



13 MAR 2019

Hon Steve Maharey  
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Dear Hon Maharey

## Letter of expectation for the Pharmaceutical Management Agency 2019/20

This letter sets out the Government's expectations to assist you with strategic planning and other decisions for the 2019/20 year.

In early September 2018, the Prime Minister announced a long-term plan to build a modern and fairer New Zealand; one that New Zealanders can be proud of. As part of the plan, our Government commits to improving the wellbeing of all New Zealanders and their families, and ensuring that the economy is growing and working for us all.

### Our approach

Our health system has an important role in supporting the Government's goals. To do this we need to be sure that our public health system is strong and equitable, performing well, and focused on the right things to make all New Zealanders' lives better.

Achieving equity within the New Zealand health system underpins all of my priorities. Māori as a population group experience the poorest health outcomes. We need to have an explicit focus on achieving equity for Māori across their life course. Māori-Crown relations is a priority for this Government and I expect the Pharmaceutical Management Agency (Pharmac) to meet Treaty of Waitangi obligations. I am expecting you to report on progress with how you are meeting these obligations as part of your annual reporting requirements.

Unmet need represents a significant barrier to achieving equity in health outcomes for all population groups across New Zealand. I expect your Statement of Performance Expectations to contain actions that will enable progress towards achieving equity with regards to the supply of medicines; and to consider its implications for access, especially for Māori, our Pacific peoples and other population groups who experience poorer health outcomes.

Crown Entity Chairs are directly accountable for their Entity's performance. I expect Boards to be highly engaged and to hold Chief Executives and management to account for improved performance, particularly in relation to improving equity. In addition, I expect you to work with me to ensure appropriate Māori representation on the Board.

### Fiscal responsibility

Strong fiscal management is essential to enable delivery of better services and outcomes for New Zealanders. I recognise Pharmac's significant contribution to this, and expect you to continue to support DHBs by achieving value for money in the purchasing of medicines and medical devices.

A better system level understanding of demographic change, the demand for services, and an evidence base for our decisions, are significant priorities for me. I expect you to work closely with the Ministry of Health on these matters. I will continue to meet and speak with you during the year to discuss your performance, and I will be looking particularly closely at your ability to deliver the Government's priorities.

### **Key priorities**

Pharmac must remain a system player, whilst also focusing on excellence within its mandate. I expect you to work closely with the Ministry of Health and DHBs, on shared priorities, because collectively we can really strengthen system-wide approaches to improve access to medicines.

### **Health Finance, Procurement and Information Management System**

I expect you to work closely with the Ministry of Health and DHBs to support the successful delivery of the Health Finance, Procurement and Information Management System (FPIM) business case. And then to continue to contribute to the overall success of the programme should Cabinet decide to proceed with it.

### **Decision-making**

Trust and confidence in the public health system is very important. I would like Pharmac to prioritise its planned internal work on improving the transparency of its processes; and development of its communication with the public and other stakeholders. I would like you to report back to me on your plan for this work, within quarter one of this financial year.

### **Medicines for rare disorders**

I remain interested and support Pharmac's work to improve access to medicines for people with rare disorders. I expect your work in this area to be responsive and considered.

### **Cancer Action Plan**

Cancer remains a very significant burden of disease for New Zealanders. The Ministry of Health is about to embark on the development of a new Cancer Action Plan. Pharmac has an important role to play in ensuring the plan is informed by an excellent understanding of the challenges and opportunities within cancer medicines. I would like you to actively engage with the Ministry of Health on this critical piece of work.

### **Public health and the environment**

I expect you to continue to contribute to the Government's priority to improve environmental sustainability and undertake further work that leads to specific actions. This includes reducing carbon emissions to address the impacts of climate change on health, incorporating both mitigation and adaptation strategies. I expect you to work collectively with the Ministry of Health on this important area.

I ask you to demonstrate a renewed focus on your strategic direction, by refreshing your Statement of Intent in 2019/20. I would like to take this opportunity to thank you and Pharmac for your dedication and efforts to provide high quality and equitable outcomes for all New Zealanders.

Yours sincerely

A handwritten signature in blue ink, consisting of a large, stylized letter 'D' with a horizontal line extending to the left and a vertical line extending upwards, forming a loop.

Hon Dr David Clark  
**Minister of Health**

