

Why doesn't New Zealand fund Modern Medicines?

Myth busting



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Public funding of modern medicines for multiple myeloma - by country

Publically funded Medicines for Multiple Myeloma

	Canada (Ontario)	Australia	UK	New Zealand
bortezomib	≥1L	≥1L	≥1L	≥1L
lenalidomide	≥1L	≥1L	≥2L in TIE MM, 1L after SCT	≥3L in TIE MM, 1L after SCT
daratumumab	≥1L	2L	≥1L	-
isatuximab	≥2L	-	4L	-
carfilzomib	≥2L	≥2L	2L	-
pomalidomide	≥2L, double refractory	≥2L, double refractory	≥4L	-
selinexor	≥2L	≥2L	≥2L	-
ixazomib	-	-	3-4L	-
elotuzumab	-	≥2L	-	-

The treatment gap in NZ today

Modern Medicines being reviewed for funding for Multiple Myeloma

Teclistamab	CADTH recommended for 4L		NICE decision due 06/24 for 4L	-
Elranatamab	CADTH review active		due 06/24 for 4L	-
Talquetamab	CADTH report pending		NICE review in development	-
Ciltacabtagene autoleucel (BCMA CAR-T)	CADTH recommended for 4L		-	-

The gap is about to increase

Notes

Websites reviewed 2024-04-24
Ontario Funding:

<https://files.ontario.ca/moh-frequently-requested-drugs.pdf>
www.cancercareontario.ca/en/drugformulary/drugs
www.ontario.ca/page/exceptional-access-program
www.ontario.ca/check-medication-coverage/
www.cadth.ca
www.pbs.gov.au
www.formulary.health.gov.on.ca/formulary/
www.england.nhs.uk
www.nice.org.uk/

Australian Funding:
UK Funding:

≥1L – funded for 1st line or subsequent lines
 ≥2L – funded for 2nd line or subsequent lines
 2L, 3L, 4L – funded for 2nd line, 3rd line, 4th line

TIE – transplant ineligible myeloma
 SCT – stem cell transplant

It's not just multiple myeloma – treatment gaps are evident across all cancer and medical fields



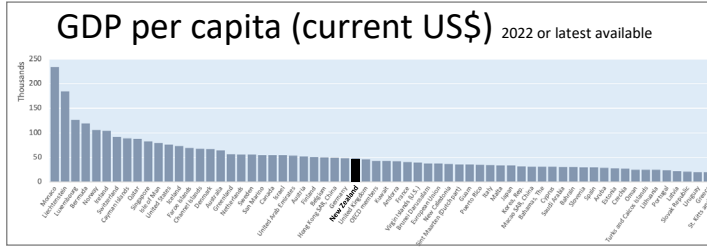
No modern medicines for you



Myth 1:

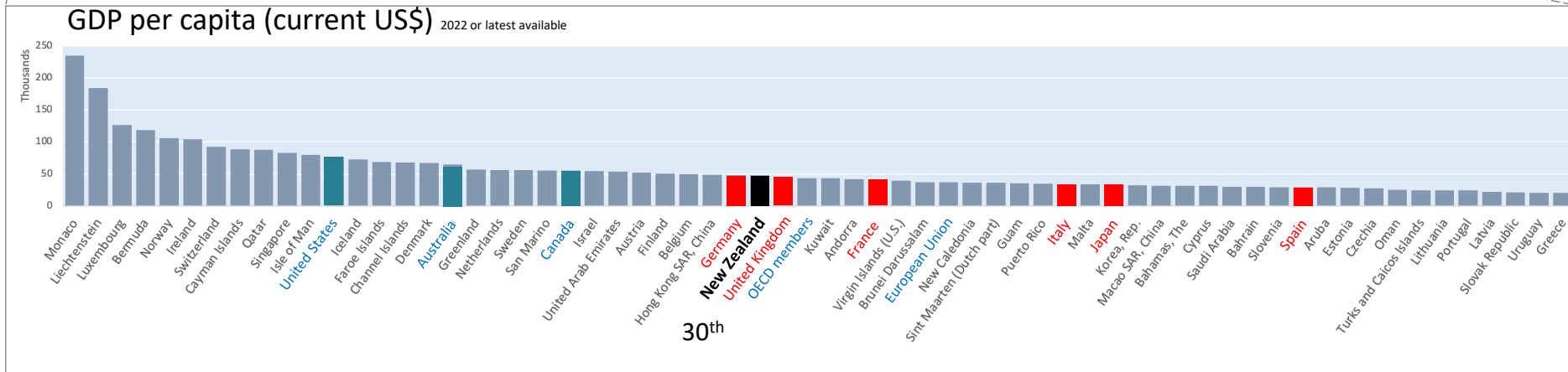
New Zealand is too poor to afford modern medicines

