

New Zealand's Medicines Landscape

2016



Medicines
New Zealand 

Message from the chair



We hear too often of sick kiwis who are unable to get the medicines they need. This impacts not only on their health, but the wellbeing of their families.



Hon Heather Roy
Medicines New Zealand Chair

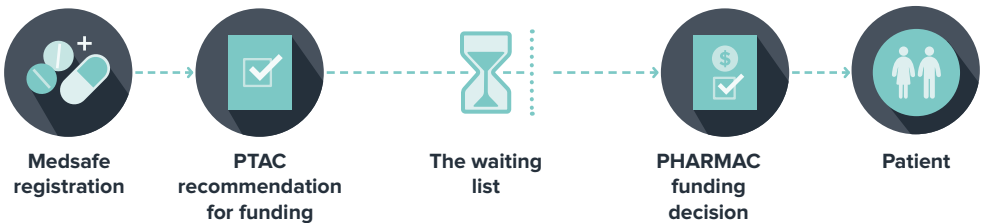
Often they can't work or participate fully in their communities. In a first world country, this is a Lose-Lose situation that is untenable. New Zealand has growing rates of cancers, diabetes and other chronic diseases.

Unfortunately cost usually dominates the decisions about which medicines are funded. Instead, Medicines New Zealand calls for patients to be at the centre of healthcare decisions. We believe in finding solutions to New Zealand's complex healthcare equation. New innovative medicines (those developed following research) are a key component of making and keeping people well, in many cases saving lives.

Our solution: Right medicines. Right time. For patients.

How a prescription medicine is funded

Most common process for funding new prescription medicines in New Zealand:



The Pharmacology and Therapeutics Advisory Committee (PTAC) reviews funding applications for new medicines. PTAC makes recommendations on which medicines should be funded by PHARMAC. Until medicines are funded they stay on the waiting list.

This waiting list only includes those medicines recommended by PTAC for reimbursement, and excludes other innovative medicines which have been approved for use in New Zealand and are available and funded in other countries but are yet to receive a positive recommendation to be funded from PTAC.

Medicines waiting list¹

Patients are waiting longer

Medicines recommended for funding but stuck on waiting list:



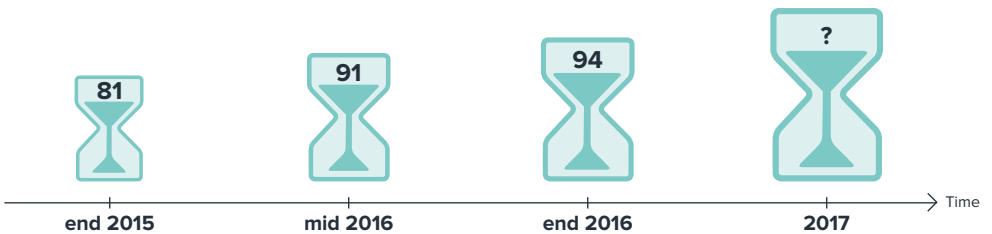
Waiting up to 10.75 years

10 PTAC high priority recommendations:



Waiting up to 6.75 years

The waiting list grows each year



Number of various types of medicines on the waiting list:

Depression



Hepatitis C



Schizophrenia



Arthritis



Cancer



Diabetes



PHARMAC does not publish this list nor the process by which it is subsequently reprioritised for final funding decisions.

Medicines New Zealand actively updates this waiting list to increase transparency around PHARMAC decision making, time lines for listing and availability for our healthcare system.

¹ Della Barca, C. (2017) *Funding medicines in New Zealand: revision of the medicines waiting list*. Auckland, New Zealand: Subscripts limited.

What's New Zealand's priority?

Cup of coffee or medicines?²

As a country, each week we spend on average...



\$60.00

on healthcare per person



\$3.50

on medicines per person



\$13.67

on coffee per person

We asked New Zealand what's their priority^{3,4}

New Zealanders



89%

think the Government should invest more in medicines.



58%

know New Zealand does not have the same access to medicines as Australia.

GPs



71%

think the range of funded medicines may compromise patients' health outcomes.



72%

think the range of funded medicines affect their prescribing choice.

Only 5.3% of our health budget is invested into medicines²



2 *Vote health: the estimates of appropriations 2016/17.* (2016). Wellington, New Zealand: Treasury.

3 Graczer, P. (2016). *NZ access to medicines.* Wellington, New Zealand: Buzz Channel.

4 *IMS NZ fax poll: Results presentation for Medicines New Zealand.* (2016). New Zealand.

