PHARMAC
TE PĀTAKA WHAIORANGA

YEAR IN REVIEW

2021

THE PHARMAC EFFECT

The real-world outcomes our funding decisions have

DOING MORE FOR EQUITY

How ethnicity-based funding criteria is increasing access

ADVISING PHARMAC

The network of expert advisors keeping Pharmac on track

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The Pharmac effect

From securing COVID-19 treatments and managing a major supplier withdrawal during a pandemic to widening access to multiple sclerosis treatments and funding ivacaftor for cystic fibrosis, read about the real-world outcomes of our funding decisions in the Pharmac effect.

Learning from the lamotrigine brand change

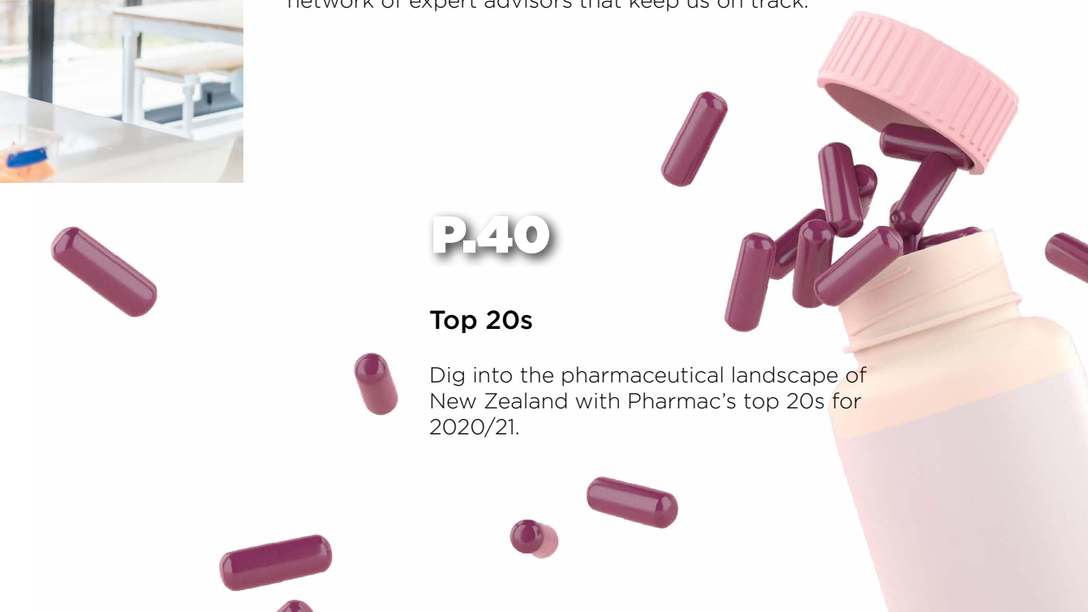
How Pharmac is working with the health and disability sector to improve how brand change information is shared.

A new way to tackle medicine access inequities

This year, and for the first time, Pharmac applied equity-based funding criteria to two new diabetes medicines.

Advising Pharmac

Our decisions about funding have a big impact on New Zealanders. Learn about the diverse network of expert advisors that keep us on track.



Top 20s

Dig into the pharmaceutical landscape of New Zealand with Pharmac's top 20s for 2020/21.

Chief Executive's foreword

Tēnā koutou,

I'm incredibly proud to present Pharmac's Year in Review for 2021.

Pharmac, along with the health and disability sector, has faced many challenges this year as the COVID-19 pandemic continues and the government health reform takes shape. With crucial support from our Board, advisors, partners, and many stakeholders, the Pharmac team have managed the complexities brought on by COVID-19 and the scrutiny of an independent review.

As the pandemic continues, we are working closely with the Ministry of Health, DHBs, New Zealand Health Partnerships, suppliers, and many others in the sector to ensure New Zealanders have access to the funded medicines and medical devices they need.

In 2021, we funded 13 new medicines and widened access to 19 medicines already funded, helping more than 45,000 New Zealanders get medicines they couldn't a year ago.

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In this Year in Review, you can read about how we quickly secured treatments for COVID-19 and found suppliers or alternative medicines for around 600,000 patients that could have been impacted by global pharmaceutical company Apotex leaving the New Zealand market.

Additionally, our work towards a national list of hospital medical devices is progressing well. We met our target of having $400 million of devices under contract by the end of the 2020/21 financial year. The list of nationally contracted hosiptal medical devices is now more than 60 percent complete – a big milestone for Pharmac and a testament to the essential support from suppliers and DHBs.

Another continued focus this year has been inequities in access to medicines. Māori and Pacific peoples continue to receive medicines at lower rates than others. This is unacceptable.

While our role may be relatively small in the health and disability sector, we can still have an impact. This year, we specifically named Māori and Pacific ethnicities within the funding criteria for two new type 2 diabetes medicines – a decision that will provide significant health benefits for around 53,000 New Zealanders with the disease.

This is an exciting change for us, and we will continue to use our funding criteria to reduce barriers and target populations where we know there is evidence of inequities in access.

We are only one year into our new strategic direction and I am pleased with the progress we are making. But as we grow as an organisation, we must give further effect to Te Tiriti and strengthen how we work with Māori.

We have built up our internal Māori capability, appointed a Chief Advisor Māori to our senior leadership team, created a dedicated Te Whaioranga team, and established a Māori Rōpū to guide our senior leadership team and Board. These are fundamental steps, and particularly pertinent given the interim findings of the independent review into Pharmac released in December.

We will continue to use our funding criteria in the future to remove barriers and target populations where we know there is evidence of inequities in access to already funded medicines.

Since March 2021, the review panel has been looking at how well we perform against our statutory objectives, how transparent and timely our decision-making processes are, and how we consider equity in our decision-making.

Encouragingly, the interim findings strongly endorse our new strategic focus and our work with partners across the sector to deliver efficient, effective, and equitable access to medicines for everyone in New Zealand.

We are already working towards becoming a transparent, consumer, and equity focused organisation. Driven by Te Tiriti and our new organisational values, we continue our work to change our systems and processes to make our work faster, simpler, and more transparent.

We're looking at short-term solutions, such as releasing our priority lists, as well as longer-term changes that could help the health and disability sector meet future challenges.

We've been communicating changes to the healthcare professionals around New Zealand to ensure patients know about any changes to their medicine. And we've also been exploring new ways we can reach patients directly, such as through targeted awareness campaigns and community partnerships.

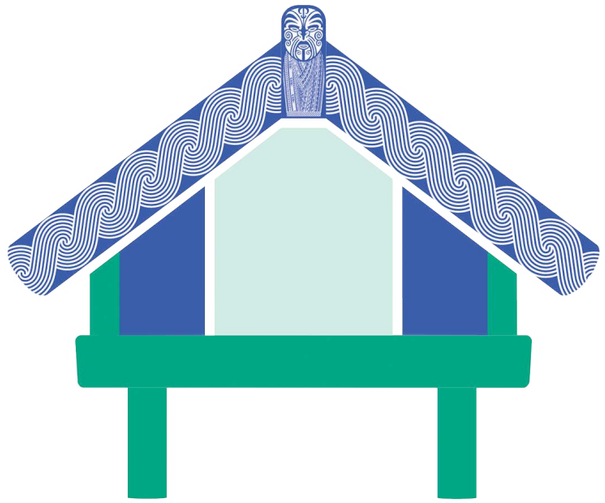
Before reading about some of the things I have mentioned here, I want to recognise our Board and our staff for the work they do to build Pharmac into the best organisation it can be. I want to extend this thanks to our kaumātua, Bill Kaua, ONZM for his time, expertise, and guidance.

I also want to thank everyone who has provided clinical, technical, and consumer advice to us throughout the year – with your insights, often personal stories, we can make the most informed decisions.

We work with a huge range of stakeholders, from healthcare professionals and DHBs to technical experts and international suppliers. I want to thank everyone we work with for enabling Pharmac to get the best health outcomes from New Zealand's investment in medicines and medical devices.

Ngā mihi,

Sarah Fitt
Chief Executive



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 reo 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 the Pharmac 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.

PHARMAC
TE PĀTAKA WHAIORANGA

Funding New Zealand's medicines

Pharmac is a unique agency. It is the only organisation in the world that manages a fixed budget set by the Government and decides which medicines will be funded.

As a Crown entity, our mission is set out in the New Zealand Public Health and Disability Act 2000. Our job is to get the best health outcomes from medicines for New Zealanders, while staying within the budget the Government sets. We decide how we're going to achieve this – that's where our strategic direction, values, and commitment to te Tiriti make the difference.

But we can't do it alone. We work with people and organisations across New Zealand and the world to achieve this mission – from international suppliers of medicines and medical devices to New Zealanders prescribing, dispensing, and using these products.

More access to more medicines

We know our decisions affect the lives and wellbeing of New Zealanders. We've continued to add more medicines and widen access to medicines that are already funded, benefiting an estimated 45,000 people in the 2020/21 financial year. And that's on top of the 3.7 million New Zealanders who benefitted from subsidised prescriptions.

