



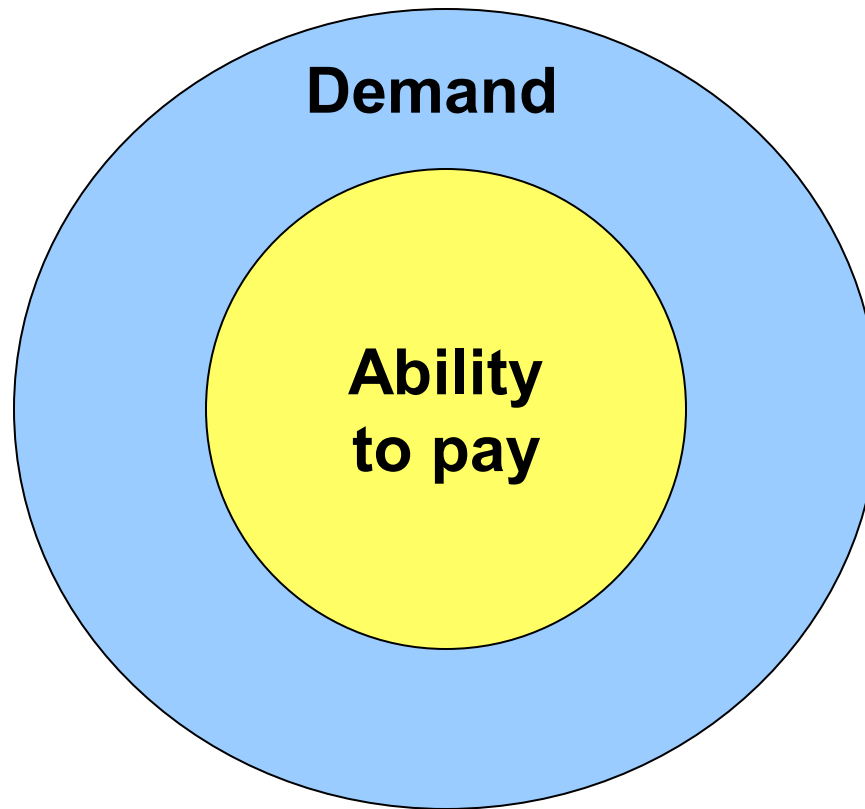
How can the medicines funding process be improved?

Jackie Evans PhD

Therapeutic Group Manager



Health care wants will always exceed resources available ...



... so choices need to be made

PHARMAC's role

“To secure for eligible people in need of pharmaceuticals the **best health outcomes** that are reasonably achievable from pharmaceutical treatment and from **within the amount of funding** provided”

NZ Public Health & Disability Act 2000

- Maximise what we get (health outcomes)
- Limit what we miss out on
- Working on behalf of DHBs (the funders)



Managing the medicines budget

Budget set annually (Minister)



Forecasting

How much is committed (past decisions)? How much is available?



