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**Royal Australasian College of Physicians'
submission to PHARMAC's managing
fairer access to hospital medical devices**

June 2019

Introduction

The Royal Australasian College of Physicians (RACP) welcomes the opportunity to submit feedback on PHARMAC's consultation document, "Managing fairer access to hospital medical devices" (the consultation document).

The RACP works across more than 40 medical specialties to educate, innovate and advocate for excellence in health and medical care. Working with our senior members, the RACP trains the next generation of specialists, while playing a lead role in developing world best practice models of care. We also draw on the skills of our members, to develop policies that promote a healthier society. By working together, our members advance the interest of our profession, our patients and the broader community.

Key points

- The PHARMAC model's flexibility and independence are assets which should be retained
- The proposed scheme has the potential to deliver improved health benefits to patients and generate savings for the health system, but an equity lens is needed
- A Devices Committee which centralises expert advice – based on the existing Pharmacology and Therapeutics Advisory Committee model – would be supported

Response to the consultation document

The RACP welcomes PHARMAC's proactive approach to consulting with the sector on proposed models for managing access to hospital medical devices. This consultation comes at a time of significant change in the regulatory landscape for therapeutic products, notably with the Therapeutic Products Bill, which will replace the Medicines Act 1981 and regulate the approval and access of medicines, active medical ingredients, devices and future products.

We anticipate benefits for patients, whānau and health practitioners in the application of PHARMAC's Factors for Consideration model to the purchasing of hospital medical devices, particularly the emphasis on evidence-informed decision-making. We discuss our recommendations for how PHARMAC should elicit evidence from health practitioners and consumers further in our submission.

Managing devices to improve health outcomes

A core tenet of the rationale supporting PHARMAC's management of hospital medical devices is to improve fairness – the document states that the new approach is designed to "support more consistent access to medical devices for consumers, regardless of where they live". While regional variation will contribute to disparities in access to hospital medical devices, health inequities experienced by Māori, Pasifika and low-income whānau may be exacerbated if there is not concerted efforts to improve the responsiveness and competence of the PHARMAC model to the needs of priority groups in Aotearoa New Zealand.

We note that there is no mention of 'equity' or 'equitable' in the consultation document. Māori, Pasifika and people living on lower incomes already experience higher levels of unmet need and worse health

outcomes when compared to non-Māori, non-Pasifika populations. There is a substantial evidence base detailing the association between access to health care, treatment and medicines and negative health outcomes, which are compounded by the impact of the social determinants of health^{1 2 3}. Further, Te Kaunihera Māori o Aotearoa / NZ Māori Council have recently called for a Royal Commission of Inquiry into PHARMAC's model, which its chief executive Matthew Tukaki says is not delivering improved health outcomes for Māori⁴.

The RACP understands that PHARMAC has three bold goals – the first being “eliminate inequities in access to medicines”, the second to generate \$1 billion in savings through medical device management, and the third being the development of systems which enable the best investment choices across PHARMAC activities⁵.

We recommend PHARMAC's management of hospital medical devices places these bold goals at the centre of any device strategy. The first Bold Goal should be reviewed to inspire inclusivity and equity across all PHARMAC's activities, which would include the funding and purchasing agreements for medicines and hospital devices.

Ensuring consistent supply for devices

As noted in the consultation document, the hospital medical devices sector is highly diverse, and covers everything from tongue depressors and bandages to complex machines such as CT scanners which require significant investment. International shortages of supplies of some generic and funded medicines have impacted New Zealand recently – notably the restrictions on dispensing of paracetamol, and the supplies of commonly-prescribed oral contraceptives Levelen ED and Ava 30⁶ ⁷. In managing the hospital devices list, PHARMAC should ensure that supplies can be provided consistently, and any shortages are signalled well in advance to enable procurement from alternative sources if necessary.

Expert clinical advice to inform decision-making

The RACP agrees with PHARMAC's assessment on the three broad categories of device advice required (overarching advice, category-specific and detailed use-based). We support the establishment of a new Devices Committee which would operate at the same level as the Pharmacology and Therapeutics Advisory Committee (PTAC). Adding devices to the existing PTAC remit could result in a challenging workload and adding capacity to this committee could mean that

¹ Te Karu L, Bryant L, Harwood M, Arroll B. Achieving health equity in Aotearoa New Zealand: the contribution of medicines optimisation. [Internet] J Prim Health Care 2018; 10(1):11-15. Available from <http://www.publish.csiro.au/hc/HC17067>. Accessed 24 June 2019

² Robson B, Harris R. (eds). Hauora: Māori Standards of Health IV: A study of the years 2000-2005. Wellington: Te Rōpū Rangahau Hauora a Eru Pōmare University of Otago; 2007.

³ Walsh M, Grey C. The contribution of avoidable mortality to the life expectancy gap in Māori and Pacific populations in New Zealand – a decomposition analysis. [Internet] N Z Med J 2019; 132(1492): 46-60. Available from <http://www.nzma.org.nz/journal/read-the-journal/all-issues/2010-2019/2019/vol-132-no-1492-29-march-2019/7845>. Accessed 24 June 2019.

⁴ Radio New Zealand. Call for Royal Commission of Inquiry over Pharmac model. [Internet]. 23 June 2019. Available from <https://www.rnz.co.nz/news/national/392727/call-for-royal-commission-of-inquiry-over-pharmac-model>. Accessed 24 June 2019.

⁵ PHARMAC. Bold goals. [Internet]. 13 December 2018. Available from <https://www.pharmac.govt.nz/about/2018/bold-goals/>. Accessed 24 June 2019.

⁶ Hutton C. National paracetamol shortage leads to restrictions. [Internet] Radio New Zealand 21 November 2018. Available from <https://www.rnz.co.nz/news/national/376495/national-paracetamol-shortage-leads-to-restrictions>. Accessed 24 June 2019.

⁷ Radio New Zealand. Shortage forces rationing of popular contraceptive pill. [Internet]. Radio New Zealand. 20 January 2019. Available from <https://www.rnz.co.nz/news/national/380488/shortage-forces-rationing-of-popular-contraceptive-pill>. Accessed 24 June 2019.

some areas of necessary clinical expert advice are not captured or represented at the highest level all the time.

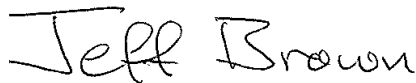
The RACP finds that expanding the purpose of PHARMAC category-specific subcommittees to include hospital medical devices within its ambit could be advantageous, although membership may need to be enhanced. Existing subcommittees should be able to inform this decision-making. As noted in the consultation document, consumer advice may be needed, particularly when acceptability and useability are considered. We would expect PHARMAC to work with the Health Quality and Safety Commission to ensure consumer advice is incorporated into decision-making.

For category-specific advice, the RACP could support either option 1 or 2, as there are advantages to both models. Option 1 may provide a more nuanced understanding of a specific therapeutic product's development given members' in-depth knowledge of the specialty area of the subcommittee, and especially as available peer-reviewed and published literature may be limited. Option 2 is more in line with in-hospital practice, where the decision-making process can involve clinical and non-clinical advice – the breadth of expertise is essential.

The consultation document contains several references to transparency, including “proactively making this advice publicly available” where practicable. The RACP welcomes moves by PHARMAC to increase public understanding and knowledge of its processes.

The RACP thanks PHARMAC for the opportunity to provide feedback on this consultation, and looks forward to the next developments in PHARMAC's management of hospital medical devices. To discuss this submission further, please contact the NZ Policy and Advocacy Unit at policy@racp.org.nz.

Nāku noa, nā



Dr Jeff Brown
New Zealand President
The Royal Australasian College of Physicians