While the costs of medicines have increased over time, our unique position has allowed us to make more, and varied, medicines available in New Zealand. And we've been able to save money in the process – money we then reinvest in funding more, new medicines.

During the year, we funded 13 new medicines and widened access to 19, building on the approximately 2,000 medicines already subsidised by the Government.

It's not all about new medicines

Access to medicines can't just be measured by something being listed in the Schedule. It also matters that people can get the medicine and use it correctly.

We know that many New Zealanders are not getting the funded medicines they need to live their healthiest lives. Māori, Pacific peoples, people with low socio-economic status, refugees, and those who live rurally are often affected by inequity. Improving access to funded medicines for all New Zealanders is a strategic priority for Pharmac.

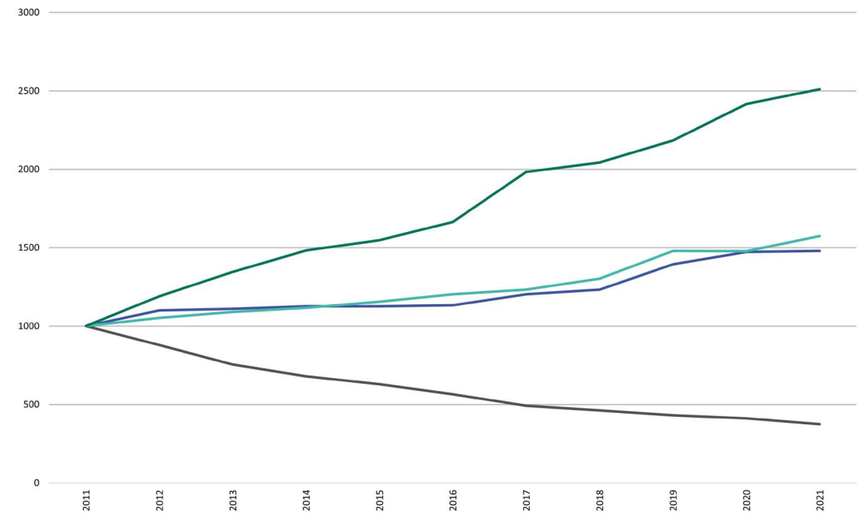
Finding the money for new medicines

We've been successful at negotiating the costs of medicines down. Despite the prices for medicines going up, we've reduced the average cost of each dose of medicine each year. Without the cost reductions we have secured over time, the pharmaceutical budget would have to be $3 billion just to pay for what we already fund. Instead, it's a third of that.

The graphs on the next page show the savings we've achieved in the last decade.

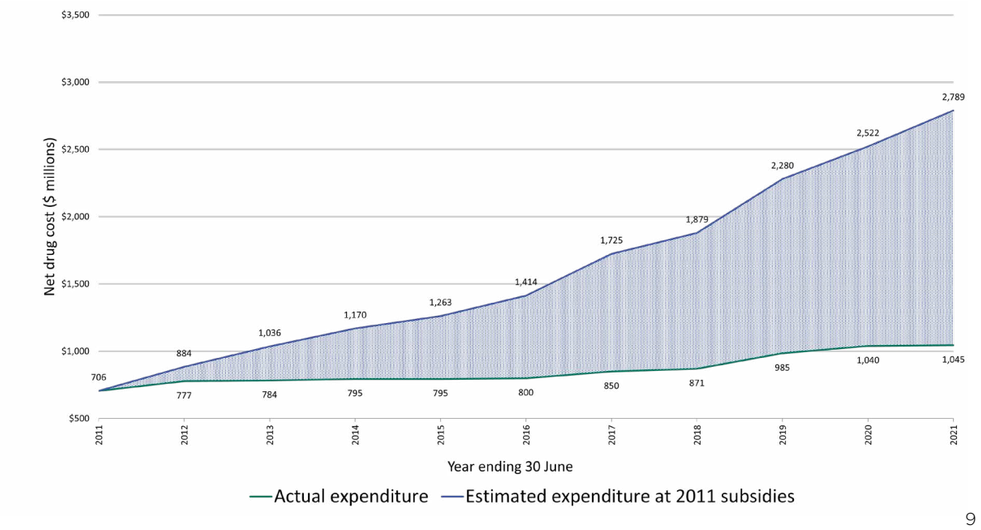
Price, volume, mix

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



The impact of Pharmac

This graph shows our impact on New Zealand's medicines spending over the past decade, using 2021 medicine prices as a baseline. The gap between estimated expenditure (blue line) and actual expenditure (green line) highlights the $2 billion the health system would have had to spend on medicines without Pharmac's pharmaceutical management.



The journey of a 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.

1. Apply

A supplier, health professional, or anyone else can submit an application with our online Application Tracker.

2. Review

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

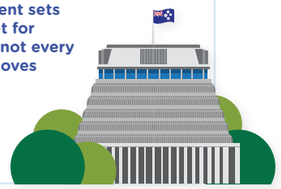
3. Assess

Our committees give us expert clinical and consumer advice. This helps us conduct a thorough assessment of an application using the Factors for Consideration.

4. Prioritise

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 a fixed budget for medicines so not every application moves forward.



5. Negotiate

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.

6. Agree

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

7. Consult

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

8. Funding decision

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

9. List

The medicine or related product is listed on the Pharmaceutical Schedule and becomes available to New Zealanders.

Our year in numbers

3.77 million
New Zealanders who received funded medicines

45,346
Estimated number of people benefitting from new medicines funded

$1.045 billion
Budget spent on medicines
(Combined Pharmaceutical Budget)

$29.5 million
Money freed up from negotiations to reinvest in medicines

13
Number of new medicines funded

19
Number of medicines with widened access

140,000
Total items for hospital medical devices under national contracts

These statistics are from the 2020/21 financial year (1 July 2020 to 31 June 2021) not the calendar year.

The Pharmac effect

While most people don't think of Pharmac when they fill their prescriptions, get life-saving medicines in hospital, or access vaccines, the impact of Pharmac decisions is felt far and wide. Almost 4 million New Zealanders access government-funded and subsidised medicines every year.

Securing COVID-19 treatments, managing a major supplier withdrawal during a pandemic, amending the meningococcal B vaccine criteria, widening access to multiple scleroistreatments, and funding ivacaftor for cystic fibrosis – read about the real-world outcomes of our funding decisions in 2020/21.

Finding COVID-19 treatments fast

We're making sure New Zealanders have access to the latest COVID-19 treatments. By working closely with suppliers, we're proactively securing treatments as they become available.

"The unprecedented nature of the pandemic and the ongoing health risks posed by COVID-19 has required us to take a different approach to some of our work," says Director of Operations Lisa Williams.

> ***"The unprecedented nature of the pandemic and the ongoing health risks posed by COVID-19 has required us to take a different approach to some of our work."***
>
> *Lisa Williams, Director of Operations*

"While we're usually on the receiving end of funding applications, to secure access to safe and effective COVID-19 treatments, we're leading engagement with global pharmaceutical companies."

As of 1 December 2021, we have secured tocilizumab, remdesivir, molnupiravir, Ronapreve, and baricitinib to treat the symptoms of COVID-19 at different severities.

"To help us understand the evidence and how these treatments could benefit New Zealanders, we've assembled an expert advisory group," says Lisa. "We are working closely with them, as well as the Ministry of Health's Science and Technical Advisory Group and Therapeutics Technical Advisory Group, to make informed and swift decisions."

These medicines are funded from a dedicated budget allocated by the Government. That means COVID-19 treatment costs do not come from the annual budget for New Zealand's medicines (the Combined Pharmaceutical Budget, or CPB).

"Using separate funding allocated by Government has enabled us to move quickly to access new COVID-19 treatments," Lisa explains.

COVID-19 has also created numerous supply challenges, testing some of our arrangements with suppliers since the pandemic began. Thanks to the huge effort from our team and the help of many suppliers and partners in the sector, we've been able to do things differently throughout to ensure medicine supply in New Zealand.

When a major supplier leaves the market amid a pandemic

In 2019, Apotex announced it was leaving the New Zealand market from late 2021 as part of a global consolidation. A key supplier at the time, Apotex provided nearly 80 different medicines and devices that were used by approximately 600,000 patients. Companies' commercial situations change – a reality in any industry and something we are very used to. When this happens to our suppliers, we work closely with them to reduce any impacts on New Zealand.

Apotex was clear with us around notice periods so we could immediately begin sourcing replacements for all these products before supply ran out.

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We found replacements for most of the products during our annual tender process. But for some of the more challenging products, we needed to reach out to suppliers directly.

Thanks to the quick collaboration with Apotex and other suppliers, there were no significant disruptions to the availability of medicines in New Zealand. Only a small number of legacy products have been discontinued as no replacement existed.

Funding ivacaftor for rare cystic fibrosis mutation

In March, we added ivacaftor – a treatment for cystic fibrosis – to the Pharmaceutical Schedule following Medsafe's approval. We checked in with Bruno Cettina, a teen who had been living his best life thanks to the Pharmac-funded medicine. Despite being one of 35 New Zealanders with the rare cystic fibrosis mutation, Bruno's mum Ana Waalkens told us he's taking life with vigour.

