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#### OUR IMPACT

The real-world outcomes our funding decisions have CHANGING THE GAME

Preventing the spread of HIV in New Zealand

#### LOOKING FORWARD

The work we're doing in response to the Pharmac Review

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Preventing the spread of HIV in New Zealand

In July 2022, Te Pātaka Whaioranga - Pharmac made pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) for preventing HIV more accessible to more New Zealanders.



#### Diversity, courage, and looking towards a bright future

Chair of the Consumer Advisory Committee, Lisa Lawrence (Ngāti Kahungunu, Ngāti Ruapani) discusses the importance of consumer perspectives in the work of Te Pātaka Whaioranga - Pharmac.



Our impact

While most people don't think of Te Pātaka Whaioranga - Pharmac when they fill their prescriptions, use hospital medical devices, or access vaccines, the impact of our decisions is felt far and wide.



Find out how we're increasing our contribution to health equity through our work with Matui, data insights and access criteria.





Top 20s

Dig into the pharmaceutical landscape of New Zealand with Pharmac's top 20s for 2021/22.

#### Doing more for health equity



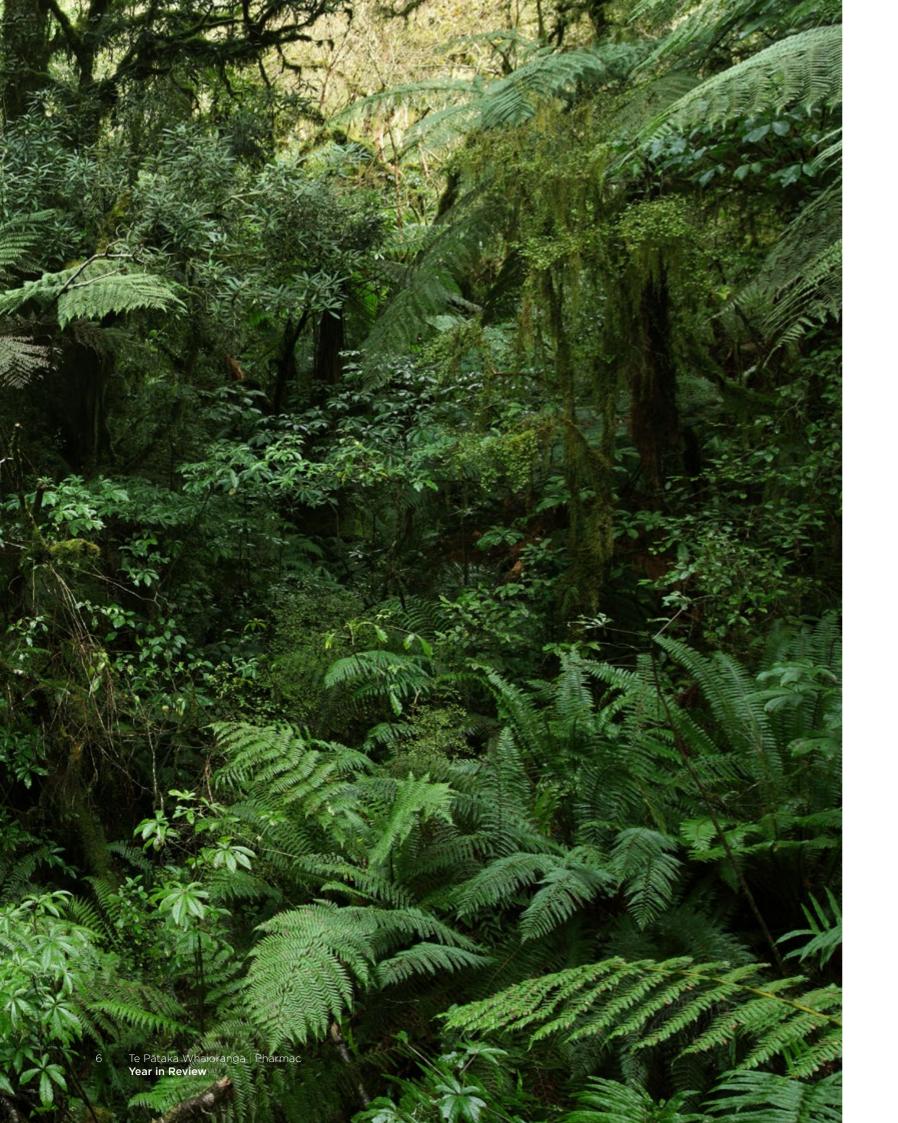
# Te Pātaka Whaioranga

Te Pātaka Whaioranga, 'the storehouse of wellbeing', sums up the part we play in managing and safeguarding something that is valuable to our whole community – the pursuit of wellbeing. The name was gifted to Pharmac by our kaumātua, Bill Kaua ONZM.

A pātaka has many literal and metaphorical associations in te ao Māori. It refers, literally, to the raised platform for food storage and protection of taonga and is also a symbol of safeguarding things that are precious to the community.

In Pharmac's context, the concept of the pātaka symbolises a solid and reliable structure safeguarding the continuous flow of supplies, such as medicines and medical devices, and it's our role to keep the flow constant and maintain availability for the benefit of all New Zealanders.





## Chief Executive's foreword

Tēnā koutou katoa,

l'm very proud to present the 2022 Year in Review for Te Pātaka Whaioranga - Pharmac.

Alongside the wider health and disability system, our team has faced challenges and new opportunities as the global pandemic continues and the Pae Ora (Healthy Futures) Act takes effect. We also received the final independent Pharmac Review report and the Government's response.

With crucial support from our Board, the Pharmacology and Therapeutics Advisory Committee (PTAC), the Consumer Advisory Committee (CAC), te Rōpū, our kaumātua Bill Kaua, and many valued stakeholders, we have welcomed the review's findings and the opportunity to deliver improvements for the benefit of all New Zealanders. These include giving effect to te Tiriti o Waitangi, maximising our contribution to health equity, enhancing our assessment methods, increasing the diversity of voices informing our work, and strengthening our collaboration with other health and disability system entities and stakeholders.

In 2022, we welcomed the establishment of new entities Te Whatu Ora – Health New Zealand and Te Aka Whai Ora – Māori Health Authority, as well as Whaikaha – Ministry of Disabled People.

The new Pae Ora principles underpin the work of all health and disability agencies in New Zealand. They offer a vision of a highly connected, collaborative system that puts people at its core. We have already started building strong relationships with our new partners and look forward to seeing how this positivity impacts New Zealand in the future.

As part of looking into the future, it's important to consider where we've come from. So, it would be remiss of me not to mention some of the things we achieved in 2022.

In the 2021/22 financial year, we funded six new medicines and widened access to 16 medicines. This means nearly 120,000 New Zealanders were able to access medicines they couldn't a year ago. We added over 14,000 products to the hospital medical devices list and reached our goal of getting \$500 million of hospital medical devices spend under contract. We now have more than 154,000 medical devices contracted for supply to Te Whatu Ora hospitals.

Our national contracting for devices has saved the health and disability system more than \$100 million so far. With the Government supporting our continued lead, we have been progressing this work in close collaboration with Te Whatu Ora, suppliers, and other key organisations and stakeholders.

With our \$71 million budget increase for 2022/2023, have either funded, or are in the process of funding, multiple new medicines. We have also worked fast to secure treatments for those with COVID-19.

As part of our renewed commitment to remove barriers and improve equity in medicine access and use, this year we specifically named Māori and Pacific peoples within the funding criteria for COVID-19 antiviral treatments, flu vaccines, and a treatment for respiratory syncytial virus (RSV). Further, in our lung cancer treatments RFP, we asked pharmaceutical companies to explain how they would support equitable outcomes for these communities.

Finally, I would like to extend my sincere thanks to the entire Pharmac team, who have worked incredibly hard this year to support the health and wellbeing of the people of New Zealand.

Ngā mihi maioha





# Ngā uaratanga

## **Our values**



### Kōtuitui kia piri, tūhono kia whakatatū te ara tika

We connect with people, communities, the health system and each other



We listen with intent and empathy to understand

Tū te ihiihi, tū te wanawana, tū te

We challenge ourselves



### Hāpaitia te mana tangata hei whāriki mo nga uri whakatipu

We safeguard wellbeing for New Zealanders, now and for the future

### Ma te māhirahira ka whāwhāki te maramatanga

We draw on evidence and people's experiences to improve

Te Pātaka Whaioranga | Pharmac 8 Year in Review

### Āta whakarongo kia puaki te ngākau aroha





# Looking after New Zealand's medicines and hospital medical devices

Te Pātaka Whaioranga - Pharmac manages a fixed budget set by the Government and decides which treatments will be funded. We also oversee national contracts for hospital medical devices.

Our job is to get the best health outcomes from treatments for New Zealanders, while staying within the fixed budget the Government sets. This means we must make difficult decisions about which treatments we will fund – there will always be more treatments we want to fund than we can afford.