**Free up Funds
to invest in new treatments**

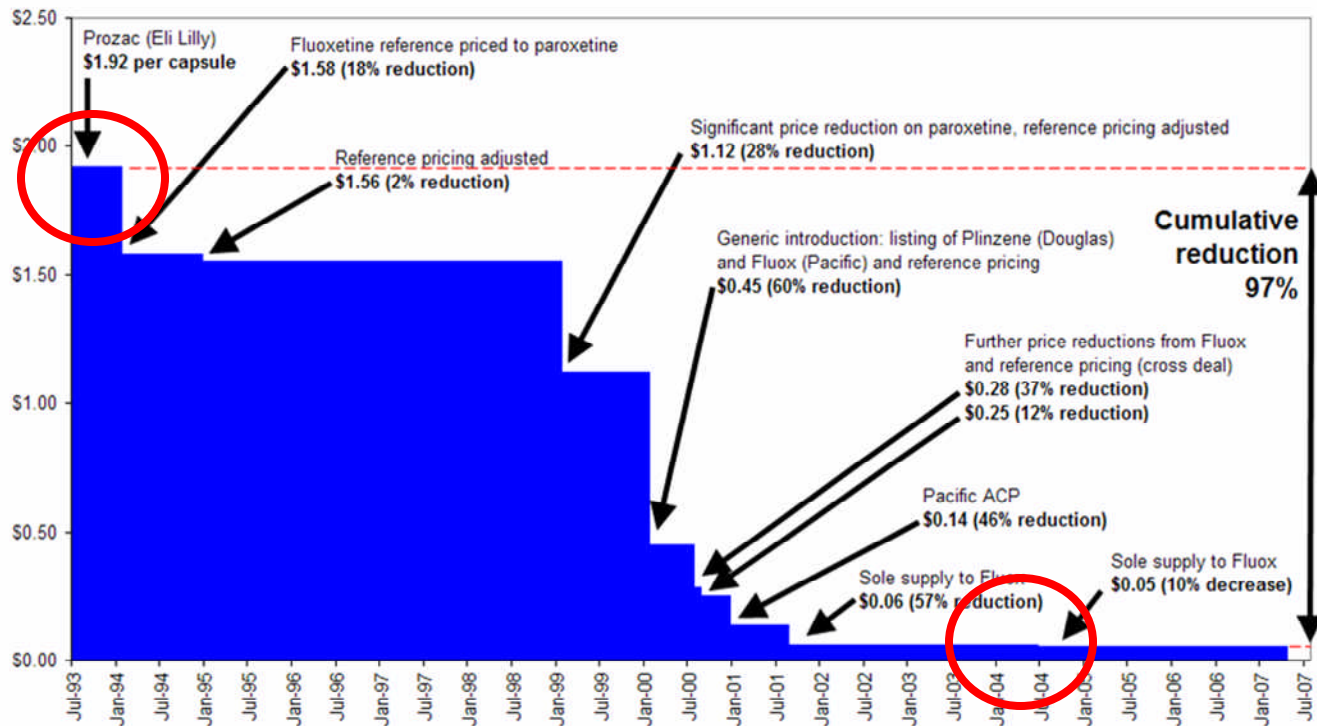


**Invest Funds
for additional health gain**

DECISION CRITERIA

Freeing up funds (fluoxetine cap 20mg)

1993: \$1.92 per cap



2004: 5 cents per cap

PHARMAC uses 9 Decision Criteria

1. Health needs of eligible people
2. Health needs of Maori and Pacific peoples
3. Availability and suitability of existing treatment
4. Clinical benefits and risks
5. Cost-effectiveness
6. Overall budgetary impact
7. Direct cost to health service users
8. Government priorities for health funding/Government objectives
9. Other criteria (with appropriate consultation)



The funding process

Step 1: Receipt of Proposals

Consider evidence

Step 2: Medical Advice – PTAC

Step 3: Economic Assessment

Step 4: Prioritisation for funding

Assess relative value

Step 5: Negotiation

Step 6: Consultation

Step 7: Decision

Outcome

Step 8: Implementation

Consider the evidence

Step 1: Receipt of Proposals

Funding proposals initiated by anyone

Step 2: Medical Advice – PTAC

Pharmacology and Therapeutics Advisory Committee (PTAC)

Experts in critical appraisal, appointed by the Ministry of Health

May seek advice from its specialist sub-committees

Independent and objective advice

Evidence based assessment

Is it safer/more effective/more cost-effective than other funded medicines?

All 9 decision criteria considered

Makes recommendations to PHARMAC



Assess relative value

Step 3: Economic Assessment

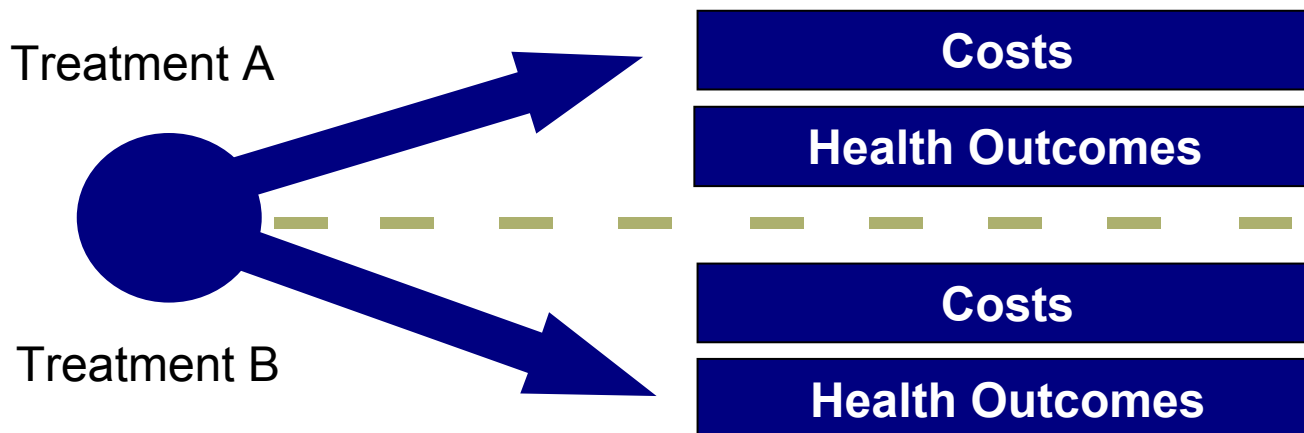
Budget Analysis

medicine cost + other costs/savings to sector (eg DHB resources)

