

From: [Oliver Whitehead](#)
To: [Amanda Smith](#)
Subject: Ministerial Briefing on CGMs
Date: Tuesday, 14 May 2024 12:04:00 pm
Attachments: [Update on Pharmac's funding proposal for continuous glucose monitors and related products.pdf](#)

Hi Amanda,

Please find attached a briefing from Pharmac regarding the proposal to fund continuous glucose monitors. As advised officials are available to discuss either with the office or the Minister. Can you please advise when/if this briefing is passed on to Minister Reti as we will follow-up with their press secretary.

Oliver

Oliver Whitehead | Team Leader Government Services

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**BRIEFING TO THE ASSOCIATE MINISTER OF HEALTH
(PHARMAC)**

Update on Pharmac's funding proposal for continuous glucose monitors and related products

Date: 14 May 2024

To: Hon David Seymour, Associate Minister of Health (Pharmac)

Pharmac Board

Dr Diana Sarfati, Director-General of Health

Contact(s)

Sarah Fitt, Chief Executive

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Recommendations

We recommend you:

Note that Pharmac will delay making a decision on a proposal to fund continuous glucose monitors (CGMs), insulin pumps, and insulin pump consumables.

Noted

Note that complex issues were raised during consultation that require resolution before a funding proposal can proceed

Noted

Note that Pharmac plans to advise stakeholder groups and the general public of the delay, the next steps and the reasons for the change of timeframe and is taking steps to manage any risks arising.

Noted

Refer Provide a copy of this Briefing to Hon Shane Reti, Minister of Health

Refer



Hon David Seymour

16/5/24
Date

Associate Minister of Health (Pharmac)

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Definitions

For the purpose of this document, unless the context otherwise specifies:

“**CGMs**” means continuous glucose monitors (CGMs) inclusive of sensors, transmitters, and any other consumables necessary for the operation of the device.

“**T1D**” means type 1 or pancreatogenic¹ diabetes.

“**AID system**” means automated insulin delivery system – an AID is when a CGM is paired with an insulin pump using an algorithm to automatically deliver insulin doses based on blood glucose readings.

Purpose

1. This briefing provides an update on the progress of Pharmac’s process for fund continuous glucose monitors (CGMs), insulin pumps, and insulin pump consumables for people with type 1 diabetes following the close of consultation on a funding proposal for these products.

Background

2. On 11 July 2023, Pharmac released a Request for Proposals (RFP) seeking bids from suppliers for CGMs, insulin pumps, and insulin pump consumables for people with T1D. The RFP closed on 18 August 2023.
3. During October 2023 Pharmac held evaluation committee meetings to consider the bids – these included input from consumers and external clinicians.
4. From this Pharmac developed a proposal and entered into provisional agreements with three suppliers, Abbott (for a CGM), NZMS (for a CGM and an insulin pump), and Pharmaco (for an insulin pump).
5. Pharmac issued public consultation on the proposal on 28 March 2024. Consultation closed on 26 April 2024. Funding of CGMs was proposed to start from 1 July 2024.
6. The five CGMs in the proposal are Freestyle Libre 2, Dexcom G6, Dexcom G7, Dexcom One Plus, and Abbott CGM. The two insulin pumps and consumables in the proposal are the Tandem t:slimX2 and the mylife YpsoPump.

Summary of key points

7. Pharmac received a significant amount of feedback (approximately 1,200 responses including a petition with over 9,000 signatures).
8. The majority of individual submissions were supportive, however, other responders raised a number of complex issues related to the aspect of the proposal that would require some people to change their funded brand of insulin pump.
9. Pharmac has listened to the feedback and needs to investigate these issues further before putting a proposal to fund CGMs, insulin pumps and insulin pump consumables to Pharmac’s Board for a decision. The issues are described in more detail below.

¹ For the purposes of this document, pancreatogenic diabetes mellitus is any form of diabetes resulting from pancreatic disease and a subsequent loss in insulin-producing cells. It includes permanent neonatal diabetes and diabetes secondary pancreatitis, cystic fibrosis, pancreatic cancer, and pancreatectomy.

