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Health economist underwhelmed by Budget 2024



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University of Auckland professor of health economics and population health Paula Lorgelly

Health economist Paula Lorgelly says many Kiwis who were expecting more funding for new cancer drugs and for Pharmac will be sadly disappointed by Budget 2024, which she sees as underwhelming.

The University of Auckland professor says it is disappointing some of the numbers in the Budget didn't include a more detailed breakdown on which areas would see new spending.

The total health spend in Budget 2024 is worth \$29.6 billion, 11.8 per cent more than 2023. It also includes \$14.6 billion for hospital and specialist services, up 14.9 per cent on last year and \$9 billion for primary, community, public and population health services. An increase of 11.4 per cent on Budget 2023.

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But despite the fact some of the Budget numbers are up on last year, Professor Lorgelly says it's hardly inspiring.

"I think there will be many disappointed voters, particularly those who expected new cancer drugs and more funding for Pharmac beyond that promised at the start of the month."

Professor Lorgelly says while she isn't in the "squeezed middle" the Government is targeting with its tax cuts, she doesn't think she is alone in feeling the money would have been better spent on improving the health system.

"I'm not sure the causal relationship between wealth and health is strong enough that the \$74 a fortnight is going to make people better off health-wise."

And, she says, despite there being \$9 billion allocated in Budget 2024 for primary, community, public and population health services, it doesn't include enough details on where the funding will be spent.

"It's not clear what's going to be spent on frontline staff at a primary and secondary care level."

Missing money for cancer drugs

While Professor Lorgelly says the fact the Budget also doesn't include money for the 13 new cancer drugs National campaigned on, will be a bitter pill for some of those affected; however she was not surprised the funding was not included.

During the election, the National Party pledged to fund 13 cancer treatments if elected. It said it would allocate \$280 million in ring-fenced funding to Pharmac over four years to pay for the treatments "for lung, bowel, kidney, melanoma, and head and neck cancers that provide significant clinical benefits and are funded in Australia but not in New Zealand".

But in March **New Zealand Doctor Rata Aotearoa found at least six of the drugs** had already been, or recommended to be, declined or hadn't even been registered with Pharmac for approval.

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