National income (World Bank): GDP per person (current \$US) -2022 or latest available



Source: World Bank and OECD National Accounts data

218 countries





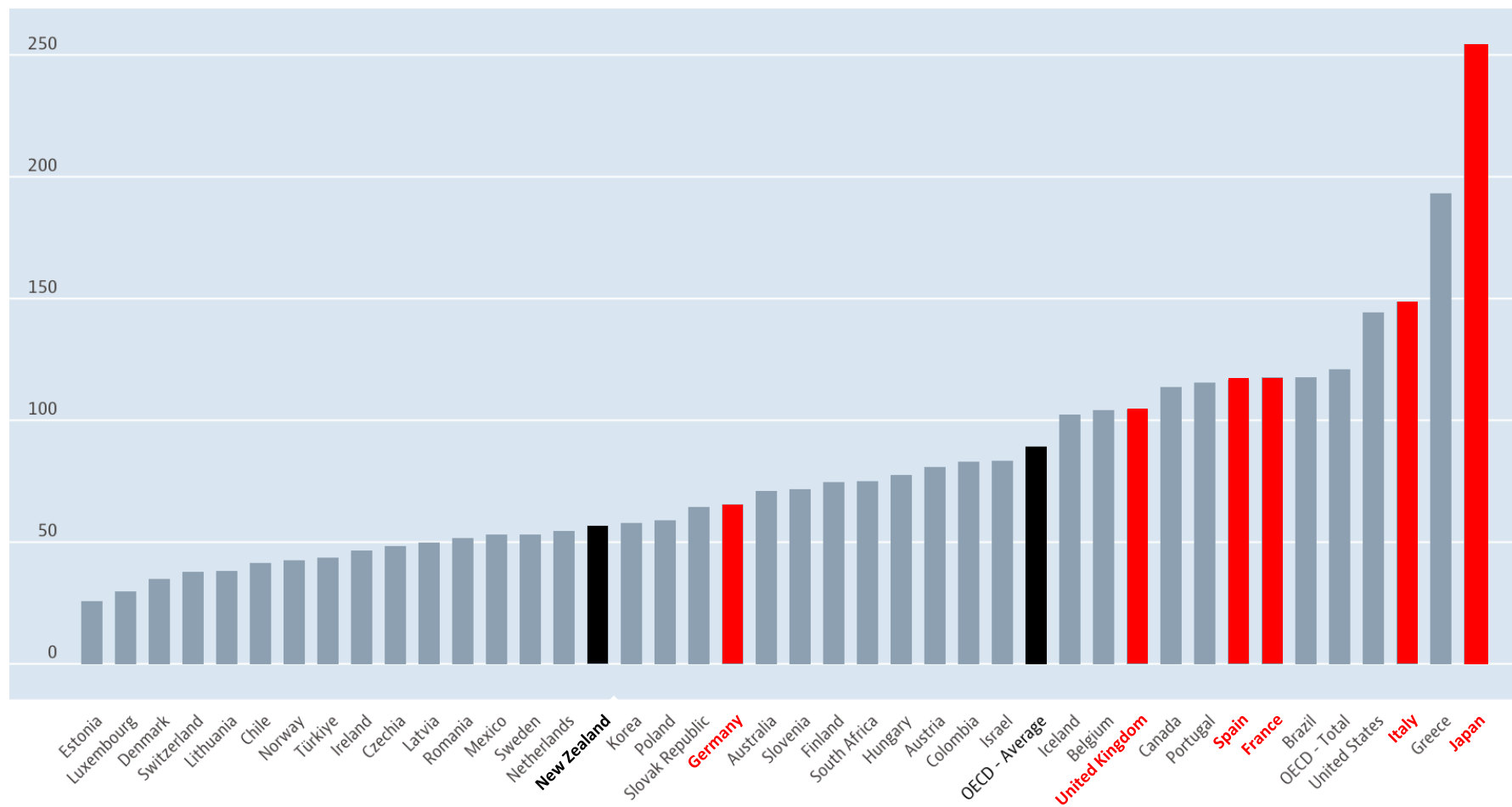
Myth 2:

New Zealand has too much debt to afford modern medicines

General Government Debt - Total as % of GDP, OECD nations, 2022 or latest available (OECD)

GGD as % of GDP

Source: OECD National Accounts at a Glance



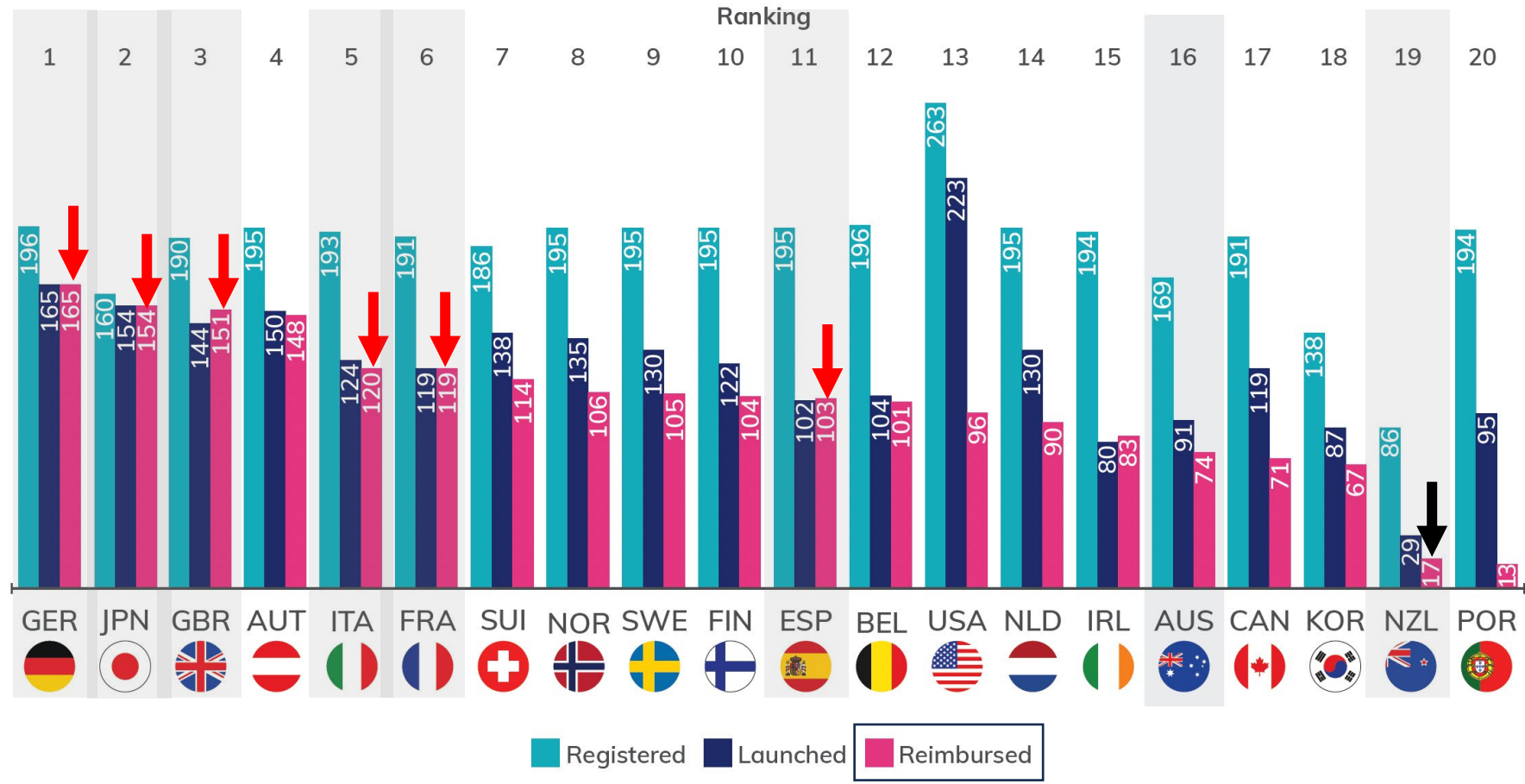


Myth 3:

New Zealand's
access to modern medicines is similar
to other comparable countries

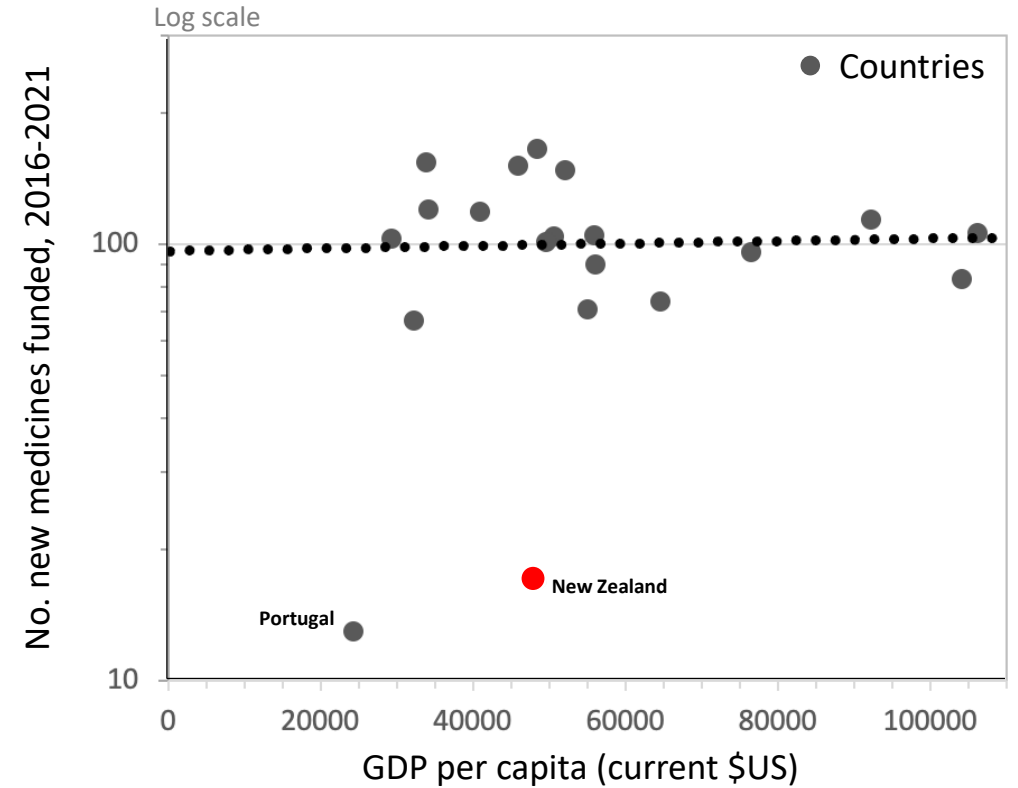
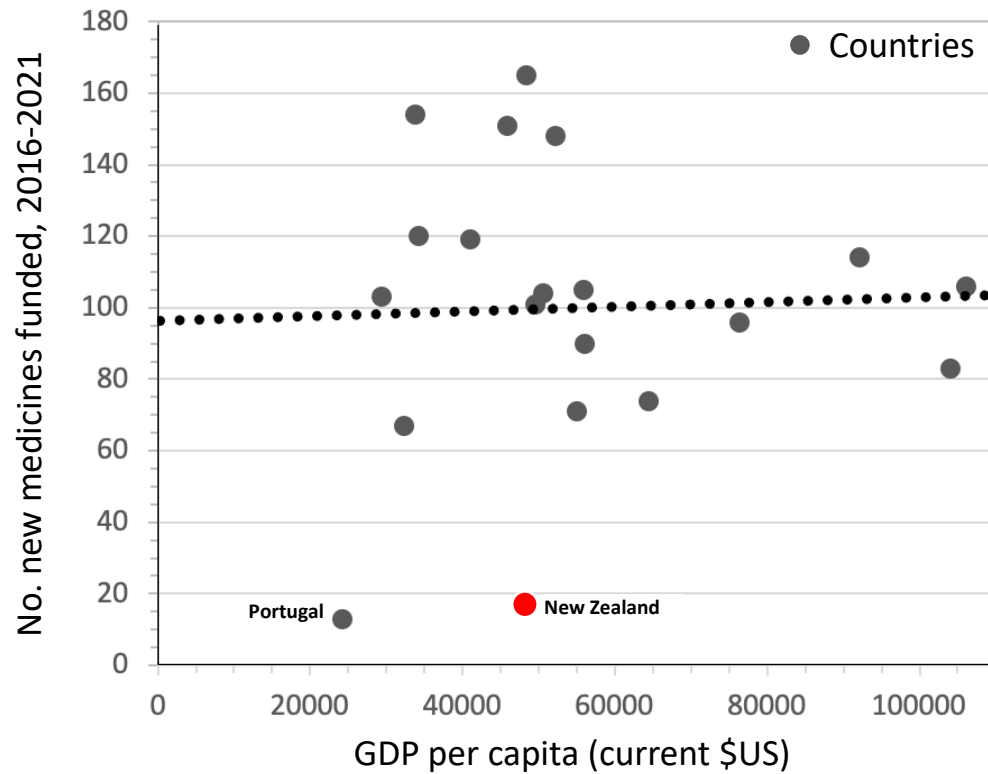
New Medicines in various countries 2016-2022. Medicines Australia, 2022

