



**Office of Hon Pete Hodgson**  
**MP for Dunedin North**  
**Minister of Health**

**03 AUG 2007**

Mr Richard Waddel  
Chair  
PHARMAC  
PO Box 10 254  
WELLINGTON

Dear Mr Waddel

Thank you for forwarding two signed copies of the 2007/08 Output Agreement between PHARMAC and the Minister of Health.

I have now signed both copies of the Agreement and enclose your copy. I will forward the second copy to the Ministry of Health.

I wish you, your board and the staff of PHARMAC every success in the year ahead and I look forward to receiving regular reports on progress towards the goals you have set.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pete Hodgson', written over a large, stylized initial 'P'.

Hon Pete Hodgson  
MINISTER OF HEALTH

# **OUTPUT AGREEMENT**

between

**HER MAJESTY THE QUEEN IN RIGHT OF HER  
GOVERNMENT IN NEW ZEALAND (the Crown)**

**acting by and through the Minister of Health**

and

**THE PHARMACEUTICAL MANAGEMENT AGENCY  
(PHARMAC)**

**a Crown entity established under  
section 46 of the New Zealand Public Health and Disability Act 2000**

**for the Period: 1 July 2007 to 30 June 2008**

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# 1. INTRODUCTION

## Parties to the Agreement

1.1 This Output Agreement is between the Crown and PHARMAC.

## Purpose of the Agreement

1.2 This Output Agreement is an Agreement in terms of section 170 of the Crown Entities Act 2004 and sets out, for the term of the Agreement (1 July 2007 to 30 June 2008), the:

- services that PHARMAC will provide and the standards for the provision of those services;
- various matters relating to the financial management of PHARMAC, organisational capability and risk management; and
- various ongoing matters such as formalising variations to this Agreement, the reporting obligations of PHARMAC and payment arrangements.

## Background

1.3 PHARMAC is a Crown Agent for the purposes of the Crown Entities Act 2004. Pursuant to section 7 of the Crown Entities Act 2004, PHARMAC must give effect to government policy when directed by the responsible Minister.

1.4 The Minister of Health (the Minister) is the Responsible Minister for PHARMAC. The Minister has authorised the Ministry of Health (the Ministry) to act as the agent of the Minister in general matters relating to governance and accountability.

1.5 PHARMAC is funded by the Crown to enable it to fulfil its statutory functions, which are set out in section 48 of the New Zealand Public Health and Disability Act 2000 (the Act). As provided for in that Act "The functions of PHARMAC are to perform the following within the amount of funding provided to it and in accordance with its statement of intent (including the statement of forecast service performance) and (subject to section 65) and directions given under the Crown Entities Act 2004:

- (a) maintain and manage a pharmaceutical schedule that applies consistently throughout New Zealand, including determining eligibility and criteria for the provision of subsidies
- (b) manage incidental matters arising out of paragraph (a), including in exceptional circumstances providing subsidies for the supply of pharmaceuticals not on the pharmaceutical schedule
- (c) engage at it sees fit, but within its operational budget, in research to meet the objectives set out in section 47(a)
- (d) promote the responsible use of pharmaceuticals
- (e) any other functions it is for the time being given by or under any enactment, or authorised to perform by the Minister by written notice to the board of Pharmac after consultation with it."

1.6 The Services specified in this Output Agreement are all services that PHARMAC provides and are not limited to those funded through Vote Health. PHARMAC receives funding to provide some of its Services from District Health Boards.



- 1.7 The Crown and PHARMAC have agreed to enter into this Output Agreement setting out the terms and conditions on which PHARMAC will provide its Services.

### **Respective roles of the parties**

#### ***Minister of Health on behalf of the Crown***

- 1.8 The role of the Minister in relation to this Output Agreement is to:
- determine the New Zealand Health Strategy and the New Zealand Disability Strategy
  - obtain Parliamentary appropriations with which to fund PHARMAC for the Services specified in this Output Agreement
  - set expectations to inform and guide PHARMAC's preparation of its Output Agreement and Statement of Intent, consistent with the level of funding available
  - monitor the performance of PHARMAC against its Output Agreement
  - hold PHARMAC accountable for its performance under this Output Agreement
  - undertake other roles as set out in the Crown Entities Act 2004, the New Zealand Public Health and Disability Act 2000, the Public Finance Act 1989 and other relevant statutes and regulations.