We also manage national contracts for hospital medical devices. So far, we have about 70 percent of medical devices – that's about 154,000 – contracted and available for public hospitals to purchase.

#### Managing supply challenges

While our contracts require that suppliers keep ample stock of medicines, vaccines, and medical devices in New Zealand, Pharmac works closely with them when things don't go to plan.

The pandemic, the Russia-Ukraine war, shipping delays and labour shortages – the last 12 months have stress-tested the supply chain. Our contract management team have swung in into action to reduce the impact of supply issues for people in New Zealand.

Thankfully, most of the supply issues have not affected New Zealanders but there have been a few significant ones this year. The team has been proactive, from getting alternative brands supplied and listed in the Pharmaceutical Schedule, helping arrange air freighting, and even managing demand for some products and treatments – just to see us through the supply crunch.

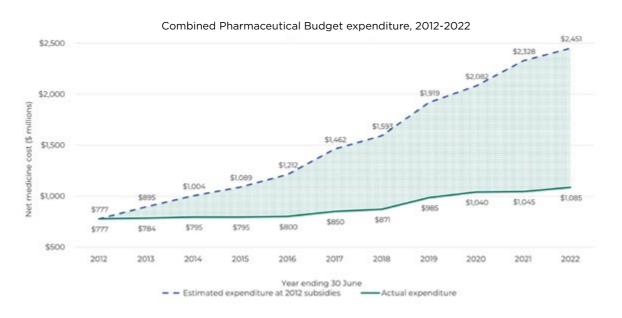




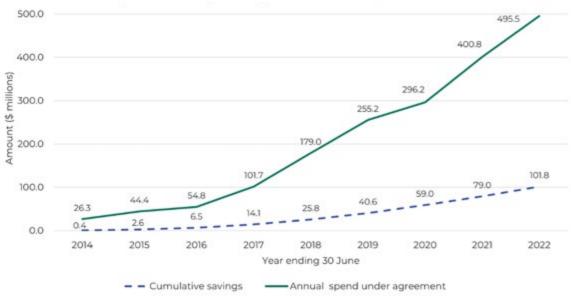
#### Making savings to reinvest in healthcare

Our budget has increased over time to enable us to fund new treatments, widen access to treatments already funded, and meet other costs such as those related to inflation and population growth. To help free up budget to fund new treatments, we also work hard to reduce the cost of the treatments we already fund.

This graph shows our impact on New Zealand's spending over the past decade, using 2012 prices as a baseline. The gap between estimated expenditure (dotted line) and actual expenditure (solid line) highlights the \$2.4 billion the health and disability system would have had to spend on treatments this year without Te Pātaka Whaioranga - Pharmac's pharmaceutical management.



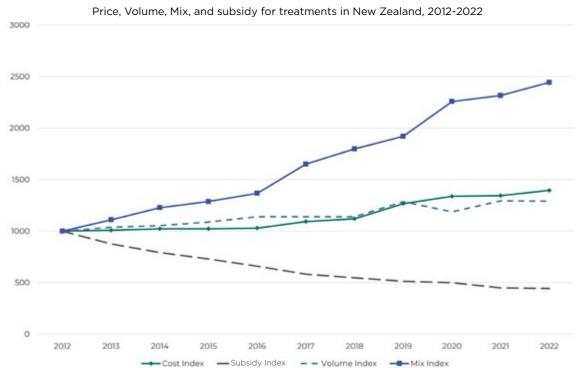
This graph shows our impact on medical devices spending and savings over the past decade. The total annual expenditure under agreement line (solid line) shows how much hospitals have spent on devices we have under contract each year. The cumulative savings line (dotted line) shows what savings have accumulated through Pharmac's national contracting.



Spend and savings for hospital medical devices, 2014 to 2022

#### The impact of Pharmac

This graph shows that the number of treatments (volume index) and the variety of treatments (mix index) have increased - meaning we're seeing more, and varied, treatments in New Zealand. At the same time, the cost of treatments (the cost index) has increased but the actual price paid (the subsidy index) has decreased - showing Pharmac is getting more treatments for less money.





## The journey of a medicine funding application

Anyone can apply for a medicine or related product to be funded. This is the general process applications go through. It's not always linear or this simple, but our Factors for Consideration are used throughout to make sure we are getting the best health outcomes for New Zealand.





#### Review

Tracker.

We review and evaluate applications before putting them 2. to our expert advisory committees.



#### Assess

us expert clinical and consumer advice. This 3. helps us conduct a thorough assessment of an application using the Factors fo



#### **Prioritise**

Consideration.

We decide what applications to progress by comparing applications against others on our Priority Lists. Those we want to take forward are ranked on the Options for Investment list. The Government sets H., a fixed budget for medicines so not every application moves forward.



We negotiate a price with suppliers that's within our budget. working hard to get some of the best deals with pharmaceutical companies for medicines in the world.

#### Agree

**b**.

Once we have a provisional agreement with the supplier, we can move the application forward.

#### Consult

We ask New Zealanders what they think. Their submissions help us address issues and adapt proposals based on feedback.

#### **Funding decision**

The Pharmac board or delegate makes the final decision. We then notify health professionals and the public.





related product is listed on the **Pharmaceutical** Schedule and New Zealanders.



The medicine or becomes available to

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# Our year in numbers

### 14,000

Hospital medical devices added to the **Pharmaceutical Schedule** under national contracts



### 154,000

Hospital medical devices in the Pharmaceutical Schedule under national contracts

# \$99 million

Value of additional hospital medical devices secured under contract



## \$500 million

Total value of hospital medical devices under **Pharmac contracts** 







## 3.81 million

New Zealanders who received funded treatments

## 118,747

Estimated number of people benefitting from new treatments funded

## \$1.085 billion

Budget spent on medicines, related products, and vaccines (Combined

## \$66.7 million

Pharmaceutical Budget)

Money freed up from negotiations to reinvest in medicines, medical devices, and related products

6 Number of new medicines funded

## 16

Number of medicines with widened access

### 38

Number of expert clinical advice meetings















# Our impact

While most people don't think of Te Pātaka Whaioranga - Pharmac when they fill their prescriptions, use hospital medical devices, or access vaccines, the impact of our decisions is felt far and wide.

Read about the real-world outcomes of our funding decisions in 2022.

# Managing supply issues together

Te Pātaka Whaioranga - Pharmac funds nearly 1,000 treatments in 2,000 forms, and oversees contracts for more than 154,000 hospital medical devices. While only a small number of these products experience supply issues - on average 2 percent a month - minimising the impact on New Zealand is a collective effort.

"Supply challenges are not unique to New Zealand or to health care they are being felt across the world and across almost every sector," says Director of Operations Lisa Williams.

"The ongoing COVID-19 pandemic and the Russia-Ukraine war has increased global product demand and affected the workforce, creating challenges. These events have stress tested the supply chain, adding to common issues such as compliance, manufacturing, and transportation."

"Some supply issues are more difficult "A big thanks to our system partners to manage or resolve than others, or they might affect people in a more significant way," says Lisa. "One of the to change medication. Our joint bigger examples of supply issues we managed this year was Accuretic's product recall."

In June, Pharmac notified the public that there was a supply issue with the blood pressure medicine Accuretic, which was used by about 36,000 New Zealanders.

"The supplier told us they detected an impurity called nitrosamine in Accuretic, and so it was being withdrawn. This was a global issue, also affecting Australia, the US, and Europe," says Lisa. "It was a big one - there was limited stock available here, and no identical medicines that people could swap to."

"So, after receiving this news from the supplier, we worked closely with our health and disability system partners to make sure as many people knew about this change as possible. We advertised through health media, social media, Health Navigator, and made sure resources were available in a range of languages."

#### "Our main concern was providing a sense of 'okay, someone's watching over this' to those who had been using Accuretic," says Lisa.

who passed on this information to their patients and supported them mahi meant giving a sense of muchneeded security to those who rely on blood pressure medication - and who would've naturally felt stressed or worried about this supply issue."

Supply chain challenges are inevitable, and Pharmac appreciates all the work that is being done by suppliers - of medicines, vaccines, and medical devices - as well as pharmacists, primary care providers, Te Whatu Ora, and Manatū Hauora -Ministry of Health to help minimise the impact of manufacturing and supply chain issues.

# Increasing access to protection against COVID-19

Te Pātaka Whaioranga - Pharmac has played a vital role in protecting New Zealand from the global COVID-19 pandemic.

In 2020, a separate budget specifically set aside for COVID-19 was created, to be used for treatments and cost pressures caused by the virus.

Over the past two years Pharmac has secured supply and increased access to antiviral medicines, introduced a preventative treatment for high-risk people, and taken on procurement management for COVID-19 vaccines.

