



Health

Better Funding for PHARMAC

National will ensure that PHARMAC is funded to deliver the range of medicines that New Zealanders need, and we will ensure that those with rare diseases have a chance at PHARMAC funding for medicine.

National remains committed to the PHARMAC model but we will ensure that it receives the funding it needs to fulfil its mandate and ensure that New Zealanders have the best possible access to the medicines they need. New Zealand has generally benefitted from the PHARMAC model.

We have a strong track record in funding PHARMAC. When in Government, National increased medicine funding by an average of \$24 million per year. The consistent increases in funding meant that 800,000 more Kiwis benefited from access to medicine.

Many Kiwis have expressed concerns over the range of drugs that PHARMAC funds, and this is especially the case for the medicines for rare disorders. We will address this and provide additional dedicated funding to allow Kiwis access to a wider range of life saving drugs.

In order to help those with rare disorders, National will make a special and concerted effort to address rare disorders. We recognise the existence of structural barriers people with rare disorders have to receiving comprehensive and cohesive healthcare.

When someone is diagnosed with a rare disease they need love, support and the best possible treatment and care. National will establish a National Rare Diseases Framework and Action Plan, much as Australia and Scotland have done. This will have measurable targets which a National Government will be accountable for.

National will also require PHARMAC to review its criteria and formula for rare disorders

medicines to ensure they aren't overlooked simply because they benefit a small number of people.

The fund will be allocated on a use it or lose it basis with clear expectations that it will be used. This will prevent the problems faced by the previous fund, where significant funding was unspent.

We will ensure that PHARMAC once again receives the funding it requires and we will increase PHARMAC funding at the same rate as the wider health budget to ensure New Zealanders can get the medicines they need.

Details

National remains committed to the PHARMAC model. However, we will review it to make sure that it receives the funding it needs to fulfil its mandate and ensure that New Zealanders have the best possible access to the medicines they need.

PHARMAC funding increases will be maintained at the same rate as increases in the wider health budget.

A rare disorder fund would be set up with \$20 million funding over four years.

A dedicated cancer drug fund worth \$50 million per year would be established.

Q&A

Why aren't rare disorders already funded by PHARMAC?

The PHARMAC model emphasizes helping the most people possible for its investment. The cost of treating many rare disorders can be high. Because of this PHARMAC often doesn't fund these treatment so that it can focus its investment on more common medicines that benefit more people.

To address this we are creating a dedicated rare disorder fund. PHARMAC can allocate this



fund to help people with rare disorders without having to worry about the effect on the wider PHARMAC fund. Because of this people with rare disorders will have the opportunity to access life-saving treatment they might not otherwise be able to receive.

What medicine will this fund?

One of the major benefits of the PHARMAC model is it removes political interference from the decision around what medicine to fund. PHARMAC will continue to be an independent crown entity that decides which medicines to fund to ensure New Zealand gets the maximum benefit from our spending.

How much will this increase PHARMAC funding?

This will increase PHARMAC funding by at least \$55 million per year. Made up of three areas:

- \$50 million per year for a cancer drug fund.
- \$20 million over four years, or \$5 million per year for drugs for rare disorders.
- By tying PHARMAC funding to the overall increase in the health budget, approx. 5 per cent of the increase in the health budget will go to PHARMAC.

Will there be any changes to the criteria to decide which medicine to fund?

No, PHARMAC will continue to independently decide what medicine to fund. National will increase the funding to allow them to do their job better.

Doesn't PHARMAC already have a rare disorder fund?

In 2014 PHARMAC set up a \$5 million per year fund to address rare disorders. This was discontinued and in 2019 the money was absorbed into PHARMAC's general pharmaceutical budget. To stop this happening again our fund will be on a 'use it or lose it' basis. If PHARMAC don't allocate the money to medicines for rare disorders it will be returned to the government.

What counts as a rare disorder?

PHARMAC has established policy principles for funding applications for rare disorder medicines, and these will remain in place.