

**VERSION FOR PUBLIC RELEASE
SOME INFORMATION MAY HAVE BEEN REDACTED FOR REASONS INCLUDING
CONFIDENTIALITY**

**MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)
BOARD MEETING HELD 27 MAY 2023**

The meeting was held at Pharmac offices, Level 9, 40 Mercer Street, Wellington, and by zoom, and started at 9.00am with the following attendees:

Board members

Steve Maharey ((MA (Hons), CNZM))	Chair
Anthony Jordan (BHB, MBChB, FRACP)	Board member
Talia Anderson-Town (BBS, PG Dip Professional Accounting, CA, CPP)	Board member
Diana Siew (PhD)	Board member
Peter Bramley	Board Observer

Apologies

Lisa Lawrence	Board Observer, CAC Chair
---------------	---------------------------

Board Observers

Jane Thomas	Observer, PTAC Chair
-------------	----------------------

Pharmac staff in attendance

Sarah Fitt	Chief Executive
Michael Johnson	Director of Strategic Initiatives
Lisa Williams	Director of Operations
Kathryn McInteer	Director of Finance and Corporate
Trevor Simpson	Kaituruki Māori - Director Māori
David Hughes	Chief Medical Officer
Arohia Dunn	Board Secretary

Attendees joined the meeting to present relevant papers: *Jannel Fisher, Graham Durston, Jacqui Mettam, Brent McPherson, Ben Campbell-Macdonald, Geraldine MacGibbon, Caroline de Luca, James Anderson, Chippy Compton, Gillian Anderson, Danae Staples-Moon, Andrew Davies, Davina Carpenter, Yazmin Juned*

1. Director-only Discussion

The Board had a director-only discussion.

1.1 Glossary of Terms

The Board **noted** the Glossary of Terms.

1.2 Board Actions

The Board **noted** the Board Actions.

Version for Public Release
Some information may have been excluded due to confidentiality

1.3 Board Annual Agenda 2023

The Board **noted** the Annual Agenda 2023.

1.4 Board and Committee Member Terms

The Board **noted** the Board and Committee Member terms.

2. Apologies

Lisa Lawrence.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of April Board Meeting held on 28 April 2023

The Board **resolved** to adopt the minutes of the April 2023 meeting, as being a true and correct record.

Anthony Jordan and Talia Anderson-Town **(Carried)**

3.2 Minutes of March Audit and Risk Committee Meeting 28 April 2023

The Board **resolved** to adopt the minutes of the April 2023 meeting, as being a true and correct record.

Anthony Jordan and Talia Anderson-Town **(Carried)**

3.3 Summary of CAC Meeting

This paper informed the Board, of advice received from the Consumer Advisory Committee at the 17 March 2023 Zoom meeting and 21 April 2023 face-to-face meeting.

The Board:

noted the minutes from the March and April Consumer Advisory Committee meeting;

noted the summary of key issues across the meeting.

4. Interests Register

The Board **noted** and **updated** the interests register.

5. Matters Arising

The Board **noted** the matters arising and actions progressed.

6. Chair's Report

6.1 Verbal Report

The Board Chair provided a verbal update.

6.2 Correspondence

The Board **noted** the correspondence report.

7. CE Report

7.1 Chief Executive's Report

The Board **noted** the Chief Executive's Report.

7.2 Financial Report

This paper sought to update the Board on the pharmaceutical budget expenditure, associated risks, and to update the Board on COVID-19 expenditure and forecasting, and to provide the Board with an overview of financials for April 2023.

The Board:

Combined Pharmaceutical Budget

noted that the National Pharmaceutical Purchasing appropriation for 2022/23 is \$1.186 billion [REDACTED]

COVID-19-related CPB cost pressures

noted that the Government has separately provided \$50 million for 2022/23 to cover COVID-19-related CPB cost pressures. [REDACTED]

COVID-19 Treatments

noted that \$205 million is available for COVID-19 related treatments in 2022/23. [REDACTED]

8. Key Items

8.1 PTAC Succession Planning

This paper sought to update the Board on progress of planning and activities following on from the March Board paper on PTAC appointments. At the March 2023 meeting the Board resolved to recommend to the Director-General of Health the appointment of six new PTAC members to begin across the remainder of the 2023 calendar year.

Version for Public Release

Some information may have been excluded due to confidentiality

This paper focused on the next phase of targeted recruitment for Māori and Pacific medical practitioners, nursing and allied health professions and those working in primary care.

The Board:

noted the update on PTAC succession planning including purposeful recruitment for diversity of membership, potential expert advisor education and on-going work in the expert advisory work programme

noted the ongoing work to better understand the costs incurred by primary care practitioners that may form a barrier to engaging in Pharmac's committee network.

8.2 People and Capability Update

This paper provided the Board with an overview of the People and Capability Strategy (Strategy) work programme that is led by the People and Capability team. The paper also provided an update on our areas of future focus.

The Board:

noted the work programme update for the people and capability strategy programme and the progress made since the last Board update in February 2023.