"While the past two years have been difficult, 2022 did present its own challenges," says Chief Medical Officer Dr David Hughes. "With the borders reopening – cold and flu bugs came back in force – creating serious concerns for the health system." Ministry of Health, and the change signals the evolution of the pandemic and how COVID-19 will be managed going into the future. "Now, three years into the pandemic, we have a stronger understanding of the virus and

"Securing a range of antiviral and preventative treatments – especially ones to be used in both the community and hospital setting – was the best way for Pharmac to support the wider health and disability system," says David. "These treatments lower the chance of someone needing to be hospitalised, and so help to reduce the impact of illness on the health system." "This year, Pharmac also helped provide a package of support to our Pacific Island neighbours to assist them in managing COVID-19," says David. "This meant organising donations of antiviral medicines to the Cook Islands, Niue, and Tokelau to help them respond effectively to the pandemic."

On 1 July 2022, Pharmac's remit was extended to also include the procurement of COVID-19 vaccines for New Zealand. This responsibility was previously held by Manatū Hauora - the Ministry of Health, and the change signals the evolution of the pandemic and how COVID-19 will be managed going into the future.

"Now, three years into the pandemic, we have a stronger understanding of the virus and how it affects people and communities in New Zealand," says David. "The environment will likely keep changing, and Pharmac will also continue to adapt and be ready for whatever comes."





# Using the budget increase to fund more medicines

This year, Te Pātaka Whaioranga - Pharmac was pleased to receive a \$191 million increase to the combined pharmaceutical budget for the next two years.

"This budget increase was the biggest we've had since we were formed almost 30 years ago," says Pharmac's Chief Executive Sarah Fitt.

"This extra budget means we can keep making more treatments available to more New Zealanders. As soon as the budget increase was confirmed we immediately began talking with pharmaceutical suppliers about possible agreements for treatments on our options for investment list."

"Every dollar we get, we spend on medicines, vaccines, devices, and related products. With new and often expensive medicines being developed all the time, there will always be medicines we won't be able to afford. We will, however, continue to use our expertise to secure treatments that improve health outcomes for New Zealanders." We received a **\$191 million** increase to our budget in July 2022

Bringing our budget for the 2022/2023 financial year to **\$1.186 billion** 

And the 2023/2024 financial year to **\$1.245 billion** 

So far, since the budget uplift, Pharmac has made **29** new investments

This includes **12** new treatments

And widened access to **17** treatments



# Changing the game: Preventing the spread of HIV in **New Zealand**

In July 2022, Te Pātaka Whaioranga – Pharmac made pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) for preventing HIV more accessible to more New Zealanders.

We spoke to Joe Rich, Chief **Executive Officer of the Burnett Foundation Aotearoa**, and Mark Fisher, Director of **Body Positive, about what this** decision means for them and the HIV community.

"I went to an afterhours clinic," starts Joe, when talking about accessing PEP before Pharmac widened the access criteria.

"I couldn't register with them, so they were quite expensive. It was like \$100 for the consult. And they couldn't even give it to me because you had to get it from a named specialist.

"I go to the hospital to speak to this specialist, who could be doing much more effective things with their time, but I had to explain that I had unprotected sex.

"They started asking me questions, like who was the person? Are they living with HIV? Do they have an undetectable viral load?

"It was intrusive, you know. I mean that's a lot of stuff to be sharing with somebody you don't know."

Prior to July 2022, getting PrEP and PEP required meeting certain criteria.

"It was just impossible," says Mark. "Often people were forced to lie to get on this medicine. And a lot of people didn't. They wanted to ask for it, but they don't want to say those things. So, they didn't get the medicine, and this put people at risk.





**Mark Fisher** Director of Body Positive Inc

#### "If we want to eliminate HIV transmission in New Zealand, which is the intent, we need to make sure that all the people who need PrEP and PEP can access it, not just the openly out," says Mark.

There was overwhelming support when "It's a game changer," both Joe and Pharmac widened access criteria for PrEP and PEP.

"Pre-exposure prophylaxis (or PrEP) is a - and it gives the receptive partner medicine that reduces your chances of control," says Mark. "So if you can't getting HIV. When taken as prescribed, PrEP is highly effective for preventing HIV. Post-exposure prophylaxis (or PEP) is taken to prevent HIV after a possible exposure," explains Director of Operations Lisa Williams.

"In 2022, we removed the previous eligibility criteria for PrEP, so the prescriber now only needs to confirm that the patient is HIV negative, at elevated risk of HIV exposure, and that use of PrEP is clinically appropriate," says Lisa.

Pharmac also revised funding restrictions for PEP, widening them to include more scenarios where a person may be exposed to HIV.

"We also widened the types of prescribers who can apply for funded access, which removed barriers and improved access for people at risk," says Lisa.

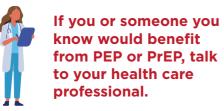
"We received a huge amount of feedback and support for the changes from people living with HIV and those who support them," says Lisa. "We understand that access to PrEP and PEP had been difficult for some, so we were pleased to remove barriers to access that were within our control as a result of our 2022 budget uplift."

Mark say.

"PrEP, especially, takes away the fear negotiate condom use because it's too difficult, or there's a power imbalance or whatever reason, you don't have to worry because you've got PrEP."

"The criteria are a lot more accessible. It's already making a difference, especially for those who live in rural areas who had difficulty accessing it before," says Joe.

"We applaud the proposed changes to the access of PrEP and PEP. Expanding access to all people at risk of acquiring HIV is a significant step toward the elimination of HIV transmission in Aotearoa," says Mark.



To learn more about the Burnett Foundation Aotearoa, go to burnettfoundation.org.nz

To learn more about Body Positive Inc, go to **bodypositive.org.nz** 



**Joe Rich CEO of the Burnett Foundation Aotearoa** 

# Funding nusinersen for spinal muscular atrophy

Chauntel Wedlake wrote to Te Pātaka Whaioranga - Pharmac regularly following her daughter's spinal muscular atrophy (SMA) diagnosis. Following the announcement of the consideration for funding of nusinersen (Spinraza), she shared what it meant to her and Zoey.

Zoey was diagnosed with spinal muscular atrophy (SMA) at the age of 2.

This cruel disease causes muscle wasting and, in several types, the average age of death is 13 months old. In less severe types, it will leave children unable to walk, stand, write, swallow, and even breathe.

By 2022, when Zoey was diagnosed with SMA, there were 3 treatments available. Nusinersen (Spinraza) was funded in over 60 countries, but not in New Zealand. Finding this out was the hardest part of Zoey's diagnosis.

If our daughter had been screened and treated from birth, she wouldn't have lost any of her motor skills. Instead, in the 6 months following her diagnosis, we've had to watch her rapidly and unnecessarily decline. She has lost her ability to stand up unassisted, she has frequent falls and all the things she loves to do, like dancing, have been ripped away from her. We have spent every day living in fear. We were scared for her future with very little hope, not knowing what was going to happen. We begged and pleaded for access.

28 September 2022 is a day we'll never forget. It changed our life and the lives of many other families impacted by this disease. Waking up to the news that one of the treatments was proposed to be funded in New Zealand was overwhelming. It was like a massive weight lifted off us after months of constant fear.

We are so excited Zoey can live a life without deteriorating any further. She can have a normal childhood and may be able to dance again. For the first time in what feels like an eternity, Zoey's future looks bright, and we can start to plan a life without limitations. This is an incredible step for us and many other SMA families and we are grateful for a chance to access this life saving medicine.

Chauntel Wedlake



Pharmac approved funding of nusinersen (Spinraza) for spinal muscular atrophy (SMA) in December 2022, with funding starting 1 January 2023. People aged 18 years and under who have pre-symptomatic, or symptomatic type I, II or IIIa spinal muscular atrophy, and meet certain criteria, will be eligible for the treatment.

"We are really pleased that this medicine will be funded for New Zealanders – it will make a substantial difference to peoples' lives," says Pharmac's Director of Operations Lisa Williams. "We estimate that in the first year 30 to 50 young people will be eligible for funded treatment, and we expect the number of people receiving treatment to increase over time.

"We want to thank everyone who gave us feedback on our proposal and acknowledge the time that many people have put into advocating for those living with spinal muscular atrophy," says Lisa.

#### About nusinersen

Nusinersen (brand name Spinraza) is a medicine used to treat spinal muscular atrophy (SMA). It can be used before or after symptoms begin.

Motor neurons play an important role in the body, sending messages from the brain to muscles and telling them what to do. People with SMA can't make enough of a particular protein (called SMN) which is needed for motor neurons to function well. Nusinersen works by increasing the production of this protein, helping the motor neurons to function.

From the data currently available, nusinersen has been shown to be an effective treatment for SMA. While nusinersen doesn't cure SMA, it can reduce how severe a person's condition is.

# Looking forward

In response to the independent Pharmac Review, we've identified several improvements we want to make.

