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Pharmaceutical Management Agency (Pharmac)

Minutes of the Board Meeting

Held on Friday 1 November 2024, at 9.30am

At Pharmac, Wellington

Present:

Board members

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

Apologies

Nil

Board Observers

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

Pharmac staff in attendance

Sarah Fitt	Chief Executive
Catherine Epps	Director, Medical Devices
Michael Johnson	Director, Strategy, Policy & Performance (via Teams)
Geraldine MacGibbon	Director, Pharmaceuticals
Kathryn McInteer	Director, Corporate Services
Nicola Ngawati	Equity & Engagement
David Hughes	Director, Advice and Assessment/CMO
Jacqui Webber	Board Secretary (Minute taker)

Attendees joined the meeting to present relevant papers: Hannah Burgess and Adrienne Martin.

1. Welcome and Opening of Meeting

The Chair welcomed everyone and opened the meeting at 10.25am.

Chair acknowledged that it's a great day as New Zealanders now have access to a number of new medicines.

2. Chair's Report

2.1 Chair's Verbal Update

The Chair updated the Board on recent activity and noted she has been doing a lot of consumer and supplier engagement. She acknowledged Te Rōpū are going to have a hui with staff as their farewell. Looking forward, it's a big month with consumer engagement workshops, the workforce culture review and Board meetings. A verbal report will be provided by Debbie Francis at the 29 November Board meeting. The Chair also noted that we had a good meeting with the Minister.

Action: Ask Minister if it's possible to meet with MOH after our monthly meetings, not before.

2.2 Minutes of Board meetings

The Board:

resolved to adopt the minutes of the meeting held on 27 September 2024 and the out of cycle Board meeting held on 10 October 2024, subject to minor amendments.

2.3 Interest Register

The Board:

noted the interest register and no conflicts were notified.

3. Chief Executive's Update

3.1 Chief Executive's Report

The Chief Executive noted that it's a big day on funding – 13 new medicines funded from today.

The focus is on budget planning for 2025 and we have been in discussions with Treasury and the Minister.

Medical device programme – there has been no further update since we provided feedback on the TOR – it's on the agenda for our meeting with the Minister.

MFAT have written, thanking us for the COVID vaccine donation to the Antarctica programme.

The Board:

noted the Chief Executive's report for October 2024.

Action: Provide Board with a proposed guest list for 2025, including the Minister.

Hold a session in the new year on horizon viewing – add to Strategy Agenda.

Chief Executive to send NICE position statement on use of AI in HTA, to the Board.

4. Key Items

4.1 2024/25 Quarter One Performance Report

This paper provided a summary of progress against our strategic intentions, initiatives and measures set out in our Statement of Performance Expectations (SPE) and the Letter of Expectations for 2024/25.

The Board suggested rounding off the 'Highlights' on page 2 – 6 and 8 – add in the 'why'.

Statutory objectives review – the legislation needs to be reviewed and Minister Reti has mentioned that they need to review the Pae Ora Act. We will review the Act and propose some changes to the Minister.

The Board:

discussed and approved the 2024/25 quarter one performance report, subject to minor amendments.

noted that following Board approval of the quarterly performance report, it will be provided to the Associate Minister of Health.

4.2 Advice on assessment and procurement processes

In our 2024/25 Letter of Expectations (LoE) the Associate Minister of Health asked Pharmac to consider whether separate pathways with 'fit-for-purpose' processes for the assessment and procurement of medical technologies would be beneficial.

This paper provided the Board with analysis and advice on this issue and sought agreement that we provide advice to the Minister recommending that assessment and procurement functions remain co-located within Pharmac.

The Board:

noted that in Pharmac's 2024/25 Letter of Expectations, we were asked to consider whether separate pathways with 'fit-for-purpose' processes for assessment and procurement of medical technologies would be beneficial

noted that information has been received from analogous jurisdictions on their assessment and procurement processes

noted that assessment and procurement processes in analogous jurisdictions can only be understood within the context of their own unique operating models

noted that different health systems' legislative, financial, regulatory and operational environments mean that comparison is difficult

noted that there are several reasons why co-locating assessment and procurement in New Zealand is advantageous

discussed and agreed that we recommend to the Associate Minister of Health that assessment and procurement processes remain co-located within Pharmac

noted that through our strategic priorities and actions we will continue to enhance and improve what we do in line with government and Ministerial expectations.

