

Version for Public Release

Some information may have been redacted for reasons including confidentiality

**Minutes of the Pharmaceutical Management Agency (Pharmac)
Board Meeting held on 29 September 2023 at 9.15am
At Pharmac Offices, Level 9, 40 Mercer Street, Wellington and via Teams**

Present:

Board members

Hon Steve Maharey ((MA (Hons), CNZM))	Chair
Dr Peter Bramley (BSc (Hon), LL.B, PhD)	Deputy Chair <i>via Teams</i>
Talia Anderson-Town (BBS, PG Dip Professional Accounting, CA, CPP)	Board member <i>via Teams</i>
Dr Anthony Jordan (BHB, MChB, FRACP)	Board member
Dr Diana Siew (PhD)	Board member

Apologies

Dr Margaret Wilsher (MD, FRACP, FRACMA)	Board member
---	--------------

Board Observers

Dr Jane Thomas (via Teams)	Board Observer, PTAC Chair
Robyn Manuel	Board Observer, CAC Chair

Pharmac staff in attendance

Sarah Fitt	Chief Executive
Michael Johnson	Director, Strategy, Policy & Performance
Caroline de Luca	Acting Director, Pharmaceuticals
Kathryn McInteer	Director, Corporate and Financial Services
Trevor Simpson	Kaituruki Māori - Director Māori
Jannel Fisher	Acting Director, Equity & Engagement
David Hughes	Chief Medical Officer
Jacqui Webber	Board Secretary

Attendees joined the meeting to present relevant papers: Graham Durston, Ishani Noble, Yazmin Juned, Ryan Perica, Gillian Anderson, Davina Carpenter, Kim Aiomanu-Bagley, Brent McPherson, Logan Heyes, Sean Dougherty, Jared Solloway, Andrew Davies, and Danae Staples-Moon.

1. Director-only Discussion

The meeting commenced at 9.15am with a Mihi Whakatau for the new Board Observer/CAC Chair, Robyn Manuel and was followed by Board only time.

The Chair confirmed the following updates to Board Committees:

- Audit and Risk Committee – Anthony Jordan to step down.
- Health & Safety Committee – Steve Maharey appointed as a member.

2. Governance and Information matters

2.1 Guest Speaker

Dr Junior Ulu, Director of Pacific Health – Manatū Hauora.

Dr Ulu spoke to the Board on Pacific Health and in particular [Te Mana Ola: The Pacific Health Strategy](#) – the five key priority focus areas and work that is underway in the health system reform work programme for Pacific.

2.2 Glossary of Terms

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

2.3 Board Actions

There were no Board Actions to note.

2.4 Board Annual Agenda 2023

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

2.5 Board Annual Agenda 2024

The Board **noted** the 2024 Annual Agenda.

2.6 Board and Committee Member Terms

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

2.7 Apologies

The Board **noted** apologies from Margaret Wilsher.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of Board Meeting held on 28 July 2023

The Board **resolved** to adopt the minutes of the meeting held on 28 July 2023, as being a true and correct record.

Talia Anderson-Town and Peter Bramley

Carried

3.2 Audit & Risk Committee Recommendations

The Chair of the Audit & Risk Committee provided a verbal update to the Board and noted the tabled items:

- Sign off of Annual Accounts:

The Board **approved** that the Board Chair and Audit and Risk Committee Chair are delegated to sign out the Annual Report, Statement of Responsibility and the Letter of Representation for the year ended 30 June 2023, once Audit New Zealand have confirmed the financial and non-financial reporting in the Annual Report.

Talia Anderson-Town and Anthony Jordan

Carried

3.3 Summary of CAC Meeting

This paper informed the Board of advice received from the Consumer Advisory Committee at the meetings held in July and August 2023.

The Board:

received the minutes from the July and August Consumer Advisory Committee meetings; and

noted the summary of key issues across the meeting.

3.4 Summary of PTAC Meeting

This paper informed the Board of advice received from the Pharmacology and Therapeutics Advisory Committee (PTAC) at the meeting held on 18 and 19 May 2023.

The Board:

noted the summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 18 and 19 May 2023 in person.

noted the February 2023 PTAC record was signed off by the Chair on 26 June 2023 and is published on the Pharmac website.

4. Interests Register

The Board **noted** the interests register.

