Consultation on applying the PHARMAC model for hospital medical devices management

Auckland Forum 22 October 2013

Key points raised by attendees

New Zealand Government

PHARMAC
Pharmaceutical Management Agency

It's essential that PHARMAC's work is informed by the views of the people who work with devices. The approach to these forums was to outline that PHARMAC is in an information gathering phase and that we wanted to hear from the sector. PHARMAC was not there to provide all the answers, but to hear what the issues were for those working in this space so they can help develop the proposed approach to management.

General question discussed:

What are the key considerations PHARMAC needs to take into account when developing its policies and processes for hospital medical devices management?

Issues for Industry

> Buy locally (where possible): Support local industry and job growth. Check offshore standards and costs, and compare these with what local suppliers have to offer, to ensure New Zealand taxpayer money stays within the country where possible. Consider potential long-term impacts of decisions on small, innovative, local manufacturers.

> Closer Economic Relations between New Zealand and Australia

> > Although it is a legislative requirement, it doesn't seem to be considered as much in New Zealand as it does in Australia.

> Ensuring PHARMAC is able to consider rapidly changing and new technology in a timely fashion

> Small suppliers may be leave the New Zealand market and go offshore, which means we could miss out on opportunities; converse risk of multinational companies not entering or leaving the New Zealand market

> Industry based locally could be seriously disadvantaged due to global market strategies and multi-nationals' ability to absorb cost of undercutting local companies

> Risks of sole supply; need to ensure that small suppliers are on an equal playing field to the large ones

Safety and Quality of medical devices

> Industry can't rely on Medsafe for the safety and quality assessment of medical devices

> Currently medical devices are not being sufficiently tested before they are being used on patients. This can have a knock-on effect for ACC and getting claimants back into the workforce in a timely manner

> What quality and safety standards will be applied? Will international standards be recognised?

> There needs to be accountability

> Consulting with key stakeholders, including patients, where appropriate and relevant

One size does not fit all

> We need to consider the patients that don't fit the "standard" mould of some devices, in particular "larger" patients and small new-borns and infants

> How will the process be applied to all the different devices?

> PHARMAC needs to give a transparent view of what the process might be

'Whole of life' costs; Associated costs

> The global orthopaedics market seems to be moving toward using a certain type of hip replacement and the services that come with that, which should allow for the patient to recover in a timely manner and be able to get back to work quickly, therefore having a minimal impact on societal costs. This is something we need to take into consideration when assessing medical devices. Need to consider costs and benefits over a long-term timeframe

Funding decisions and Schedule listing process

> The entire process of getting a medical devices listed needs to be fair

> Decisions need to be made with clinicians and patients best interests in mind, and they need to provide transparency

> The budget needs to be spent fairly

> Evidence for decisions

> > For some equipment it is hard to show cost-effectiveness

> > There needs to be more research done and scientific, clinical input given for assessment than what is currently available and undertaken

> There needs to be transparency in PHARMAC's decision-making process

> PHARMAC needs to be able to adjust "quickly" to any mistakes made in funding decisions

> Clinical input into decision-making: Does PHARMAC have the skills to deal with relevant independent clinical input? And to analyse and evaluate overseas trials?

> Cost-benefit analysis and health economics shouldn't only be done within New Zealand; International information and evidence that is available needs to considered as well

> PHARMAC needs to learn from the problems it faced when dealing with blood-glucose meters

> Who is giving advice to PHARMAC?

> At what stage in the decision process is testing and validation of the device happening? The results of which need to be available and transparent

> Concern that cheapest will be a priority over fit-for-purpose, best or most effective

> Is there a pathway to vary contracts? e.g. Small volume specialist devices

Definitions

> 'Hospital': The use of the word "hospital" in hospital medical devices, does not give a true representation of where medical devices are used now and will be used in future – many are provided for use in hospitals but are used by patients in the community

> Will leased/ loaned devices fall under PHARMAC?

> > i.e. Expensive "Machines" loaned by suppliers, where the consumables are bought by the hospital?

Relationships with other providers/entities

> Equipment needs to be compatible

> Consider the interaction between the primary, secondary and tertiary sectors and what that means in terms of a communication strategy

> Duplication of processes throughout PHARMAC, HBL/ hA and MBIE

> PHARMAC needs to provide transparency of who will be doing what, to ensure we aren't duplicating processes

> PHARMAC needs to feedback decisions made to the industry for overview

Data collection

> Consider the management of information/data collected by electronic devices; and the interfaces and exchange of information with other medical devices and DHBs' IT systems

Advances/changes in technology

> Technology is changing very rapidly

> Being able to have a point of contact at PHARMAC that can give advice on any new technology that comes in to the market and making sure the process can deal with this in a timely manner

> Develop a feedback mechanism to capture the success of a device, needs to be considered so we can allow for monitoring and adaptation as the technology evolves

> Impact on innovation; need to provide incentives for innovation

> Innovation shouldn't be pushed aside due to budgetary restraints

> How will PHARMAC keep up with technological advances to prevent the supplied device being out of date?

Compatibility of systems and devices

> Intercommunication between IT systems and medical devices

> There is a need to be able to determine where the line is drawn between the two, as it seems that there isn't enough medical or biochemical knowledge within IT companies to be able to encompass what it means when an IT system is used on a patient and the implications and costs associated with that.

Interim Procurement activity undertaken by PHARMAC

> How is PHARMAC approaching this?

> How are Panel and National Contracts being dealt with?

Communication with the sector

> When publishing results from the consultation, PHARMAC needs to ensure that stakeholders know where to find this information, as it wasn't clear what the results from the last consultation were and where they could be found.