Comparing New Zealand

Overall, out of 20 comparable countries:⁵



New Zealand is 20th as it registers and launches the fewest new medicines and innovative biologics.



New Zealand is 19th when waiting to fund new medicines and innovative biologics.

12 
new medicines
funded in New Zealand

66 
new medicines
funded in Australia

From 2010 to 2015 New Zealand funded the fewest new medicines and innovative biologics – funding only 12 new medicines compared with Australia, funding 66.

Diabetes in New Zealand⁶



Management of diabetes is a stated Government Health priority, yet three types of type 2 diabetes treatments are not funded in New Zealand – going against international guidelines for treating diabetes.

Research shows when patients have access to these treatments overall adherence **increases** for patients with these types medicines.

Cancer survival rates⁷



About 12% of deaths from cancer within 5 years after diagnosis would be avoided

if cancer survival in New Zealand were **the same as** that in Australia between 2006–2010.

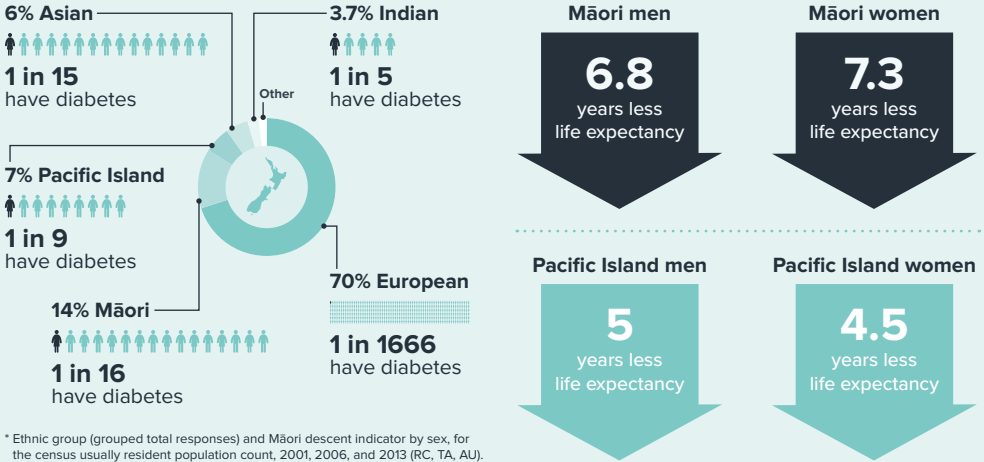
⁵ Millson, B., Thiele, S., Zhang, Y. Dobson-Belaire, W., Skinner, B. (2016). *Access to new medicines in public drug plans: Canada and comparable countries*. Ontario, Canada: Innovative Medicines Canada.

⁶ Mark Elwood, J., Sun Aye, P., Tin Tin, S. (2016). *Increasing Disadvantages in cancer survival in New Zealand compared to Australia, between 2000–2005 and 2006–2010*.

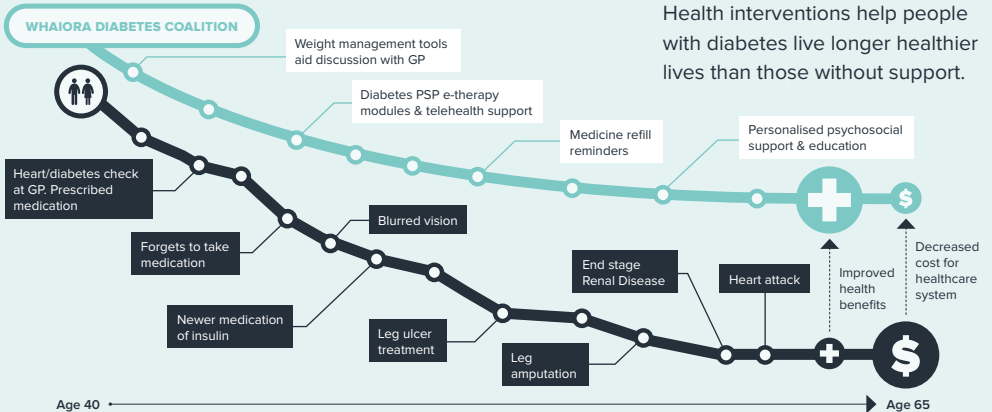
⁷ Lichtenberg, F., Hostenkamp, G. (2015). *Listen to your doctor or else!: Medication underuse and overuse and long term health outcomes of Danish diabetes patients*. Cambridge: National bureau of economic research.