# Te Pātaka Whaioranga **Pharmac Review**

#### In March 2021, the Government announced an independent review of Te Pātaka Whaioranga -Pharmac.

"The review looked at how well we performed against our objectives and whether those objectives are fit only woven together will they help us for purpose," says Chief Executive Sarah Fitt.

"It focused on a wide range of matters, including our functions, governance, assessment work, work to support priority populations, accountability arrangements, and decision-making.

"It found that our model delivered significant benefits, but these benefits needed to be shared more equitably across communities, especially Māori and Pacific communities and the disabled community.

"Preparing our response to the review has given us fresh impetus to the changes we need to make to create better health outcomes for New Zealand."

In July, Pharmac worked with the health and disability system to release an interim response to the review. It focused on four priorities:

- Enhanced assessment and • decision-making
- Doing more to achieve health equity
- Te Tiriti excellence Better involvement of and collaboration with others.

Te Pātaka Whaioranga | Pharmac Year in Review



"None of these themes stands alone, each strand supports the other, and achieve better health outcomes for New Zealand," says Sarah.

"We cannot achieve these ambitious commitments on our own. We must work closely with our health and disability system partners. We must ensure we hear the voices of Māori and reflect their aspirations in the work we deliver.

"We have actions and initiatives underway or starting, which will demonstrate and strengthen the contribution we make to the health and disability system," says Sarah.

Pharmac's full response to the review was delivered to the Minister of Health in November. It focused on a longer-term work programme.

"The priorities, actions and initiatives we outlined in our interim response have been further developed in our final response, due to be publicly released in early 2023," says Sarah.

"We will share the full response and provide regular updates on our progress so the public can be assured in our efforts and intentions to do better overall, for all people in New Zealand."

# Striving for te Tiriti o Waitangi excellence

Te Tiriti o Waitangi sets the enduring foundation for Te Pātaka Whaioranga – Pharmac's commitment to achieving the best health outcomes for Māori.

"We have made a strong commitment to te Tiriti o Waitangi and are pleased with what we have achieved," says Kaituruki Māori Director Trevor Simpson, "but there is still more to be done."

The independent review into Te Pātaka Whaioranga highlighted that we need a stronger Māori voice in our work and better ways to incorporate mātauranga Māori.

"We recognise the importance of working in partnership with iwi Māori in improving health equity and medicine accessibility for Māori communities. We are committed to upholding te Tiriti across all that we do and evolving our mahi to embody te ao Māori," says Trevor.

dille

#### Addressing health disparities through a new Māori directorate

As part of this work, Te Pātaka Whaiorang has created a Māori directorate to better address health disparities for the Māori communities we serve.

This important mahi is being led by our new Kaituruki Māori Director – Trevor Simpson, who was previously Chief Advisor Māori.

"I'm excited about our new directorate. It is still being finalised but our mahi is about collaborating with the health sector to develop strategies that enable better medicine access and tackle health inequities for whānau, hapū, and iwi," says Trevor.

## Te Rōpū Māori provides advice and guidance

Te Pātaka Whaioranga has also established Te Rōpū Māori, an external group of Māori experts nominated by key stakeholder groups, including Māori doctors, rongoā practitioners, Whānau Ora kaimahi, pharmacists and nurses.

"Individually and as a collective, they bring immense mana and a raft of experience and knowledge to the table," says Trevor.

The role of Te Rōpū is being discussed through the development of a partnership framework and includes supporting Te Pātaka Whaioranga to build its capability in te ao Māori and enhance how it gives effect to te Tiriti.

"The framework will be used for transformation and development from a tangata whenua and tangata tiriti perspective," says Trevor. "It will be used to strengthen Te Rautaki o te Whaioranga Strategy – our key pathway for giving effect to te Tiriti."

"This is an exciting development for Te Pātaka Whaioranga, as part of better working with, and delivering for, Māori through our work," says Trevor.

> Ko tō mātou wawata kia tūhono katoatia ngā hunga o Aotearoa i raro iho i te mana o te Tiriti o Waitangi

We aspire to respect and bring all people together under te Tiriti o Waitangi

#### **Building kaimahi capability**

Te Pātaka Whaioranga is also working to elevate our focus on te Tiriti and te ao Māori by building kaimahi capability.

Earlier this year Associate Professor Heather Came visited us to train our people eaders on eliminating institutional racism in the health and disability system.

This was followed by all kaimahi taking part in the Wall Walk, an interactive workshop designed to raise collective awareness of key events in the history of New Zealand's bicultural relations.

'It is critical to have a clear and shared understanding of what te Tiriti means and now it applies to our work," explains Trevor. 'Improving individual and collective cultural capability is important learning. This mahi nelps us give effect to te Tiriti and be true to our value of kaitiakitanga."

## Applying te Tiriti o Waitangi to our processes

Te Pātaka Whaioranga has already taken steps to further improve how we consider te Tiriti in our health technology assessments. This means looking at what we do now, how this works for us and others, and what best practice could look ike in the future.

'It's a steep learning curve and we are still climbing, but the appetite from Te Pātaka Whaioranga to step back, reflect on what we do, and collaboratively consider how we can truly bring te Tiriti and equity considerations across all of our work has been heartening and impressive," says Trevor.



# Progressing our hospital medical devices work

Te Pātaka Whaioranga - Pharmac has been building a list of national contracts for medical devices that reflects what products are being used in Te Whatu Ora hospitals. This process has meant working closely with Te Whatu Ora, suppliers, hospitals, and other experts.

"About 70 percent of all medical devices available to purchase by Te Whatu Ora hospitals are now under national contracts – that's more than 150,000 individual products from 100-plus suppliers," says Director of Operations Lisa Williams.

The coverage of national contracts now extends to over \$500 million each year - a milestone we reached during 2022. With the benefits of national contracting by Pharmac, the health and disability system has now saved more than \$100 million since this work began.

"It's great to see that establishing national contracts for products currently in use is contributing to cost savings," says Lisa. "That means Te Whatu Ora has more money to invest in hospital services.

Pharmac has looked at two product areas to see what savings could be made through category management and clinical advice – much like it does with medicines. The most recent changes in agreements for drug eluting stents has resulted in savings of approximately \$3 million per year.

Pharmac will soon be doing more category management to see what further savings can be delivered from other products and categories. "With decisions and assessments being made at a national level, our hospital medical devices work will ensure funding is sustainable and transparent," says Lisa.

"We'll negotiate more competitive deals to free up more money for the health and disability system. And we expect to see more consistent access to products in hospital, no matter where someone lives."

With Te Whatu Ora now in place, the funding for hospital medical devices comes out of a single national agency's budget, rather than being collectively managed by 20 District Health Boards.

"It's simpler for us, as well as Te Whatu Ora hospitals and suppliers, reducing potentially 20 separate district-based agreements to one."

Moving forward, Pharmac and Te Whatu Ora will share responsibility and build on each other's strengths to continue the work to manage hospital medical devices, Lisa says.

"By combining our different skills and expertise, together, we can develop an integrated national approach and deliver greater benefits for the health and disability system."

# Doing more for health equity

Medicines are the most common treatment intervention in the health and disability system. They can, and often do, make a huge difference to health outcomes. But many people are still missing out on the potential benefits, and some people are missing out more than others.

The causes of inequitable health outcomes are complex and include wider determinants of health, such as education, housing, nutrition, income, and language barriers. For Māori, historic and ongoing impacts of colonisation are a major contributor.

As a Tiriti o Waitangi partner, achieving health equity for Māori is a key priority. We also need to better meet the needs of Pacific peoples, disabled people, and other groups who face barriers to accessing or using medicines.

We make medicines available through our assessment and decision-making processes and we work hard to minimise barriers to access and support optimal use. But there's still more we can do, and we can't do it alone.

The Pae Ora (Healthy Futures) Act made addressing health inequity a priority for the health and disability system. The establishment of new national entities has increased our ability to effectively collaborate and coordinate across our work.

Together, we're in a better position to contribute to and facilitate change.

#### Increasing our contribution to health equity

In response to the Te Pataka Whaioranga - Pharmac Review, the Pae Ora (Healthy Futures) Act and the interim Government Policy Statement on Health, we are:

- including population needs, and equity impacts, in our assessment and decisionmaking processes – like the work we've done with the influenza vaccine.
- supporting the health and disability system by monitoring medicines uptake and use - like the data insights work we've done on gout.
- working with partners from the health and disability sector, like Matui, to improve access to and the optimal use of medicines.
- and increasing diverse voices in our work and being more visible to priority communities – like our work with the Consumer Advisory Committee







## **Promoting responsible** and equitable use of **medicines**

Since 2020, Te Pātaka Whaioranga - Pharmac has been working alongside research and data company Matui to support health professionals with equity focused tools, education resources, and personalised prescribing dashboards.

"We know health professionals have a big part to play in reducing inequities in access to healthcare in New Zealand," says Manager Access Equity, Sandhava (Sandy) Bhawan.

