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**The Pharmaceutical Management Agency (Pharmac)**

**Minutes of the Board Meeting held on Friday 31 May 2024, at 9.30am**

**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
Paula Bennett	Chair/Observer
Talia Anderson-Town (BBS, PG Dip Professional Accounting, CA, CPP)	Board member
Dr Diana Siew (PhD)	Board member
Dr Margaret Wilsher (MD, FRACP, FRACMA)	Board member (via Teams for part of the meeting)

**Apologies**

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

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

**Pharmac staff in attendance**

Sarah Fitt	Chief Executive
Catherine Epps	Director, Medical Devices
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
Trevor Simpson	Kaituruki Māori – Director Māori
Jacqui Webber	Board Secretary (Minute taker)

Attendees joined the meeting to present relevant papers: Graham Durston, Ishani Noble, Yazmin Juned, Logan Heyes, Ben Campbell-MacDonald, Gillian Anderson, Chris Gilman, Andrew Davies, Anna Pai, Sean Dougherty, Ryan Perica, Davine Carpenter and Jannel Fisher.

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**1. Director-only Discussion**

The meeting commenced at 9.40 am for Board only time, with the full meeting commencing at 10.09am. The Acting Chair welcomed Paula Bennett to the Board and **noted apologies** from Anthony Jordan.

**2. Governance and Information matters**

**2.1 Glossary of Terms**

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

**2.2 Board Actions**

The Board **noted** the Actions.

**2.3 Matters Arising**

The Board **noted** the matters arising.

**2.4 Board Annual Agenda 2024**

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

**2.5 Board and Committee Member Terms and Attendance Record**

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

**2.6 Interests Register**

The Board **noted** the Interests Register.

Paula Bennett noted that she has provided an interest declaration form.

**3. Record of Previous Meetings**

**3.1 Minutes of meetings**

The Board:

**resolved** to adopt the minutes of the meeting held on 30 April 2024, as being a true and correct record of the meeting; and

**noted** and **endorsed** the minutes of the Health & Safety Committee meeting held on 23 February 2024.

**3.2 Health & Safety Committee Recommendations**

The Board **noted** there was nothing adverse to report.

**3.3 Summary of CAC Meeting**

This paper informed the Board of advice received from the Consumer Advisory Committee at their meetings held on 13 March and 17 April 2024.

The Board:

**received** the minutes from the March and April 2024 Consumer Advisory Committee meeting; and

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

### 3.4 Summary of PTAC Meeting

This paper informed the Board of recommendations made and advice given by PTAC at its meeting held on 15 and 16 February 2024.

The PTAC Chair spoke to this paper, in confidence.

The Board:

**received** the summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 15 and 16 February 2024; and

**noted** the February 2024 PTAC record was signed off by their Chair on 14 April 2024 and published on the Pharmac website 1 May 2024.

## 4. Chair's Report

### 4.1 Verbal Update from the Chair

The Acting Chair provided a verbal update to the Board on recent activities. Comments included:

- Acknowledged the passing of [REDACTED] a long-standing staff member
- Thanked the team for their contribution at Medicines Summit
- Noted how well Minister Seymour's visit to Pharmac had gone
- Noted we are being fiscally responsible – great to see this is top of mind – delivering best results for New Zealanders with public funds.

### 4.2 Correspondence

The Board **noted** the correspondence report.

## 5. CE Report

### 5.1 Chief Executive's Report

The CE spoke to her report and in particular noted:

- That the uplift for co payments was announced yesterday (script payments)
- NZ Health Plan – Health NZ advised we will see another version for feedback
- Medsafe and Cancer Control Agency MOU's have been signed
- Continuing to work on the MOU with Health NZ.
- ADHD hui – the recent cross government hui was very good and supporting our direction of travel. Have had two further groups meet and we are tracking well.

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

### 5.2 Financial Update – April 2024

The purpose of this paper was to update the Board on the pharmaceutical budget expenditure, associated risks, our approach to managing the CPB, updated the Board on COVID-19 expenditure and forecasting, and provided the Board with an overview of financials for April 2024.

The Board:

### Combined Pharmaceutical Budget

noted that the Combined Pharmaceutical Expenditure Budget (CPB) for 2023/24 is \$1.738 billion [REDACTED]

[REDACTED]

[REDACTED]

noted the Minister announced the Government will commit an additional \$1.77 billion over the next four years for the Combined Pharmaceutical Budget; and

### Pharmac Operating

noted for the month of April 2024, Pharmac operating results are a [REDACTED]

[REDACTED]

## 5.3 Legal Report - Confidential and Legally Privileged

Pharmac's legal team provides legal oversight of contracts, supports decision making processes and manages privacy, legislative compliance, litigation, and administrative complaints.

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 contents of the legal report; and

[REDACTED]

## 6. Schedule & Funding

### 6.1 Prioritisation Report

This report described prioritisation activity since the last report presented to the Board at its February 2024 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* list
- proposals with a high PTAC or Specialist Advisory Committee priority on the *Under-Assessment* list
- the full *Options for Investment* list as at 24 April 2024.

The Board:

noted the prioritisation activity undertaken by Pharmac staff since February 2024 and the progress of selected items from Pharmac's prioritisation list.