Our communities, our people

Our ethnic communities* are affected in different ways^{8,9,10,11}



Diabetes interventions¹²



8 Ministry of Health. (2016). *Āla Mo'ui progress report*. Wellington: Ministry of Health.

9 Ministry of Health. (2015). *Tatau Kahukura: Māori Health Chart Book 2015* (3rd edition). Wellington: Ministry of Health.

10 Ministry of Health. (2016). *Virtual diabetes register: Number of people in VDR by age-group and ethnicity for 2010–2015*. Wellington: Ministry of Health.

11 New Zealand Statistics. (2013). *Census quick stats about culture and identity*. Retrieved from: www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-culture-identity/asian.aspx

12 Atlantis Healthcare., Simpl Health. (2015). *Diabetes interventions: Whaiora coalition*.

Medicines pay for themselves

Adding life-years¹³

In 2011, Australian investment in cancer medicines from 1989–2002 saved...

Australia



In 2011, investment in cancer medicines from 1986–1997 saved New Zealanders just...

New Zealand



Reducing hospital costs¹³



In 2011, innovative medicines reduced hospital expenditure in Australia by \$7 billion.

Medicines are an important part of the healthcare solution for New Zealand and there needs to be more action taken around getting and improved investment.

Cost neutral¹³

If no new cancer medicines were approved from 1991–2002 New Zealand's **hospital costs would have increased** by \$28 million in 2011.



That's almost the same as **the cost of all cancer medicines** dispensed to cancer patients below age 70 in 2008.

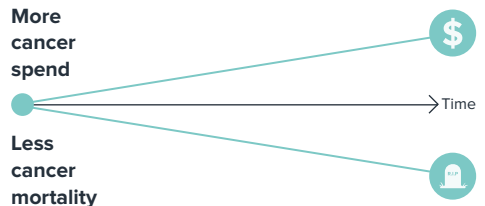
Reducing patient mortality¹³

Funding one new cancer medicine in New Zealand...



Cancer mortality¹⁴

Cancer mortality rates tend to be lower in countries that spend more on cancer care.



For every \$1,000 spent on cancer treatments there are 1.65 **fewer deaths** per 100,000 patients.

¹³ Lichtenburg, F., Williams Spence, J. (2016). *The impact of pharmaceutical innovation on the longevity and hospitalisation of New Zealand cancer patients*. New York: Columbia University, National Bureau of Economic Research.

¹⁴ Stevens, W. Philipson, T., Khan, Z., MacEwan, J., Linthicum, M., Goldman, D. (2015). *Spending Rose The Most, 1995–2007 Cancer Mortality Reductions Were Greatest Among Countries Where Cancer Care Health Affairs*. doi: 10.1377/hlthaff.2014.0634

Considering the innovative pharmaceutical industry



For every job in the innovative pharmaceutical industry, **9 more jobs** are created.¹⁵

Over the last 4 years in New Zealand our member companies have:¹⁶



Invested over **\$21 million** in research activities



Undertaken **589 clinical trials**



Invested over **\$171 million** into the clinical trials industry



Purchased over **\$129 million** of value added materials and ingredients.



Our member companies help to generate over **\$384 million** of GDP every year in New Zealand.¹⁵

¹⁵ Nana, G., Fareti, N. (2016). *Economic impact assessment of Medicines New Zealand members 2014*. New Zealand: BERL.

¹⁶ *Medicines New Zealand confidential R&D survey* (2016). Wellington, New Zealand: Medicines New Zealand.

2016 Value of Medicines Award winner – Dr Paul Young¹⁷

The Value of Medicines award aims to stimulate and reward contemporary research that will improve the understanding and effectiveness of Medicines or Vaccines in New Zealand.



A leading member of the New Zealand ICU research community, and his team at the Medical Research Institute of New Zealand, collaborated with hundreds of ICU doctors and nurses to answer: should a fever be treated with paracetamol or not?

Paracetamol has never been tested on critically ill patients.

Results were:

- The medicine reduced body temperature by around 0.25°C
- Patients spent less time in ICU if they were given paracetamol
- Paracetamol was safe and well tolerated in ICU patients with fever or infection.

¹⁷ Young, P. et al. (2015). *Acetaminophen for Fever in Critically Ill Patients with Suspected Infection*. New Zealand: The New England Journal of Medicine.