

**Pharmaceutical Management Agency (Pharmac)  
Minutes of the Board Meeting held on 1 December 2023 at 9.15am  
At Pharmac Offices, Level 9, 40 Mercer Street, Wellington and via Teams**

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**Present:**

**Board members**

Dr Peter Bramley (BSc (Hon), LL.B, PhD)	Acting Chair
Talia Anderson-Town (BBS, PG Dip Professional Accounting, CA, CPP)	Board member
Dr Diana Siew (PhD)	Board member (via Teams)
Dr Margaret Wilsher (MD, FRACP, FRACMA)	Board member

**Apologies**

Dr Anthony Jordan (BHB, MBChB, FRACP)	Board member
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**Board Observers**

Dr Jane Thomas	Board Observer, PTAC Chair
Robyn Manuel	Board Observer, CAC Chair

**Pharmac staff in attendance**

Sarah Fitt	Chief Executive
Michael Johnson	Director, Strategy, Policy & Performance
Geraldine MacGibbon	Director, Pharmaceuticals
Kathryn McInteer	Director, Corporate Services
Nicola Ngawati	Director, Equity & Engagement
David Hughes	Director, Advice and Assessment/CMO
Catherine Epps	Director, Medical Devices
Trish Elise	Minute taker

Attendees joined the meeting to present relevant papers: Graham Durston, Ishani Noble, Yazmin Juned, Danae Staples-Moon, Rachel Dowrick, Kim Aiomanu-Bagley, Ryan Perica, Adrienne Martin, Alishba Ali, Gillian Anderson, James Anderson, Conal Edwards, Hanna Gwyn, Josh Wiles, Andrew Davies, Davina Carpenter and Jannel Fisher.

**1. Director-only Discussion**

The meeting commenced at 9.15 am for Board only time, with the full meeting commencing at 10am.

During Director only time, the Board met with Brenda Ratcliff of Mindmeld to discuss the culture change work programme.

It was announced that Hon Steve Maharey had tendered his resignation to the Minister of Health and Associate Minister (Pharmac) on 30 November 2023, which was accepted and effective immediately. Dr Peter Bramley will be Interim Chair, until such time as a new Chair is confirmed by the Minister.

**2. Governance and Information matters**

**2.1 Guest Speaker**

There was no speaker for this meeting.

## **2.2 Glossary of Terms**

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

## **2.3 Board Actions**

The Board **noted** the Actions.

## **2.4 Board Annual Agenda 2023 and 2024**

The Board **noted** the Annual Agenda for 2023 and 2024.

It was also noted that an out of cycle meeting is scheduled for 9 February 2024.

## **2.5 Board and Committee Member Terms**

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

## **2.6 Apologies**

The Board **noted** apologies from Anthony Jordan.

## **3. Record of Previous Board and Committee Meetings**

### **3.1 Minutes of Board Meeting held on 27 October 2023**

The Board **resolved** to adopt the minutes of the meeting held on 27 October 2023, as being a true and correct record.

*Margaret Wilsher and Diana Siew*

**Carried**

### **3.2 Audit & Risk Committee Recommendations**

The Chair of the Audit & Risk Committee provided a verbal update to the Board.

It was noted that, overall, audit went smoothly and met deadline of 31 October.

### **3.3 Update from CAC**

#### **3.3.1 Summary of CAC Meeting**

This paper informed the Board of advice received from the Consumer Advisory Committee at the meeting held in October 2023.

The Board:

**received** the minutes from the October Consumer Advisory Committee meeting; and

**noted** the summary of key issues across the meeting.

#### **3.3.2 Consumer Advisory Committee Annual Highlights**

The Board **noted** the Consumer Advisory Committee Annual Highlights Report.

### **3.4 Summary of PTAC Meeting**

The Board:

**noted** the summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 17 and 18 August 2023 in person;

**noted** the August 2023 PTAC record was signed off by the Chair on 25 October 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 Update**

###### 7.2.1 **Financial Report**

The purpose of this paper was to update the Board on the pharmaceutical budget expenditure, 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 October 2023.

The Board:

###### **Combined Pharmaceutical Budget**

**noted** that the Combined Pharmaceutical Budget (CPB) for 2023/24 is \$1.498 billion [REDACTED]

**noted** that funding for the [REDACTED] for Novavax vaccines is currently included within the Implementing the COVID-19 Vaccine Strategy (MCA), non-departmental category Purchasing Potential and Proven COVID-19 Vaccines and Other Therapeutics Appropriation held by Manatū Hauora and will be transferred to Pharmac.

[REDACTED]

[REDACTED]

**noted** [REDACTED]. We are currently recommending the CPB target for 2023/24 remains unchanged, but will look to increase the target as part of the February 2024 Board report to accommodate the Novavax transaction.

### **October 2023 financial results**

[REDACTED]

### **7.2.2 Operational Savings Plan as at October 2023**

The purpose of this paper was to update the Board on possible savings that could be achieved on Pharmac operating costs to the year ended 30 June 2024, as per the request from the Board at their October meeting.

