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ASIA EDITION

NZ funding process is opaque, lacks new medicines

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Medicines New Zealand is the industry association representing companies engaged in the research, development, manufacture and marketing of prescription medicines in New Zealand.

Mr Kevin Sheehy, general manager, Medicines New Zealand, New Zealand, sheds light on the functioning of the association and the developments that have taken place over last two years. Excerpts from the interview:

What is the total number of members of your association? What is the eligibility to become a member of your association?
Medicines New Zealand has 19 member companies; our membership is open to companies involved in pharmaceutical and vaccine manufacturing and distribution in New Zealand. We also have an associate membership category for any company that works closely with pharmaceutical companies.

Could you tell us about the major focus areas of the association?
Medicines New Zealand works to demonstrate the value of medicines, within the context of total healthcare; ensure access for all New Zealanders and their medical advisors to new medicines; encourage and support continuing advancement in

medical science and its application in health; and ensure the industry, through Medicines New Zealand, is recognised by the health sector and the community generally as a key partner in maintaining the good health of all New Zealanders.A central objective of Medicines New Zealand is to promote the benefits of a strong research-based medicines industry in New Zealand.

How do you promote the strong medicines industry in New Zealand?
In order to promote the strong research-based medicines industry of New Zealand, we undertake a number of key activities. We monitor and evaluate health sector developments, undertake research into issues of concern for the industry, make representations to central government on legislation and policies affecting members and maintain relationships with the Ministry of Health, its agencies and other interest groups within the sector.

What services do you offer to your member?
Medicines New Zealand provides a wide range of additional services for its member companies, including briefings on policy initiatives and issues, information and advice to support member companies, public relations activity on behalf of the industry and successful self regulation.

We have something called the Medicines New Zealand Code of Practice (the Code), which is a guideline that clearly defines appropriate marketing and advertising practices for prescription medicines. All Medicines New Zealand member companies commit to complying with the code when they sign up as members. All members have the opportunity to provide input into developing the code. The code is administered by a standing committee, comprising medical and legal representatives, which has the power to direct the withdrawal of advertising, public notification and to impose company fines.

Could you kindly elaborate on the major developments that have taken place in the industry in the last two years?
Some major developments have taken place in the last two years, particularly at the very successful inaugural annual conference of the Pharmac Operational Policies and Procedures Review external stakeholder group. The conference provided policy perspectives from the medicines industry in New Zealand to the government agencies involved in medicines regulatory and funding agencies, Medsafe and Pharmac respectively. The conference supported the government's review of the ethics approval systems for clinical trials resulting in a substantially more efficient approvals system for research in New Zealand; developed an industry perspective on the potential outcomes of the Trans-Pacific Partnership Negotiations; and communicated this perspective to relevant stakeholders.

What are the major industry-related policy developments that have taken place in the past year your country? Which policies among these were lobbied for by your association and why?
The national pharmaceutical funding agency has taken over responsibility for funding hospital medicines. Previously it was only responsible for funding medicines used in the community. The expansion of the role of the national funding agency for pharmaceuticals should enhance the equity of access to medicines in New Zealand hospitals. We would like to ensure though that equity does not come at the expense of early access to new medicines.

The Pharmac Operating Policies and Procedures Review is a complete review of the guiding policies for Pharmac and we would like to see greater transparency and timeliness of the process, as well as improved stakeholder access to the process and a review mechanism for decisions. We are working with our members, generics companies and patient representative groups to ensure the outcomes of the review are likely to provide the best possible system of medicines access for patients in New Zealand.

Pharmac has also taken on responsibility for funding vaccines and medical devices and we would like to ensure there is a transparent process put in place for ensuring rapid access to new vaccines for New Zealanders. The government has enhanced uptake of vaccines that are already on the immunisation schedule and it is important that any new vaccine listing is combined with robust implementation and communication programmes to ensure widespread population immunity is achieved soon after funding.

What is the number of MNCs and domestic companies in the industry? How many new domestic companies have been formed in the last two years?
All of our member companies are multinational companies. We are aware of only two domestic pharmaceutical manufacturers, although there are many companies and research groups doing excellent work on pharmaceutical R&D in New Zealand.

What are the major challenges faced by the industry and how is the association helping the industry to deal with the hurdles?
New Zealand provides very slow access to new medicines and vaccines due to budgetary constraints and an opaque funding process. Medicines New Zealand would like to see the process become more transparent and the Government recognise the

value of improving investment in new medicines and vaccines.

In order to counter the challenges and to help the industry to deal with hurdles, we recommended several improvements to the Pharmac system. We suggested that decisions should be made within a predetermined timeframe and that scientific information on which decisions are based should be shared transparently between Pharmac and the applicants. We also recommended that the system should require Pharmac to make a decision and communicate this decision to stakeholders; that decision criterias should be applied transparently and consistently; stakeholders should have meaningful opportunity to provide input to the decision process at the appropriate stages; and that pharmaceutical products should not be treated differently to other health technologies in the funding process.

We also suggested that value should be attributed to innovative treatments, where innovative treatments demonstrate improved patient outcomes these should be appropriately valued by the procurement system and that a review panel should be established to ensure consistent decisions and due process.