

19 March 2020

Philip Hope
Lung Foundation New Zealand
Via email philip.hope@lungfoundation.org.nz

Dear Philip

Thank you for taking the time to meet with Steve Maharey and myself last week. Some of the questions in your letter dated 10 March 2020 were touched on during our conversation, but I wanted to formally respond to your letter and to acknowledge the significant impacts of lung cancer on New Zealanders, and to thank you and your whanau member, Huhana Potae, for sharing her personal story with us.

As you know, PHARMAC is currently considering applications for funding of several immune checkpoint inhibitor medicines (pembrolizumab, atezolizumab, nivolumab) for the first and second line treatment of NSCLC. We are in the planning stages for a commercial process to seek bids from suppliers for their currently funded uses and for other unfunded uses including NSCLC. We have been engaging with relevant suppliers for some time in preparation for this and we will be seeking further advice from our Cancer Treatments Subcommittee (CaTSoP) at its next meeting in April 2020 to support this process.

You may also be interested to know that we have recently also received funding applications for [atezolizumab](#) monotherapy for the first-line treatment of NSCLC with high PDL1 expression, another immune checkpoint inhibitor [durvalumab](#) for use as a maintenance treatment for NSCLC, and applications for targeted agents [crizotinib](#) (Xalkori) for the treatment of ROS1 NSCLC and [osimertinib](#) (Tagrisso) for the first line treatment of EGFR-positive NSCLC. These will be assessed via our usual processes (see <https://www.pharmac.govt.nz/assets/PHARMAC-Funding-on-a-page-diagram.pdf>). Several of these applications will be considered by CaTSoP in April 2020. The [Application Tracker tool on our website shows where each application is at in the process.](#)

You asked some questions about PHARMAC's assessment processes, in particular about PHARMAC's approach to cost effectiveness analysis and about how we value equity related matters. We have a page on our website about how we undertake economic analysis (<https://www.pharmac.govt.nz/medicines/how-medicines-are-funded/economic-analysis/>) and I'd highly recommend that you access a resource that we produced in 2015 to provide a

simplified explanation of general cost-utility analysis concepts (<https://www.pharmac.govt.nz/assets/cost-utility-analysis-explained-2015-08.pdf>). That resource is probably due for an update, so any feedback you might have on its usefulness to consumers would be greatly appreciated.

We have two branches to our work in equity. Firstly, we want to address the fact that not all New Zealanders are achieving the best health outcomes from medicines that are already funded by PHARMAC. You can read about our work access equity here: <https://www.pharmac.govt.nz/medicines/equity/>. Secondly, we're just in the processes of

setting our strategic priorities for the next four years and one of the things we are looking at is some work to ensure that our assessment processes for medicines are optimised to reflect societal preferences and support the Government's equity goals. As you are aware, our Factors for Consideration require us to look at the impact of a disease on Māori health areas of focus and Māori health outcomes, so we want to make sure we're doing that in the most effective and fair way.

In relation to the issue of precision led healthcare, PHARMAC is responsible for maintaining the Pharmaceutical Schedule. While we can influence health sector decisions, we are not involved with directing the health system about the introduction of new approaches to clinical pathways for care. We do however engage with other sector players in discussions about this, particularly with the Ministry of Health, and we share advice that we've received from our clinical advisors on the developments in medicine that might require changes to the healthcare system itself.

Finally, I want to acknowledge LFNZ's petition to the Government. As you know PHARMAC has actively responded to all requests from the Health Select Committee for information and responses to the matters raised in your petition along with several others.

Thank you again for engaging with us and for providing us with information about what medicines are important to people with lung cancer. We actively ask for feedback and consider it when we're making our decisions, and the personal stories you shared with us in your letter and in our conversation are invaluable to our work. and once again I would like to thank you and your whanau member, Huhana Potae, for sharing her personal story with us.

Yours sincerely



Sarah Fitt
Chief Executive,
PHARMAC

CC Steve Maharey, PHARMAC Board Chair