5. Matters Arising

The Board **noted** there were no matters arising or actions to progress.

6. Chair's Report

6.1 Verbal Update from the Chair

The Chair provided a verbal update on recent activities.

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

The purpose of this paper was to update the Board on the combined pharmaceutical budget expenditure (CPB), associated risks, and our approach to managing the CPB; to update the Board on COVID-19 expenditure and forecasting and to provide the Board with an overview of financials for August 2023.

The Board:

Combined Pharmaceutical Budget

noted that the Combined Pharmaceutical Budget Expenditure for 2023/24 is \$1,498 billion

[REDACTED]

[REDACTED]

August 2023 financial results

[REDACTED]

7.3 Legal Report

Pharmac's legal team provides legal oversight of all contracts, and supports decision making processes as required, including for those matters that come before the Board.

The legal report provided an update regarding specific legal matters where awareness at Board level is appropriate, but which are not otherwise addressed in reports to the Board, as well as regular reporting on matters where the Legal Risk Fund has been accessed.

The Board **noted** the Legal Report.

8. Key Items

8.1 Consumer Quality Safety Marker (CQSM) Self Assessment

This paper provided the Board with the final draft of the CQSM self-assessment (for the time period 1 March - 30 September 2023) for review and endorsement.

The Board:

noted that Pharmac is required to submit a self-assessment on the CQSM to Te Tahu Hauora (Health Quality and Safety Commission - HQSC) by 6 October 2023;

noted the completed development and engagement process for the CQSM self-assessment;

agreed to the CQSM self-assessment score of 2 consultation (out of 4); and

agreed to submitting Pharmac's first CQSM self-assessment to Te Tahu Hauora (HQSC) (for 1 March - 30 September 2023 reporting period).

Anthony Jordan and Talia Anderson-Town

Carried

8.2 Sustainability Update

This paper provided the Board with an update on:

Version for Public Release

Some information may have been redacted for reasons including confidentiality

- the Carbon Neutral Government Program and Pharmac's 2022/23 carbon inventory
- the progress of our sustainability initiatives and future thinking.

This paper specifically considered environmental and social sustainability.

The Board:

noted the updates relating to our Sustainability Project and planned approach for future project work;

noted the findings of the 2022/23 carbon inventory; and

agreed that all external advisory committees that meet multiple times a year, consider how they can best work together in a sustainable way and commit to at least one online meeting during 2024, to demonstrate its commitment to reducing carbon emissions.

Peter Bramley and Anthony Jordan

Carried

8.3 Supply Chain Risk Mitigation and Management Update

This paper is a six-monthly update to the Board on Pharmac's supply chain risk mitigation and management.

The Board:

noted that a continuous improvement and wananga approach continues to be used for how Pharmac manages and mitigates risks in the supply chain;

noted that a social sustainability due diligence update was included in the Board sustainability update;

noted the tuhono with other government agencies Pharmac engages with in relation to supply chain management; and

[REDACTED]

8.4 Board Statutory Committee Appointment Recommendation

This paper sought Board agreement to appoint John Manuel-Barbarich to the Consumer Advisory Committee (CAC) and to appoint Jesse Davis when a vacancy becomes available.

The Board:

noted that the Committee identified tane Maori and youth representation as the current gaps within the membership;

noted three CAC members initial terms come to an end July 2024. There is at least one vacancy confirmed for this time;

[REDACTED]

resolved to appoint Jesse Davis (Ngapuhi) to CAC for a period of three years from 1 August 2024; and

resolved Jesse Davis is given observer status from November 2023 [REDACTED]
[REDACTED]
[REDACTED]

Peter Bramley and Diana Siew

Carried

9. Strategic Planning and Policy

9.1 Update on 'Strategic Management of the Combined Pharmaceutical Budget' strategic priority

This paper updated the Board on progress and next steps for the 'Strategic management of the Combined Pharmaceutical Budget (CPB)' strategic priority.

The Board:

noted that strategic management of the Combined Pharmaceutical Budget is one of our strategic priorities in our new 2023/24 - 2026/27 Statement of Intent;

noted the three key areas of focus over the next three years:

- using multi-year funding arrangements to take a longer-term view of spending decisions and the impact on the system
- updating and adapting our commercial activities
- enhancing how pharmaceuticals are reimbursed in different settings; and

noted the actions for the year ahead.