#### ***Ministry of Health on behalf of the Minister of Health***

- 1.9 The Minister is accountable to Parliament for the performance of the Ministry. The Ministry of Health:
- acts as the Minister's agent in the Minister's relationship with PHARMAC
  - manages the payment to PHARMAC of funding from the Crown for the provision of the Services specified in Schedule B of this Output Agreement.

#### ***The Pharmaceutical Management Agency***

- 1.10 PHARMAC is accountable to the Minister for its performance under this Output Agreement. PHARMAC is to ensure that it delivers the Services specified in this Output Agreement, achieves the financial performance specified in its Statement of Intent for 2007/08 and provides the reports specified in this Output Agreement.
- 1.11 PHARMAC remains accountable for the delivery and performance of any part of the Services specified in this Output Agreement or any part of its operations that it has contracted a third party to deliver.
- 1.12 PHARMAC is expected at all times to maintain the capability needed to meet its responsibilities under this Output Agreement. PHARMAC must inform the Ministry of any significant capability issues that arise that are likely to interfere with the delivery of Services under this Output Agreement.
- 1.13 In providing the Services specified in this Output Agreement PHARMAC will comply with all of its legal obligations, including those set out in the New Zealand Public Health and Disability Act 2000, the Crown Entities Act 2004, the Public Finance Act 1989 and all relevant statutes and regulations.



- 1.14 In performing its obligations under this Output Agreement PHARMAC will observe the principles of the Treaty of Waitangi.

## **2. SERVICE DELIVERY PERFORMANCE**

### **Services to be provided**

- 2.1 PHARMAC will deliver the Services described in Schedule B of this Output Agreement consistent with the quantitative and qualitative performance measures set out in the Schedules. Schedule B sets out the services PHARMAC will provide for funding received through Vote Health.
- 2.2 In the event that PHARMAC may be unable to meet any of the standards for the provision of Services described by the performance measures, PHARMAC will inform the Ministry of the risk as soon as practicable. Depending on the significance of the matter, PHARMAC may advise the Ministry prior to the next scheduled quarterly report.
- 2.3 PHARMAC will, as part of that advice, propose the responses or actions it will take to achieve the provision of the Services as specified.

### **Funding from Vote Health**

- 2.4 The Minister, on behalf of the Crown, agrees that PHARMAC will be paid a total of eleven million, four hundred and eighty one thousand dollars (\$11,481,000) for the year (GST exclusive) from Vote Health for delivering the Services in Schedule B consistent with the payment schedule set out in Schedule C of this Output Agreement. PHARMAC will, as required to meet the rest of its expenditure, use revenue contributions from District Health Boards and, subject to section 165 of the Crown Entities Act 2004, existing operating reserves.
- 2.5 Payment in accordance with Schedule C to this Output Agreement is contingent on PHARMAC providing the Services in Output One in accordance with this Output Agreement.

### **Intellectual Property**

- 2.6 Any publication resulting from the Services provided under this Output agreement shall be owned by PHARMAC. The Ministry shall be entitled to use the work for health purposes.
- 2.7 Clause 2.6 will survive expiry or termination of this Output Agreement.

## **3. FINANCIAL MANAGEMENT**

### **Projected Financial Performance**

- 3.1 The projected financial performance of PHARMAC for the term of this Output Agreement in delivering the functions in the New Zealand Public Health and Disability Act 2000 is set out in its Statement of Intent.



## **Financial Operating Environment**

- 3.2 The financial operating environment for PHARMAC in its delivery of its functions under the New Zealand Public Health and Disability Act 2000 is based on the Public Finance Act 1989 and the Crown Entities Act 2004.

## **Crown Accounting Policies**

- 3.3 PHARMAC will follow generally accepted accounting practices within the accounting profession and, in particular, will follow Crown accounting policies.

