

8 December 2009

Media release

Prescriptions for medicine keep rising but rate slowing, says PHARMAC

Prescriptions for government funded medicines increased by almost 4 percent last year to 36.3 million, but the rate of that growth is slowing, drug buying agency PHARMAC says.

In its Annual Review, PHARMAC Chief Executive Matthew Brougham says 3.1 million New Zealanders received government funded medication in the 2008/09 year at a cost of \$653 million – the exact amount that had been budgeted.

This was an increase of \$17.6 million on 2007/08, or 2.8 percent, which, together with the savings made over the year, was used to cover growth in prescription numbers and increase New Zealanders' access to medicines by funding eight new drugs and widening access for another 55.

Major decisions included:

- Funding aripiprazole and amisulpride for psychosis
- Funding imiquimod for skin cancers
- Funding atomoxetine for attention deficit disorder
- Widening access to the acne treatment isotretinoin
- Widening access to topiramate, for epilepsy and migraine treatment
- Widening access to the hepatitis treatment pegylated interferon.

“These decisions represent the medicines that, in PHARMAC’s view, provided the greatest opportunities to improve the quality and length of life of New Zealanders,” says Matthew Brougham. “In addition, the clearly signalled \$40 million of additional pharmaceutical funding in the current financial year has meant PHARMAC has been able to continue this commitment to improving New Zealanders’ access to medicines.”

Matthew Brougham says PHARMAC will remain committed to carefully assessing medicine funding opportunities to ensure they offer better health to New Zealanders, and are affordable. This is particularly important at a time when New Zealand faces uncertain economic times, and there are further challenges in health such as an ageing population.

The number of prescriptions being written continues to outstrip the amount PHARMAC has to spend on medicines, he says. While this is occurring, PHARMAC needs to continue to find areas in which to make savings.

“PHARMAC has worked extremely hard to get the best possible value from the taxpayer money being spent on medicines,” he says.

During 2008/09, through negotiating better prices on medicines, PHARMAC made savings of \$32.6 million, money that is being reinvested straight back into meeting New Zealanders’ health needs.

The \$32.6 million savings came largely through three brand change decisions that affected a total of 550,000 New Zealanders. The medicines involved were pain relief drug paracetamol,

the cholesterol lowering drug simvastatin, and omeprazole, a medicine used for gastrointestinal disorders like stomach ulcers, heartburn and gastric reflux.

“We know that making changes to people’s medicines can be upsetting for them and that’s why last year we increased our support to people by providing more information about the changes, both to them individually and to health professionals,” Matthew Brougham says. “Overall the brand changes have gone well, but we are continuing to pay greater attention to how we can minimise the impact these changes have on patients.”

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