"As part of our role in the health and disability system, we need to make sure the people who are prescribing or dispensing the medicines have the right information from us, at the right time.

"Our current focus is to influence medicine access equity for Māori and Pacific peoples for five priority conditions - cardiovascular disease, type 2 diabetes, asthma, chronic obstructive pulmonary disease (COPD), and gout.

"He Ako Hiringa is a website, created by Matui, that provides a variety of educational tools and resources to address medicines access equity, as well as support and promote the responsible use of pharmaceuticals."

Chief Executive of Matui, Anna Mickell, is thrilled to be in partnership with Pharmac.

"Together we aim to drive improvements in equitable access to medicines," says Anna.

"We work with all types of clinicians, subject matter experts, clinical quality professionals, and organisations across the primary care sector to identify and deliver what tools they need.

"This year, we have strengthened our medicine analytics dashboard EpiC with new data themes that have a focus on known national problems of prescribing practice.

"An example of this is our type 2 diabetes dashboard. It can help general practice users to reflect on how diabetes medicines and devices have been used by their enrolled population and quickly see where the opportunities for quality improvement may be found.

"We're looking forward to continuing our relationship with Pharmac and strengthening our focus on health equity, delivered in a way that will help to support primary care health professionals," concludes Anna.

# Learning from data insights

Te Pātaka Whaioranga - Pharmac released two reports that show the prevalence of gout in Māori and Pacific peoples continues to climb and access to preventive gout medicine remains inequitable.

"The data insight reports raise awareness and highlight the equity issues around clinical management of gout in New Zealand," says Chief Medical Officer Dr David Hughes.

"Our research shows that an estimated 10,400 more Māori and 8,700 more Pacific peoples need preventive gout treatment each year to achieve equity in access."

Gout is a form of arthritis and a lifelong condition. While the condition can be debilitating, the symptoms and risk of complications are preventable if people with gout take uric acid medicines daily - such as allopurinol and probenecid.

"The Māori gout data insights report suggested that more Māori need to be started on preventive gout medicine at a younger age to achieve better health outcomes," says David.

"We've also found in the Pacific gout data insight report that Pacific peoples are approximately three times as likely to be dispensed medicine for gout compared to non-Māori, non-Pacific peoples. But it is still not enough. More Pacific peoples need preventive gout medicine each year to achieve equity of access."

Pharmac is using the data insights to examine our processes for improving access to funded medicines.

"These reports measure trends in medicine access inequities and tell us whether our funding decisions are delivering the desired value.

"We have created them to prompt discussion and action around tackling health inequities for Māori and Pacific peoples, to strengthen health excellence, and to ensure culturally safe and competent practice and decision making.

In the past, coordinating with the health and disability system to get better health outcomes from funded medicines has been challenging.

"With the health reforms and creation of new national entities, collective action to improve access to, and optimal use, of medicines is much more possible.

"We're looking forward to playing a greater role alongside others in monitoring and assessing how medicines and medical devices are used – and in identifying priorities for improving access and use," says David.





## **Reducing the impact** of influenza and COVID-19

influenza vaccine.

"For the last two years, COVID-19 related public health measures have resulted in very little influenza virus circulating in the community - reducing the population's natural immunity," says Chief Medical Officer Dr David Hughes

"This put the health and disability system at risk of a 'double whammy', that is both COVID-19 and influenza circulating at the same time, potentially increasing the likelihood of illness in some of New Zealand's most at-risk people."

To help manage this risk, Pharmac widened access to the influenza vaccine for Māori and Pacific peoples from 55 to 64 years of age, tamariki from 3 to 12 schizophrenia, major depressive years, and people with serious mental health conditions or addictions.

"When we consulted on the widened access for Māori and Pacific peoples, we received feedback suggesting that we should also widen access to people with serious mental health conditions or addictions," says David.

between the ages of 3 and 12, to help prevent the spread of influenza to those at high-risk, because tamariki of this age are more likely to pass on the illness."

#### This year, to help avoid a health and disability system double-whammy of COVID-19 and influenza, Te Pātaka Whaioranga - Pharmac applied equity-based funding criteria to the

"We estimate that approximately an additional 300,000 people became eligible to receive a funded influenza vaccine in 2022."

The decision to widen the influenza vaccine access criteria was intended to reduce the impact of influenza in 2022 on high-risk population groups.

"We know that Māori and Pacific peoples are at increased risk from seasonal influenza, and that their vaccination uptake is lower than the wider population," says Manager, Access Equity Sandhaya (Sandy) Bhawan.

"We also know that people with disorder, bipolar disorder, schizoaffective disorder or anyone currently accessing secondary or tertiary mental health and addiction services are vulnerable to disproportionately poor physical health.

"Making these changes to access criteria for the influenza vaccine "We widened funded access to tamariki helped us to support the health and disability system during COVID-19 and the 2022 influenza season as well as protecting some of New Zealand's most vulnerable people," says Sandy.

## The factors we consider when making decisions

#### To get the best health outcomes for New Zealanders, we use a comprehensive decision-making framework known as the Factors for Consideration.

The four Factors are need, health benefit, suitability, and costs and savings. They are shown by the coloured quadrants in the graphic.

These factors ensure we think about each application and its impact. We consider the individual person (the inner layer), their whānau, caregivers, and society (the middle layer), and the health and disability system (the outer layer).

Not every Factor may be relevant to every funding decision, but we expect all applicants to use this framework to prepare their submissions.

#### Need

To work out what the level of 'need' is, we consider the impact of the disease, condition, or illness on the person, their family or whānau, wider society, and the broader New Zealand health system. Consideration of need includes the impact of a decision on those who are facing health disparities as a result of an underlying disadvantage, separately from the illness itself. These people may be characterised by ethnicity, culture, location, or socio-economic status.

#### Health benefit

'Health benefit' is about the potential health gain from the medicine or medical device based on evidence from clinical trials. Our health economists work out how many extra years of life a person may live or live with reduced symptoms. A medicine may have health benefits beyond the person receiving the treatment. For example, reducing antibiotic resistance will have positive health benefits for all New Zealanders.

#### **Suitability**

'Suitability' considers the non-clinical features of the medicine or related product that might impact on health outcomes. These can include features of the medicine or related product that impact on ease of use, such as whether a medicine is administered by injection or in a pill.

#### **Costs and savings**

We consider the 'costs and savings' to the person and their family or whanau, and to the wider society. These include, for example, whether the treatment would reduce the cost of caring for someone. The costs and savings to the health system covers both the pharmaceutical budget and the wider health system. Funding medicines or related products can have flow-on impacts for the health system; for example, when a treatment can be given at home rather than in hospital. For example, it can free up a hospital bed for someone else.

#### The future for the Factors for Consideration

The Factors for Consideration were last reviewed in 2016. The Pharmac Review raised questions about whether we are considering the right factors and explaining how they are applied in our decisions.

Given this feedback, and the significant health and disability system changes, we are planning to review our Factors for Consideration.

#### Statutory objective

Does the proposal or decision help Pharmac to secure for eligible people in need of pharmaceuticals the best health outcomes that are reasonably achievable from within the amount of funding provided?

ice that affect

<sup>sy inpact on use by the health workforce</sup>

Suitability







costs and savings

# Diversity, courage, and looking towards a bright future

Chair of the Consumer Advisory Committee, Lisa Lawrence (Ngāti Kahungunu, Ngāti Ruapani) discusses the importance of consumer perspectives in the work of Te Pātaka Whaioranga – Pharmac.

Twenty years ago, the Consumer Advisory Committee was established. This team of ten, made up of people with different life experiences and professional backgrounds, was brought together to give more of a voice to everyone who uses medicines and, since 2012, medical devices.

"The wonderful thing about the (Consumer Advisory Committee) membership coming from across the motu is that the advice is not uniform, nor does the advice shared need to have the consensus of the rōpū," says Consumer Advisory Committee chair Lisa Lawrence.

"The ropū culture is mana enhancing – there's a lot of emphasis on group safety, that way people can confidently share their outlook on the issues."

The Consumer Advisory Committee provides advice on issues which significantly impact on the community, patients, or a specific group of people in New Zealand. In 2022, they provided advice on multiple engagement approaches, including the review of a paediatric cancer funding rule and the gout data insight reports. When asked what kind of people make up the Consumer Advisory Committee, Lisa is quick to answer.

"Courageous people! The Consumer Advisory Committee team brings diverse lived experiences of the health system to our discussions. Each has particular interests and experiences, such as ensuring equity for Māori and Pacific peoples, older people, rare disorders, people with disabilities and those living in rural areas."

"While members are not all specifically health professionals, they all come ready to dive into our work through the lens of those who are treated with medicines and medical devices," says Lisa. "Each is part of health and wellbeing networks in their own region, and some are connected to national and international networks too. The perspectives and concerns of these wider networks are shared and discussed too."

