For Information
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Legislative Council Panel on Health Services

Update on Hospital Authority Drug Formulary

PURPOSE

This paper briefs Members on the latest developments of the Hospital Authority (HA) Drug Formulary (the Formulary).

BACKGROUND

2. The Formulary was implemented in public hospitals and clinics operated by HA by phases between July and October 2005. The objective of the Formulary is to ensure equitable access to cost effective drugs of proven efficacy and safety, through standardisation of drug policy and drug utilisation in all HA hospitals and clinics. The development of the Formulary is also in line with international developments. The World Health Organization has been actively promoting the concept of "essential medicines" and it recommends that health authorities around the world establish their own mechanism for the systematic selection of drugs for the promotion of the availability, accessibility, affordability, quality and rational use of medicines.

3. In developing the Formulary, HA was guided by the principle that public healthcare resources should be utilised with maximal effect of healthcare and provide equitable access by all patients. The development framework was also underpinned by other core values including evidence-based medical practice, rational use of public resources, targeted subsidy, opportunity cost considerations, and facilitation of patients' choice.

4. In formulating the Formulary, expert panels, comprising specialist clinicians, pharmacists and academics in pharmacology were established to deliberate on the usage and selection of drugs for each specialty. Patient groups were consulted in the process and reference made to overseas practice.

PRESENT POSITION

Categorisation of drugs in the Formulary

5. The Formulary contains four categories of drugs:

(a) General Drugs – drugs with well-established indications and effectiveness which are available for general use as indicated by patients with relevant clinical conditions. This category of drug is provided within the standard fees and charges at public hospitals and clinics and constitutes around 78% of the standard drugs within the Formulary;

(b) Special Drugs – drugs which are to be used under specific clinical conditions with specific specialist authorisation. These drugs are provided within the standard fees and charges at public hospitals and clinics when prescribed under specific conditions. This group constitutes around 22% of the standard drugs within the Formulary;

(c) Self-financed Items (SFI) with safety net – drugs which are proven to be of significant benefits but with significant cost burden for HA to provide as part of its standard service. These drugs are not covered by the standard fees and charges of public hospitals and clinics. Patients who require the use of these drugs and can afford the costs will have to pay for these drugs. However, partial or full subsidy can be provided to needy patients to cover their expenses on these drugs through the Samaritan Fund, depending on the financial situation of individuals; and

(d) SFI without safety net – refers to drugs with only preliminary medical evidence, drugs with marginal benefits over available alternatives but at significantly higher costs, or life style drugs. These drugs are not provided within the standard fees and charges and patients have to purchase these drugs at their own expenses.

6. Currently, HA is supplying the following three categories of SFI for purchase by patients:

(a) items not easily accessible in the community (e.g. dangerous drugs defined under the Dangerous Drugs Ordinance (Cap. 134), certain psychiatric drugs, oncology drugs and immunosuppressives);

(b) items covered by the safety net through the Samaritan Fund; and

(c) items that need to be supplied for operation convenience (e.g. drugs to be administered by injection).

For other SFI drugs falling outside the above three categories, patients will need to purchase from the market.

Mechanism of introduction of new drugs and re-categorisation of drugs

7. The list of drugs in the Formulary is under regular review through an established system. The HA Drug Advisory Committee (DAC), comprising doctors, clinical pharmacologists and pharmacists, systematically appraises new drugs every three months. New drugs may be introduced into the Formulary as appropriate taking into account the scientific evidence on safety and efficacy, cost effectiveness, technology advances in treatment options and service scope in public hospitals.

8. The Drug Utilisation Review Committee (DURC) of HA conducts periodic review on existing drugs in the Formulary, taking account of changes in technology, views of professionals and patients groups, and actual experience in the use of individual drugs and comparison with available alternatives. The DURC may consider removing from the Formulary those General Drugs that have become obsolete or less cost-effective as compared with alternatives, modifying the clinical indications for the usage of individual Special Drugs, and repositioning the drugs across different categories. Special Drugs could also be repositioned as General Drugs on the basis of clinical considerations or cost-effectiveness. Those SFI items previously not covered by the safety net may be repositioned as items with safety net or Special Drugs in the Formulary if they have demonstrated substantial evidence on its efficacy, safety and cost effectiveness.