"Without Pharmac's funding of ivacaftor and support, Bruno would be in a whole different ball game", says Ana.

Bruno used to be admitted to Starship Hospital about three times a year. Since starting ivacaftor in March 2020, Bruno hasn't been admitted to Starship at all. His lung capacity, damaged by the cystic fibrosis, has responded well to ivacaftor, and his cystic fibrosis-related diabetes is more stable than it has ever been.

> ***Around 85% of the Government's budget for pharmaceuticals is spent on medicines used by just 10% of New Zealanders.***

"Bruno's life and ours has improved significantly because of this medicine," Ana told us. It has changed our outlook for the future, which we wouldn't even have considered before."

Ivacaftor is an expensive medicine, costing $383,225 at market pricing per person per year.

Around 85% of the Government's budget for pharmaceuticals is spent on medicines used by just 10% of New Zealanders, like Bruno, each year.

Getting meningococcal B vaccines to the people most at risk

This year, we widened access to the meningococcal B vaccine to include free access for around 1,500 people who are at higher risk of contracting meningococcal disease.

The disease can lead to serious illnesses, including inflammation of your brain membranes (meningitis) and blood poisoning (septicaemia). These illnesses can develop quickly over a few hours and can cause severe disability or even death.

After consulting widely, we included close contacts of meningococcal cases and people who are at higher risk of contracting meningococcal B because they have reduced immune function due to certain health conditions.

This vaccine will protect those New Zealanders at higher risk of contracting meningococcal B.

This vaccine will protect those New Zealanders at higher risk of contracting meningococcal B, which on average causes more than half of all meningococcal cases each year.

Widening access to multiple sclerosis treatments

We widened access to multiple sclerosis (MS) treatments this year. Previously, to be prescribed these medicines you needed to walk 500m without assistance, however we changed this to 100m. This meant that 1,800 people with MS could stay on their treatment for longer, and some who had stopped funded treatment were eligible to restart.

Jeremy Seed (Kai Tahu/Kati Mamoe), a former New Zealand Army officer and father of two who has had multiple sclerosis for more than 11 years, was relieved when he learnt that he was able to stay on his treatment for longer.

“It was really good news,” Jeremy told us. “The 500m walk was an annual stressor, and I was worried each time I would no longer qualify for my medication.

“Ironically, stress can exacerbate MS, so not having to worry about it is fantastic.” We also simplified the application process to make it quicker for people with MS to access treatments and less burdensome for clinicians to apply.

Jeremy recently retired from the New Zealand Army and now works for the Returned and Services Association (RSA), supporting current and former military personnel and their families.

“Being able to stay on my treatment means I can focus on the things that matter,” says Jeremy Seed.

“Being able to stay on my treatment means I can focus on the things that matter – my family first and foremost, and my new role with the RSA.”

Our Factors for Consideration

To get the best health outcomes for New Zealanders from the Government's budget for medicines, 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.

This framework ensures we think about each application and its impacts at all levels. We consider the individual person (the inner layer), their whānau, caregivers, and society (the middle layer), and the health and disability sector (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 socioeconomic 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.

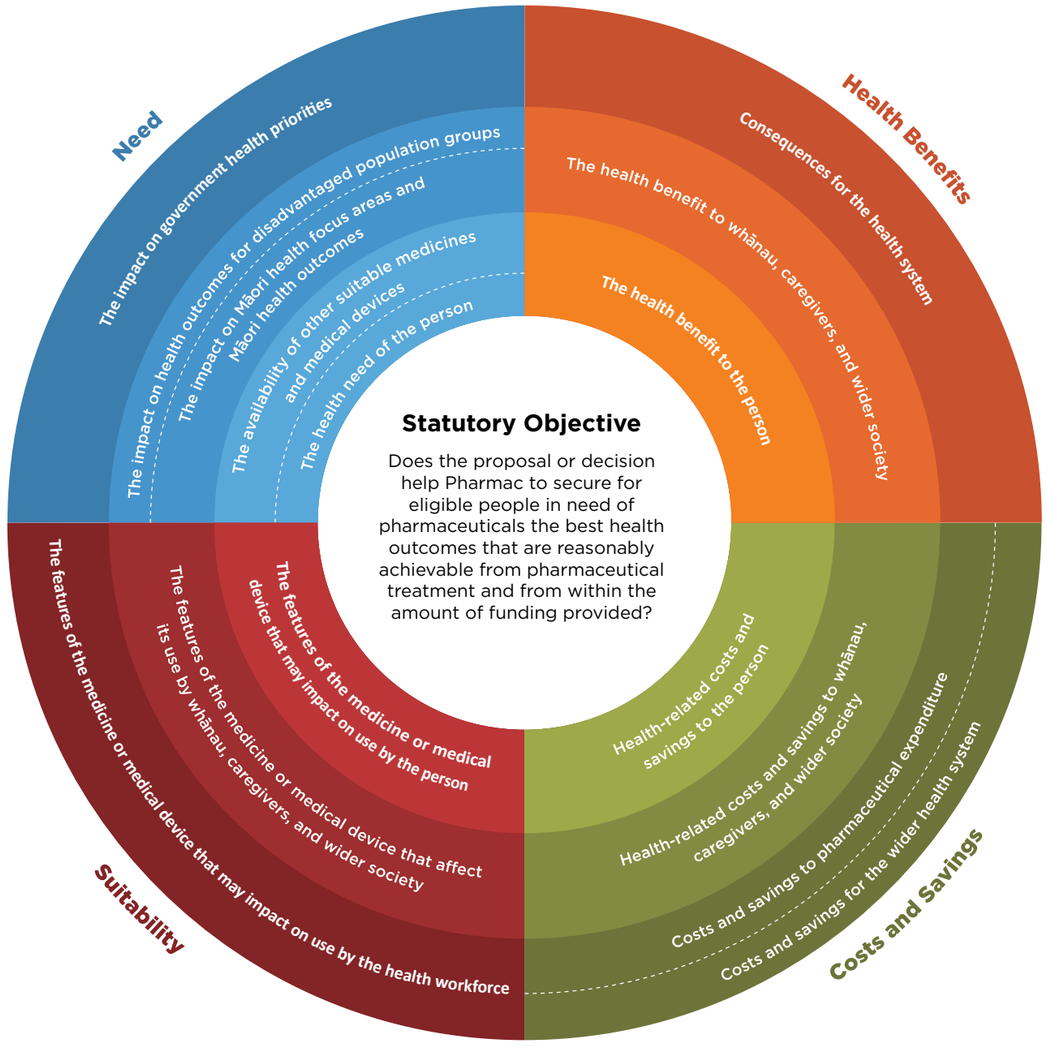
Suitability

'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 whānau, 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.

Learn more about our Factors for Consideration on our website.



A valuable investment for our future

Our previous organisational values were set in 2011 and captured an important part of Pharmac's short history. After nine years of growth, we went back to the drawing board and, along with all staff, defined a new set of values to move us forward.

"We wanted values that supported our purpose of delivering the best health outcomes from New Zealand's investment in medicines and medical devices," says Chief Executive Sarah Fitt.

"But we also wanted values that would help grow our knowledge of te ao Māori and support us to be more effective in how we work with Māori and give effect to te Tiriti."

The new values are:

- Whakarongo / Listen
- Tūhono / Connect
- Wānanga / Learn together
- Māia / Be courageous
- Kaitiakitanga / Preserve, protect, and shelter our future

These are all important concepts from te ao Māori and bring rich guidance and meaning to the way we want to go about our work.

In a Pharmac context, whakarongo means perceiving with all senses – listening with intent and empathy, listening to understand, listening with more than your ears.
"We must seek out all voices to truly understand," explains Sarah, "and we must be ready to change our minds based on what we hear. With whakarongo shaping the way we communicate, people will trust us and know that we'll engage with them in a meaningful way."

> ***"These values express what we aspire to be. They ground our behaviour, guide our thinking, and help us make decisions that create better health outcomes for New Zealanders."***
>
> ***Sarah Fitt, Chief Executive***

Tūhono means that everything in the universe is connected. It's a warm word that connotes relationships and emphasises how connections are taonga and must be treasured.

"To help us find the best way forward for everyone, we must connect with people, communities, the health and disability sector, and each other. We must see each other as people first, and tūhono with sincerity," says Sarah.

She explains that, for Pharmac, wānanga is about being curious and collaborative to reveal the best way forward.
"To keep growing and changing for the better, we must share and be open to receiving knowledge and ideas. We must consider all evidence, from empirical research to the unique experiences people share."

On māia, Sarah says that being courageous ensures we are facing change with optimism.

"When we have māia, we don't avoid difficult conversations, and we constructively challenge ourselves and each other," says Sarah.

"We have to stand up when we see opportunities to do better. If we are to deliver better health outcomes for New Zealanders, we must be courageous."

The final and arguably most fundamental value is kaitiakitanga. It explicitly honours our commitment to te Tiriti o Waitangi and strings the other four values together.

