PHARMAC Decision Criteria

Submission by the New Zealand College of Public Health Medicine

This submission is made on behalf of the New Zealand College of Public Health Medicine (NZCPHM). The NZCPHM is the professional body of doctors with specific expertise and interest in the practice of Public Health Medicine. Public Health Medicine is defined as the branch of medicine concerned with the epidemiological analysis of the health and health care of populations and population groups. It involves the assessment of health and of health care needs, the development of policy and strategy, the promotion of health, the control and prevention of disease and the organisation of services to best meet those needs. NZCPHM membership includes 181 fully qualified specialists and 32 registrars who are doctors in training in the speciality.

Foreword

First and foremost, the NZCPHM supports PHARMAC and appreciates the difficulties it faces in balancing ethics, financial constraints and public demand when assessing the heath economics of pharmaceuticals and medical devices.

The NZCPHM is concerned that there are differences in health between groups of New Zealanders which are inequitable. Inequities, by definition are unfair, avoidable and remediable[1]. The NZCPHM supports PHARMAC as a body with the ability through appropriate access, timeliness and quality of pharmaceuticals and devices to implement prioritisation processes that reduce inequities.

Equity as a priority

In order to prevent and address inequities in health the NZCPHM is of the opinion that achieving equity needs to be given priority over improving health for all. Adopting a total population or 'get it right for all' approach may not improve current inequities, may worsen them and even create new areas of inequity.

The NZCPHM recommends that all organisations involved in the management, distribution and delivery of healthcare should be required to have a clear focus on achieving equity by preventing and addressing inequities.

The NZCPHM recommends that a focus on achieving equity should apply to the decision criteria for pharmaceuticals, medical devices, and Named Patient Pharmaceutical Assessment (NPPA) whether they are arranged as one, two, or three sets.

Many diseases and medical conditions in New Zealand fall unequally on Māori, Pacific Peoples and those of lower socioeconomic status: Rheumatic Fever and Type 2 Diabetes are two examples. Ethnicity, age, social deprivation and place of residence (rural/urban) all influence health. Of these, apart from age, ethnicity appears to be the strongest determinant of health, with the largest difference between Māori and non-Māori New Zealanders. An example of how ethnicity is a stronger determinant of inequity than socioeconomic deprivation is shown in figure 1. This shows that

[1] Australian Medical Association. (2007) *Social Determinants of Health and the Prevention of Health Inequities – 2007.* Available at: https://ama.com.au/position-statement/social-determinants-health-and-prevention-health-inequities-2007

inequities in risk of dying from cancer are greatest between Māori and non-Māori, and that inequity in risk of dying between rich and poor is much less.