10. The initial plan was to present the funding proposal to Pharmac's Board at its May meeting with funding of CGMs, if approved, to start from 1 July. The need for Pharmac to do further work as a result of the feedback received impacts that timeframe.
11. Pharmac does not currently have a definitive date for the a proposal to be taken to the Board for a decision but is working to address the issues raised as quickly as possible.
12. Pharmac plans to seek further advice and information from a range of diabetes stakeholders (clinical and consumer groups), suppliers, and government agencies including Health New Zealand, the Ministry of Disabled People, and the Ministry of Social Development.
13. Pharmac remains committed to progressing a proposal to fund CGMs and related products as we have heard very clearly that these will make a real difference to people's lives.
14. Pharmac understands that any delay to a decision on the funding proposal and rollout of CGMs will be very disappointing to key stakeholders, and people who are living with type 1 diabetes who ever anticipating funded access from 1 July 2024.
15. Our intention is to provide key stakeholder groups an embargoed update on the delay prior to public release.

Impact

16. About 4000 people currently use insulin pumps and insulin pump consumables that are already funded by Pharmac. There are approximately 1500 people who are using the Medtronic insulin pump who would need to switch under the current proposal.
17. This group is a subset of the much wider group of approximately 18,000 people living with type 1 diabetes who would become eligible for CGMs under Pharmac's proposal.
18. The group of 4000 people will continue to have funded access to insulin pumps and consumables; this access will not be affected by Pharmac's decision to take more time to investigate issues related to the funding proposal.
19. However, it does mean that if they are currently funding their own CGMs, they would need to continue self-funding. The cost to people self-funding CGMs is on average around \$330 per month.

Communications approach

20. Pharmac plans to advise key stakeholder groups in stages ahead of a public announcement via media release. Key stakeholders include consumer advocacy groups, clinician groups, and suppliers. Pharmac's website will be updated to explain why more time is needed to investigate the complex issues raised and what the next steps will be. Key messages will be available to support our communications and we will have a spokesperson available for media interviews.
21. Pharmac is organising an online information session which will be open to consumers to provide more information about the feedback received from the public consultation.

Issues that need to be explored further

22. Pharmac has identified several key issues that we need to fully understand and resolve (to the extent possible within the funding available) before a funding proposal can be taken to Pharmac's Board for a decision.

Concerns regarding health and usability impacts of changing brand of insulin pumps

23. Some responders advised there would be a significant negative effect on their health if they had to change their funded pump. People noted they were also accessing the CGM that pairs with the insulin pump but is not part of the proposal – in some cases these had been funded by other Government agencies. Concerns were also raised around the suitability and usability of the proposed options.

Additional engagement required

24. Pharmac needs to work directly with the government agencies mentioned above, in addition to its clinical advisors, suppliers, clinicians (for example, the New Zealand Society for the Study of Diabetes), external consumer groups (such as Diabetes NZ), and consumers.

Next steps following further stakeholder engagement

25. Once the issues outlined above have been further investigated through, Pharmac will develop an updated funding proposal.
26. Pharmac will then take the proposal at the earliest opportunity to the Board for a decision.
27. If the Board approves the decision, Pharmac would confirm this with the suppliers and then announce the decision to the public. A communications plan would be developed to support this, including providing notice in advance to the Ministers' offices.

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Appendix A – overarching talking points

1. Pharmac is committed to progressing a proposal to fund continuous glucose monitors (CGMs) for people with type 1 diabetes. We know these will make a real difference to people's lives and we are working hard to make them available as soon as possible.
2. In April Pharmac asked for feedback on a proposal to fund these devices alongside insulin pumps and insulin pump consumables. We received a significant amount of feedback, which reflects how important these devices are to people living with type 1 diabetes, their whānau, and clinicians. Thank you for sharing your views and experiences with Pharmac.
3. As a result of the feedback, Pharmac has identified some aspects of the proposal it needs to further consider. These include the health impacts of changing brands of insulin pumps, support needed to help with a change of insulin pump, product usability, and how the devices would be made available to people who need them.
4. They are important things that we need to understand fully before we present a funding proposal to Pharmac's Board, so we will be taking some time in the coming weeks to seek further advice and information from clinicians, consumer groups, and suppliers.
5. We will organise an online information session to provide an update on the consultation feedback and Pharmac's next steps, and we will publish the details of the information session on our website so that you can attend.
6. This means that the timeframe for funding CGMs, if approved by the Board, will be delayed. We know this will concern many of you. We've listened to feedback and it's important we take the time needed to fully understand and work through this.