"This means that the Consumer Advisory Committee can provide advice to Pharmac which reflects a very large range of people. We can uphold their lived experiences of their health conditions and interactions with the health system. These insights are invaluable in helping Pharmac to make decisions to support the health of diverse communities across the motu."

Lisa has been a member of the Consumer Advisory Committee since 2016, becoming Deputy Chair in 2020 then Chair later that same year. With previous experience at St John, the NZ College of Midwives, NZ Family Planning Association, and iwi-based health and social services, Lisa joined the Consumer Advisory Committee to bring a non-clinical perspective into a clinical space to support the wellbeing of people.

"Some people may think that what Pharmac does would only focus on clinical decision-making," she says. "So back in 2016, I was really intrigued by the fact that there was a committee where the kaupapa was about bringing that non-clinical perspective in. I was keen to get involved because of how far-reaching the impact of these decisions are for all of us and our whānau." Lisa Lawrence (Ngāti Kahungunu, Ngāti Ruapani)

"What sold me on serving on the committee was my interview for the role. The people who interviewed me showed me they were fully invested in good relationships, and that the organisation was wanting to actively hear and think of how to apply consumer advice to their work. That kind of personal and professional integrity resonated with me, and I wanted to be a part of that."

Reflecting on her time on the committee so far, Lisa expressed her enormous respect for the previous Chairs and deputy Chairs, describing them as inspirational and great advocates for their communities. "We've now built the committee to have strong membership from Māori, Pasifika, and migrant communities – that's a core component of building a wellbalanced rōpū."

Since establishment, the Consumer Advisory Committee has grown more fully into its



position as an integral part of Pharmac. The expert advice provided by its membership has worked to ensure that medicine and medical devices – and the strategies which guide their procurement and provision – are the right fit for New Zealand.

"I believe that with the Consumer Advisory Committee in place, Te Pātaka Whaioranga can make more well-rounded and better-informed decisions."

"The future of the Consumer Advisory Committee looks to be louder, browner, and more visible than before," says Lisa. "There are greater expectations of Te Pātaka Whaioranga in terms of accountability and transparency. Without a doubt, the Consumer Advisory Committee is part of meeting those expectations. We look forward to the opportunity to be a key part of that bright future."

# A consumer voice on the Pharmacology and Therapeutics Advisory Committee

This year, we appointed a new member on our Pharmacology and Therapeutics Advisory Committee – a consumer representative.

Choosing which treatments to fund is critically important and nearly always a difficult task. Receiving high-quality clinical advice and hearing from a range of perspectives ensures we are making the most informed decisions we can.

"Te Pātaka Whaioranga – Pharmac has been looking at ways that consumer views and perspectives can be better included in our decision making. One of the areas where there has been a lot of feedback, over many years, has been about consumer involvement in the Pharmacology and Therapeutics Advisory Committee," says Chief Medical Officer Dr David Hughes.

Two Consumer Advisory Committee members were invited along as observers to help identify areas where they were most likely to add benefit to the Pharmacology and Therapeutics Advisory Committee, how the role of a consumer representative may work, and the type of support and training that could be useful for anyone in that role.

In July, Consumer Advisory Committee member Dr Robyn Manuel was appointed to the role by then Director General of Health, Dr Ashley Bloomfield.

"My position of consumer on the Pharmacology and Therapeutics Advisory Committee allows for another perspective to be considered when recommendations are made about whether a treatment should be added to the pharmaceutical schedule," says Dr Manuel.

"I am honoured to be the first consumer appointed to the Pharmacology and Therapeutics Advisory Committee and hope that my contribution proves to be worthwhile for Pharmac."

Dr Robyn Manuel (Te Rarawa, Ngāti Kahu, Ngāti Kurī and Te Aupōuri)



# **Our expert advisors**

#### **Pharmacology and Therapeutics Advisory Committee**

The Pharmacology and Therapeutics Advisory Committee (PTAC) is Te Pātaka Whaioranga - Pharmac's primary clinical advisory committee, as required by the Pae Ora (Healthy Futures) Act 2022, Section 7 (1) (2). PTAC's role is to provide objective clinical advice.

- Dr Jane Thomas (Chair) Paediatric Anaesthesia and Pain Medicine Specialist MBChB, FANZCA, FFPMANZCA
- Marius Rademaker (Deputy Chair) Dermatologist BM (Soton), MRCP (UK), JCHMT Accreditation, DM, FRCP (Edin), FRACP
- Prof Brian Anderson Anaesthesia and Intensive Care Medicine Specialist MBChB. Dip Obst. FANZCA, FCICM, PhD
- Prof Rhiannon Braund Clinical Pharmacist PhD, BPharm, BSc (Biochemistry), FPS, FNZCP
- Dr Elizabeth Dennett General Surgery, Colorectal BMedSci, MBChB, GradDipMed, MMedSci, MAppMgt(Hlth), FRACS, FASCRS
- MBChB, MD, FRACP
- Dr Bruce King Specialist Internal Medicine and Nephrology MRCHR FRACP
- Dr Robyn Manuel Consumer Member (Te Rarawa, Ngāti Kahu, Ngāti Kurī and <u>Te Aupōuri)</u>
- Prof Jennifer Martin Clinical Pharmacologist MBChB, MA(Oxon.), FRACP, PhD
- Dr Stephen Munn Transplant Surgeon MBChB, FRACS, FACS
- Dr Giles Newton-Howes Psychiatrist BA, BSc, MBChB, MRCPsych, PostDip BD, FRANZCP
- Prof Lisa Stamp Internal Medicine and Rheumatology MBChB, FRACP, PhD, PGCertStratLdrship
- Dr Matthew Strother Medical Oncologist MD (USA), FRACP
- Dr Simon Wynn Thomas General Practitioner BMedSci (UK), MRCP (UK), MRCGP (UK), DFFP, FRNZCGP

#### **Consumer Advisory Committee**

The Consumer Advisory Committee provides a consumer perspective on our work.

- Lisa Lawrence (Chair) (Ngāti Kahungunu, Ngāti Ruapani)
- Tui Taurua (Ngāpuhi)
- Nele Kalolo
- Dr Robyn Manuel
- (Te Rarawa, Ngāti Kahu, Ngāti Kurī and Te Aupōuri)
- Mary Schnackenberg
- Dr Sione Vaka
- Janfrie Wakim

#### Te Ropū

Te Rōpū Māori is an external group dedicated to enhancing how Te Pātaka Whaioranga - Pharmac gives effect to te Tiriti.

Members of Te Ropū have been nominated by key stakeholder groups that have had long standing relationships with Pharmac, including Māori doctors, rongoā practitioners, Whānau Ora kaimahi, pharmacists and nurses.

The role of Te Ropū is being discussed through the development of a partnership framework, and includes supporting Pharmac to build its capability in te ao Māori and enhance how it gives effect to te Tiriti.

- Eugene Berrymen-Kamp (Ngāti Kea, Ngāti Tuara, Ngāti Whakaue, Te Arawa, Ngāti Pukeko, Ngāti Awa, and Ngāti Manawa) - nominated by Te Arawa Whanau Ora (Co-chair)
- Rebecca Mason (Ngāti Kuia, Ngāti Koata, Ngāti Toa Rangatira, and Ngāi Tahu) nominated by Te Pūtahitanga o Waipounamu Whānau Ora Commissioning Agency (Co-chair)
- Dr Teah Carlson (Te Whānau ā Apanui, Ngāti Porou, and Waikato-Tainui) nominated by Ngā Pou Mana- Tangata Whenua Allied Health
- Tangihaere MacFarlane (Ngāti Whakaue, Ngāti Rangiwewehi, and Ngāti Pikiao) nominated by Te Tumu Whakarae DHB National General Managers Māori/Executive Directors Māori
- Dr Rachel Mackie (Ngāti Wai) nominated by Te Akoranga a Māui Royal New Zealand College of General Practitioners (RNZCGP) Māori representative group
- Charmaine Newson (Ngai Tahu, Kati Waewae, Waitaha, Ngāti Konohi, Te Whānau-ā-Apanui, and Ngāti Rakaipaaka) - nominated by Whānau Ora Commissioning Agency (formerly Te Pou Matakana)
- Kerri Nuku (Ngāti Kahungunu and Ngai Tai) nominated by Topūtanga Tapuhi Kaitiaki o Aotearoa New Zealand Nurses Organisation
- Nora Jayne Parore (Ngāti Whātua, Ngāpuhi, Ngāti Wai, Ngāti Kahu o Whangaroa, and Te Roroa) nominated by Ngā Kaitiaki o Te Puna Rongoā o Aotearoa Māori Pharmacists Association
- Dr Arihia Waaka (Te Arawa) nominated by Te Rōpū Whakakaupapa Urutā

## **Specialist Advisory Committees**

Specialist advisory committees provide Te Pātaka Whaioranga - Pharmac with knowledge and expertise within specific clinical areas, such as diabetes, cancer, and mental health. They meet as needed to discuss issues within their clinical areas.