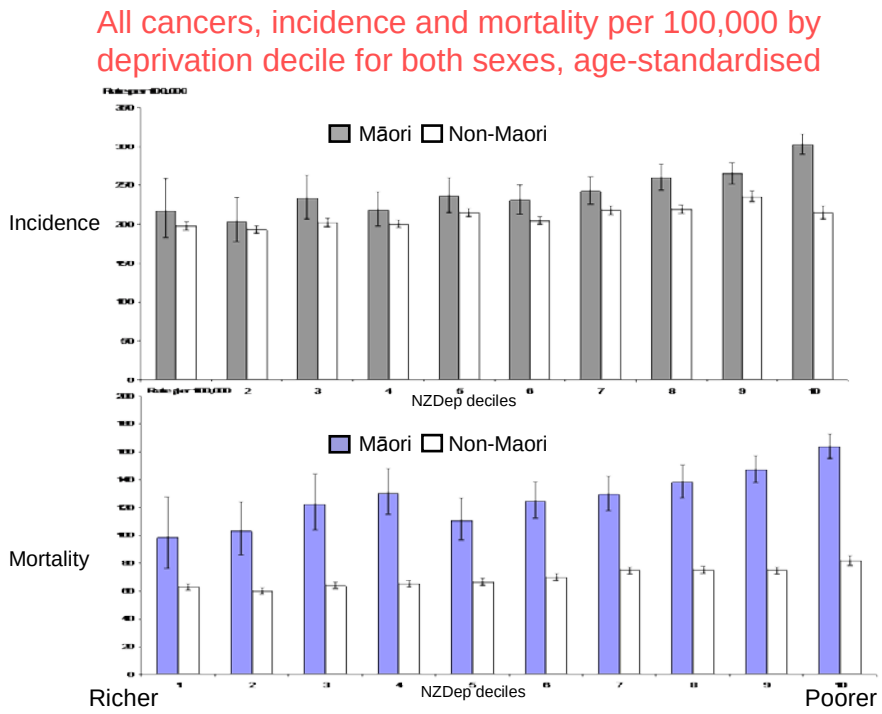

Figure 1. All cancers, incidence and mortality per 100,000 by deprivation decile for both sexes, age-standardised[2]

Another example, depicted in figure 2, is large differences in the number of prescriptions dispensed to Māori compared with non-Māori. For example, 180,000 fewer prescriptions for cardiovascular medicines were dispensed to Māori than would have been expected in a comparable non-Māori population. Māori are also almost 1.5 times more likely than non-Māori to have non-filled prescriptions.

[2] Robson B, Purdie G, Cormack, D. 2010. Unequal Impact II: Māori and Non-Māori Cancer Statistics by Deprivation and Rural–Urban Status, 2002–2006. Wellington: Ministry of Health. p.69. Available at: http://www.health.govt.nz/publication/unequal-impact-ii-maori-and-non-maori-cancer-statistics-deprivation-and-rural-urban-status-2002-2006

