Funding plea after Govt approves sliver of Pharmac's bid.

News Article from: *The Post, Harriet Laughton*

An open letter has pleaded for more medicine funding, with Treasury documents revealing the Government settled for just 6.72% of the original funding bid in this year's Budget.

Documents released following the Budget show an $804 million funding bid put forward by Pharmac and Associate Health Minister David Seymour was ultimately declined in favour of spending $54m across four years on new medicines. The final $54m provided was not funding spent on new medicines but in response to cost pressures from the Middle East conflict.

In March, Treasury officials recommended against the $804m in favour of funding $144.7m on medicines, noting there had already been several recent increases to Pharmac's budget and "more pressing other Government priorities".

This would give health entities more time to identify medicines and technologies that could cut costs, improve services, and reduce future demand, officials said.

The $144.7m would have funded treatments for seven patient groups, including two blood cancer treatments.

Documents from later that month showed various spending options for Pharmac, none including Treasury's recommended amount.

The $54m, or $13.5m a year, was endorsed by Finance Minister Nicola Willis in March this year.

That compared with 2025 when Pharmac funded $604m over four years, covering "up to 54" new medicines including 26 cancer treatments.

It followed a backlash when the funding was left out of the 2024 Budget, breaking the Government's promise to make treatments available that year.

The Forbidden Pharmacy open letter was delivered to Parliament this week with more than 10,000 signatures. It called for politicians to fund medicines that remain unfunded and set a long-term plan as New Zealand trailed behind other OECD countries.

"Lives are being saved, extended and improved. Just not here," according to the letter.

More than 200 Medsafe-approved medicines for cancers, rare disorders and chronic diseases are

unfunded in New Zealand, while 95% of modern medicines do not reach the country's shelves.

The letter stated Pharmac had already done its part by assessing and pricing medicines. "What remains is a political decision to unlock these medicines."

Seymour said as the responsible minister, he would always advocate for a higher Pharmac budget. "That said, money is tight, and tough budget decisions need to be made about who gets what."

Many agencies and portfolios have had to do more with less, and Pharmac was leading that category, he said.

He said the $804m was part of the bestcase scenario option prepared by Pharmac, and would have funded all of the medicines on the options for investment list.

Blood cancer NZ chief executive Tim Edmonds said the $804m proposal would have made a "massive advancement" on medicine funding.

"This is our medicines buying agency telling the Government there is good value for money here, that we can connect patients with these medicines."

He said the documents made obvious that conversations with ministers diluted the funding.

"When you have your own medicines buying agency making these recommendations, it's the job of government to fund it."

Pharmac saw its budget increase from $1.085b in 2021/22 to $1.76b in 2025/26, excluding the time-limited Covid-19 funding.

Politicians huddled under umbrellas outside of Parliament on Tuesday to receive the open letter and declare election promises for medicines.

Speaking as ACT Party leader, Seymour welcomed the open letter, saying "health did not follow Budget cycles".

If re-elected, ACT has committed to raise the 4.9% New Zealand currently spends on the health budget to 12.2% by 2033 to catch up with Australia.

Green Party health spokesperson Ricardo Menéndez March said the Greens have promised to sustain funding increases to Pharmac, and backed the call for a longterm strategy for medicines.

The Green Party has not yet specified the amount it plans to increase Pharmac funding but wishes to match the OECD average over time.

Labour health spokesperson Ayesha Verrall said Labour is committed to continue its work in the previous government, and supported changes this Government had made.

"But we want to go further, and we see opportunities in making sure Pharmac are more proactive in searching for the gaps in our medicines compared to overseas."

National health spokesperson Simeon Brown said he was proud of the work done in delivering the largest funding boost in Pharmac's history, but acknowledged there was more work to do.

Labour and National have not released official medicines policies yet.

NZ First leader Winston Peters said the open letter was right about needing more medicines, "but we've got to do far better than that".

NZ First recently released its health policy, which included removing barriers for Medsafe and Pharmac to recognised safe nutrients.

Opportunity Party candidate Jessica Hammond called for a 10-year cross-party plan for health.

She said this would be backed by "significantly" increased funding that would allow a growth in access to medicine, the workforce, prevention, early detection, and equitable access to care.

Photo: David Unwin The Post