#### Analgesic Advisory Committee

- Dr Tipu Aamir Pain Medicine Specialist

- Dr Christopher Lynch Neurologist

#### Anti-Infective Advisory Committee

- Dr Elizabeth Dennett General Surgery -
- Dr Sean Hanna General Practitioner

#### Cancer Treatments Advisory Committee (previously CaTSoP)

- Dr Marius Rademaker Dermatologist
- Dr Oliver Brake Haematologist
- Dr Peter Ganly Haematologist
- Dr Vidva Mathavan Haematologist
- Dr Stephen Munn Transplant Surgeon (PTAC Member)
- Dr Matthew Strother Medical Oncologist Dr Lochie Teague – Paediatric

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Dr Michelle Wilson - Medical Oncologist

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#### Cardiovascular Advisory Committee

#### Gastrointestinal Advisory Committee

- Dr Bruce King Specialist Internal Medicine

- Dr Samuel Whittaker General Practitioner

#### Dermatology Advisory Committee

- Paediatrician

#### Diabetes Advisory Committee

- Dr Elizabeth Dennett General Surgery -
- Dr Nic Crook Diabetologist
  - and Nephrology (PTAC member)
- Diabetes Specialist

- Prof Tim Stokes General Practitioner (PTAC member)
- Dr Esko Wiltshire Paediatric
- Prof Christopher Frampton Biostatistician Endocrinology Advisory Committee
  - Dr Simon Wynn Thomas General

  - Prof Alistair Gunn Paediatri
  - Dr Bruce King Specialist Internal Medicine

  - Dr Bruce Small General Practitione

- Dr Sandy Dawson General Practitioner
- Assoc Prof Michael Schultz -

- Practitioner (PTAC member)

#### Haematology Advisory Committee

- Prof Brian Anderson Anaesthesia and Intensive Care Specialist (Chair, PTAC
- Dr Eileen Merriman Haematologist
- Dr Julia Phillips Haematologist

#### Immunisation Advisory Committee

- Dr Stuart Dalziel Paediatrician Dr Sean Hanna – General Practitioner
- Prof Karen Hoare Nurse Practitioner /
- Physician / Medical Officer of Health

Diseases Specialist

Diseases Specialist

• Dr Edwin (Gary) Reynolds - General

Dr Michael Tatley - Director of New Zealand

Rare Disorders Adviso

Dr William Wo

Dr Simon Wyr

Respiratory Advisory

Rheumatology Adviso

Committee

Mental Health Advisory Committee

Assoc Prof Alan Fraser – Gastroenterologist

Dr Bronwyn Copeland - Consultant

• Dr Sean Hanna - General Practitioner

Dr Giles Newton-Howes – Psychiatrist

Dr Jane Thomas - Paediatric Anaesthetist

Dr Elizabeth Dennett - General Surgery-

Dr Bruce King - Specialist Internal Medicine •

Dr William Wong - Paediatric Nephrologist

Dr Giles Newton-Howes – Psychiatrist (Chair,

Prof Lynette Sadlier - Paediatric Neurologist •

Nephrology Advisory Committee

Physician

Nephrologist

Neurological Advisory Committee

Prof Brian Anderson - Paediatric

Dr Paul Timmings - Neurologist

Ophthalmology Advisory Committee

member)

Dr Stephen Munn – Transplant Surgeor

Dr Samuel Whittaker – General Practitioner

Dr Cathy Stephenson - General Practitioner Reproductive and Sex

Disorders Advisory Committee	Special Foods Advisory Committee
Disorders Advisory Committee Prof Tim Stokes - General Practitioner (Chair, PTAC member) Dr James Cleland - Neurologist and Neurophysiologist Dr Janice Fletcher - Clinical Geneticist and Metabolic Physician Dr Emma Glamuzina - Metabolic Consultant Prof Carlo Marra - Dean of the School of Pharmacy, University of Otago Dr Katherine Neas - Clinical Geneticist Dr Humphrey Pullon - Haematologist Dr William Wong - Paediatric Nephrologist	<ul> <li>Special Foods Advisory Committee</li> <li>Prof Jennifer Martin - Clinical Pharmacologist (Chair, PTAC member</li> <li>Assoc Prof Alan Fraser - Gastroenter (PTAC member)</li> <li>Mrs Kim Herbison - Paediatric Dietitia</li> <li>Miss Nicola Hartley - Dietitian, Clinica Leader - Acute Inpatient Services</li> <li>Ms Nicola McCarthy - Clinical Dietitia</li> <li>Dr Amin Roberts - Paediatric Gastroenterologist</li> <li>Dr Russell Walmsley - Gastroenterologist</li> <li>Dr Jocy Wood - General Practitioner</li> <li>Ms Victoria Woollett (nee Logan) -</li> </ul>
roductive and Sexual Health Advisory	Community Dietitian
<b>mittee</b> Dr Simon Wynn Thomas - General Practitioner (Chair, PTAC member)	Tender Clinical Advisory Committee  Prof Rhiannon Braund – Clinical Phare
Prof Rhiannon Braund - Clinical Pharmacist (PTAC member) Dr Debbie Hughes - General Practitioner	<ul> <li>(Chair, PTAC member)</li> <li>Prof Brian Anderson - Anaesthesia an Intensive Care Specialist (PTAC mem Intensive Care Specialist (PTAC mem</li> </ul>
Dr Jane Morgan - Sexual Health Physician Dr Ian Page - Obstetrician and Gynaecologist Dr Helen Paterson - Obstetrician and	<ul> <li>Ms Amy Hina - Nurse Practitioner</li> <li>Dr Liza Lack - General Practitioner, C Director</li> <li>Mr Craig MacKenzie - Hospital Pharm</li> </ul>
Gynaecologist Dr Christine Roke - Sexual Health Physician	<ul> <li>Miss Stephanie Noble - Pharmacist</li> <li>Ms Clare Randall - Palliative Care Clin Pharmacist</li> </ul>
piratory Advisory Committee	<ul><li>Mr Geoff Savell - Pharmacist</li><li>Ms Amanda Stanfield - Community</li></ul>
Dr Matthew Strother - Medical Oncologist (Chair, PTAC Member) Dr Tim Christmas - Respiratory Physician Dr Stuart Dalziel - Paediatrician Dr Greg Frazer - Respiratory Physician	<ul> <li>Pharmacist</li> <li>Ms Helen Topia - Nurse Practitioner / Clinical Educator</li> <li>Ms Lorraine Welman - Chief Pharmac</li> </ul>
Dr David McNamara - Paediatric Respiratory Physician Dr Ian Shaw - Paediatrician	Transplant Immunosuppressant Advisory Committee
Prof Tim Stokes - General Practitioner (PTAC member) Dr Justin Travers - Respiratory Physician Dr Neil Whittaker - General Practitioner	<ul> <li>Dr Marius Rademaker - Dermatologis (Chair, PTAC member)</li> <li>Dr Helen Evans - Paediatric Gastroenterologist</li> <li>Dr Tanya McWilliams - Respiratory Pf</li> </ul>
umatology Advisory Committee	Prof Stephen Munn – Transplant Surg (PTAC member)
Dr Marius Rademaker - Dermatologist (Chair, PTAC member) Dr Priscilla Campbell-Stokes - Paediatric Rheumatologist	<ul> <li>Dr Grant Pidgeon - Renal Physician</li> <li>Prof Lisa Stamp - Rheumatologist (PTAC member)</li> </ul>
Dr Keith Colvine - Rheumatologist and General Physician Dr Michael Corkill - Rheumatologist Dr Elizabeth Dennett - General Surgery / Colorectal (PTAC Member) Assoc Prof Alan Fraser - Gastroenterologist	Names, roles and titles current as of <b>20 October 2022</b>

Dr Janet Hayward - General Physician Assoc Prof Will Taylor – Rheumatologist



Dig into the pharmaceutical landscape of New Zealand with Zealand with pharmac's top 20 for 2021/22 for 2021/22