Te Pātaka Whaioranga, our te reo name, means 'the storehouse of wellbeing'. Whaioranga describes recovering to good health and te pātaka symbolises the solid and reliable structure that safeguards supplies in traditional Māori villages. For Pharmac and the New Zealand health and disability sector, that's supplies of medicines and medical devices.

Ngā uaratanga

Our values

Kōtuitui kia piri, tūhono kia whakatatū te ara tika

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

Tū te ihiihi, tū te wanawana, tū te wehiwehi

We challenge ourselves

Hāpaitia te mana tangata hei whāriki mo nga uri whakatipu

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

Āta whakarongo kia puaki te ngākau aroha

We listen with intent and empathy to understand

Ma te māhirahira ka whāwhāki te maramatanga

We draw on evidence and people's experiences to improve

Behind the designs

These designs were developed in collaboration with Kaupapa Māori creative agency, Ariki Creative.

The Whakarongo spiral represents the darkness the children were in while the world was created. Once light and life were born, the children needed all their senses to perceive their world and connect with each other.

Two split koru or puhoro represent Tūhono. The curves embody people coming together – weaving their stories to create a new narrative.

The poutama design for Wānanga represents the progression of knowledge with the steps needed to reach the best outcomes. They are built on a tāniko, which reminds us that change occurs where people and events cross.

The mango pare for Māia symbolises courage and resilience with the nose of the shark. It reminds us to persevere through challenges, to be courageous in our approach, and to always strive to be better.

The Kaitiakitanga symbol features the pekapeka, a taonga inspired by the native bat. Pekapeka act as a kaitiaki for the wearer and are passed down through generations to continue guardianship of the mauri.

Revealing our priority lists

In July 2021, Pharmac further enhanced its transparency by sharing its priority lists. These lists include all funding applications that have been assessed but not yet funded – so sharing them meant finding the balance of protecting commercially sensitive information with being transparent about how medicines are being considered.

Every year, we get about 85 applications to fund different medicines and related products. These applications are requests to fund a medicine to treat a specific condition. They are usually very comprehensive with detailed clinical trial information and an initial price offer. Once assessed, applications are placed on one of three priority lists:

- options for investment
- only if cost neutral or cost saving
- recommended for decline.

"We have always wanted to be more transparent about where applications are at in our funding process," explains Chief Executive Sarah Fitt.

"Publishing the options for investment list in alphabetical order ensures there is easy access to our information for all, without giving pharmaceutical suppliers specifics that could compromise our negotiating position. We can continue to negotiate the best prices with pharmaceutical companies, whilst building the trust and confidence of New Zealand."

The options for investment list includes all the applications that would be funded if we had the budget for them. Some applications on this list are for new medicines and some are for medicines already funded that we would like to fund for more patients.

"While there will always be more medicines that we would like to fund, we hope that, by making our priority lists easily available, New Zealanders will have more clarity about where applications are at."

Sarah Fitt, Chief Executive

The recommended for decline list generally includes applications that expert clinical advisors have suggested we decline for funding. Often this is because these medicines would add no value or could be harmful.

"People should have more certainty of information about applications, even if this is a decision to decline funding," says Sarah.

The cost neutral or cost saving list includes applications that may get funded if we can negotiate a deal that saves money, or at least doesn't cost more than something already funded.

If a funding application is not on one of the priority lists, it is still under assessment.

We hope that by being more transparent, New Zealanders will have more trust and confidence in our work.

Digital future for the Pharmaceutical Schedule

After printing and posting the Pharmaceutical Schedule for more than 20 years, Pharmac put a halt to hard copies in April 2021.

Shortly after being formed in 1993, Pharmac developed the list of all government-funded medicines and related products for use in community pharmacies. This list – comprising of all the medicines and therapeutic products that District Health Boards fund – became the Pharmaceutical Schedule.

The Schedule is an essential tool for transparently managing New Zealand's spending on medicines. Today, it lists around 2,300 medicines and related products, excluding the more than 140,000 line items for Hospital Medical Devices.

More than 10 years ago, we introduced the online Schedule as an alternative to the quarterly printed hard copies and monthly updates. While the online version had humble beginnings, it is now a powerful tool for prescribers. More than a third of our website traffic goes to the Schedule, making it our most used online resource.

Despite many prescribers already using the online system, Pharmac reached out to Schedule users for their thoughts in 2020 to consult on a proposal to stop printing and posting the schedule and updates.
We took a phased approach so pharmacists and practitioners had time to prepare as needed, and sent out the last copies in April 2021.

We received really constructive feedback during the consultation that reassured us it was the right time to change the way we deliver the Schedule. A lot of respondents also suggested improvements, which has led to a number of key changes to the online Schedule.

Monthly updates are no longer printed, but you can subscribe to email alerts for the Schedule so you know what is changing and when:

pharmac.govt.nz/subscribe

A new way to tackle medicine inequity

This year, and for the first time, Pharmac applied equity-based funding criteria to two new diabetes medicines – empagliflozin and dulaglutide.

The mortality rate for Māori with type 2 diabetes is seven times higher than non-Māori, and it's predicted that one in four Pacific peoples will have the disease within 20 years. This is why we specifically named Māori and Pacific peoples in Special Authority criteria – something we'd never done before but a precedent we're excited to follow.

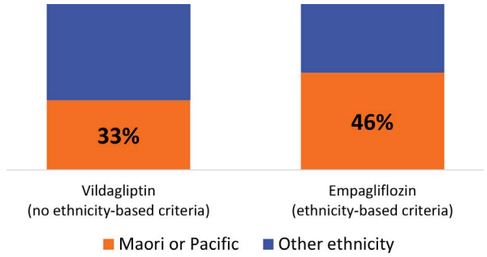
"We know that some New Zealanders are not achieving the best health outcomes from medicines funded by Pharmac. This is not acceptable, which is why we need to do more – both ourselves and the wider health system."

Trevor Simpson, Chief Māori Advisor

"We know that some New Zealanders are not achieving the best health outcomes from medicines funded by Pharmac," explains Chief Māori Advisor Trevor Simpson. "This is not acceptable, which is why we need to do more – both ourselves and the wider health system.

"Introducing equity-based funding criteria for population sub-groups – in this case Māori and Pacific peoples – is one lever we can pull to influence the health and disability sector. It was an intentional move to make it easier for these population groups, who are at high risk of complications of type 2 diabetes, to access medicines that can lead to better health outcomes," says Trevor.

As of 21 December 2021, there have been almost 50,000 approved Special Authority applications for empagliflozin (with and without metformin) and dulaglutide. Of these applications, nearly half (46 percent) have ticked the Māori or Pacific criteria. Compare this to the uptake with vildagliptin (a medicine funded for type 2 diabetes without Special Authority criteria), where only a third of people picking up a script for vildagliptin are Māori or Pacific.



Reaching the people who need the treatment

To help get the message out to the people it affects, we ran a three-month awareness campaign aimed at Māori and Pacific peoples about the equity-based funding criteria.

"We wanted to develop a clearer understanding of how to further connect with Māori and Pacific peoples about medicines, so we teamed up with Whare PR, a Māori PR agency that specialises in iwi communications, to create and run the campaign," says Sarah.

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Sarah Fitt, Chief Executive

We have followed the precedent set by the diabetes medicines and named Māori and Pacific peoples within the funding criteria. This decision will enable an additional 11,500 Māori and Pacific peoples, over five years, to access this medicine.

You are a Priority

The theme of the campaign was 'You are a Priority'. Four well-known, respected, and relatable Māori and Pacific personalities who either live with type 2 diabetes or have whānau members who have it were the face of the campaign: Kaumātua Phil Merritt, rugby league star Adam Blair, entrepreneur Makaia Carr, and playwright and film-maker Aroha Awarau.

"We used a broad range of whānau to connect with multiple demographics to ensure the campaign reached as many people as possible and was genuine," says Sarah.

Following the precedent for cardiovascular disease

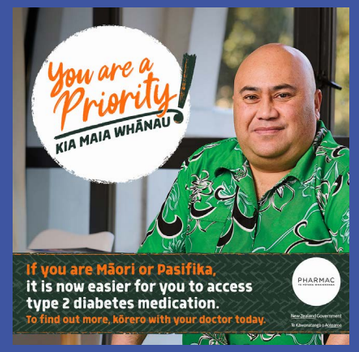
We are looking at where equity-based criteria could be used to tackle other medicine inequities.

In August, we decided to fund rosuvastatin for people with high cholesterol, a medicine with substantial health benefits for around 75,000 New Zealanders at high-risk of cardiovascular disease.

We have followed the precedent set by the diabetes medicines and named Māori and Pacific peoples within the funding criteria. This decision will enable an additional 11,500 Māori and Pacific peoples, over five years, to access this medicine – people who may not have otherwise gained access through the high-risk clinical criteria alone.

