



inpharmation.

the Pharmaceutical Management Agency newsletter



From Steffan Crausaz
Chief Executive

People who regularly take medicine rely on that medicine to keep them well, so continuous supply is important.

PHARMAC helps to maintain ongoing supply of medicines through our contracting processes, identifying potential issues and working with suppliers to find alternative supplies if this is required.

Through our supply contracts, we receive information from suppliers about stock issues so that steps can be taken if needed. In this way, we can help suppliers find alternative sources if a medicine is likely to be in short supply.

Medicine supply issues are common internationally, but in New Zealand our national contracting approach is unique meaning we have substantially fewer stock supply issues than elsewhere. We have an effective early warning system through our contracts, and the relatively small size of the New Zealand market means that we can often obtain alternatives should the need arise.

Our annual tender is an important source of these supply contracts, and we are currently seeking bids in our [2013/14 invitation to tender](#). The tender has become a regular part of our annual calendar. It seeks bids from pharmaceutical suppliers for a list of off-patent pharmaceuticals, is run every year and dates back to 1997, when it featured just one product. This year, the tender, includes 618 line items.

As well as securing supply contracts that provide incentives to suppliers to notify us if supply issues may arise, the tender enables us to achieve among the lowest prices in the world for off-patent medicines. This is important because it helps us release funding that can then be reinvested in other pharmaceuticals or healthcare.

We also want to make sure that any impacts of changes are thought through before we make a decision.

We can issue guidance to suppliers for things like preferred pack sizes and packaging type. And when the tender evaluation process begins, the group of health professionals that make up our [tender medical subcommittee](#) take a close look at all products. They are looking to see that the product is appropriate for Sole Supply in New Zealand, examining things like pack size, packaging type, presentation, tablet size, solubility of tablets, colour or flavour of oral liquids and any other clinical matters. These are all carefully thought through as part of the tender decision-making process.

We expect to start announcing winning bids from the 2013 Tender in early 2014.

Annual Report highlights

Continued improvements in New Zealanders' access to medicines, and pharmaceutical spending managed on budget are features of PHARMAC's recently published [Annual Report for 2012/13](#).

Some key figures about New Zealanders' access to medicines from the past year include:

- Net spending from the combined pharmaceutical budget was \$783.6 million (on budget), an increase of \$6 million from the previous year.
- 3.4 million New Zealanders received funded medicines, up 100,000 from the previous year
- 20 new medicines were funded, compared to 14 the previous year, and access was widened to 40 medicines compared to 10 in 2012/13
- 42.2 million prescription items were funded, an increase of 1.1 million from the previous year

Medicine funding decisions highlighted in the report:

- Buprenorphine with naloxone (Suboxone) – a newly-funded treatment for drug dependence
- [Gefitinib \(Iressa\)](#) – a new generation lung cancer treatment that can be targeted to patients most likely to benefit



Te Whaioranga 10 year strategy for Maori responsiveness

Te Whaioranga is PHARMAC's strategy for ensuring it is responsive to Maori health needs.

It's been 10 years since the first plan was developed and PHARMAC has now redeveloped a pathway for the next 10 years that aims to:

- advance tino rangatiratanga with whanau in health interventions
- establish and maintain authentic strategic connections
- champion evidence-based Maori medicine management
- support and engage in indigenous research and development about pharmaceutical management
- enhance and enable internal expertise and capability in Te Ao Maori.

A two-year implementation plan (2013-2015) which focusses on the activities with the highest priority, is being developed.

PHARMAC already has activities underway that are responsive to Maori health needs.

- [Insulin pumps and consumables](#) – two brands of insulin pumps were listed on the Pharmaceutical Schedule for the first time to enable people to better manage their diabetes
- Filgrastim – a biosimilar version of this treatment for low white blood cell count has been funded
- [Atripla and Truvada](#) – two new funded combination therapies to help patients manage HIV infection

Other features of the year included:

- The transfer of vaccines (the national immunisation schedule) to PHARMAC's management;
- Work to ensure a smooth implementation of the nationally-consistent Hospital Medicines List on 1 July 2013;
- The first full year of the Named Patient Pharmaceutical Assessment policy led to an increase in the number of applications, and proportion of approvals, compared to the Exceptional Circumstances schemes it replaced.