## **Restrictions on Investments**

- 3.4 Section 161 of the Crown Entities Act 2004 applies.

## **Application of the Public Finance Act 1989 and the Crown Entities Act 2004**

- 3.5 The Minister and PHARMAC agree that Parliament has appropriated the money provided under this Output Agreement for delivery of the Services in Output One stated in Schedule B, and that the Public Finance Act 1989 applies to the appropriation. The Minister and PHARMAC also agree that the requirements of the Public Finance Act 1989 govern the use of money under this Output Agreement and that money provided under this Output Agreement can only be used by PHARMAC for the purposes set out in this Output Agreement.
- 3.6 The Minister and PHARMAC also note that PHARMAC will produce a Statement of Intent and Annual Report as stated in section 139 and section 150 of the Crown Entities Act 2004 and that this Statement of Intent will consolidate the projected performance of the whole of PHARMAC's operations. That is, the Statement of Intent and Annual Report will address PHARMAC's performance in its delivery of its outputs and functions under section 48 of the New Zealand Public Health and Disability Act 2000. This includes the Services in Output One stated in Schedule B.

## **Use of Surplus Funding**

- 3.7 Surpluses, arising from the efficient delivery of Services, can be retained by PHARMAC, subject to section 165 of the Crown Entities Act 2004. Expenditure of any surplus is at the discretion of the PHARMAC Board. Spending of any surpluses must be consistent with PHARMAC's statutory functions.
- 3.8 Under section 165 of the Crown Entities Act 2004, the Minister of Finance may direct PHARMAC to pay to the Crown any surpluses.

## **4. REPORTING REQUIREMENTS OF BOTH PARTIES**

- 4.1 PHARMAC will provide the Minister and the Ministry with information that enables monitoring of its performance against this Output Agreement in its delivery of the Services in Output One stated in Schedule B. The Minister and the Ministry will likewise provide PHARMAC with the information it requires to fulfil its obligations under this Output Agreement.
- 4.2 PHARMAC will provide full financial statements for all activities administered by PHARMAC through this Output Agreement.



- 4.3 Ongoing dialogue and meetings between the Minister, Ministry and PHARMAC will support formal reporting. The Minister will meet periodically with the PHARMAC Board (or the Chair on the Board's behalf) during the year to discuss matters raised by the Minister and the Board. The Minister will meet with the Chief Executive periodically during the year to discuss specific issues raised by the Minister and the Chief Executive.

## Reporting Requirements

- 4.4 PHARMAC will provide the Minister, through the Ministry, with the following service delivery and financial performance reports during the term of this Output Agreement.
- 4.5 Where the dates for the provision of the reports in clauses 4.6 and 4.8 below coincide, PHARMAC may provide the reports separately, or as a single report, as PHARMAC sees fit.

## PHARMAC Formal Reports

### Monthly Reports

- 4.6 PHARMAC will provide the Minister and the Director-General of Health with a monthly report by the 20<sup>th</sup> working day of the following month covering, at a minimum:
- pharmaceutical subsidy expenditure and rebates compared with budget and revised forecasts of expenditure and rebates when appropriate
  - major Schedule decisions
  - significant issues or developments the Minister or Ministry should be aware of
  - any potential non-performance against the Output Agreement
  - PHARMAC's operational and demand-side financial performance showing:
    - Year to date: actual, budget, variance (\$), variance (%), with commentary to explain significant variances
    - Year to date financial performance
    - Year to date financial position
    - Year end forecast
    - Year end budget.

### Quarterly Reports

- 4.7 PHARMAC will provide the Minister and the Director-General of Health with a quarterly report within 20 working days after the end of the quarter covering, at a minimum
- PHARMAC's performance against all 2007/08 deliverables that fell due in the previous quarter
  - Summary information on progress towards future deliverables
  - An update on price, volume, mix and expenditure indices
  - Full financial statements showing:
    - Year to date: actual, budget, variance (\$), variance (%), with commentary to explain significant variances
    - Year to date financial performance



- Year to date financial position
  - Year end forecast
  - Year end budget.
- PHARMAC's use of the Legal Risk Fund, including explaining the consistency of any use of the Fund with the Fund's rules.