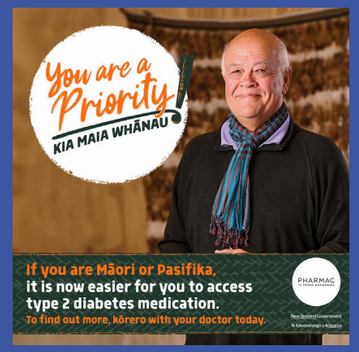
"There are lots of structural issues in the health and disability sector that contribute to inequities in access to healthcare for Māori and Pacific peoples, which we cannot address by ourselves – we have to understand the different roles and how, together, we can work towards greater equity of health outcomes," says Trevor.

Meet the faces of our diabetes medicines campaign



Aroha Awarau
(Ngāti Maru, Ngati Porou, Niuean, Samoan)

An award-winning journalist, film-maker and playwright says, “When I had my toe amputated because of this disease, I was filled with whakaama. My lifestyle has completely changed as a result, but I need medication as well to keep healthy. It was a no-brainer for me to put my name to this campaign, because I know first-hand what happens when you don’t manage this disease properly and get the best medications.”



Phil Merritt
(Ngāti Kauwhata)

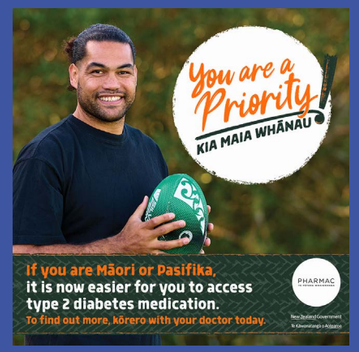
Lives locally in Tauranga Moana and well known within his community. He lives a healthy and active lifestyle in order to best manage his type 2 diabetes.

“I want every person to live their best and healthiest lifestyle, so they get to enjoy their mokopuna,” says Merritt.

Makaia Carr
(Ngāruahine)

Has nearly 180,000 people in her social network and was motivated to spread the word of the campaign, after the impact of diabetes in her immediate whānau.

“My mum has type 2 diabetes, so I am reminded every day of this disease and how it affects our health,” says Makaia.



Adam Blair
(Ngāpuhi)

One of New Zealand’s most highly decorated rugby league professionals is not a stranger to supporting the awareness of diabetes after being involved with the 2020 Fitbit MoveMeant Challenge.

“A lot of my whānau got diabetes as they got older. I reckon we are a bit stubborn when it comes to asking for help, there are resources out there to help us feel better and live a healthy lifestyle,” says Adam.

Photo credit: Louis Pang

Learning from the lamotrigine brand change

In September 2021, a joint project with the Ministry of Health, the Medical and Pharmacy Councils of New Zealand, the Royal New Zealand College of General Practitioners, and Pharmac started. The aim – to improve how brand change information is shared across the health sector – is a key learning from the lamotrigine brand change.

Using generic medicines is one way we keep the prices of medicines down. On average, about 85 brand changes are made each year. This enables us to stretch New Zealand's medicine budget even further.

Despite brand changes being common for many types of medication, there was a significant amount of public and media interest in the lamotrigine brand change in October 2019. The anticonvulsant medicine, predominantly used for the treatment of epilepsy, switched from three different brands to just one (Logem).

Lamotrigine is taken by about 12,500 people in New Zealand. About 40 percent of them use it for epilepsy. While the change in brand went smoothly for most people, suspected adverse reactions were reported. Tragically, seven people with epilepsy died during the months the brand change was happening. We commissioned an independent review into the lamotrigine brand change to consider whether our decision-making and implementation processes were appropriate – and what we could improve for future brand changes.

The independent review found that, while we had sufficient evidence to make the decision to move to one brand of lamotrigine, we could have consulted even further.

The coronial inquest that followed did not find a clear link between the brand change and the seven deaths. However, the Chief Coroner emphasised that sharing comprehensive information with people taking the medicines and health professionals is essential for a brand change – and there was more Pharmac could have done in this area.

"We are doing everything we can to ensure health professionals are informed of brand changes," says Director of Operations Lisa Williams.

"The coroner's comment that not all information about the brand change reached patients was valid and something we're actively addressing.

"It will require team work across the health and disability sector, but we want patients and their health professionals to know when brands change and what options they have," says Lisa. "We've been improving the information we develop for prescribers, and using social media and traditional media to highlight brand changes.

"We're also working in partnership with other key parts of the health and disability sector to ensure the right people are passing the right information onto patients, and are looking forward to progressing this work in the coming months."

When one size doesn't fit all

The lamotrigine brand change highlighted that some people can't as easily transition to new medicines as others. To ensure decisions account for everyone, Pharmac introduced Principal Supply Status as an alternative to Sole Supply in July 2021.

While most people, with the support of their healthcare professionals, were able to change from one brand of lamotrigine to another, there were some who couldn't transition as easily.

"We wanted a mechanism in place to support people who for whatever reason can't change brands of medicines - so we introduced Principal Supply Status as an option for pharmaceutical providers," says Director of Operations Lisa Williams.

In Sole Supply situation, medicines would only have one subsidised brand for a particular condition. To add more flexibility for patients and prescribers, Principal Supply Status means that, while a main brand gets the majority of funding, there is budget for other brands to supply small quantities to address individual situations.

"We want to minimise disruptions to at-risk people using medicines that work," says Lisa.

"We believe this approach will allow Pharmac to better support healthcare professionals when prescribing medicines for their patients."

Advising Pharmac

Our decisions about funding have a big impact on New Zealanders. And we don't take that responsibility lightly. A network of expert advisors – clinical and consumer – keeps us on track.

Photo credit: Louis Pang

Making clinical advice count

New PTAC Chair Jane Thomas breaks down the critical role of the Pharmacology and Therapeutics Advisory Committee (PTAC) and explains what she hopes to achieve while at the helm.

Choosing which medicines to fund is critically important and nearly always a difficult task. It's never just a dollar-figure decision. For Pharmac, transparency, equity, and open-mindedness come first in the purchasing of life-changing medication. "I originally joined PTAC to really make a difference," Jane says.

"We have some robust discussions and it's hard work. But the results of our efforts speak for themselves when Pharmac funds medicines. We know that we're helping New Zealanders on a large scale by ensuring their tax dollars are spent appropriately to provide the best range of medicines for all people in Aotearoa. That's a real joy."

Pharmac couldn't procure and fund medicines in New Zealand without the expert advice of PTAC. This committee, made up of clinicians and pharmacists, works closely with 22 specialist advisory committees. Together, approximately 230 of New Zealand's leading senior healthcare professionals help us ensure that the needs of Kiwis are met.

As well as being the first female and Māori chair of PTAC, Jane is one of New Zealand's most experienced anaesthetists and pain medicine specialists. After spending nine years on the PTAC board, Jane became Chair in December 2021. She is based in Auckland and currently works at Starship Hospital.

"I originally joined PTAC to really make a difference," she says. "I was impressed by the fact that you go down to meet the rest of the committee for a single day, you come up with action points, recommendations, and real change comes about from these meetings."

Jane says they spend close to 40 hours reading through submissions ahead of PTAC's quarterly meetings.

"We have some robust discussions and it's hard work. But the results of our efforts speak for themselves when we get a critical medication over the line.

"There are some things that can't be understood on paper," Jane says. One of the most important parts of the Pharmac process, as supported by PTAC, is the input from practising doctors and pharmacists who are on the ground. As a highly trained pain medicine specialist, Jane offers advice based on direct experience with her patients. This forms a basis of understanding made up of both objective and subjective knowledge. "You'll have a much stronger feeling of a certain drug to be funded when you're talking to a patient," says Jane.

"We often have to be pragmatic and understand the bigger picture when considering funding of medicines, but in being part of PTAC, my knowledge which comes from interacting face to face with Kiwis in need of help is what's so important and useful to the whole PTAC process."

While we are responsible for the negotiation, procurement, and commercial contracts involved when funding New Zealand's medicines, it's PTAC which offers this critical clinical, human-based guidance.

For Jane, this is from where her passion for equity in health outcomes stems.

"Pharmac and PTAC are really pushing for equitable outcomes for all New Zealanders. It's clear to us, as clinicians, and to those who look at public health, that not all of us are treated equally by the health system at large.

"I'm truly honoured and grateful to be in a position where I can start to alleviate some of these inequities through PTAC's recommendations to Pharmac.

"I am proud to be whakapapa Māori, and to be a woman who can bring an entirely new perspective to the chair position. Without a doubt, I'm committed to supporting and upholding te Tiriti o Waitangi. Through the real, tangible incorporation of the values of te Tiriti, I hope to see the improvement of outcomes for Māori, Pasifika, and other groups facing health disparity."

Looking into the future, Jane hopes to see an increase of trust and a deeper understanding of the role Pharmac plays in our health and disability sector. When asked how this can be achieved, she points to a vision of a modern, two-way system – with not only Pharmac being more transparent than ever, but the general public feeling informed and involved with the application and prioritisation process.

To Jane, it's important that all New Zealanders know that Pharmac's medicine application process doesn't have to be done by a doctor or pharmacist. "An application for funding shouldn't need to be a complicated, jargon-heavy document. To create more equity in medicine funding, it's key that all voices are heard. This means welcoming applications from everyday New Zealanders equally, with no thought to how much technical info is included, and happily taking applications with none at all. That's the starting point of real equity from my perspective as part of PTAC." Jane is also focused on ensuring PTAC and Pharmac are equipped for the modern age.