From: Oliver Whitehead
Sent: Tuesday, May 21, 2024 11:31 AM
To: Amanda Smith <xxxxxx.xxxxx@xxxxxxxxxxx.xxx.xx>
Subject: Additional information on CGM consultation outcome

Hi Amanda,

Please find attached our updated information relating to the CGM consultation outcome and the decision to delay implementation to after 1 July 2024.

If your office would like any further information let me know.

Kind regards,

Oliver

Oliver Whitehead | Team Leader Government Services

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Request from Minister's Office

We have returned from the Minister's Office and discussed the CGM announcement, the Minister's Office is seeking more information on what are the issues that are driving the delay.

The Minister's Office is also seeking information on what we require from other government agencies and may consult their colleagues to ensure we get accurate and timely information.

Background

Pharmac received approximately 1200 individual submissions, including a petition with 9,000 signatures.

The delay in progressing the proposal for the funding of CGM's and Insulin Pumps and consumables to a Pharmac board decision (originally planned for May Board with an anticipated funding implementation date of 1 July) is being driven by several key factors:

Existing funding pathways through other government agencies:

Pharmac has identified several existing funding pathways by which people with Type 1 diabetes have been able to obtain a level of funding towards the cost of diabetes technology (primarily CGM's). The intent of current activities in this area is to establish the quantum of this funding and work with these agencies to ensure that a transition process is developed to minimise the impact on those currently receiving funding who may not immediately benefit from the planned Pharmac process.

- **Health New Zealand** – It has been established that since July 2023 with a change in criteria that Health NZ has been providing partial funding through its Carer Support program for diabetes technology, Pharmac staff are currently engaged with the responsible Health NZ personnel to establish the extent of current funding and the details associated, we expect to receive the requested data within the next couple of weeks.
- **Ministry of Disabled People (Whaikaha)** – This agency has historically been providing a level of funding through its Carer Support benefit to enable the purchase of diabetes technology, however from March this year (2024) this funding has been largely disestablished. Pharmac staff are currently working with those responsible at this ministry to quantify the current situation.
- **Ministry of Social Development (WINZ)** – Pharmac Staff are planning to meet shortly with the appropriate staff at MSD to understand the level of funding for Diabetes Technology facilitated through its Child Disability Allowance.

Following the initial fact-finding phase with these agencies we will work constructively with them to ensure a funding transition process which minimises the impact on those people affected.

Usability of the various products included in the proposal and relevance to the population

Pharmac needs to work through the many items identified through the consultation that involve the end user experience and usability of the diabetes technology devices proposed as part of the solution.

In order to achieve this, we will need to work with a number of relevant stakeholders to clarify aspects that have been raised.

These include:

- **Contracted suppliers** – we need to work closely with the contracted suppliers (3) to clarify certain aspects of device performance and usability for which concerns have been raised, as well as confirm details regarding implementation and associated educational support. We also need to consult with these suppliers regarding aspects of the proposed transition period.
- **Non-Contracted suppliers** – we need to understand the impact for the unsuccessful suppliers and how they will support the people currently using their products as well as assisting in a smooth transition process.
- **Clinical Stakeholders -Secondary Care** – Pharmac needs to consult with its Diabetes Advisory Committee to receive advice on a number of issues raised through the consultation phase.
- Pharmac will also be working with the New Zealand Scientific Study of Diabetes (NZSSD) clinician group who represent clinicians across the country managing people with diabetes. This will involve clarifying certain clinical issues raised through the consultation process and working to develop implementation activities to ensure a successful roll-out through the wider health sector.
- **Clinical Stakeholders – Primary Care** – As a significant proportion the workload onboarding patients to the CGM technology will fall on the primary health sector, Pharmac is working with key representatives in this area to ensure implementation and educational activities are coordinated.
- **Consumer Groups** – Pharmac is working closely with Diabetes New Zealand (DNZ) as the primary consumer organisation representing people with diabetes to ensure the issues raised by consumers in the consultation can be addressed in the most appropriate manner.
- **Ministry of Education** –Pharmac will need to liaise with this agency to ensure that children are able to use their diabetes technology (including phones) in the classroom environment.

While the identified entities represent the main stakeholders that Pharmac needs to work with in the coming period to address the remaining issues, this is not an exhaustive list and it is likely that others will also need to be consulted with as part of the process to bring the proposal to the board decision phase. At this stage we believe that we do not need any additional support in order to progress the identified work items, however we will certainly reach out if we encounter any significant obstacles.