Decision criteria review

The decision criteria are fundamental to how PHARMAC makes pharmaceutical funding decisions; this review is part of the wider review of our Operating Policies and Procedures.

The first round of consultation held between June and August 2013 sought people's thoughts on what the future criteria for our decisions would look like – the things PHARMAC should take into account when considering which pharmaceuticals to fund, that the decision criteria are fit-for-purpose and reflect the things that the public feel are

He Rongoa Pai – He Oranga Whanau

He Rongoa Pai – He Oranga Whanau, is an education programme that aims to increase the awareness and understanding of the appropriate use, storage and disposal of medicines. The objective of this programme is to support kaimahi and whanau to develop key strategies that encourage whanau to safely and effectively use medications and rongoa. The facilitators include some of the country's leading professionals in Rongoa Maori, Maori Pharmacology and Primary Care. To register go to <http://www.hrphow.co.nz/register.html>.

One Heart Many Lives

The PHARMAC One Heart Many Lives programme is in its 10th year and the focus is now to pass the taonga of the programme on to health providers and whanau who are working to manage diabetes and cardiovascular disease within their communities. The team at PHARMAC is committed to enabling local health providers to manage with resources, guidance and support where needed.

<http://www.oneheartmanylives.co.nz/>. PHARMAC has also developed links to communities, funders and Maori health providers and leaders.



Engagement around hospital medical devices

We're consulting the wider health sector about our work around hospital medical devices. The current [consultation](#) asks what we need to consider when we develop our policies and processes for how we will take on management of hospital medical devices.

important.

This is also relevant to PHARMAC's hospital medical devices management work, which falls outside PHARMAC's traditional focus on medical devices and medicines used in the community, cancer medicines used in hospitals and more recently, vaccines and hospital medicines.

We sought written feedback, and received 139 submissions in that way. In addition, we offered people the chance to talk with us face to face at 12 community forums held in places as diverse as central Auckland, New Plymouth, Hokitika and Dunedin. You can [view a short video](#) of the Auckland forum.

As well as getting direct input from people on the decision criteria review, the forums were a great way for people to directly interact with PHARMAC, and this was seen to be valuable, judging by feedback from people who attended.

Next Steps

We have recently released a [Summary of Submissions](#) based on the all feedback we heard from the sector through written submissions and at the community forums. We are now considering our options and intend to carry out a second round of consultation on any proposed changes early in the New Year.

The information gathered in the decision criteria consultation will also contribute to PHARMAC's work on management of medical devices

Secured supply of influenza vaccine for the next 3 years

PHARMAC has secured the national supply

It's important that we get input from hospital staff – clinical and non-clinical – as we develop this work. The approach we take to management of hospital medical devices has multiple objectives, including getting best health outcomes from medical devices; nationally-consistent access to hospital medical devices; establishing processes for appropriate variation where needed; and balancing access with evidence of health gain and cost-effectiveness.

To achieve these and other objectives, we need the views of people working at the coal-face. We want to hear about the key issues that are pertinent to the reality of managing hospital medical devices on a national basis – the decisions we make need to be considerate of how things work on the ground.

We're also undertaking some interim procurement activity in the current financial year, and have selected three product categories to focus on initially – wound care, sutures and orthopaedic implants.

While we have chosen 11 initial product categories for activity, we have remained open to approaches about other categories and we are now also pursuing activity in laparoscopic surgical devices.

Our work will focus on negotiating national contracts for these products, with the aim of generating national consistency and early savings while we develop our management approach.

of influenza vaccines for the next three years.

GSK and Abbott Pharmaceuticals will be the suppliers of influenza vaccine from the 2014 influenza season, which usually begins in March.

GSK will provide initial supply with a guaranteed 250,000 doses of Fluarix. Abbott's Influxac will provide the majority of doses. This year more than 1.2 million doses were distributed. Our [media release](#) outlines the decision.

Copyright © *2013* *PHARMAC*, All rights reserved.
ISSN 1179-7401

PHARMAC
Pharmaceutical Management Agency

Te Kāwanatanga o Aotearoa

[unsubscribe from this list](#) | [update subscription preferences](#)