"The digital world needs to be embraced," she says. "So many functions of the government are making their way to social media, and I think this is how our young people are actually interacting. Instead of relying on the traditional processes to get us by, because that's the way it's always been done, why not look towards the future and be part of the change?"

Jane replaces Dr Mark Weatherall who has served on PTAC since 2008 and as PTAC's Chair since 2015. Chief Executive Sarah Fitt recognised the wealth of experience he brought to Pharmac's decision making as a member and the Chair of PTAC.

"Mark is a strong advocate for science and always earned the respect of other clinicians with his ability to interpret complex clinical trial data in all areas, and then put it into context of the New Zealand population and health setting," says Sarah.

"We are pleased to confirm that he will continue to work with us on our Haematology and Neurology Advisory Committees."

A stronger consumer perspective

Our clinicians' advice is important to our funding decisions. But Chief Medical Officer Dr David Hughes recognises that consumers' feedback is just as important.

"Hearing from a range of perspectives ensures we are making the most informed decisions we can," says Dr Hughes.

"That's why we've made changes to the way our advisory committees work to strengthen the input of consumer perspectives in their decisions."

New terms of reference for our external advisory committees came into effect on 1 November 2021. The changes create an opportunity to bring a stronger consumer perspective into the clinical advisory committees, and broaden the role of the Consumer Advisory Committee to include the ability to advise on medicine funding proposals.

"The feedback on the draft terms of reference provided some excellent suggestions and reassured us that it's time to emphasise the consumer perspective across our clinical advisory committees," says Dr Hughes.

"We have strong Māori and Pacific membership on the Consumer Advisory Committee. And we are making headway on enhancing the diversity and health equity expertise across all our clinical committees."

These changes will take some time to put in place, but they will ensure we are better equipped to listen and respond to the needs of New Zealanders.

Photo credit: Louis Pang

Our expert advisors

Pharmacology and Therapeutics Advisory Committee

The Pharmacology and Therapeutics Advisory Committee (PTAC) is our primary clinical advisory committee established under the New Zealand Public Health and Disability Act 2000, section 50 (1). PTAC's role is to provide objective clinical advice.

- 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
- Brian Anderson – Anaesthesia and Intensive Care Medicine Specialist
  MBChB, Dip Obst, FANZCA, FCICM, PhD
- Rhiannon Braund – Clinical Pharmacist
  PhD, BPharm, BSc (Biochemistry), FPS, FNZCP
- Elizabeth Dennett – General Surgery, Colorectal
  BMedSci, MBChB, GradDipMed, MMedSci, MAppMgt(Hlth), FRACS, FASCRS
- Alan Fraser – Gastroenterologist
  MBChB, MD, FRACP
- Bruce King – Specialist Internal Medicine and Nephrology
  MBChB, FRACP
- Jennifer Martin – Clinical Pharmacologist
  MBChB, MA(Oxon.), FRACP, PhD
- Stephen Munn – Transplant Surgeon
  MBChB, FRACS, FACS
- Giles Newton-Howes – Psychiatrist
  BA, BSc, MBChB, MRCPsych, PostDip BD, FRANZCP
- Lisa Stamp – Internal Medicine and Rheumatology
  MBChB, FRACP, PhD, PGCertStratLdrship
- Tim Stokes – General Practitioner
  MA, MBChB, MPH, PhD, FRCP, FRCGP, FRNZCGP
- Matthew Strother – Medical Oncologist
  MD (USA), FRACP
- 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)
- Leslie (Les) Robinson (Deputy Co-Chair)
  (Ngāti Ruanui, Ngāti Maniapoto)
- Tui Taurua (Deputy Co-Chair) (Ngāpuhi)
- Hazel Heal
- Dr Robyn Manuel
  (Te Rarawa, Ngāti Kahu, Ngāti Kurī and Te Aupōuri)
- Mary Schnackenberg
- Dr Sione Vaka
- Janfrie Wakim
- Dr Vivien Wei Verheijen

Photo credit: Louis Pang

Specialist Advisory Committees

Our specialist advisory committees (formerly PTAC subcommittees) provide specialist knowledge and expertise within specific clinical areas. They meet as needed to discuss issues within their clinical areas.

Analgesic Advisory Committee

- Dr Bruce King – Specialist Internal Medicine and Nephrology (Chair, PTAC Member)
- Dr Tipu Aamir – Pain Medicine Specialist
- Prof Brian Anderson – Paediatric Anaesthetist / Intensivist (PTAC Member)
- Dr Christopher Lynch – Neurologist
- Dr Giles Newton-Howes – Psychiatrist (PTAC Member)
- Dr Jane Thomas – Paediatric Anaesthetist (PTAC Member)
- Dr Alana Wilson – Specialist General Practitioner
- Dr Howard Wilson – General Practitioner / Pharmacologist

Anti-Infective Advisory Committee

- Dr Sean Hanna – General Practitioner (Chair, PTAC member)
- Prof Rhiannon Braund – Clinical Pharmacist (PTAC member)
- Dr Emma Best – Paediatric Infectious Diseases Consultant
- Dr Simon Briggs – Infectious Diseases Physician
- Dr Steve Chambers – Clinical Director / Infectious Disease Physician
- Dr James Chisnall – General Practitioner
- Dr Elizabeth Dennett – General Surgery, Colorectal (PTAC Member)
- Prof Ed Gane – Hepatologist
- Dr Graham Mills – General and Infectious Disease Physician
- Dr Jane Morgan – Sexual Health Physician
- Dr Anja Werno – Medical Director Microbiology
- Dr Howard Wilson – General Practitioner / Pharmacologist
- Mr Eamon Duffy – Antimicrobial Pharmacist

Cancer Treatments Advisory Committee (previously CaTSoP)

- Dr Marius Rademaker – Dermatologist (Chair, PTAC member)
- Dr Allanah Kilfoyle – Haematologist
- Dr Anne O'Donnell – Oncologist
  Prof Christopher Frampton – Biostatistician
- Dr Lochie Teague – Paediatric Haematologist / Oncologist
- Dr Michelle Wilson – Medical Oncologist
- Dr Matthew Strother – Medical Oncologist (PTAC Member)
- Dr Peter Ganly – Haematologist
- Dr Richard Isaacs – Medical Oncologist
- Dr Scott Babington – Radiation Oncologist
- Dr Vidya Mathavan – Haematologist
- Dr Stephen Munn – Transplant Surgeon

Cardiovascular Advisory Committee

- Prof Tim Stokes – General Practitioner (Chair, PTAC Member)
- Dr Andrew Aitken – Cardiologist
- Dr John Elliott – Cardiologist
- Prof Jennifer Martin – Clinical Pharmacologist (PTAC member)
- Dr Richard Medlicott – General Practitioner
- Prof Mark Webster – Consultant Cardiologist
- Dr Samuel Whittaker – General Practitioner
- Dr Dean Boddington – Cardiologist / Electrophysiologist
- Dr Mayanna Lund – Cardiologist

Dermatology Advisory Committee

- Prof Lisa Stamp – Rheumatologist (Chair, PTAC member)
- Dr Marius Rademaker – Dermatologist (Co-Chair, PTAC member)
- Prof Rhiannon Braund – Clinical Pharmacist (PTAC member)
- Dr Melissa Copland – Pharmacist
- Dr Martin Denby – General Practitioner
- Dr Paul Jarrett – Dermatologist
- Dr Sharad Paul – General Practitioner
- Dr Diana Purvis – Dermatologist / Paediatrician

Diabetes Advisory Committee

- Dr Sean Hanna – General Practitioner (Chair, PTAC member)
- Dr Bruce King – Specialist Internal Medicine and Nephrology (PTAC member)
- Dr Nic Crook – Diabetologist
- Dr Elizabeth Dennett – General Surgery, Colorectal (PTAC Member)
- Dr Helen Lunt – Adult Diabetes Specialist
- Dr Karen MacKenzie – Paediatric Endocrinologist
- Dr Diana McNeill – General Physician/ Diabetes Specialist
- Assoc Prof Rinki Murphy – Specialist Diabetes Physician
- Ms Kate Smallman – Diabetes Nurse Specialist / Prescriber
- Prof Tim Stokes – General Practitioner (PTAC member)
- Dr Esko Wiltshire – Paediatric Endocrinologist

Endocrinology Advisory Committee

- Dr Simon Wynn Thomas – General Practitioner (PTAC member)
- Dr Bruce King – Specialist Internal Medicine and Nephrology (PTAC Member)
- Dr Anna Fenton – Endocrinologist
- Dr Andrew Grey – Endocrinologist (Adult)
- Prof Alistair Gunn – Paediatric Endocrinologist
- Dr Stella Milsom – Endocrinologist
- Dr Bruce Small – General Practitioner
- Dr Jane Thomas – Paediatric Anaesthetist (PTAC member)
- Dr Esko Wiltshire – Paediatric Endocrinologist