Source: Medicines Matter 2022 - Australia's Access to Medicines 2016-2021



Comparing Countries - New Medicines Funded vs GDP Per Capita 2016-2022

Source: World Bank and OECD National Accounts data & Medicines Matter 2022 - Australia's Access to Medicines



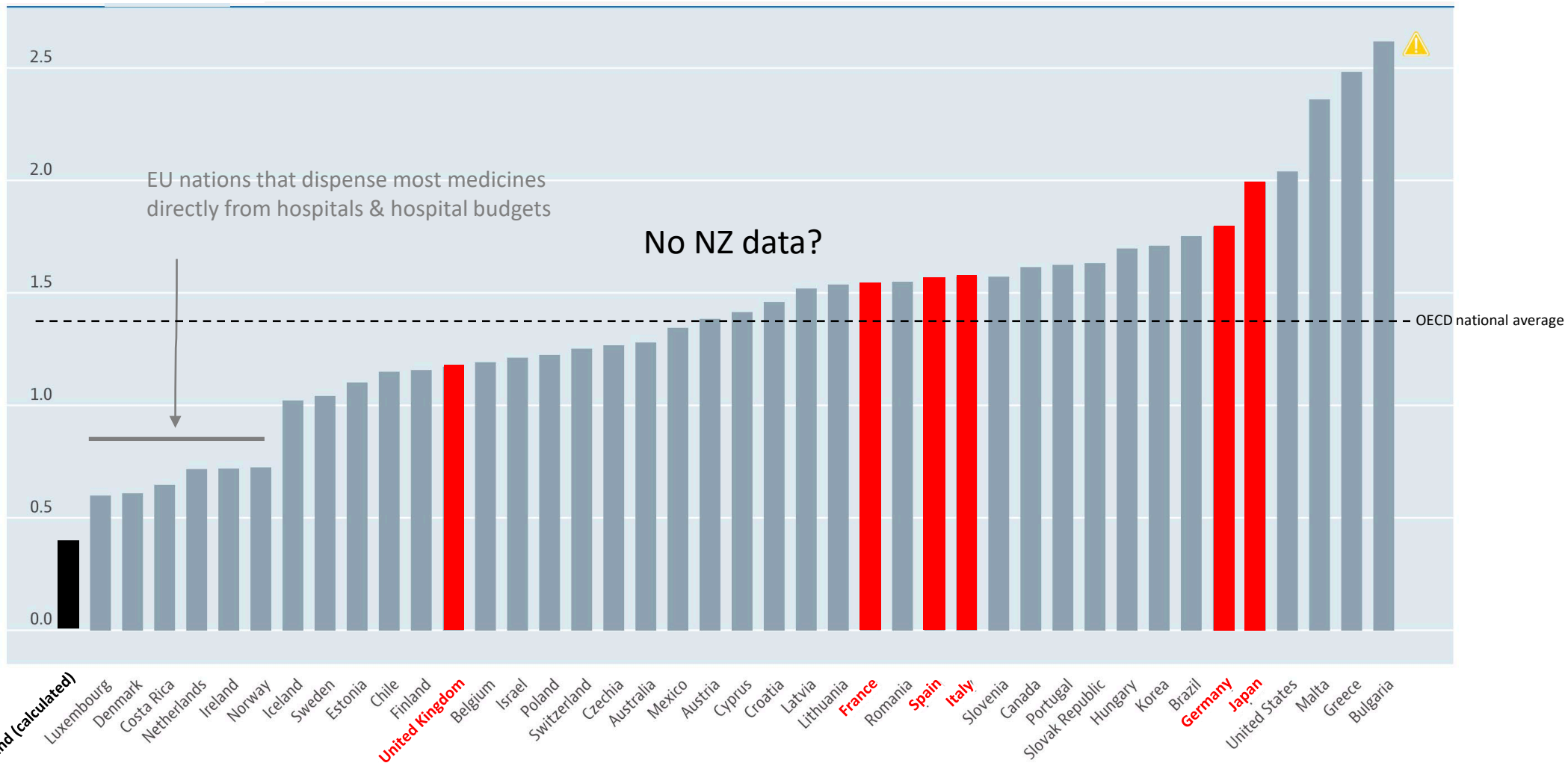
Community Pharmaceutical spending - Total as % GDP, 2022 or latest available