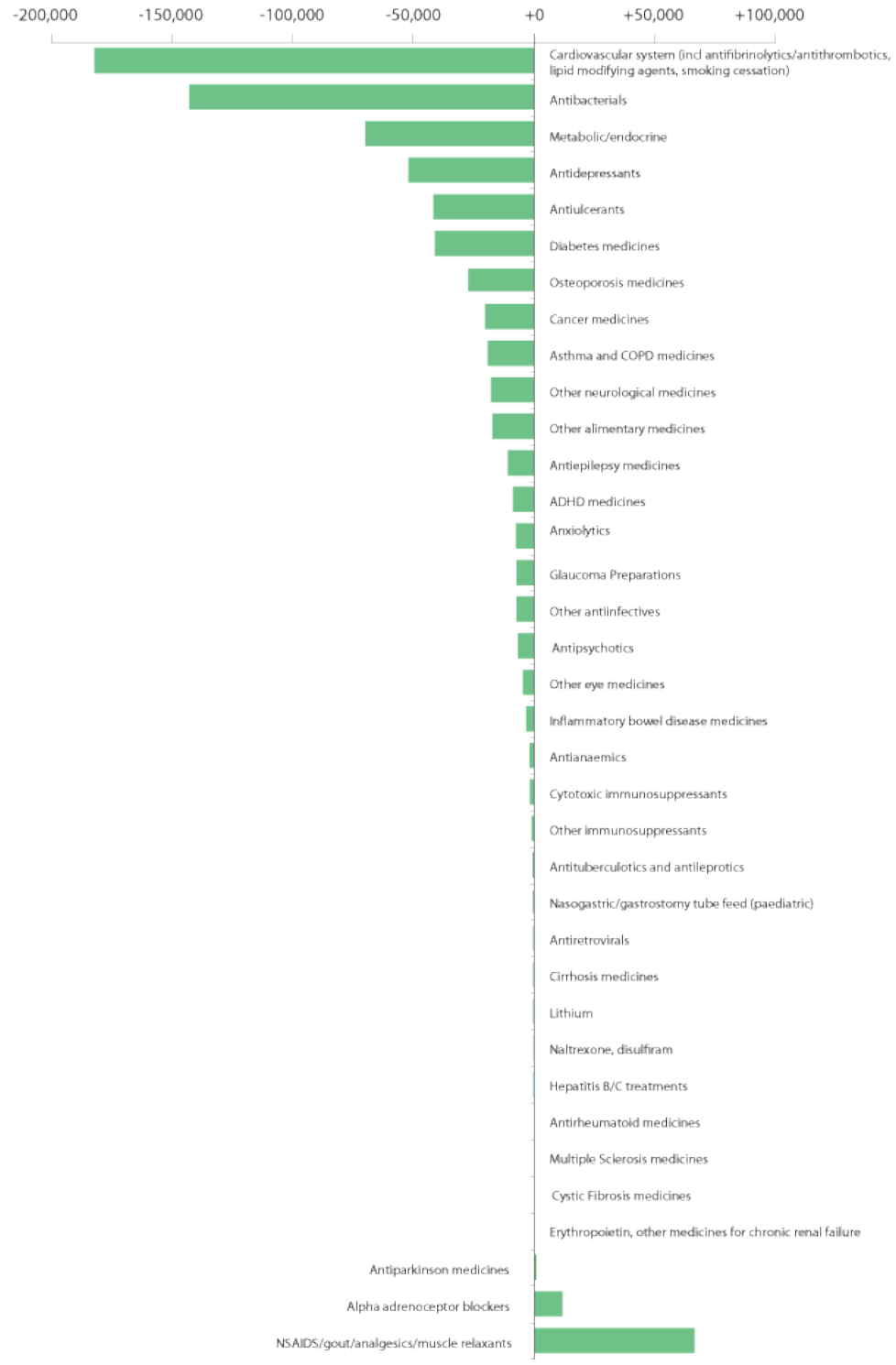

Figure 2. Deficits (-) or excesses (+) in dispensed medicines for Māori compared to non-Māori, adjusted for age and relative disease burden (DALY loss)[3]

The NZCPHM is confident that methods that are successful in addressing the worst area of inequities will improve all inequities. Hence achieving equity between Māori and non-Māori will also achieve equity between rich and poor and between Pacific and European New Zealanders.

[3] Best Practice Journal. (2012) *Disparities in the use of medicines for Māori*. Best Practice Journal: 45. Available from: http://www.bpac.org.nz/BPJ/2012/August/disparities.aspx#top

NZCPHM therefore proposes that PHARMAC prioritises the needs of Māori, Pacific peoples and deprived socioeconomic groups when assessing pharmaceuticals and devices.

Prioritising pharmaceuticals and devices in order to address inequities in risk factors for poor health including inequities in access, timeliness and quality of pharmaceuticals and devices will benefit all New Zealand citizens.

The proposed criterion could read:
"The ethnic and/or socioeconomic distribution of the health need"

Benefits and risks to the wider community

When considering the benefits and risks of pharmaceuticals, the College recommends that this consideration is extended beyond the recipient to their family and the community as a whole. This is particularly relevant in the context of communicable diseases where treating one patient, and often also treating their contacts to reduce the potential and size of outbreaks (prophylaxis), reduces the potential spread and harm to others and therefore the cost to the health system. On this basis, medications, including antibiotics, vaccines and immunoglobulins used for public health purposes should not have associated cost barriers.

The proposed criterion could read:
"The clinical benefits and risks of pharmaceuticals to the recipient, their family, and the wider community"

General Comments

The NZCPHM strongly advocates for evidence-based medical practice and supports PHARMAC's firm stance on this. At present there is relatively limited evidence on inequities in access, timeliness and quality for many pharmaceuticals and medical devices. The NZCPHM recommends that experts in inequities be involved in all discussions on pharmaceuticals and medical devices.

Finally, with regards to the 'other criteria' that influence PHARMAC's decision making, the NZCPHM advocates for greater transparency. This is important to reduce the influence of political pressures on funding which at times, may undermine evidence-based decision making.