Gastrointestinal Advisory Committee

- Dr Simon Wynn Thomas – General Practitioner (PTAC member)
- Prof Murray Barclay – Clinical Pharmacologist / Gastroenterologist
- Dr Sandy Dawson – General Practitioner
- Assoc Prof Alan Fraser – Gastroenterologist (PTAC member)
- Assoc Prof Michael Schultz – Gastroenterologist
- Assoc Prof Catherine Stedman – Gastroenterologist / Hepatologist and Clinical Pharmacologist
- Dr Russell Walmsley – Gastroenterologist
- Dr Jonathan Bishop – Paediatric Gastroenterologist

Haematology Advisory Committee

- Prof Mark Weatherall – Geriatrician (Chair, PTAC Chair)
- Prof Brian Anderson – Anaesthesia and Intensive Care Specialist (PTAC member)
- Dr Eileen Merriman – Haematologist
- Dr Julia Phillips – Haematologist
- Dr Paul Harper – Haematologist
- Assoc Prof Paul Ockelford – Haematologist
- Dr Lochie Teague – Paediatric Haematologist / Oncologist

Immunisation Advisory Committee

- Dr Sean Hanna – General Practitioner (Chair, PTAC member)
- Prof Karen Hoare – Nurse Practitioner / Senior Lecturer
- Assoc Prof Lance Jennings – Clinical Virologist
- Dr Osman Mansoor – Public Health Physician / Medical Officer of Health
- Dr Stephen Munn – Transplant Surgeon (PTAC member)
- Dr Giles Newton-Howes – Psychiatrist (PTAC member)
- Dr Edwin (Gary) Reynolds – General Practitioner
- Dr Michael Tatley – Director of New Zealand Pharmacovigilance Centre
- Assoc Prof Nikki Turner – Director of Immunisation
- Dr Tony Walls – Paediatrician / Infectious Diseases Specialist
- Dr Elizabeth Wilson – Paediatric Infectious Diseases Specialist
- Dr Stuart Dalziel – Paediatrician

Mental Health Advisory Committee

- Dr Sean Hanna – General Practitioner (Chair, PTAC member)
- Dr David Chinn – Child and Adolescent Psychiatrist
- Assoc Prof Alan Fraser – Gastroenterologist (PTAC member)
- Dr Verity Humberstone – Psychiatrist
- Dr Jeremy McMinn – Consultant Psychiatrist Addiction Specialist
- Assoc Prof David Menkes – Psychiatrist
- Dr Giles Newton-Howes – Psychiatrist (PTAC member)
- Dr Cathy Stephenson – General Practitioner / Sexual Assault Medical Examiner
- Dr Bronwyn Copeland – Consultant Psychiatrist

Nephrology Advisory Committee

- Dr Jane Thomas – Paediatric Anaesthetist (Chair, PTAC member)
- Dr Nick Cross – Nephrologist
- Dr Elizabeth Dennett – General Surgery, Colorectal (PTAC Member)
- Dr Malcom Dyer – General Practitioner
- Dr Maggie Fisher – Specialist / Renal Physician
- Dr Colin Hutchison – Nephrologist
- Dr Bruce King – Specialist Internal Medicine and Nephrology (PTAC Member)
- Dr William Wong – Paediatric Nephrologist
- Dr Kannaiyan Rabindranath – Consultant Nephrologist
- Dr Caroline Chembo – Renal Physician

Neurological Advisory Committee

- Dr Giles Newton-Howes – Psychiatrist (Chair, PTAC member)
- Prof Brian Anderson – Paediatric Anaesthetist / Intensivist (PTAC Member)
- Dr John Fink – Neurologist
- Dr John Mottershead – Neurologist
- Dr Paul Timmings – Neurologist
- Prof Mark Weatherall – Geriatrician (PTAC member)

Ophthalmology Advisory Committee

- Dr Stephen Munn (Chair, PTAC member) – Transplant Surgeon
- Dr Malcolm McKellar – Ophthalmologist
- Dr Marius Rademaker (PTAC member) – Dermatologist
- Dr Jo Sims – Ophthalmologist
- Prof Lisa Stamp – Rheumatologist (PTAC member)
- Dr Samuel Whittaker – General Practitioner

Rare Disorders Advisory Committee

- Prof Tim Stokes – General Practitioner (Chair, PTAC member)
- Dr Melissa Copland – Pharmacist
- Prof Carlo Marra – Dean of the School of Pharmacy, University of Otago
- Dr Katherine Neas – Clinical Geneticist
- Dr Humphrey Pullon – Haematologist
- Dr James Cleland – Neurologist and Neurophysiologist
- Dr Janice Fletcher – Clinical Geneticist and Metabolic Physician
- Dr William Wong – Paediatric Nephrologist
- Dr Emma Glamuzina – Metabolic Consultant

Reproductive and Sexual Health Advisory Committee

- Dr Simon Wynn Thomas – General Practitioner (Chair, PTAC member)
- Prof Rhiannon Braund – Clinical Pharmacist (PTAC member)
- Dr Debbie Hughes – General Practitioner
- Dr Jane Morgan – Sexual Health Physician
- Dr Ian Page – Obstetrician and Gynaecologist
- Dr Helen Paterson – Obstetrician and Gynaecologist
- Dr Christine Roke – Sexual Health Physician

Respiratory Advisory Committee

- Dr Matthew Strother – Medical Oncologist (Chair, PTAC Member)
- Dr Tim Christmas – Respiratory Physician
- Dr Stuart Dalziel – Paediatrician
- Dr Greg Frazer – Respiratory Physician
- Dr David McNamara – Paediatric Respiratory Physician
- Dr Ian Shaw – Paediatrician
- Prof Tim Stokes – General Practitioner (PTAC member)
- Dr Justin Travers – Respiratory Physician
- Dr Neil Whittaker – General Practitioner

Rheumatology Advisory Committee

- Dr Marius Rademaker – Dermatologist (Chair, PTAC member)
- Dr Priscilla Campbell-Stokes – Paediatric Rheumatologist
- Dr Keith Colvine – Rheumatologist and General Physician
- Dr Michael Corkill – Rheumatologist
- Dr Elizabeth Dennett – General Surgery, Colorectal (PTAC Member)
- Assoc Prof Alan Fraser – Gastroenterologist (PTAC member)
- Assoc Prof Andrew Harrison – Rheumatologist
- Dr Janet Hayward – General Physician
- Prof Lisa Stamp – Rheumatologist (PTAC member)
- Assoc. Prof Will Taylor – Rheumatologist

Special Foods Advisory Committee

- Prof Jennifer Martin – Clinical Pharmacologist (Chair, PTAC member)
- Assoc Prof Alan Fraser – Gastroenterologist (PTAC member)
- Mrs Kim Herbison – Paediatric Dietitian
- Dr Russell Walmsley – Gastroenterologist
- Dr Jocy Wood – General Practitioner
- Ms Victoria Woollett (nee Logan) – Community Dietitian
- Dr Amin Roberts – Paediatric Gastroenterologist
- Miss Nicola Hartley – Dietitian, Clinical Leader – Acute Inpatient Services
- Ms Nicola McCarthy – Clinical Dietitian

Tender Clinical Advisory Committee

- Dr Melissa Copland – Pharmacist (Chair)
- Prof Brian Anderson – Anaesthesia and Intensive Care Specialist (PTAC member)
- Prof Rhiannon Braund – Clinical Pharmacist (PTAC member)
- Mr Craig MacKenzie – Hospital Pharmacist
- Ms Clare Randall – Palliative Care Clinical Pharmacist
- Mr Geoff Savell – Pharmacist
- Ms Amanda Stanfield – Community Pharmacist
- Ms Helen Topia – Nurse Practitioner / Clinical Educator
- Ms Lorraine Welman – Chief Pharmacist
- Miss Stephanie Noble – Pharmacist
- Ms Amy Hina – Nurse Practitioner
- Dr Liza Lack – General Practitioner, Clinical Director

Transplant Immunosuppressant Advisory Committee

- Dr Marius Rademaker – Dermatologist (Chair, PTAC member)
- Dr Helen Evans – Paediatric Gastroenterologist
- Dr Tanya McWilliams – Respiratory Physician
- Prof Stephen Munn – Transplant Surgeon (PTAC member)
- Dr Grant Pidgeon – Renal Physician
- Prof Lisa Stamp – Rheumatologist (PTAC member)

TOP 20s


Dig into the pharmaceutical landscape of New Zealand with Pharmac's top 20s for 2020/21

