMAC Staff), attended for relevant items.

1. Record of previous CAC meeting

The minutes of the 18 November 2005 meeting of the Consumer Advisory Committee (CAC) were accepted as a true and accurate record.

Coney/Dickson carried

2. Conflicts of Interest

No new conflicts of interest were declared.

3. Chair's report

The Chair tabled a written report to the committee. The chair noted that some meetings had taken place with consumer groups, also involving the Chief Executive of PHARMAC. Some consumer groups had sought earlier access to CAC's minutes. The committee agreed that it was appropriate for the minutes to be reported to the PHARMAC Board before being made public, but that the meeting's agenda could be posted to the PHARMAC website as an interim measure until the minutes had been considered by the PHARMAC Board.

4. Access to Medicines Coalition

Matiu Dickson informed members about the launch of the Access to Medicines Coalition in November 2005. This is a group formed to seek a Government review of medicines policy. Members noted that the ATM's agenda focuses on patients gaining access to medicines that

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are not subsidised, and does not address the needs of those patients who are eligible for, but not accessing, subsidised medicines. For example, there are differences in access and uptake rates between Maori and Pacific patients and the rest of the New Zealand population.

The committee agreed it would be useful to seek further information from the ATM and agreed to invite John Forman, or a representative of the ATM, to the next meeting of CAC.

5. Researched Medicines Industry Association Presentation

The committee welcomed a delegation from the Researched Medicines Industry Association (RMI), Lesley Clarke (CEO), and RMI Board members Jan Trotman (Janssen-Cilag) and Darcy Downey (Boehringer-Ingelheim).

Lesley Clarke began by informing the committee about the membership and roles of the RMI. Currently the RMI has 18 members, representing the interests of the research-based end of pharmaceutical industries. The RMI also operates a code of practice for its members covering such areas as marketing and relationships with medical professionals.

The RMI considers that pharmaceuticals have an important role to play in the health of New Zealanders, and is committed to New Zealanders obtaining the health benefits of prescription medicines. The RMI wants to see New Zealanders enjoy a similar level of access to medicines as people in other countries, however this needs to be balanced against the taxpayer's ability to pay for such medicines.

The RMI had some concerns about the current model, including:

- Little growth in pharmaceutical expenditure
- Cost containment had become about slowing down funding for new medicines, and limiting the number of patients who could access those that were subsidised (although the RMI accepts there is a capped budget and trade-offs have to be made)
- Some of the tools used for decision-making may not be as robust as they could be
- Patient group voices are growing and there is a risk that "squeaky wheel" groups will be those who have their medicines funded.

The RMI is not of the view that New Zealand needs to throw out PHARMAC, however it considers that some fundamental questions need to be asked.

The views of the RMI are not necessarily accepted by CAC or PHARMAC.

The chair of CAC outlined the committee's role, and its relationship with the PHARMAC Board. Primarily the CAC's role is to ensure the voice of the consumer is heard within PHARMAC. The committee has been asked for its view on a number of issues, for example the return to all-at-once dispensing. The chair of CAC attends or speaks to the PHARMAC Board, and the Board writes back to members to outline its response to CAC's recommendations, so communication is two-way. This has resulted in a good working relationship with the PHARMAC Board.

The RMI was keen to engage with consumers and have the consumer perspective. Currently RMI member companies obtain consumer views through their interaction with consumer groups. The RMI Board does not have consumer representation, but member companies bring feedback from consumer groups to the Board.

In response to a question, RMI representatives said an alternative to the current pharmaceutical funding model would involve breaking down current funding silos, not just

ring-fencing pharmaceutical spending. The RMI considers increasing spending on pharmaceuticals can produce downstream savings in other areas of healthcare. Such a change would require an examination of how healthcare spending was prioritised, and where disinvestment might occur.

The CAC agreed that it was open to having further meetings with representatives of the RMI in future.

6. Demand Side Update

Diabetes campaign

Members had provided feedback on resources developed by PHARMAC. Resources are now ready for launch which would be taking place in April, probably in Bluff.