**Action:** Appendix 4 – in future, indicate whether items have gone up or down.

## **6.2 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), current significant supply issues, the contentious, large or significant pharmaceutical transactions and investments that staff are currently progressing and an update on vaccines and COVID-19 treatments.

Talia Anderson-Town declared a conflict [REDACTED]

Kaimahi noted re the CGMs RFP – decision making has been delayed due to the substantial amount of feedback and needing to review everything fully. We have been meeting with consumer groups and keeping them informed.

The Board commented that they took comfort around the amount of communications we have done to ensure consumers comfort.

The Board:

**resolved** to delegate decision-making for a proposal to secure further supply of up to 40,000 courses of nirmatrelvir with remdesivir (Paxlovid) for the treatment of COVID-19, to the Chief Executive;

**noted** the update from Pharmac staff on current medicines 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 March and April 2024.

## **6.3 Exceptional Circumstances process improvement update**

The purpose of this paper was to provide the Board with a summary of improvements that we are planning to make to the NPPA application process. The aim of the improvements is to reduce the number of applications that do not meet the principles of the NPPA policy and to improve the transparency of NPPA decision making.

The Board:

**noted** our planned improvements to the Named Patient Pharmaceutical Assessment (NPPA) application process;

**noted** that the Exceptional Circumstances Framework includes multiple funding pathways, the planned improvements outlined in this paper focus primarily on the NPPA process; and

**noted** that Pharmac staff have recently initiated a review of the Exceptional Circumstances Framework.

## **6.4 Medical Devices Transaction and Investment Report**

This paper provided an update to the Board on progress with medical devices national contracting activity. It also included updates on the wider medical device programme activity.

The Board:

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

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

## **7. Strategic Planning and Policy**

### **7.1 People and Capability Strategy Progress Report**

This paper provided the Board with an overview and update on progress since the last report to the Board in February, of the People and Capability Strategy work programme (the Strategy) and a proposed plan for the next 90-day period.

The Board:

**noted** the People and Capability Strategy work programme update; and

**noted** the upcoming 90-day plan.

### **7.2 Health Sector Context for Pharmac's Data and Digital Future**

This paper provided the Board with an overview of the key health sector data and digital change programmes that are being led by Health New Zealand and the likely impacts of those programmes for Pharmac.

The Board:

**noted** that Health New Zealand is progressing a number of data and digital change programmes that will have impacts for Pharmac's work in medicines and medical devices;

**noted** that the data and digital change programmes will have an impact on Pharmac's operations and we are engaging and working with Health New Zealand;

**noted** that we will provide the July Board with a draft Data and Digital Strategy and a forward roadmap for replacement of key IT systems to support the current and future needs of Pharmac; and

**noted** that Board approval for the medical devices ICT workstream will be sought at the July meeting, prior to progressing from procurement and preferred vendor discovery phase, to the build and implementation stages.

**Action:** Add this paper as an appendix to July's Board paper.

### **7.3 Consumer Quality Safety Marker (CQSM) Self-Assessment**

This paper provided the Board with the CQSM self-assessment (for the time period 1 October 2023 – 31 March 2024) for noting.

The Board:

**noted** the CQSM self-assessment submission for October 2023 to March 2024; and

**noted** the improved score of '3' (out of 4) for the Engagement domain.

### **7.4 Annual Report - Upholding the principles of the Public Service Act**

This paper provided the Board with an update as to how, as an organisation, Pharmac is upholding the principles of the 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, under the Public Service Act, Pharmac 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 Public Service Act;

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**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; and

**agreed** that an annual report to the Board is no longer required, as Public Service Act obligations have been built into our operational policies and practices and we monitor compliance through our legislative compliance reporting.

**7.5 International Travel Request – 2024 Vancouver Group Annual Meeting**

This paper was deferred to the 25 June Board meeting.

**8. Regular Reporting**

**8.1 Risk Exception Report**

The full risk register, and quarter three report were considered by the Audit and Risk Committee at its March 2024 meeting. 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 the Audit and Risk Committee reviewed the quarter three register on 28 March 2024;

**noted** that the quarter three risk register was included in the quarterly report to the Minister of Health;

**noted** that this exception risk report summarised current and ongoing risks of relevance to the Board for April 2024; and

**noted** that the quarter four report and risk registers will be reviewed by the Audit and Risk Committee at its June 2024 meeting.

**8.2 Communications and Government Services report**

This paper summarised communications and government services activity for April 2024 and the impact of our work.

The Board:

**noted** that our proactive media work is having a positive impact on media coverage and our media sentiment score;

**noted** the opportunities identified to build on our media presence;

**noted** that development of a Public Affairs Strategy is underway and will come to the Board in July for noting; and

**noted** that government services requests continue to increase and we are prioritising work from Ministerial offices and maintaining OIA timeliness.

**9. Interest Articles**

The Board **noted** the interest articles.

**10. General Business**

No general business.

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The meeting closed at 2.15pm with a karakia.

**Date of Next Meeting**                      6 June 2024 (out of cycle).

*Approved*

*25 June 2024*

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Paula Bennett, Chair

Date