8.3 Consumer Advisory Committee Appointments

This paper sought Board agreement to appoint Robyn Manuel as Chair of CAC and Nele Kalolo as Deputy Chair and to extend both their appointments for a further three-year term.

The Board:

noted that the term of the current CAC Chair, Lisa Lawrence, is due to end at the end of July 2023 and cannot be extended

noted that Robyn Manuel's initial appointment comes to an end in July 2023

resolved to appoint Robyn Manuel for a further three-year term, ending July 2026

resolved to appoint Robyn Manuel as the new CAC Chair from August 2023

noted that there would be a two-month transition period between the current and new CAC Chair and Robyn's board induction would occur prior to her attending her first board meeting as the CAC Chair

noted that Nele Kalolo's initial appointment comes to an end in July 2024

resolved to appoint Nele Kalolo for a further three-year term ending July 2027

resolved to appoint Nele Kalolo as CAC Deputy Chair from August 2023.

Anthony Jordan and Talia Anderson-Town

(Carried)

9. Strategic Planning and Policy

9.1 Final Statement of Performance Expectations and Statement of Intent

This paper presented Pharmac's 2023/24 - 2026/27 Statement of Intent (SOI) and 2023/24 Statement of Performance Expectations (SPE) for Board approval.

Version for Public Release
Some information may have been excluded due to confidentiality

The Board:

noted that draft versions of the Statement of Intent and Statement of Performance Expectations were considered by the Board at its March 2023 meeting

noted that draft versions of the Statement of Intent and Statement of Performance Expectations have been reviewed by Manatū Hauora, Audit NZ, Te Rōpū and the Consumer Advisory Committee

noted due to the timing of the PTAC in May we did not provide them with the draft Statement of Intent (as it was being revised) but instead held a presentation and discussion

noted that changes have been made to the draft Statement of Intent and Statement of Performance Expectations in response to the feedback received

noted that we received Ministerial feedback on draft versions of the Statement of Intent and Statement of Performance Expectations on 19 May 2023 (refer to Appendix One)

noted the Ministerial feedback has been reflected in the 2023/24 – 2026/27 Statement of Intent and 2023/24 Statement of Performance Expectations

approved the 2023/24 – 2026/27 Statement of Intent and 2023/24 Statement of Performance Expectations

noted that staff will make minor amendments and edits to the 2023/24 – 2026/27 Statement of Intent and 2023/24 Statement of Performance Expectations ahead of final versions being printed

noted that final printed versions of the Statement of Intent and Statement of Performance Expectations will be provided to Parliament for tabling before the due date of 30 June 2023.

Anthony Jordan and Peter Bramley

(Carried)

9.2 NZIER Review – Quality of Pharmac’s Advice

This paper summarised the findings from New Zealand Institute of Economic Research’s (NZIER) review of a sample of Pharmac papers (refer to Appendix one).

The Board:

noted that NZIER have undertaken an independent quality of advice review of a sample of Pharmac internal and Board briefing papers

noted that NZIER’s overall assessment shows a slight drop in performance compared with the previous year

noted that the quality of advice score will be reported in Pharmac’s 2022/23 Annual Report

noted that the Senior Leadership Team have reviewed the assessment and discussed opportunities for improvement

discussed the content of the assessment, including recommendations and the next steps proposed by the Senior Leadership Team.

Version for Public Release
Some information may have been excluded due to confidentiality

9.3 Upholding the Public Service Act Principles

This paper provided the Board with an update as to how as an organisation Pharmac is upholding the principles of the new Public Service Act (the Act) to assist the Board in fulfilling its duties under the Act.

The Board:

noted that the Public Service Act came into effect in August 2020

noted that as a Crown Agent Pharmac under the Public Service Act is part of the public service in relation to the purpose, principles, values and spirit of service of the public service

noted that as a Crown agent Pharmac is not part of the public service for other aspects of the Act

noted that the Pharmac Board is responsible for ensuring that Pharmac upholds the five public service principles when carrying out its functions

noted the work and activity across the organisation to ensure that the principles of the Public Service Act are being upheld

noted that the Board Governance Manual was updated in January 2022 to reflect the Public Service Act.

10. Schedule and Funding

10.1 Prioritisation Report

This report described prioritisation activity since the last report presented to the Board at its February 2023 meeting. It also updated the Board on the progress of selected items from the following prioritisation lists:

- the top 10 proposals on the *Options for Investment* list
- proposals with a high PTAC priority on the *Options for Investment* or *Under Assessment* lists
- proposals with a high PTAC or Specialist Advisory Committee priority on the *Under-Assessment* list.

The Board **noted** the prioritisation activity undertaken by Pharmac staff since February 2023 and the progress of selected items from Pharmac's prioritisation list.

10.2 Pharmaceutical Transactions Report

This paper provided the Board with an advanced overview of current issues relating to pharmaceuticals funded through the Combined Pharmaceutical Budget (CPB), including vaccines, current significant supply issues and the contentious, large or significant pharmaceutical transactions and investments that staff are currently progressing.

