

2 July 2024

Paul Shelton

Via email: fyi-request-27360-c545f4cf@requests.fyi.org.nz

Tēnā koe Paul

Request for information: Factors for funding decisions

Thank you for your request dated 24 June 2024 under the Official Information Act 1982 (the Act) for information relating to factors for funding decisions. You requested:

When making the decision to fund or not fund a drug and/or treatment, do you consider potential lost time from work?

The framework that Pharmac uses for funding decisions is known as the “Factors for Consideration”. There are four broad considerations. They are:

- Need,
- Health Benefits,
- Suitability; and
- Costs & Savings.

There are three different aspects to each factor:

- The individual,
- The family, whānau and society; and
- The health system.

You can find more information about the Factors for Consideration at:

- <https://pharmac.govt.nz/medicine-funding-and-supply/the-funding-process/policies-manuals-and-processes/factors-for-consideration>
- <https://pharmac.govt.nz/medicine-funding-and-supply/the-funding-process/policies-manuals-and-processes/factors-for-consideration/supporting-information-for-the-factors-for-consideration>


Pharmac takes a health system perspective when undertaking assessments. That means we account for costs and savings to the health system but not beyond that. The reason for this, as stated in our health economics guidelines, the [Prescription for Pharmacoeconomic Analysis](#), is that our statutory objective binds us to achieve “the best health outcomes” “for eligible people” and to do so “within the funding provided.”

What this means in practice is that Pharmac does not account for indirect costs to patients, such as the cost of patient or caregiver time off work (i.e., lost wages) and reduced productivity costs. Please note that Pharmac is currently reviewing its PFPA and, as part of this, its economic perspective (considering which costs and benefits are considered).

We trust that this information answers your queries. Please note, you have the right to make a complaint to the Ombudsman about our response to your OIA, under section 28(3) of the OIA. Details of [how to make a complaint](#) are on the Ombudsman's website.

To make information more freely available, we publish selected OIA responses (excluding personal details) on our website. Please get in touch with us if you have any questions about this.

Nāku noa, nā



Oliver Whitehead
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