



## **RMI SUBMISSION ON THE REVIEW OF THE APPOINTMENT PROTOCOL FOR THE PHARMACOLOGY AND THERAPEUTICS ADVISORY COMMITTEE**

The Researched Medicines Industry Association of New Zealand (RMI) is the professional and trade organisation representing companies engaged in the research, development, manufacture and marketing of prescription medicines.

The RMI/Pharmaceutical Industry Taskforce submission on the *Towards a New Zealand Medicines Strategy* Consultation noted that a key problem with the current system for funding medicines is the bundling within a single organisation, PHARMAC, of the assessment of pharmaceuticals and their benefits with procurement decisions. This creates incentives to subordinate clinical judgement to budget imperative. The Taskforce recommended the pharmacology and therapeutics advisory committee (PTAC) become an independent body separate from PHARMAC.

Similar concerns were raised by other submitters regarding the ability of PTAC to provide PHARMAC with free and frank, objective advice in relation to medicines funding applications. In response, the Ministry of Health and PHARMAC are reviewing the PTAC appointment protocol and will consult on PTAC's Operational Guidelines.

However, as the consultations are being conducted within the context of the current framework, the degree to which meaningful change can occur is limited.

The New Zealand Public Health and Disability Act 2000 requires that the PHARMAC Board establishes the PTAC and that the power to appoint members to PTAC lies with the Director-General (DG) of Health in consultation with the PHARMAC Board.

Thus, unless the legislation is amended to ensure that PTAC, (including its secretariat), is independent of PHARMAC, the concerns regarding the ability of PTAC to provide free and frank, objective advice will remain.

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Notwithstanding the limitations noted above, the RMI would like to make the following comment with regard to the PTAC Appointment Protocol.

Currently, the Chairperson of PTAC and the PHARMAC Medical Director select the preferred candidates for short listing and recommend to the PHARMAC Board which candidate should be nominated to the DG for appointment.

The RMI is concerned that the composition and size of the selection panel introduces a bias in the appointment of members which potentially affects the independence of the committee. Consideration should be given to including appropriately experienced/qualified Ministry of Health staff on the selection panel.

In conclusion, the RMI recommends that to ensure the independence of PTAC, and to improve transparency in the funding decision process, PTAC be separated from PHARMAC and set up as an independent body, serviced by a secretariat that is also independent of PHARMAC.

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