

Cancer medicines in Aotearoa New Zealand

Information about the 2024 Government boost to the Pharmac budget

This leaflet about funding for medicines in Aotearoa New Zealand has been developed by Te Aho o Te Kahu | Cancer Control Agency, Health New Zealand | Te Whatu Ora and Pharmac | Te Pātaka Whaioranga. We hope that this information will be useful to describe how the additional government funding for Pharmac of \$604 million is being allocated to increase the availability of cancer medicines alongside other new medicines.



In June 2024, the Government announced an unprecedented \$604 million funding boost to Pharmac's Combined Pharmaceutical Budget (CPB) over four years. They approved additional implementation budget for Health NZ to deliver the newly funded medicines to people living with cancer and to people with other health conditions. This budget increase was the Government's action to deliver on the National Party pre-election commitment to fund 13 specific cancer medicines (please see Appendix One for more information).

Why did the Government fund Pharmac instead of paying for the 13 cancer medicines directly?

Pharmac is a government agency in New Zealand that decides which medicines the public health system will pay for. Pharmac operates independently, by law, to make fair decisions about which new medicines will provide the best health benefits for people in New Zealand. This means the Government cannot legally tell Pharmac to pay for any specific medicines.

What does a budget increase for Pharmac mean for medicine funding?

The additional funding has been added to the CPB, a budget allocated to Pharmac as part of the Government's Health Budget each year. The CPB pays for all publicly funded medicines that are available on prescription and those given in hospitals. It also covers vaccines, and some community medical devices or products. Pharmac is responsible for assessing which medicines to fund from the CPB to "secure for eligible people in need, the best health outcomes that can be achieved from within a fixed budget." In 2024/25 the CPB is approximately NZD\$1.7 billion. Pharmac cannot spend more than this.

Pharmac reviews new requests for publicly funded medicines using a set of guidelines (Factors for Consideration) and expert advice. Requests are then put on a priority list. Pharmac ranks medicines that might get funding, if there is enough money, on a list called the Options for Investment (OFI). Pharmac also funds new medicines or expands access to existing medicines for other reasons like offering more choices where there might be supply issues.

The \$604 million of Government funding announced in June 2024 provides additional budget for Pharmac to publicly fund more medicines from the OFI.

How many medicines will this budget increase fund?

At the time the Government's investment was announced, Pharmac estimated the budget would help around 175,000 New Zealanders by funding **an estimated:**

- **26 cancer medicines:** including the 13 cancer medicines (or medicines that treat the same cancers) listed in the National Party pre-election commitment and at least four different blood cancer medicines.
- **28 non-cancer medicines:** for treating conditions like respiratory illnesses, cardiovascular disease and mental health.

Which medicines will be funded?

Pharmac is not able to name all the specific medicines that will be funded with the additional \$604 million budget until the internal funding process has been completed.

Before publicly announcing that a new medicine is being funded, Pharmac goes through a robust and fair process to identify which medicine is the next priority for funding. Pharmac then negotiates funding and supply terms with relevant medicine suppliers and publicly consults on the funding proposal. During public consultation, people living with health conditions, health professionals, and the wider public are invited to provide feedback about the funding proposal, including any proposed funding criteria. More information is provided in Appendix 2: *Funding public medicines in New Zealand*.

The latest updates on which cancer and non-cancer medicines are being considered for funding, or have been funded, under the budget increase is on the Pharmac website: <https://pharmac.govt.nz/medicine-funding-and-supply/funding-cancer-medicines>.

How will we ensure the medicines can be delivered once they have been funded?

Te Aho o Te Kahu and Health NZ are working closely together to help ensure that newly funded medicines will be delivered to New Zealanders safely, efficiently, and equitably. This includes recruiting additional staff and securing clinical spaces such as day chairs or beds around the country. The Government has funded \$38 million to Health NZ in the first year to enable this work.

For more information visit the following websites

Pharmac:

- funding process at <https://pharmac.govt.nz/medicine-funding-and-supply/the-funding-process/from-application-to-funded-medicine-how-we-fund-a-medicine>
- progress with funding new medicines since the budget boost at <https://pharmac.govt.nz/medicine-funding-and-supply/funding-cancer-medicines>
- Te Aho o Te Kahu cancer medicines availability report teaho.govt.nz/publications/cancer-medicines

Appendix 1: National's pre-election commitment

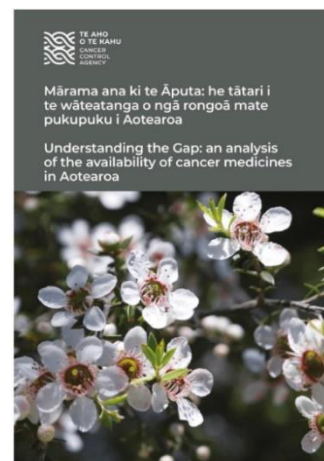
As part of their 2023 General Election campaign, the New Zealand National Party pledged to fund 13 specific cancer medicines. They selected these medicines from a report titled *Understanding the Gap: an analysis of the availability of cancer medicines in Aotearoa*. This was published by Te Aho o Te Kahu in April 2022.

This report compared the availability of publicly funded cancer medicines in Aotearoa | New Zealand, with those publicly funded in Australia. For cancer medicines that were available in Australia but not in Aotearoa, the report also looked at how much additional benefit the medicine would offer to people in Aotearoa if it were made available. All medicines provided different benefits (i.e., improved quality of life and/or length of life) and this helped determine which cancer medicines available in Australia may also provide health benefit to New Zealanders if they were available here too.

The 2022 Report identified 20 medicines which would provide substantial clinical benefit. Since this report was published, Pharmac has funded several of these, leaving the 13 medicines remaining. These are 13 medicines the National party listed in their pre-election commitment.

These are important things to keep in mind when reading the 2022 *Understanding the Gap* report:

- The purpose of this report was not to inform medicine funding decisions. Medicine funding decisions are complex and consider more factors than solely clinical benefit, such as those in Pharmac's Factors for Consideration.
- It only compared medicine availability in Aotearoa and Australia. Medicines available in other countries may be more beneficial for Aotearoa's population.
- The report was done at a single point in time (1 July 2021) and medicine availability in both Australia and Aotearoa is changing all the time.
- Although the report compared the availability of blood cancer medicines between Australia and Aotearoa it was not able to determine the magnitude of clinical benefit for these medicines. This was because a tool for this was not available at the time. In late 2023, a tool for blood cancers became available. Te Aho o Te Kahu is currently re-analysing the availability of blood cancer medicines and their magnitude of clinical benefit using this tool.



Appendix 2: Funding public medicines in New Zealand

Pharmac has a limited budget and cannot fund every medicine. Before funding a new medicine, or increasing access to an existing one, a framework called the Factors for Consideration is used to help fairly and consistently compare medicines.

The four Factors for consideration

Need

- How unwell are the people who could benefit from this medicine, compared to the average healthy New Zealander?
- How well do the treatments that are currently funded work for this condition?
- How would funding this medicine affect the health of people in New Zealand who face health issues because of social disadvantage?
- Is the condition that this medicine treats a health priority for the government?

Health Benefits

- Will this medicine improve the health, or extend the lives of those who need treatment?
- If this medicine was funded, how would it affect families, whānau, the health system and wider society as a whole?

Costs and Savings

- If this medicine was funded, what would the costs and savings look like for patients, families, whānau, the health system and wider society as a whole?

Suitability

- How would the characteristics of this medicine or medical device affect its use or delivery by patients, family, whānau, health professionals, and society in general?