### Therapeutic groups by gross spend

Ranking	Therapeutic Group	Main indication	2018	2019	2020	2021	2022
			\$m	\$m	\$m	\$m	\$m
1	Immunosuppressants	Autoimmune conditions, arthritis, transplant and biologics for cancer	\$216.9	\$247.7	\$280.0	\$296.6	\$325.5
2	Chemotherapeutic Agents	Cancer	\$86.1	\$93.5	\$103.6	\$138.3	\$149.
3	Diabetes	Diabetes	\$57.5	\$63.4	\$75.8	\$91.8	\$123.7
4	Vaccinations	Vaccine preventable diseases	\$137.1	\$125.0	\$125.5	\$114.4	\$111.4
5	Antithrombotic Agents	Stopping blood clots	\$56.0	\$66.1	\$75.9	\$86.2	\$96.6
6	Inhaled Long-acting Beta- adrenoceptor Agonists	Respiratory conditions	\$55.8	\$58.4	\$63.4	\$67.4	\$75.6
7	Antifibrinolytics, Haemostatics and Local Sclerosants	Haemophilia	\$28.2	\$33.0	\$50.8	\$55.6	\$59.
8	Endocrine Therapy	HRT	\$35.8	\$38.1	\$41.3	\$47.8	\$43.
9	Multiple Sclerosis Treatments	Multiple sclerosis	\$28.5	\$30.1	\$33.4	\$38.9	\$42.
10	Antivirals	Hepatitis C	\$84.4	\$143.9	\$135.1	\$62.6	\$39.9
11	Antipsychotics	Mental health	\$37.0	\$33.1	\$35.6	\$37.2	\$38.
12	Anticholinergic Agents	Respiratory conditions	\$22.7	\$25.9	\$28.8	\$31.3	\$33.
13	Agents Affecting the Renin-An- giotensin System	Blood pressure, heart failure, kidney failure, and effects of diabetes	\$12.3	\$12.5	\$15.5	\$22.1	\$31.
14	Diabetes Management	Blood glucose monitors and strips	\$22.2	\$24.8	\$25.1	\$26.7	\$29.4
15	Antiepilepsy Drugs	Epilepsy	\$37.5	\$36.4	\$26.7	\$27.2	\$29.
16	Antiretrovirals	HIV/AIDS	\$30.5	\$24.5	\$24.0	\$26.6	\$28
17	Analgesics	Pain relief	\$18.1	\$17.8	\$17.4	\$27.6	\$26.
18	Oral and Enteral Feeds	Special Foods	\$15.7	\$16.7	\$17.9	\$20.2	\$23.4
19	Antidiarrhoeals	Diarrhoea relief	\$11.9	\$12.4	\$13.0	\$13.8	\$14.4
20	Mucolytics	Respiratory System and Allergies	\$2.0	\$2.2	\$2.4	\$7.8	\$14.
		Total	\$996.2	\$1,105.5	\$1,191.2	\$1,240.1	\$1,336.2

### **Community medicines** by number of funded prescriptions dispensed

Ranking	Medicine	Therapeutic Group	2022
1	Paracetamol	Analgesics	3,110,000
2	Atorvastatin	Cardiovascular	1,750,000
3	Omeprazole	Alimentary	1,640,000
4	Aspirin	Antithrombotics	1,120,000
5	Ibuprofen	Analgesics	1,080,000
6	Colecalciferol	Musculoskeletal	1,050,000
7	Metoprolol succinate	Cardiovascular	940,000
8	Amoxicillin	Anti-infectives	920,000
9	Salbutamol	Respiratory	830,000
10	Levothyroxine	Hormones	690,000
11	Cilazapril	Cardiovascular	640,000
12	Prednisone	Hormones	630,000
13	Cetirizine hydrochloride	Antihistamines	620,000
14	Amlodipine	Cardiovascular	620,000
15	Zopiclone	Nervous System	610,000
16	Docusate sodium with sennosides	Laxatives	570,000
17	Metformin hydrochloride	Diabetes	560,000
18	Loratadine	Antihistamines	540,000
19	Candesartan cilexetil	Cardiovascular	530,000
20	Codeine phosphate	Analgesics	530,000
			Total 18,980,000

The data above excludes hospital purchases.

List order has been determined by top spend in the financial year 2021/22.

Gross spend is shown in millions NZD and is exclusive of GST, and prior to the application of rebates and discounts.

# Hospital medicines by gross spend

Ranking	Medicine	Therapeutic Group	2022 Spend
			\$m
1	Infliximab	Immunosuppressants	\$61.00
2	Aflibercept	Immunosuppressants	\$15.13
3	Rituximab	Immunosuppressants	\$9.18
4	Iron (as ferric carboxymaltose)	Alimentary	\$7.73
5	Clostridium botulinum type A toxin	Musculoskeletal	\$5.07
6	Sugammadex	Musculoskeletal	\$4.99
7	Alteplase	Antithrombotics	\$4.52
8	Idarucizumab	Immunosuppressants	\$3.94
9	Enoxaparin sodium	Antithrombotics	\$3.74
10	Tocilizumab	Immunosuppressants	\$3.05
11	Amphotericin B	Anti-infectives	\$2.73
12	Levonorgestrel	Hormones	\$2.67
13	Paliperidone	Antipsychotics	\$2.47
14	Olanzapine	Anaesthetics	\$2.13
15	Heparin sodium	Blood and Blood Forming Organs	\$1.47
16	Lidocaine [Lignocaine] hydrochloride	Anaesthetics	\$1.42
17	Emicizumab	Blood and Blood Forming Organs	\$1.39
18	Sevoflurane	Anaesthetics	\$1.37
19	Amoxicillin with clavulanic acid	Anti-infectives	\$1.33
20	Lenalidomide	Oncology	\$1.29
		Total	\$136.63

### **Reimbursed medicines** by gross spend

Ranking	Medicine	Therapeutic Group	2022 Spend
			\$m
1	Adalimumab	Immunosuppressants	\$113.59
2	Dabigatran	Antithrombotic Agents	\$48.55
3	Pembrolizumab	Immunosuppressants	\$46.27
4	Budesonide with eformoterol	Respiratory	\$41.87
5	Trastuzumab	Immunosuppressants	\$40.08
6	Lenalidomide	Oncology	\$38.75
7	Insulin glargine	Diabetes	\$36.89
8	Rivaroxaban	Antithrombotic Agents	\$34.22
9	Glecaprevir and pibrentasvir	Нер С	\$32.42
10	Palbociclib	Oncology	\$29.31
11	Abiraterone acetate	Oncology	\$28.71
12	Rurioctocog alfa pegol [Recombinant factor VIII]	Blood and Blood Forming Organs	\$27.22
13	Etanercept	Immunosuppressants	\$24.82
14	Pneumococcal (PCV10) vaccine	Vaccinations	\$24.14
15	Aflibercept	Immunosuppressants	\$24.07
16	Diphtheria, tetanus, pertussis, polio, hepatitis B and haemophilus influenzae type B vaccine	Vaccinations	\$22.95
17	Secukinumab	Immunosuppressants	\$20.69
18	Dolutegravir	Anti-infectives	\$20.66
19	Empagliflozin	Diabates	\$20.04
20	Human papillomavirus vaccine [HPV]	Vaccinations	\$17.75
		Total	\$693.00





## The year ahead: **Chief Executive's afterword**

Te Pātaka Whaioranga - Pharmac decides which medicines, vaccines, devices, and related products are available to New Zealanders in a way that is affordable, timely and equitable.

We have a clear mandate, but our work is not simple. We must stay mindful of the changes and challenges we face as an organisation and think ahead as we plan for the future.

We've welcomed the establishment of Te Whatu Ora and Te Aka Whai Ora as well as the introduction of the new Pae Ora principles, which underpin the work of all health and disability system agencies in New Zealand.

We need to work with the wider health and disability system to create a more equitable, accessible, cohesive, and people-centred system. We're looking forward to closer collaboration with We already see a strong connection between the Manatū Hauora - Ministry of Health to achieve these goals.

Next year, we'll work with priority populations, people with lived experiences, key health agencies and organisations to engage with us on our assessment and decision-making processes.

We'll also continue to look forward at our focus on people, as it is people who are at the heart of our statutory purpose. We need to be more effective and influential in our contribution to improving equity of access and achieving equitable health outcomes.

Building on the work we did this year with te Rōpū, we'll update te Rautaki o te Whaioranga Strategy - strengthening how we give effect to te Tiriti o Waitangi by being a strong partner, and working with Te Aka Whai Ora to address Māori health inequities.

We'll strengthen our relationships as we progress towards nationally managed hospital medical devices. By combining Te Whatu Ora and Pharmac's strengths and collaborating closely, we can deliver greater benefits to the health and disability system.

- We are also working to ensure our internal processes are increasingly streamlined and transparent. We will improve our approach to commercial strategies, decision making, and upgrading the criteria, tools and technologies we use to support our work.
- Despite the uncertainties of an evolving system, it was reassuring to hear the review committee's recognition of the important role we play, and their view that the Pharmac model is sound and continues to deliver significant benefits for New Zealand.
- Pae Ora principles and what we want to achieve, including our response to the Pharmac Review, and how we will work ahead.
- The next 12 months will be busy. But by living our organisational values - tūhono, whakarongo, wānanga, māia, and kaitiakitanga - we can work more effectively with others and maximise our contribution to the health and disability system.





# **Keep in touch**

The views of people who may be impacted by the decisions we make are important to us.

Find out how to get in touch on our website.

pharmac.govt.nz/contact

Follow us on Facebook and subscribe to updates on our website to keep up to date with what's going on at Pharmac.

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Pages: 2-3 Diversity, courage, and looking towards a bright future, 46,47 – Jannel Fisher

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