### **PHARMAC Informal Reports**

4.8 In addition to the formal reports specified in clauses 4.6 and 4.7 above, PHARMAC will at any time:

- alert the Minister and the Ministry to any non-delivery or material factors that could preclude the achievement of any obligation or expectation set out in this Agreement or in any Statement of Owner's Expectations issued by the Minister
- inform the Minister and the Ministry of any issue likely to be of significance to the Minister or the Government
- inform the Minister and the Ministry of any issue likely to be of significance to the Minister or the Government as owner of PHARMAC, for example any capability issues impacting on the ability of PHARMAC to fulfil any of its functions under New Zealand Public Health and Disability Act 2000
- use its best endeavours to accommodate specific requests from the Ministry, including for attendance at meetings with officials.

### **Minister's Advice to PHARMAC**

4.9 The Ministry, on behalf of the Minister, will, in a timely manner:

- alert PHARMAC to any emerging factors that the Minister is aware of that could preclude the achievement of any obligation or expectation set out in this Output Agreement
- inform PHARMAC of any issue likely to be of significance to them
- use its best endeavours to accommodate specific requests from PHARMAC, including for attendance at meetings with officials.

### **Management of Policy Change**

4.10 The Minister, on behalf of the Crown, will, to the extent that this is appropriate and not related to the exercise of statutory powers, functions, or duties:

- ensure PHARMAC is consulted prior to introducing any new policy that might impact significantly on PHARMAC
- negotiate with PHARMAC, in the context of the development of PHARMAC's Statement of Intent and/or Output Agreement, changes to the range or scope of services to be funded
- negotiate with PHARMAC, in the context of the development of PHARMAC's Statement of Intent and/or Output Agreement, any changes to current funding strategies or methodologies.

## Ministerial Servicing

4.11 From time to time the Ministry or the Minister will require information from PHARMAC to:

- prepare Ministerial briefings and draft speech notes in relation to PHARMAC
- deal with Ministerial correspondence and select committee inquiries in relation to PHARMAC
- respond to Parliamentary questions in relation to PHARMAC.

PHARMAC has agreed to provide the Ministry with this information within the following timeframes when requested, subject to any legal restrictions:

Request Type	Response Time
Ministerial briefings	As agreed with the Ministry of Health at the time of the request
Speeches	As agreed with the Ministry of Health at the time of the request
Parliamentary questions (PQs)	Written PQs – within 2 working days Oral PQs – by 12 midday same day
Routine ministerial correspondence	Within 4 working days
Select Committee inquiries	As agreed with the Ministry of Health at the time of the request

## 5. TERM AND VARIATIONS TO THE AGREEMENT

### Term of the Output Agreement

5.1 This Output Agreement commences on 1 July 2007 and expires on 30 June 2008.

### Variations to the Output Agreement

5.2 This Output Agreement may be varied at any time during its term by the mutual consent of both parties. All amendments shall be recorded in writing, signed by the Chair on behalf of PHARMAC and by the Minister.

5.3 In the event that PHARMAC considers the specification of Services to no longer be appropriate or that a significant shift in the services (as specified in this Output Agreement) is required, PHARMAC will propose a variation to the Agreement.

5.4 In seeking a variation PHARMAC will include a description of the situation and the nature of the variation sought, as well as justification for the variation and a statement of the financial implications.

5.5 The signed variation will be read as part of this Output Agreement. Copies of the original Output Agreement and variations to this Output Agreement will be held by both PHARMAC and the Ministry.



## **Next Funding Period**

- 5.6 PHARMAC and the Minister agree that they will negotiate with each other in good faith with a view to entering into an Output Agreement for the provision of services for the next financial year, 2008/09, prior to its commencement.

## **6. DISPUTES RESOLUTION PROCESS**

- 6.1 If any dispute arises between PHARMAC and the Minister under this Output Agreement that is regarded by either party as material and is unable to be resolved informally, the dispute resolution process described in this section shall apply.
- 6.2 Except as set out in this clause, this dispute resolution process shall not limit the ability of the Minister, the Ministry, or PHARMAC to carry out their statutory functions, duties, and powers at any time.

