

13 May 2008

Ref. No _____

Adam Paterson
Access to Medicines NGO Coalition
PO Box 6663
Wellesley Street
Auckland

Dear Adam,

Thank you for your letter requesting information on the progress made with implementing *Medicines New Zealand* (MNZ).

Firstly, I would like to express my appreciation for the Access to Medicines Coalition's ongoing interest, and commitment to developing the medicines system in New Zealand. We have found the input from your organisation on early projects arising out of MNZ's action plan (*Actioning Medicines New Zealand*), specifically the review of the PTAC appointment protocol, to be both positive and informative.

As you know, MNZ and *Actioning Medicines New Zealand* (AMNZ) were released in December 2007. Since then work has been underway across the medicines sector to advance the strategy. AMNZ represents the first round of initiatives designed to realise the goals and outcomes identified in MNZ. These initiatives vary in scope and complexity. Some initiatives can and will be achieved relatively quickly while others require coordination and input from a number of agencies across the medicines system to reach MNZ goals and outcomes.

The Ministry of Health has responsibility for a number of specific work items signalled in AMNZ and, on behalf of the Minister of Health, overarching responsibility for working toward the achievement of MNZ outcomes. Progress on AMNZ initiatives is outlined below.

Access Outcomes

Transparency

MNZ is committed to building greater transparency and improving opportunities for stakeholder engagement. PHARMAC's role in managing the Pharmaceutical Schedule and making medicines funding decisions means this commitment is particularly critical for the way they work. PHARMAC is endeavouring to strengthen its communication and increase transparency. Early initiatives underway by PHARMAC include:

- The first stakeholder forum was held in December 2007. The next forum is planned for the end of 2008.

- A new website designed to improve access to information for consumers, health professionals and other stakeholders including the pharmaceutical industry. The website went live in April and enables the user to obtain information easily across the spectrum of medicines issues. This includes funding decisions and consultation documents.

The Ministry is currently undertaking the review of the Pharmacology and Therapeutics Advisory Committee (PTAC) appointment protocol to ensure that it best supports the independent process required by the New Zealand Public Health and Disability Act 2000. This review is presently at the consulting phase and has involved wide engagement with stakeholders. A summary of submissions will shortly go out to stakeholders followed by the revised appointment protocol.

Funding medicines

Deciding how much to spend on medicines and, which medicines should be publicly funded, is complex. In New Zealand and internationally, the issue of determining the right level of spending on medicines, and how to fund high-cost medicines is the subject of ongoing debate.

The principles of MNZ are intended to guide and improve processes across the whole of the medicines system, including decisions about funding and prioritisation. The principles used by PHARMAC when assessing medicines are compatible with MNZ principles and the challenge is to make sure these principles are effectively applied. That said, we are continuing to explore how our medicine system can best respond to individual variation while retaining a population focus.

Specific actions are underway to review medicines funding decisions including the initiative by DHBs and PHARMAC to move to a principles-based approach for setting the community pharmaceutical budget. The Ministry of Health is actively involved in this work. Also underway, but in its early stages, is the review of the exceptional circumstances schemes. Exceptional circumstances provides access to otherwise unfunded medicines. These reviews look at how medicines funding decisions are made generally and high-cost medicines are included.

Optimal Use and Quality, Safety and Efficacy Outcomes

Projects are underway to support the Optimal Use and Quality, Safety and Efficacy outcomes of MNZ. These activities are intended to ensure that New Zealanders and New Zealand gets the best possible health outcomes from medicines. Key Initiatives signalled in AMNZ include:

- Work by the Quality Improvement Committee and the Safe and Quality use of Medicines group to develop a national medicines chart and the bedside verification of medicines project to support medicines administration practices. Piloting of these initiatives has begun.
- Scoping is underway to develop a national formulary to support best practice prescribing.

- Early work is underway exploring how we can make the most effective use of the pharmacist workforce.
- Medsafe and the Health Research Council have established a joint initiative to support research to develop enhanced pharmacovigilance activities. A number of research teams are conducting feasibility studies looking at better ways of monitoring and reporting adverse events.
- Changes to the Medicines Act 1981 to ensure a robust medicines regulatory framework are in process.

Funding for MNZ

Implementing MNZ through AMNZ requires collaboration and cooperation across a number of agencies with the Ministry both leading some work and providing support in other cases. The funding for AMNZ is included in the work programmes for the agencies involved in addressing the action points of AMNZ.

I hope this information answers your questions. I look forward to continuing to work together to achieve MNZ outcomes.

Yours sincerely



Sheila Swan
Acting Manager
Strategic Therapeutics Policy