Cost Utility Analysis

Provides information on relative value

cost per 'QALY' (Quality-Adjusted Life Year)



Assess relative value

Step 4: Prioritisation

Takes into account all Decision Criteria
Identifies lead candidates for funding

Step 5: Negotiation

Sometimes difficult to talk about \$ and health together
paying more than necessary = less \$ available for other medicines
Aims to achieve best *value* per \$ spent
May lead to re-evaluation of Steps 3 and 4



Outcome

Step 6: Consultation

Proposal published

Wide consultation lists used (easy to join)

Want to ensure all relevant information considered

Step 7: Decision

Made by the PHARMAC Board (or CE within set limits)

Members appointed by the Minister of Health

Range of backgrounds and skills

Decision informed by

9 Decision criteria

Consultation responses (all considered)

PTAC recommendations

Views of PHARMAC staff



Outcome

Step 8: Implementation

Decisions announced

Media releases

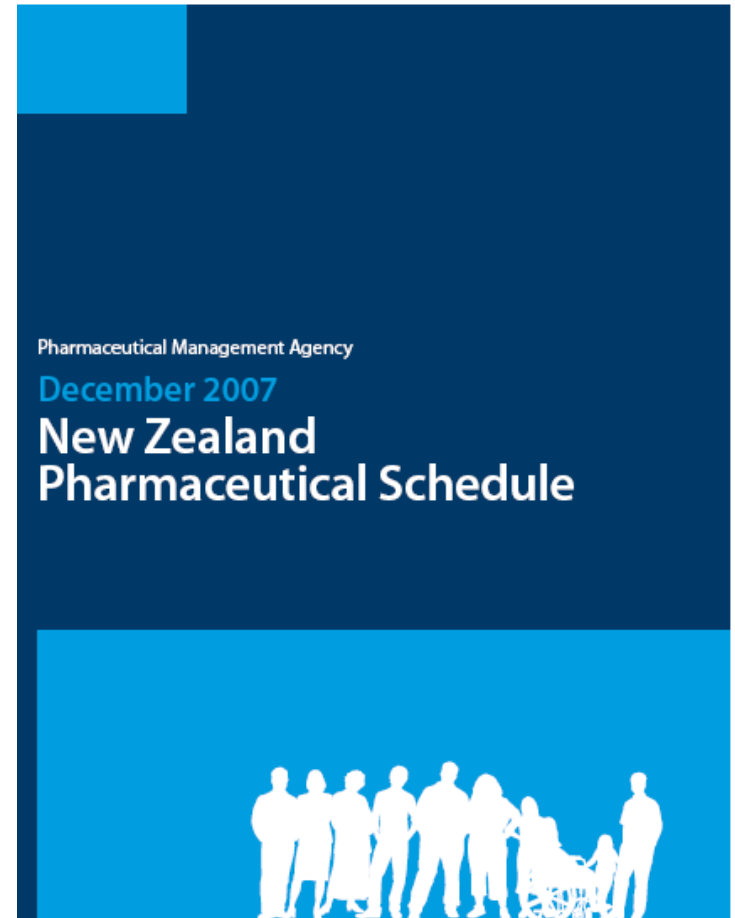
Notification letters

Schedule updates

Resources as useful

Patient focussed

Prescribers/dispensers



Keeping informed

Meet and greet

www.pharmac.govt.nz

Funding Applications Report
PTAC minutes
Consultation letters
Notification letters
Pharmaceutical Schedule and Updates
Media releases

Automatic mailing lists (easy web-based joining)

0800 66 00 50

firstname.lastname@pharmac.govt.nz



Join our Mailing List

Join our mailing list to receive a brief e-mail to

Name:

Email Address:

Choose your Alert(s)

- All
- Consultations
- Consumer Advisory Committee
- InPHARMed Newsletter
- Latest Statistics
- Maori Responsiveness Strategy
- Media Releases
- New Publications
- New Resources
- PHARMAC Board
- Pharmaceutical Schedule
- PTAC & Subcommittees
- Special Authority Forms
- Vacancies
- Who are PHARMAC (Staff Changes)

How can we improve the funding process?