## **Notification of Dispute**

- 6.3 PHARMAC's Chairperson, the Director-General of Health or their respective delegates may provide written notice of a dispute under this Output Agreement to the other. In the event that one party gives written notice under this clause, the parties will first endeavour to settle the concerns by discussion between nominated representatives.
- 6.4 The parties agree to undertake these discussions in good faith and with a view to reaching settlement within 20 working days and without the necessity to escalate the matter.

## **Referral to the Minister**

- 6.5 In the event that PHARMAC's Chairperson, the Director-General of Health or their respective delegates are unable to resolve the dispute within 20 working days (or such longer period as may be agreed by both parties) the parties shall in good faith:
- ensure the uninterrupted provision of the Services Schedule B
  - ensure the continuation of payments according to Schedule C
  - prepare an agreed summary (or failing agreement, prepare separate written summaries) of the basis of the dispute and the issues involved, together with their reasons for not reaching an agreement
  - submit the summary or summaries to the Minister as soon as practicable.

## **Meeting with the Minister**

- 6.6 The Director-General of Health and PHARMAC's Chairperson or their respective delegates will meet with the Minister as soon as practicable after the summary or the summaries are submitted, with a view to achieving a resolution of the dispute.
- 6.7 In the event that resolution is not reached, the dispute may be resolved by the decision of the Minister and the Minister's decision shall be final and binding.



## **7. AUDIT**

- 7.1 PHARMAC will provide the Minister with information, on request, within the control of PHARMAC Board that enables the Ministry on the Minister's behalf, to conduct special reviews and audits of PHARMAC's performance, which may be carried out as often as the Crown reasonably believes those reviews and audits are required as agreed between the parties.

## **8. ADDRESSES FOR CORRESPONDENCE**

- 8.1 For the purposes of this Output Agreement, the addresses for correspondence between the parties are:

Anthony Hill  
Deputy Director-General  
Sector Accountability and Funding Directorate  
Ministry of Health  
PO Box 5013  
Wellington

Matthew Brougham  
Chief Executive (Acting)  
Pharmaceutical Management Agency of New Zealand  
PO Box 10-254  
Wellington

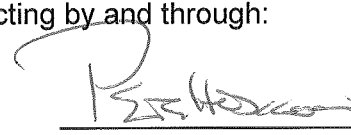


**9. AGREEMENT AND SIGNATURES**

**EXECUTED by HER MAJESTY**

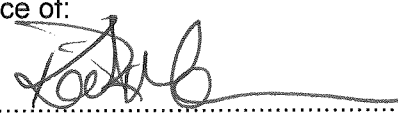
**THE QUEEN IN RIGHT OF NEW ZEALAND** acting by and through:

Hon Pete Hodgson  
Minister of Health

  
\_\_\_\_\_

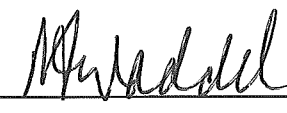
Date: 30/7/7

in the presence of:

Signature.....  
Name.....Keith Mason  
Address.....Morningside, Wellington  
Occupation.....Public Servant

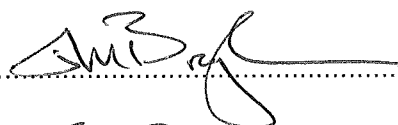
And for the **Pharmaceutical Management Agency** by

Richard Waddel  
Chair

  
\_\_\_\_\_

Date: 25/7/07

in the presence of:

Signature.....  
Name.....J M Brookman  
Address.....CASA HSE, MERCER ST, WELLINGTON  
Occupation.....EXECUTIVE

## SCHEDULE A: DEFINITIONS AND INTERPRETATION

### Definitions

The words used in this Agreement not specifically defined have the meanings given to them in PHARMAC Act. Unless the context requires otherwise:

- **“Crown entity”** has the same meaning as in section 7 of the Crown Entities Act 2004
- **“day”** means any period of up to 24 consecutive hours ending at midnight
- **“Output Agreement”** means an agreement, which pursuant to section 170 of the Crown Entities Act 2004, assists a Minister and a Crown entity to clarify, align, and manage their respective expectations and responsibilities in relation to the funding and production of certain outputs, including the particular standards, terms, and conditions under which the Crown entity will deliver and be paid for the specified outputs
- **“Minister”** means the Minister of Health
- **“Ministry”** means the Ministry of Health
- **“PHARMAC”** means the Pharmaceutical Management Agency established under the the New Zealand Public Health and Disability Act 2000
- **“Parties”** means PHARMAC and the Crown
- **“Services”** means the services specified in Schedule B
- **“Statement of Intent”** means a statement of intent for PHARMAC, prepared in accordance with the requirements of the New Zealand Public Health and Disability Act 2000 and the Public Finance Act 1989

### Interpretation

Unless the context requires otherwise:

- (a) headings shall be ignored and shall not affect the construction of this document
- (b) the singular shall include the plural and vice versa
- (c) a reference to one gender shall include the other
- (d) “person” shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, in each case whether or not having a separate legal personality
- (e) expressions referring to “writing” shall be construed as including references to words printed, typewritten or otherwise visibly represented, copied or reproduced (including by facsimile)
- (f) the expressions “papers” and “records” shall be construed as including writings or material, whether in their original or any copied form or at any time stored or recorded in any data retrieval system
- (g) a reference to any legislation (or any provision of legislation) shall be read as if the words “including any legislative modification or re-enactment of it or any legislation substituted for it” were added to the reference.



## SCHEDULE B: SERVICES TO BE PROVIDED FULLY OR IN PART UNDER VOTE HEALTH

**Output One:** Securing the best achievable health outcomes from pharmaceutical treatment, within the amount of funding provided.

This is PHARMAC's only Output, but covers a number of activities. PHARMAC will meet the service description and performance measures for this Output set out in the table below. The output has six main components:

- Schedule management
- Exceptional circumstances
- Assessment and procurement on behalf of DHB's
- Responsible use of pharmaceuticals
- Equitable access
- Research

For any responsibilities under this Output Agreement with unspecified deliverables, it is the responsibility of PHARMAC to agree with the Ministry the timing and quality requirements for the discharge of those responsibilities.

#	2007/08 Deliverable	Timing
<b>Schedule management</b> - Promote efficient management of pharmaceutical expenditure. PHARMAC will ensure that the Community and Hospital Pharmaceutical Schedules are managed in a manner that ensures treatments are appropriately prioritised and listed, and that maximises health outcomes from within the funding available (including to use pricing and negotiation strategies to get the best possible outcomes for patients).		
1.1	Cost-utility assessment of all major investments	As required
1.2	Printing and dissemination of the Community Pharmaceutical Schedule	4-monthly book, with monthly updates
1.3	Printing and dissemination of the Hospital Pharmaceutical Schedule	4-monthly book
	Expenditure on subsidised community pharmaceuticals within budget (\$636 million (excl GST)), after deduction of rebates from pharmaceutical suppliers. The quarterly budgets, inclusive of rebates, are (excl GST):	
1.4	Q1: \$160.80 million	30 September 2007
1.5	Q2: \$159.09 million	31 December 2007
1.6	Q3: \$153.10 million	31 March 2008
1.7	Q4: \$163.01 million	30 June 2008
1.8	Monitor and manage supplier contracts, so that DHBs receive maximum benefit from supply agreements, including rebate payments	Ongoing
1.9	Establish a protocol to communicate and manage stock levels with pharmacy groups	30 June 2008

