

18 April 2011

Hospital Pharmaceuticals - Update

PHARMAC has been progressing work as it moves to take on management of hospital pharmaceutical funding. This document provides an outline of the work we have undertaken since the distribution of the discussion paper in August last year.

Engagement with District Health Board hospitals

Between October and December 2010, we met with staff (medical, pharmacy, nursing and management) at all 20 District Health Boards to discuss issues around PHARMAC becoming more involved in this area, and to discuss how DHBs are currently managing their own formularies.

Some of the key themes that arose were:

- There is significant variability in how DHB hospitals approach the management of pharmaceutical funding.
- There is a general expectation that, despite these different approaches, there are broad similarities in what is available to clinicians in different hospitals.
- The needs and constraints of individual hospitals will differ, and especially between secondary hospitals and tertiary hospitals.
- A single agency managing hospital and community pharmaceuticals may assist in removing artificial barriers between primary and secondary care, and provide continuity of care benefits for patients leaving hospital.

Engagement with DHB staff on this work will be a continuing focus for us; this will vary in its nature over time, including face-to-face meetings, Grand Rounds, and regional and national meetings.

Discussion paper feedback

We distributed a discussion paper to gain views on the broader issues around shifting to centralised management of hospital pharmaceuticals. This paper is available on our website at:

www.pharmac.govt.nz/2010/08/24

We received feedback from a good cross-section of the sector that highlighted views from different perspectives. Much of what was raised is similar in nature to that discussed above, but also:

- The importance of clinical engagement taking place in different ways: through PTAC and its Subcommittees, through DHB hospitals and through colleges and professional societies.

- That the nature of the practical limitations of the hospital environment are different from primary care, and aspects that worked in the management of cancer treatments will not necessarily work similarly well in other areas of secondary/tertiary care.
- There are concerns that the process of establishing a national preferred medicines list (PML) may lead to reducing access to some treatments in some DHBs.
- That the issue of off-formulary prescribing is a key area of interest, and that a degree of local autonomy would be preferred for urgent cases.

Subcommittee established

In the discussion paper, we also called for nominations for a new Hospital Pharmaceuticals Subcommittee of PTAC. We have appointed 12 people to this Subcommittee. In considering membership, we have tried to balance the need to have members with different perspectives, such as hospital size and geographic region.

The Subcommittee membership is:

- Dr Matthew Dawes, Clinical Pharmacologist, Auckland City Hospital
- Sarah Fitt, Chief Pharmacist, Auckland City Hospital
- Marilyn Crawley, Chief Pharmacist, North Shore Hospital
- Jan Goddard, Chief Pharmacist, Waikato Hospital
- Dr Andrew Stanley, Respiratory/General Physician, Rotorua Hospital
- Billy Allen, Pharmacy Manager, Hawke’s Bay Hospital
- Dr Andrew Herbert, Gastroenterologist, Palmerston North Hospital
- Chris Jay, Pharmacy Manager, Hutt Hospital
- Prof. Carl Burgess, Clinical Pharmacologist, Wellington Hospital (Chair)
- Assoc. Prof. Mark Weatherall, Physician, Wellington Hospital
- Prof. Murray Barclay, Gastroenterologist/Clinical Pharmacologist, Christchurch Hospital
- Dr Paul Tomlinson, Paediatrician, Southland Hospital (Deputy Chair)

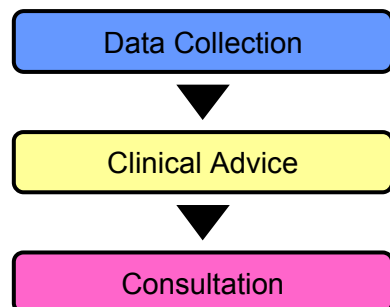
This Subcommittee will be tasked with acting as our initial (but not sole) source of advice on clinical and practical issues relating to this work.

We are also starting to review the range and composition of the more specialist PTAC Subcommittees, in light of this wider scope of responsibility for PTAC.

Process to establish national PML

One of the first steps in moving to a nationally-consistent system is the creation of a single national list of pharmaceuticals to be available in DHB hospitals – a national Preferred Medicines List (PML). We have recently started the process of creating a PML.

The process of establishing a national PML requires input from DHB hospitals on their own formularies and usage, and augmenting that with clinical input into the most appropriate national outcome for each product. Our intention is to go through a process of collecting



information on which products are used within DHB hospitals, to seek clinical advice on the creation of a nationally-consistent list taking into account the current inconsistencies in usage, and then to seek feedback on that draft list before making a final decision.

The first step is to discover which products are used within DHBs and how they are used – whether their use is restricted to certain indications, or by certain types of prescriber. We have begun this work, and are moving through different therapeutic groups on an individual basis.

Data Collection

Advice from DHB hospitals on their current use of pharmaceuticals, whether they are restricted to particular indications and by whom they may be prescribed

Following that, we will be seeking advice first from the Hospital Pharmaceuticals Subcommittee, and then from relevant colleges and professional societies, and from the more specialised PTAC Subcommittees, as well as PTAC.

Clinical Advice

Hospital Pharmaceuticals Subcommittee	Colleges and Societies	Specialist Subcommittees	PTAC
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Once we have received all necessary clinical advice, we will augment that with other information necessary to make a decision on the content of a national PML, such as pharmacoeconomic analysis and assessments of the financial impact on each DHB. We will then be in a position to seek feedback on a final draft list for each therapeutic area.

Such consultation will include to DHBs and DHB hospital staff, colleges and societies, interest groups and pharmaceutical suppliers. It is likely that consultation with DHBs and DHB hospital staff will take a different format to our standard consultation process.

Consultation

Consultation with DHBs and DHB hospital staff	Consultation with the wider sector - colleges, societies, suppliers, interest groups
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This approach should provide significant opportunity for clinical input into this process at multiple stages, while at the same time keeping the process moving at a reasonable pace. We will be initiating this process for each therapeutic group separately, with the first area – cardiovascular medicine – well under way. The next areas for consideration are the musculoskeletal system (including rheumatology) and infectious diseases.

Our expectation at this time is that this process should be complete in time for a comprehensive national Preferred Medicines List to be in place some time in 2013.

Managing and working within a national PML

Quite separate from the establishment of a national PML are the policies and rules that relate to its use. These are wide-ranging, from how funding exceptions (use of non-PML pharmaceuticals or use of pharmaceuticals outside funded indications) would be evaluated, to how the split between hospital and community care would be affected by this work, to what degree hospitals would continue to have the ability to exercise local discretion. We will also be working through issues relating to new funding applications for hospital pharmaceuticals, such as when suppliers should start submitting these to us.

We do not yet have a firm view on these issues at the moment – we received a lot of input from the discussion document, and from our meetings with DHBs staff, and will be taking all of this into account as we work through each of these issues. As we consider each issue, we will be seeking input from a wide range of stakeholders.

More information

We will be endeavouring to provide updates to the sector as work in this area progresses, and updated information will also be made available on our website at:

www.pharmac.govt.nz/hospitalpharmaceuticals

If you have any questions about this work, or would like to discuss any of the issues raised here, please feel free to contact Sean Dougherty, Funding Systems Development Manager, at:

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