9. Where a proposed change (such as re-categorization of drug for subsidy under the safety net, modification to the clinical indication for application of a special drug) will involve significant resource implications, the relevant proposal by the DURC will be considered in the HA Annual Planning process. Any recommendations of the DURC in regard to inclusion of drugs as SFI under the safety net will also be considered by the Samaritan Fund Management Committee, which in turn will make recommendations to the Medical Services Development Committee of the HA Board for endorsement. In evaluating the priority of including SFI for coverage by the Samaritan Fund, considerations will be given to efficacy, effectiveness and cost-effectiveness; fair and just use of public resources at targeted areas of greatest need; societal values and views of professionals and patients.

LATEST DEVELOPMENTS

Introduction of new drugs into the Formulary

10. As at April 2009, the DAC has introduced 60 new drugs into the Formulary since the implementation of the Formulary in July 2005. Among them, six were included in the Formulary as General Drugs, 28 as Special Drugs and 26 as SFI without safety net. The following is a breakdown by drug class of the new drugs introduced:

Drug class	**No. of new drugs introduced**
Gastro-intestinal	1
Cardiovascular	5
Respiratory	1
Central Nervous System	12
Infection	5
Endocrine	11
Obstetrics & Gynaecology	2
Oncology	10
Nutrition & Blood	2
Musculoskeletal & joint	3
Ophthalmology	5
Dermatology	1
Anaesthesia	2
Total	**60**

Repositioning of SFI drugs

11. There is also repositioning of drugs across different categories in the Formulary in an ongoing process. Since the implementation of the Formulary, five SFI have been re-categorized as those covered by the safety net through the Samaritan Fund in order to benefit more patients. These include two oncology drugs and two rheumatology drugs in 2007-08, and one more oncology drug in 2008-09. The coverage of application of two drugs covered by the safety net was extended in 2008-09. As a result of the above changes, the subsidies granted by Samaritan Fund on drugs have increased substantially from $17.3 million in 2004-05 to $75.1 million in 2008-09.

12. Currently, eight drugs are covered by the safety net through the Samaritan Fund:

(a) Etanercept for rheumatoid arthritis/ankylosing spondylitis/juvenile

idiopathic arthritis (introduced in April 2007);

(b) Infiximab for rheumatoid arthritis/ankylosing spondylitis (introduced in April 2007)/Crohn's Disease (new coverage since October 2008);

(c) Imatinib for chronic myeloid leukaemia/gastrointestinal stromal tumour (introduced in January 2005/acute lymphoblastic leukaemia (new coverage since October 2008);

(d) Irinotecan for advanced colorectal cancer (introduced in April 2007);

(e) Trastuzumab for HER 2 over-expressed metastatic breast cancer (introduced in April 2007);

(f) Rituximab for malignant lymphoma (introduced in October 2008);

(g) Growth Hormone; and

(h) Interferon.

13. Meanwhile, the following SFI drugs with safety net have been repositioned as standard provision in HA:

(a) Liposomal Amphotericin B for treating fungal infection for cancer patient (repositioned since October 2005); and

(b) Paclitaxel for metastatic breast cancer (repositioned since April 2007).

Engagement with patient groups

14. Since the implementation of the Formulary in July 2005, HA has regularly informed patients of the latest developments of the Formulary through consultation forums held between HA and various patient groups. HA also seeks to understand and address patients' concerns about the introduction of new drugs or re-categorisation of existing drugs in the Formulary through its long established liaison channel.

15. As part of the continuous efforts to enhance its accountability and partnership with patient groups, HA has recently established a formal consultation mechanism with patient groups on the Formulary. Under the

mechanism, annual consultation meeting will be held to inform patients of the latest developments of the Formulary, understand their major concerns, and solicit their views and suggestions on introduction of new drug items and review of existing drugs in the Formulary. Patient groups will also be given two months' time to submit their views to HA where there are any proposed changes to the Formulary. The first annul consultation meeting on the Formulary has just started in May 2009 with wide patient group participation.

ADVICE SOUGHT

16. Members are invited to note the content of this paper.

Food and Health Bureau
Hospital Authority
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