Version for Public Release
Some information may have been excluded due to confidentiality

The Board:

resolved to delegate decision-making to the Chief Executive for a proposal to widen access to emicizumab for the treatment of severe haemophilia, widen access to ocrelizumab for the treatment of primary progressive multiple sclerosis, and change the terms of listing of pertuzumab for the treatment of breast cancer (the Roche bundle)

noted the update from Pharmac staff on current issues and the large and/or significant medicines transactions that are currently planned or in progress.

Diana Siew and Talia Anderson-Town

(Carried)

10.3 COVID-19 Vaccines and Treatments Update

This paper provided the Board with an overview of Pharmac's work to secure COVID-19 treatments and vaccines.

The Board:

noted that Pharmac staff expect to finalise a decision to clarify the role of molnupiravir in the COVID-19 treatments portfolio in June 2023

[REDACTED]

[REDACTED]

noted the update on Pharmac's COVID-19 treatments and vaccines work.

10.4 Tender Decision Rivaroxaban

This paper sought a decision from the Board on awarding Principal Supply Status, resulting from Pharmac's Annual Invitation to Tender.

The Board:

resolved to accept the tender from Bayer New Zealand Ltd (Bayer) for its brand of rivaroxaban tablets and to amend the price and subsidy, as set out in Appendix One

resolved that the consultation on this proposal was appropriate, and no further consultation is required

noted that this proposal would not result in a change of brand for rivaroxaban tablets.

Anthony Jordan and Talia Anderson-Town

(Carried)

10.5 Medical Devices Programme Update

This paper provided a bi-monthly update to the Board on progress of the Medical Device Programme. It aimed to ensure that the Board has the information it needed to assure itself of the risks, issues and success of the Programme.

Version for Public Release
Some information may have been excluded due to confidentiality

The Board:

noted the update on progress with the Medical Device Programme

endorsed the proposed National Medical Devices Action Plan which aims to ensure strategy and operations are aligned between Te Whatu Ora Procurement & Supply Chain and Te Pātaka Whaioranga Medical Devices Programme

noted that, if endorsed, the Programme will commence work on the aims in collaboration with Te Whatu Ora Procurement & Supply Chain

noted that Te Whatu Ora also need to endorse this National Medical Device Action Plan

[REDACTED]

noted that work is underway to understand what changes to Programme scope and delivery options are possible while still maintaining viability and delivery to 1 July 2024 timeframe. We expect there will be a need for decisions from this work which we will bring to the Board in July.

advised of any improvements that can be made to the structure of content of report.

Anthony Jordan and Talia Anderson-Town

(Carried)

10.6 Medical Devices Transactions Report

This paper provided a monthly update to the Board on progress with medical devices national contracting activity.

The Board:

noted the update on progress with medical devices national contracting activity.

10.7 Summary of Decisions made under Delegated Authority – March and April 2023

The report presented to Board contained a summary of all decisions made by Pharmac staff under delegated authority during March and April 2023. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Version for Public Release
Some information may have been excluded due to confidentiality

The Board **noted** the summary of decisions made under Delegated Authority during March and April 2023 by the Chief Executive, Director of Operations, Manager Pharmaceutical Funding, Senior Advisor/Team Leader and Senior Therapeutic Group Managers/Team Leaders.

11.0 Regular Reporting

11.1 Risk Report

The full risk register is considered by the Audit and Risk Committee and provided to the Board as an information item. The purpose of the risk management programme and this paper summarising its status is to identify potential problems before they occur, or in the case of mitigation or improvement opportunities, to ensure that positive action steps are taken.

For Board meetings in the intervening months, an exceptions report updates the Board on the items on the risk register that have materially changed.

The Board:

noted the Q3 risk register (attached as Appendix One), which provides a summary of current and ongoing risks of relevance to the Board for the third quarter

noted the exception risk report provides an update on items on the Board risk register that have materially changed since the 2022/23 quarter three risk register which was reviewed by the Audit and Risk Committee on 31 March 2023.

11.2 Communications and Engagement Report

This paper summarised the communications and engagement activity for March and April 2023 and the impact of our work.

The Board:

noted that work is underway to develop an engagement strategy and framework for Pharmac and that a paper will be presented to the June Board meeting

noted the first Rēre Kōrero e-pānui received high engagement statistics

noted that in March there were five proactive media releases and in April there were four proactive media releases, with varying results in their pickup

noted that work is underway to update our proactive media approach to include new ways of telling the Pharmac story and sharing the positive impact of our work

noted that Pharmac launched a new look for the careers' website to increase engagement and ease of use

noted that Pharmac is now required to have a Plain Language Officer to comply with the Plain Language Act 2022.

Version for Public Release
Some information may have been excluded due to confidentiality

12. Interest Articles

The Board **noted** the interest articles.

13. General Business

The meeting closed at 1.32pm with a karakia.

Date of Next Meeting

The date for the next Board meeting is set for 30 June 2023.

Approved and Signed

30 June 2023

Steve Maharey, Chair

Date