- spending on prescription medicines in the community; and self-medication (OTC).
- Pharmaceuticals consumed in hospitals and other health care settings are excluded.

NZ Spending on Community Medicines calculated:
 \$1,497,600,000 CPB - \$142M Hospital Medicines + \$145M OTC medicines
 = \$1,500,600,000 = 0.386% of GDP

Spending as % of GDP

Source: OECD data, Health expenditure and financing: Health expenditure indicators



<https://data.oecd.org/healthres/pharmaceutical-spending.htm>

New Zealand Institute of Economic Research, Community Pharmaceuticals – Expenditure Trends, <https://www.nzier.org.nz/>

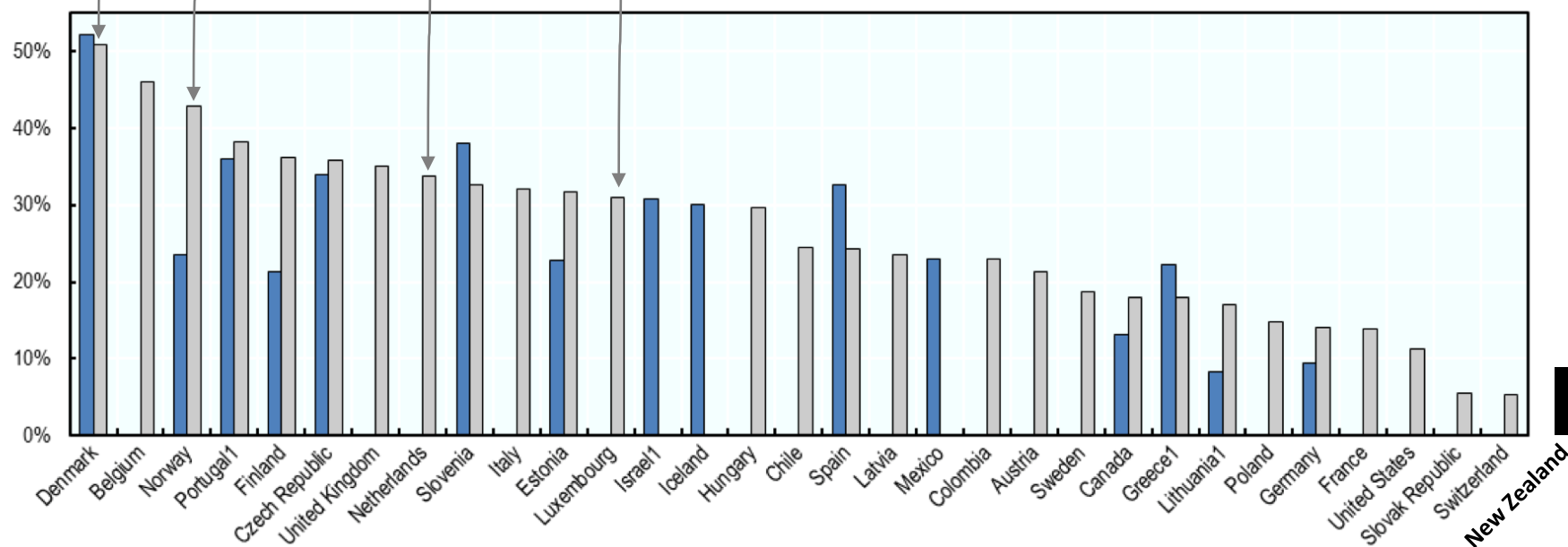
<https://www.insights10.com/report/new-zealand-over-the-counter-otc-pharmaceuticals-market-analysis/>