The committee continues to be concerned about whether the resources will target or reach those communities who are more affected by diabetes, particularly Maori, Pacific and Chinese communities. The committee noted that Diabetes NZ appeared to represent a particular part of the community, but not necessarily Maori and Pacific peoples.

The committee **recommended** that PHARMAC Staff explore other options for providing information and support services and the development of resources for Maori and other ethnic groups with diabetes.

Paget/Dickson carried

Atypical antipsychotics

An evaluation report on this campaign was being prepared and was likely to be available at the end of March. CAC members would be provided with copies of the report.

PHARMAC was now looking to roll out a depression project, and was looking for input from GPs and psychiatrists. The aim of this project would be to promote best practice prescribing of antidepressants.

The committee considered that an antidepressants campaign could be targeted at a more "grass roots" level than for antipsychotics, perhaps targeting individual GPs and working through the Mental Health Foundation.

One Heart Many Lives campaign

PHARMAC is continuing to roll out aspects of this campaign, most recently in Hawke's Bay and Northland. A Hawke's Bay launch was taking place, this involved the development of a TV advertisement and short film, which was new territory for PHARMAC. PHARMAC's aim was to continue to involve the consumer viewpoint as it continued to be a community-driven project.

CAC members were invited to attend a 2-day seminar in Hawke's Bay that effectively launched the project in that region during April 2006. PHARMAC was now working with DHBs to roll the campaign out further, with a launch scheduled to take place in Northland (August-September), and the possibility of further projects in Lakes DHB (Rotorua) and Nelson-Marlborough DHB regions.

7. Patterns of Statin Prescribing

The committee considered a paper outlining growth in statin prescribing, particularly as it related to activity around the One Heart Many Lives campaign. The committee noted that there had been considerable growth in the prescribing of statins, although it was still within what was considered to be the overall population's need. There are continuing regional variations in uptake rates, which are not readily explained by differences in age and ethnic make-ups of the population. Evaluation data suggested that Maori and Pacific people did respond to the campaign in the Gisborne and Porirua pilot areas.

The committee noted that the available data did not indicate how uptake rates compared among various ethnic groups, and that this would be useful in understanding how the campaign had reached high need, high risk populations. The committee noted that data was still being received and a comprehensive report on the impact of the campaign to date was currently being written, and would be provided to members.

The committee considered it was important to understand why the campaign had been successful, and there were a number of possible explanations, including

- Simplicity of the message
- Targeting 'key influencers' of the target audience
- Enthusiasm of PHARMAC Staff
- Ability of the campaign to bring communities together around a health message
- Promoting a message that Maori and Pacific men are valued in their families and communities
- Integrated 'health promotion' approach beyond simple mass media campaigns, including empowering and developing communities (building local capacity)

The committee commended the team at PHARMAC for its approach to the cardiovascular disease project (One Heart Many Lives) and for its success to date. The committee noted that it had taken a keen interest in the project and continued to be extremely supportive.

8. Review of Prescription for Pharmacoeconomic Analysis

The committee considered a paper on a review of the Prescription for Pharmacoeconomic Analysis (PFPA), which is the document that outlines how PHARMAC undertakes economic analyses of pharmaceuticals.

The committee noted that cost-utility analysis (CUA) was a tool for assessing the relative value for money of pharmaceuticals, and that cost-effectiveness was but one of PHARMAC's decision criteria.

The committee noted that CUAs at PHARMAC are undertaken from the perspective of the funder (i.e. District Health Boards). As such, the CUAs do not include wider government or societal costs (such as lost income resulting from inability to work), but do include health sector costs and savings beyond the pharmaceutical budget.

The committee recommended that direct costs to the patient be included in CUAs, as these are 'real' costs. These include the cost to patients of a GP visit and all prescription costs.