9.2 Draft Equity Policy

This paper invited the Board to provide feedback on the draft Equity Policy.

The Board:

noted the contents of the draft Equity policy and accompanying research and analysis to support the development of Pharmac's Equity policy;

noted the draft Equity policy and accompanying research document has been shared with Te Rbpu for their feedback;

noted the draft policy and accompanying research document will be distributed for wider targeted external consultation, with further feedback to be sought before presenting the final Equity policy to the Board at the November meeting; and

provided feedback on the draft Equity policy.

9.3 Draft Annual Report 2022/23

This paper presented Pharmac's draft 2022/23 Annual Report for Board consideration and feedback.

The Board:

noted the draft 2022/23 Annual Report;

noted that Audit NZ have indicated that they intend to issue their 2022/23 audit opinion before 31 October 2023;

noted that under the Crown Entities Act, we are required to provide our Annual Report to the Minister of Health no later than 15 working days after receiving the audit opinion;

noted that if Audit NZ meet its planned timeline for issuing its audit opinion, we will need to hold an out of cycle Audit and Risk Committee and Board meeting in November to avoid being in breach of the Crown Entities Act; and

noted that if Audit NZ do not meet its planned timeline, the 2022/23 Annual Report will be considered by the Audit and Risk Committee and the Board at their November meetings.

10. Schedule and Funding

10.1 Approach to Budget 2024 - Combined Pharmaceutical Budget

This paper set out our proposed approach intended for Budget 2024, subject to future Ministerial decisions, for the Combined Pharmaceutical Budget (CPB).

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

10.3 Pharmaceutical transactions report

The purpose of this paper was to provide 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.

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

10.4 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. This work is transitioning into our usual business processes for managing pharmaceuticals. The next COVID-19 update will be provided in November 2023, prior to transitioning future updates into the Pharmaceutical Transactions Report from 2024.

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

10.5 Medical Devices Transaction and Investment Report

This paper provided the 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.

10.6 Medical Devices Programme Update - Dashboard Report

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

The Board:

noted the update on progress with the Medical Device Programme;

[REDACTED]

[REDACTED]

[REDACTED]

noted that this resourcing will allow substantial progress towards Investment Management. The Programme has updated deliverables and timelines given this resourcing agreement. The updated plan is for a move to Investment Management in mid to late 2025 with some dependencies;

noted that the timing of a move to Investment Management depends on being able to use information from FPIM to deliver a comprehensive national list of hospital medical devices ahead of when this would be possible via national contracting. The updated timeline requires confirmation this will be possible in December 2023; and

noted that the Programme will need additional funding in Budget 2024 to complete ICT system development/implementation and to recruit permanent staff to deliver/continue to deliver new medical device functions.

10.7 Summary of Decisions made under Delegated Authority - July and August 2023

This report contained a summary of all decisions made by Pharmac staff under delegated authority during July and August 2023.

The Board **noted** the summary of decisions made under Delegated Authority during July and August 2023 by the Chief Executive, Acting/Director, Pharmaceuticals, Acting Manager, Pharmaceutical Funding, Senior Exceptions Advisor/Team Leader and Senior Therapeutic Group Manager/Team Leaders.

11.0 Regular Reporting

11.1 Risk Exception Report

The full risk register is considered by the Audit and Risk Committee and provided to the Board as an information item.

The Board **noted** the exception risk report provided a summary of current and ongoing risks of relevance to the Board, that have occurred since July 2023.

11.2 Communications and Engagement Report

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

The Board:

noted that Pharmac's reputation score has improved from last year and we made the "Movers and Shakers" list in the Kantar Public Sector Reputation Index for 2022;

noted that we continue to proactively share updates on our core business with eight proactive media releases in August. We are also focused on ensuring information shared by the media is accurate; and

Version for Public Release

Some information may have been redacted for reasons including confidentiality

noted that readership of our sector newsletters is increasing.

12. Interest Articles

The Board **noted** the interest articles.

13. General Business

The Board would like to see the BIM prior to it being sent and are happy for it to be emailed round for feedback.

The meeting closed at 2.55pm with a karakia.

Date of Next Meeting

The date for the next Board meeting is set for Friday 27 October 2023.

Approved and Signed

27 October 2023

Hon Steve Maharey, Chair

Date