The Board:

**noted** that staff have conducted an initial line by line analysis of Pharmac's operating expenditure item to determine if any savings could be achieved by 30 June 2024;

[REDACTED]

**noted** that these savings may vary depending on work programme amendments.

### **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 provides 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 Board Action Items Update**

The purpose of this paper was to update the Board on progress against the action items to enhance organisational culture.

The Board:

**noted** the progress on the immediate and short-term action items to enhance organisational culture; and

**noted** that a further update on progress will be provided to the Board at the February 2024 Board meeting.

## 9. Strategic Planning and Policy

### 9.1 Medical Device Programme Update

This paper provided the Board with an update on progress of the Medical Device Programme and the work underway to consolidate and scale up operational activity to deliver additional value for the sector.

This paper updated the content that the Board have previously seen in light of feedback, confirmation of funding, and our evolving working relationship with Te Whatu Ora and Te Aka Whai Ora. A detailed section was also included on the direction for the digital aspects of the programme, with a view to Board endorsement on the digital aspect in early 2024.

The Board:

**noted** the update on progress with the Medical Device Programme;

**noted** four workstreams will be progressed concurrently to deliver a coherent and functional approach to managing the hospital medical devices list;

**noted** that delivery of the four workstreams will have a particular focus on:

- increasing capability and capacity for assessment and decision-making for hospital medical devices (both assessment of new technology using health technology assessment and improving assessment and decisions related to changes to devices already listed and contracted)
- establishing new ways of working that build in differences to the model currently operated for medicines to account for both the difference devices bring and to include improvements to meet the organisations commitments to te Tiriti, equity and anti-racism from the outset;

**noted** that progressing work as detailed in the four workstreams will support the Board and Senior Leadership Team (SLT) to meet their te Tiriti accountabilities; and

**noted** that Board approval for the ICT workstream will be sought in early 2024, prior to progressing from procurement to the build and implementation stages.

### 9.2 Draft Advice for an Equity Policy

Feedback was sought on this paper, in advance of being shared with Te Rōpū for their December meeting. Comments were invited on the paper which outlined the direction of travel on what a shortened equity policy document will cover for kaimahi.

The Board:

**noted** the contents of the paper:

- **Phase One:** Background and landscape of health inequities in Aotearoa New Zealand and at Te Pātaka Whaioranga Pharmac
- **Phase Two:** Policy context: What an equity policy at Te Pataka Whaioranga Pharmac should consider

**noted** the paper will be submitted to Te Rōpū for their December meeting.



**noted** that after receiving the Board's and Te Rōpū feedback, a short equity policy document will be produced for kaimahi use, that is in a similar style to other policy documents.

### 9.3 Engagement Strategy

This paper provided the Board with the final draft engagement strategy for review and endorsement and outlined next steps for implementation planning.

The Board:

**noted** the next steps for implementation planning and prioritisation; and

**agreed** to the endorsement of the engagement strategy.

*Diana Siew and Margaret Wilsher*

**Carried**

## 10. Schedule and Funding

### 10.1 Impact on Combined Pharmaceutical Budget expenditure of removing the \$5 prescription co-payment

The paper presented an overview of the analysis completed to estimate the impact on the Combined Pharmaceutical Budget expenditure (CPB) as a result of the Budget 2023 initiative to remove \$5 prescription co-payments (the policy).

The Board:

**noted** that the Combined Pharmaceutical Budget (CPB) expenditure was increased by [REDACTED] to accommodate the anticipated increase in dispensing costs as a result of removing the \$5 prescription co-payment in Budget 2023;

[REDACTED]

[REDACTED]

**noted** that we will continue to monitor the impact of the policy as data becomes available.

### 10.2 Proposal to increase the price and subsidy for oestradiol patches

This paper sought a decision from the Board on a proposal to increase in the price and subsidy for the Estradot brand of oestradiol patches, supplied by Sandoz.

The Board:

**resolved** to amend the brand name of oestradiol (Estradot 50 mcg) patch 50 mcg per day in Section B of the Pharmaceutical Schedule from 1 January 2024 as follows (additions in bold, deletions in ~~strike through~~):

Chemical	Formulation	Brand
Oestradiol	Patch 50 mcg per day	Estradot 50 mcg

**resolved** to amend the price and subsidy for the following pharmaceuticals listed in Section B and Part II of Section H of the Pharmaceutical Schedule, from 1 January 2024:

Chemical	Presentation	Brand	Pack Size	Current price and subsidy (ex-manufacturer, excluding GST)	New price and subsidy (ex-man, excl GST)
Oestradiol	Patch 25 mcg per day	Estradot	8	\$6.12	\$14.50
Oestradiol	Patch 50 mcg per day	Estradot	8	\$7.04	\$14.50
Oestradiol	Patch 75 mcg per day	Estradot	8	\$7.91	\$14.50
Oestradiol	Patch 100 mcg per day	Estradot	8	\$7.91	\$14.50

**resolved** that consultation is not required as the proposal is not considered contentious and is required to ensure continuity of supply so that the health need for funded hormone replacement treatment continues to be met.