Members considered that CUA may discriminate against some patients, for example those with chronic conditions but whose conditions are stabilised. They also considered that CUAs, in particular, the use of quality-adjusted life years (QALYs), may discriminate against the elderly due to the fact that they have fewer remaining life years. The committee noted that while in general an intervention is assumed to give the same benefit to all patients independent of age, QALYs will however inevitably be higher for younger people as they

have more potential life years to gain. The committee considered that this may be contrary to some cultures, such as Maori, where for instance the value of older people and their contribution to kaupapa and the knowledge they pass on to following generations were considered to be of great importance.

The committee considered that such issues needed to be highlighted and teased out further as the review progressed.

The committee considered that CUA may not adequately adjust for some patients who are sicker than others, or more in need. They noted however that these issues are considered under the other decision criteria.

The committee indicated that it would welcome the opportunity to have further input at the next stage of the PFPA review. The committee sought further information on the timeframes for progressing this project.

9. Supply Side update

PHARMAC's emphasis continues to be on new funding initiatives. Recent decisions include the listing of adalimumab for chronic arthritis, and provisional agreements have been reached to list new treatments for hepatitis and brain tumours.

PHARMAC was reviewing the list of drugs that are subject to Special Authority criteria. This is likely to result in some Special Authorities being removed and/or simplified.

PHARMAC was also taking a role in pandemic planning, assisting the Ministry of Health which is the lead agency. PHARMAC has asked pharmaceutical companies for proposals to supply antibiotics in the event of a pandemic, and was working through storage and distribution issues. A separate area of work was addressing the needs of patients with chronic conditions.

10. Herceptin

The committee noted a paper outlining the assessment of Herceptin (trastuzumab) for early breast cancer. The committee had requested the paper as Herceptin had been a high-profile issue.

The committee noted that the benefits of Herceptin may not be as great as stated by patient groups lobbying for funded access. The committee also noted that at a total cost of about $30 million per annum, Herceptin had the potential to almost double the spending on hospital oncology drugs.

11. Exceptional Circumstances

The committee considered a paper outlining the Exceptional Circumstances (EC) scheme. The EC criteria had last been reviewed by the EC Panel in November 2005, and at that time no changes were proposed.

Funding for EC was ultimately drawn from the pharmaceutical budget. Members noted that any change in the access criteria would require further funding for EC.

Members sought further information on the applications that were declined. Staff informed the committee that the Panel declines applications on clinical grounds, other personal circumstances are not taken into account. Inability to tolerate subsidised treatments was not a criterion to receive EC funding, unless that intolerance was truly 'exceptional'.

The committee noted that there would be a small group of patients who could not take subsidised treatments, but who would not qualify for EC funding.

The committee asked for any available information about applications that had been declined and whether the patients had been followed up to determine the patient's ultimate outcome.

12. High Cost Medicines Review

Members considered an updated paper on the high cost medicines review. Views had been sought from a number of external parties (including two members of CAC). Once those views had been received, the next step would be to analyse the papers for any key themes and perhaps to bring the reviewers together. This could then result in some recommendations being made to PHARMAC.

Members noted that it was likely the High Cost Medicines review would dovetail with the Government review of medicines policy.

13. General Business

The committee noted that the Ministry of Health had asked for submissions on a paper regarding direct to consumer advertising. The committee resolved to make a submission to the Ministry reiterating the Committee's earlier position on DTCA, outlined in a letter to the Minister of Health in 2003.

Coney/Paget carried

The meeting concluded at 4pm.

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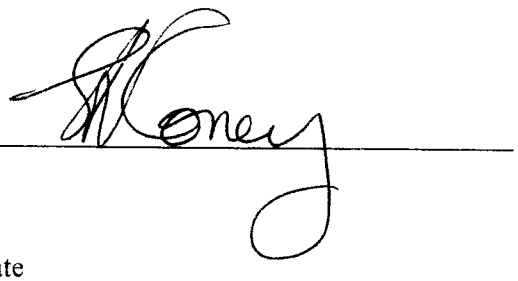
Signed



Date

13/7/06