Hospital / Institutional (“non-retail”) pharmaceutical spending - as % of total pharmaceutical spending

Source: OECD National Accounts Database Table 40; OECD Health Statistics 2021.
Presented in Morgan and Xiang, OECD Health Working Paper

EU Countries with “low” spending on outpatient community medicines have much higher spending on hospital medicine budgets

Hospital (Non-retail) medicines spending as % of total pharmaceutical spending



■ SHA: A System of Health Account – a global accounting framework for the systematic tracking of national health care expenditures.
■ National Accounts (SUT)

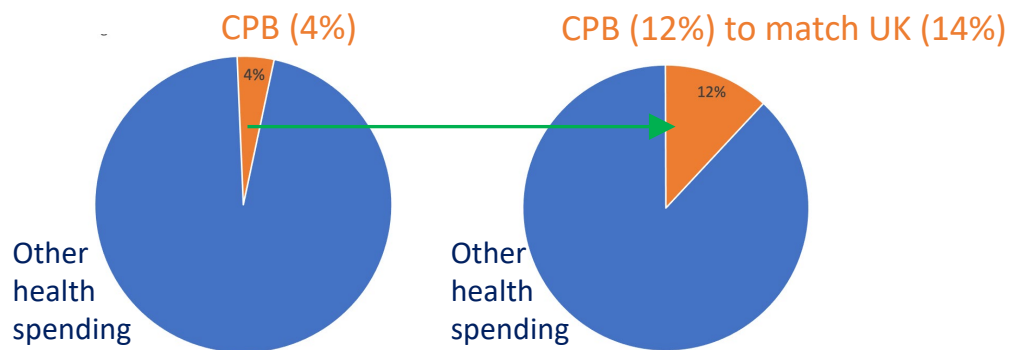
Recommended Reforms – increase medicines spending

1

NZ's current spending on medicines (CPB)= \$1.5 billion
(=1% Govt. income [of \$153 Billion], 0.38% GDP)

To match the UK in medicines spending (as % of GDP) NZ would have to spend up to \$3B more on medicines.

To match the UK in medicines spending without increasing our current total health budget NZ should spend 12% of this on medicines (it currently spends 4%; whereas the UK spends 14%)



OR 2



“Funding all proposals on Pharmac’s options for investment list is estimated to cost in excess of \$400 million per annum”. (2022)

- If an additional \$500M was added to the CPB for 2024/2025, all medicines on the Options for Investment list would be funded.
- The CPB would rise by 1/3rd from \$1.5B to 2.0B. This would still represent only 0.52% of NZ’s GDP (<1/2 of what other nations spend).

- Drop the arbitrary 1% rule for funding medicines
- Pharmac, or ideally a sister agency, should be tasked with:
 - Continuous monitoring of the international landscape of new treatments
 - Annual benchmarking of New Zealand's drug access vs comparable nations.
 - Advising the Government on possible future medicines investment requirements