*Talia Anderson-Town and Margaret Wilsher*

**Carried**

### 10.3 Proposal to award Principal Supply Status in the Community and Te Whatu Ora New Zealand hospitals for dabigatran capsules

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

The Board:

**resolved** to accept the tender from Boehringer Ingelheim Ltd (Boehringer) for its brand to be the Principal Supply brand of the Community Pharmaceutical dabigatran cap 75 mg, 110 mg and 150 mg 1 June 2024 until 30 June 2026;

**resolved** to amend the price and subsidy of Boehringer Ingelheim Ltd's brand of dabigatran cap 75 mg, 110 mg and 150 mg in the Blood and Blood Forming Organs therapeutic group in Section B of the Pharmaceutical Schedule from 1 January 2024 as follows:

Chemical and presentation	Brand	Pack Size	Current price (ex-man., ex. GST)	New subsidy and price (ex-man., ex. GST)
Dabigatran cap 75 mg	Pradaxa	60	\$76.36	\$27.99
Dabigatran cap 110 mg	Pradaxa	60	\$76.36	\$27.99
Dabigatran cap 150 mg	Pradaxa	60	\$76.36	\$27.99

**resolved** to accept the tender from Boehringer Ingelheim Ltd for its brand to be the Principal Supply brand of the Hospital Pharmaceutical dabigatran cap 75 mg, 110 mg and 150 mg, with a DV Limit of 5%, from 1 June 2024 until 30 June 2026;

**resolved** to amend the price of Boehringer Ingelheim Ltd's brand of dabigatran cap 75 mg, 110 mg and 150 mg in Part II of Section H of the Pharmaceutical Schedule from 1 July 2023 as follows:



Chemical and presentation	Brand	Pack Size	Current Price (ex-man., ex. GST)	New price (ex-man., ex. GST)
Dabigatran cap 75 mg	Pradaxa	60	\$76.36	\$27.99
Dabigatran cap 110 mg	Pradaxa	60	\$76.36	\$27.99
Dabigatran cap 150 mg	Pradaxa	60	\$76.36	\$27.99

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

**noted** that this proposal would not result in a change of brand for dabigatran capsules.

*Margaret Wilsher and Talia Anderson-Town*

**Carried**

#### 10.4 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:

**resolved** to delegate decision-making to the Chief Executive for a proposal to fund aripiprazole long-acting injection for the treatment of schizophrenia, from 1 January 2024;

**noted** an out of cycle Board meeting has been scheduled for 9 February 2024, to consider any pharmaceutical transactions that require decisions before the February 2024 Board meeting;

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

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

*Margaret Wilsher and Diana Siew*

**Carried**

#### 10.5

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**10.6 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. Future updates will be included the regular Pharmaceutical Transactions Report from 2024.

The Board:

**noted** the update on Pharmac’s COVID-19 treatments and vaccines work; and

**noted** that future updates on this work will be included the regular Pharmaceutical Transactions report to the Board.

**10.7 Medical Devices Transaction and Investment Report**

This paper provided a monthly update to the Board on progress with medical devices national contracting activity. From this month onwards, the decisions made under Delegated Authority for Medical Devices are now added as an appendix to this report, rather than a separate agenda item.

The Board:

**noted** the update on progress with medical devices national contracting activity; and

**noted** the summary of decisions made under Delegated Authority during October by the Director, Medical Devices.

**11.0 Regular Reporting**

**11.1 Risk Exception Report**

The full risk register and quarter two report were considered by the Audit and Risk Committee at the November meeting (1 December).

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** that this exception risk report summarised current and ongoing risks of relevance to the Board for November 2023.

## 11.2 Monthly Communications and Government Services Report

This paper summarised communications and government services activity for October 2023 and the impact of our work.

The Board:

**noted** that work is underway to broaden the number of media spokespeople so we are able to have more kaimahi available to offer media interviews proactively;

**noted** that we updated and proactively published Pharmac's media policy as part of our commitment to being more transparent;

**noted** that we completed a plain language audit of Pharmac's media releases and have identified areas to improve our readability and tone; and

**noted** that we provided support for several key medicine supply issues to keep patients and the sector informed.

## 11.3 Implementation Update

This paper provided an update on key implementation work that has occurred over the last six months within the Equity and Engagement Directorate.

The Board:



**noted** the opportunities identified to enhance the impact of Pharmac's work supporting the responsible use of medicines and to expand the role of the Responsible Use of Pharmaceuticals in Primary Care Expert Advisory Group (RUAG);

**noted** the collaborative project completed by the University of Auckland Medical and Health Sciences Division aiming to understand the experience of health care providers during the adalimumab transition to a biosimilar; and

**noted** the ongoing implementation work to support supply issues and Pharmac's transactional decisions, and the utilisation of early feedback from RUAG and Consumer Advisory Committee.

## 12. Interest Articles

The Board **noted** the interest articles.

## 13. General Business

There was no general business raised.

The meeting closed at 2.20pm with a karakia.

**Date of Next Meeting**

The date for the next Board meeting is set for 23 February 2024

*Signed by Chair*

Dr Peter Bramley, Acting Chair

23 February 2024

Date