Therapeutic groups
gross spend

Ranking	Therapeutic Group	Main indication	2016/17	2017/18	2018/19	2019/20	2020/21
			$m	$m	$m	$m	$m
1	Immunosuppressants	Autoimmune conditions, arthritis, transplant and biologics for cancer	$192.1	$216.9	$247.7	$279.9	$296.6
2	Chemotherapeutic agents	Cancer	$83.3	$86.1	$93.5	$103.6	$138.3
3	Vaccinations	Vaccine preventable diseases	$97.6	$137.1	$125.0	$124.0	$115.5
4	Diabetes Management	Diabetes	$53.9	$57.5	$63.4	$75.8	$91.8
5	Antithrombotic agents	Stopping blood clots	$53.0	$56.0	$66.1	$75.9	$86.2
6	Inhaled long-acting beta-adrenoceptor agonists	Respiratory conditions	$53.0	$55.8	$58.4	$63.4	$67.4
7	Antivirals	Hepatitis C	$124.8	$84.4	$143.9	$135.1	$62.6
8	Antifibrinolytics, haemostatics, and local sclerosants	Haemophilia	$29.2	$28.2	$33.0	$50.3	$55.6
9	Endocrine therapy	HRT	$32.0	$35.8	$38.1	$41.2	$47.8
10	Multiple sclerosis treatments	Multiple sclerosis	$24.6	$28.5	$30.1	$33.3	$38.9
11	Antipsychotics	Mental health	$35.7	$37.0	$33.1	$35.6	$37.2
12	Anticholinergic agents	Respiratory conditions	$18.6	$22.7	$25.9	$28.8	$31.3
13	Analgesics	Pain relief	$19.2	$18.1	$17.8	$17.4	$27.6
14	Antiepilepsy drugs	Epilepsy	$35.5	$37.5	$36.4	$26.7	$27.2
15	Diabetes management	Blood glucose monitors and strips	$20.6	$22.2	$24.8	$25.1	$26.7
16	Antiretrovirals	HIV/AIDS	$27.8	$30.5	$24.5	$24.0	$26.6
17	Agents affecting the renin-angiotensin system	Blood pressure, heart failure, kidney failure, and effects of diabetes	$11.8	$12.3	$12.5	$15.5	$22.1
18	Oral supplements/complete diet (Nasogastric/gastrostomy tube)	Special food	$13.0	$15.7	$16.7	$17.9	$20.2
19	Antibacterials	Bacterial infections	$13.9	$13.5	$12.9	$13.3	$13.9
20	Antidiarrhoeals	Diarrhoea relief	$11.4	$11.9	$12.4	$13.0	$13.8
		Totals	**$951.0**	**$1,007.7**	**$1,116.2**	**$1,199.8**	**$1,247.3**

The data above excludes hospital purchases.

List order has been determined by top spend in the financial year 2020/21.

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

Community medicines
by number of funded prescriptions dispensed

Ranking	Medicine	Therapeutic Group	2020/21
1	Paracetamol	Analgesics	2,870,000
2	Atorvastatin	Cardiovascular	1,640,000
3	Omeprazole	Alimentary	1,590,000
4	Aspirin	Antithrombotic	1,130,000
5	Ibuprofen	Analgesics	1,000,000
6	Metoprolol succinate	Cardiovascular	960,000
7	Colecalciferol	Musculoskeletal	950,000
8	Amoxicillin	Anti-infectives	890,000
9	Cilazapril	Cardiovascular	840,000
10	Salbutamol	Respiratory	780,000
11	Levothyroxine	Hormones	670,000
12	Prednisone	Hormones	610,000
13	Cetirizine hydrochloride	Antihistamines	600,000
14	Zopiclone	Nervous System	600,000
15	Metformin hydrochloride	Diabetes	590,000
16	Docusate sodium with sennosides	Laxatives	570,000
17	Amlodipine	Cardiovascular	560,000
18	Loratadine	Antihistamines	560,000
19	Amoxicillin with clavulanic acid	Anti-infectives	540,000
20	Codeine phosphate	Analgesics	530,000
		Totals	**18,480,000**

Hospital medicines
by gross spend

Ranking	Medicine	Therapeutic Group	2020/21
			$m
1	Infliximab	Immunosuppressants	$52.05
2	Aflibercept	Immunosuppressants	$10.28
3	Rituximab	Immunosuppressants	$8.58
4	Ferric carboxymaltose	Alimentary	$7.40
5	Tocilizumab	Immunosuppressants	$6.42
6	Sugammadex	Musculoskeletal	$5.50
7	Clostridium botulinum type A toxin	Musculoskeletal	$5.12
8	Alteplase	Antithrombotic agents	$3.62
9	Idarucizumab	Immunosuppressants	$3.55
10	Enoxaparin sodium	Antithrombotic agents	$3.22
11	Levonorgestrel	Hormones	$2.81
12	Amphotericin B	Anti-infectives	$2.20
13	Amoxicillin with clavulanic acid	Anti-infectives	$2.07
14	Paliperidone	Anti-psychotics	$1.91
15	Sevoflurane	Anaesthetics	$1.68
16	Olanzapine	Antipsychotic	$1.63
17	Lidocaine [Lignocaine] hydrochloride	Anaesthetics	$1.49
18	Sodium Chloride	Fluids and electrolytes	$1.46
19	Bupivacaine hydrochloride with adrenaline	Anaesthetics	$1.46
20	Heparin sodium	Blood and blood Forming Organs	$1.31
		Totals	**$123.76**

Note: This hospital medicines data is reported by DHBs.

Reimbursed medicines
by gross spend

Ranking	Medicine	Therapeutic Group	2020/21
			$m
1	Adalimumab	Immunosuppressants	$110.47
2	Glecaprevir and pibrentasvir	Antivirals	$54.80
3	Dabigatran	Antithrombotic Agents	$46.95
4	Pembrolizumab	Immunosuppressants	$43.31
5	Trastuzumab	Immunosuppressants	$37.34
6	Insulin glargine	Diabetes	$36.72
7	Budesonide with eformoterol	Respiratory	$33.18
8	Lenalidomide	Oncology	$32.83
9	Abiraterone acetate	Oncology	$27.48
10	Palbociclib	Oncology	$26.40
11	Rivaroxaban	Antithrombotic Agents	$25.56
12	Pneumococcal (PCV10) vaccine	Vaccinations	$25.40
13	Rurioctocog alfa pegol [Recombinant factor VIII]	Blood and Blood Forming Organs	$24.19
14	Human papillomavirus vaccine [HPV]	Vaccinations	$23.78
15	Etanercept	Immunosuppressants	$23.02
16	Diphtheria, tetanus, pertussis, polio, hepatitis B and haemophilus influenzae type B vaccine	Vaccinations	$22.41
17	Aflibercept	Immunosuppressants	$22.40
18	Dolutegravir	Anti-infectives	$18.93
19	Fluticasone with salmeterol	Respiratory	$17.55
20	Paliperidone	Antipsychotics	$16.49
		Totals	**$669.21**

The data above excludes hospital purchases.

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

This data can change as prior year adjustments are made.

The year ahead: Chief Executive's afterword

Twelve months into a four-year strategy and with the findings from an independent review imminent, Chief Executive Sarah Fitt considers what challenges we're facing and what is in store for 2022.

Kia ora kotou,

As Chief Executive of Pharmac, I get to reflect on the work undertaken by each of our teams, celebrate our successes, and represent those achievements as we report our progress to the Board and the public. We have a clear mandate, but our work is not simple. We must stay mindful of the challenges we face as an organisation and think ahead as we plan for the future.

We recognise the ongoing changes and challenges in our operating environment: population changes, the burden of chronic diseases, increasing our consumer involvement, changes in technology and the wider health sector, the outcome of the independent review. And we know that the impacts of COVID-19 will be felt for some time.

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Through all of this, we will continue to work with suppliers, the health sector, consumer groups, wider government agencies, and our many partners and stakeholders to ensure New Zealanders can access the medicines and medical devices they need. And, of course, we will continue to make more funded medicines available for more New Zealanders.

Making it easier for the public to understand the funding decisions and the work we do is critical to us improving our decisions and processes. And we will continue to make more funded medicines available for more New Zealanders.

Building on the work we did this year – particularly more transparency of our funding lists – in 2022, we're making enhancements to our online channels, increasing our stakeholder engagement, continuing to upskill our staff in te Tiriti and their written communications, and rolling out a new suite of analytical tools and reports.

We are ensuring our internal processes are increasingly streamlined and transparent. We will improve our approach to commercial strategies, incorporating public preferences into our decision making, and upgrading the tools and technologies we use to support the work.

We know that there will be substantial changes to the way the health and disability sector is structured and operates. Health New Zealand and the Māori Health Authority, two new agencies, will be established in 2022.

We're already working with the transition team and are excited to start new relationships with both agencies and work alongside them in the future.

Despite the uncertainties of a sector faced with change, our own Ministerial expectations are for us to continue the path we are on. We've been asked to keep working on the key priorities and areas already outlined in our current Statement of Intent. We will continue to make progress on giving effect to te Tiriti o Waitangi.

In 2022, we anticipate making significant improvements to how we fund access to medical devices. Building on our milestone of reaching 60 percent of the nationally contracted list this year, by late 2022, we expect to have the draft policies and processes ready to move to the next level of our work. We are getting a clear sense of the magnitude of the change for public hospitals and will understand the implementation activity required to put this in place.

The next 12 months will be busy. Our work programme is ambitious – but it's needed in response to the challenges we face, as Pharmac and as a key part of the New Zealand health and disability sector.

Noho ora ma,

Sarah Fitt
Chief Executive

Keep in touch

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

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