#	2007/08 Deliverable	Timing
<b>Exceptional circumstances</b> - PHARMAC will undertake timely and robust consideration of pharmaceutical use in exceptional circumstances.		
2.1	Turnaround for community, hospital and cancer-related exceptional circumstances applications of four weeks, 48 hours and 72 hours respectively	As required
2.2	Continue active management to ensure efficiencies in delivering the Hospital Exceptional Circumstances and Discretionary Community Supply programmes	As required
<b>Assessment and procurement on behalf of DHBs</b> - PHARMAC will, as agreed by DHBs, assist in the procurement of hospital supplies in line with PHARMAC's legislative functions. PHARMAC will robustly assess procurement opportunities, make procurement recommendations to DHBs as appropriate, and focus on continual service improvement to DHBs (including information sharing and communication of cost savings).		
3.1	Provide a report to the Ministry of Health on transfer of management of hospital Pharmaceutical Cancer Treatments to PHARMAC	31 December 2007
3.2	Provide a report to DHBs and the supplier annually about DHB hospital compliance with restricted brand contracts	31 December 2007
3.3	Monitor Recombinant Factor VIII, bulk IV fluids and radiological contrast media national contracts to ensure compliance with national contracts	Ongoing
3.4	Prepare a report for the Ministry of Health on compliance with national contracts	30 June 2008
3.5	Continue work in assisting DHBs to procure products used in DHB hospitals, such as cardiac stents, wound care products, orthopaedic prostheses, antidotes and antivenoms	30 June 2008
3.6	Produce a report to the Ministry of Health detailing work undertaken to assist DHB hospitals in procurement activities	30 June 2008
3.7	Produce a report for the Ministry of Health detailing economic assessments of new hospital pharmaceuticals	30 June 2008
<b>Responsible use of pharmaceuticals (including social marketing)</b> - PHARMAC will engage in strategies to promote the cost effective, responsible use and prescribing of pharmaceuticals. PHARMAC will focus its efforts to align with other activity in the health sector, particularly in relation to the management and treatment of chronic conditions including cardiovascular disease and diabetes, mental health and respiratory disease.		
4.1	Deliver the annual Wise Use of Antibiotics campaign and present a report to the Ministry of Health evaluating the 2007 campaign	1 March 2008
4.2	Continue to roll out and implement the One Heart Many Lives campaign in Hawke's Bay and Northland	Ongoing
4.3	Develop a One Heart Many Lives campaign in at least one other region	30 June 2008
4.4	Continue to work with Diabetes NZ on implementing patient education information, and provide a summary of work to the Ministry of Health	30 June 2008
4.5	Roll out and evaluate the Gut Reaction campaign	30 June 2008



#	2007/08 Deliverable	Timing
4.6	Complete the report of feasibility study findings on Polypharmacy and develop a programme for national roll out	30 June 2008
4.7	Develop childhood asthma projects and resources for children and their families	30 June 2008
4.8	Continue to work with BPACnz	Ongoing
4.9	Continue to administer and maintain the Green Prescription Programme with SPARC	Ongoing
<p><b>Equitable access</b> - PHARMAC will engage in initiatives to promote the appropriate use of pharmaceuticals by disadvantaged populations, including Maori, to improve health outcomes and health status with the aim of ensuring utilisation is similar across all groups of New Zealanders.</p>		
5.1	Further develop the Maori Use of Medicines programme and roll out nationally	30 June 2008
5.2	Publish Te Whai Oranga, PHARMAC's Maori Health Action Plan	31 December 2007
5.3	Review the Cardiovascular therapeutic group in relation to Maori health and prepare a report on Maori use of medicines for cardiovascular disease	30 June 2008
<p><b>Research</b> – PHARMAC will engage in research to generate further information on the optimal duration of Herceptin therapy</p>		
6.1	Complete contract negotiations with SOLD trial investigators with agreement on payment milestones for funding up to \$3.2 million	1 September 2007
6.2	Provide payments as agreed under the contract to SOLD trial investigators	As per funding contract
6.3	Provide a report six-monthly to the Ministry of Health on progress of the SOLD trial	31 December 2007 30 June 2008

## **SCHEDULE C: PAYMENT TERMS AND SCHEDULE OF PAYMENTS**

The Minister shall pay a total sum of eleven million, four hundred and eighty one thousand dollars \$11,481,000 (GST excl) for the period 1 July 2007 to 30 June 2008 by way of direct credit to PHARMAC's nominated bank account. The Minister shall pay monthly instalments on the 4<sup>th</sup> day of each month of \$956,750 (GST excl).

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