Action: Next steps – put some advice up to the Minister on this.

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4.3 Board Statutory Committee Appointment Recommendation

This paper sought Board agreement to appoint Leo Junior Apaipo, Pui-Yi Cheng and Lucy Elwood to the Consumer Advisory Committee.

The Director Equity and Engagement advised there is an additional vacancy as a member is not being reappointed. The Board suggested we see whether it is possible to replace this member from the recent interviewees, rather than going out with another advertisement.

The Board:

noted there are currently three vacancies on the Consumer Advisory Committee (CAC)

resolved to appoint Leo Junior Apaipo, Pui-Yi Cheng and Lucy Elwood to CAC for a period of three years, from 1 November 2024.

4.4 Update on ‘Strategic Management of the Medicines Budget (CPB)’ strategic priority

This paper provided the Board with an update on our work to deliver on the ‘Strategic Management of the Medicines Budget’, which is one of our strategic priorities as outlined in our [2023/24 - 2026/27 Statement of Intent \(SOI\)](#).

Collaboration and engagement are key factors in our work on Strategic management of the Medicines Budget. Enabling consumer involvement in our end-to-end funding process and ensuring alignment with the health sector are key parts of our focus areas on this work.

The Board:

noted that ‘Strategic management of the Medicines Budget’ is one of our strategic priorities in our 2023/24 – 2026/27 Statement of Intent

noted the key areas of focus for this strategic priority in 2024/25 as outlined in our Statement of Performance Expectations, and our plans for delivery in these areas

noted that we are in the process of refreshing our Statement of Intent, which may result in changes to our plans to support this strategic priority.

Action: Provide a summary of the workplan to the Board.

4.5 Finance, Audit & Risk Committee Terms of Reference

A Terms of Reference document has been drafted for the newly formed Finance, Audit and Risk Committee (‘the Committee’), for consideration. This is as a result of the Audit & Risk Committee and the Health & Safety Committee being combined into one committee and the inclusion of Finance into the new Committee.

The Board:

agreed the Terms of Reference accurately reflects the Finance, Audit & Risk Committee’s objectives and role

noted that following Board approval of the Terms of Reference, the Board Governance Manual will be updated.

Action: Update Board Governance Manual.

5. Schedule and Funding

5.1 Prioritisation Report

This report described prioritisation activity since the last report presented to the Board at its July 2024 meeting. It also updated the Board on the progress of selected items from the following prioritisation lists:

- the full *Options for Investment* list as of 25 September 2024
- the top 20 proposals on the *Options for Investment list* and the corresponding recommendations made by PBAC and NICE
- the impact on health outcomes for those with the highest health need.

The Board:

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

Action: The Board would like to see a Top 20 proposals report compared to UK and Australia, on an annual basis.

Add a column to the table timeline, noting when items have gone to PTAC.

5.2 Medicines Budget Management Report (CPB)

The purpose of this paper was to update the Board on Pharmac's plans to manage the Medicines Budget. It aimed to enable a wider discussion by the Board regarding planned activities to manage expenditure in 2024/25 and in the out-years.

The Board:

noted the Medicines Budget expenditure target for 2024/25 is [REDACTED] against a budget of \$1.690 billion. Taking into account anticipated and planned costs, interest and planned equity, \$15.3 million remains available for new investments in 2024/25

noted the portfolio of recent, current and planned investments underway

noted that although there is [REDACTED] remaining for new investments, it is likely that we will need to carry some of this over from 2024/25 to 2025/26 to support the investments made in 2024/25

noted that staff will provide the Board with opportunities to reassess the appropriateness of the expenditure target at regular intervals, in line with our planned forecast updates and as we gain more certainty around some of the more significant investment transactions.

5.3 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 Medicines Budget (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.

The Board:

resolved to delegate decision-making to the Chief Executive for a number of proposals that fall within the Board's financial delegations. This is to enable decisions to be made at the earliest available opportunity, to meet proposed timeframes, enable faster access to medicines for patients, and/or to support implementation of the proposals (both from a health sector perspective and for suppliers who need time to build up sufficient stock). These proposals are:

- a proposal to fund desogestrel, an oral contraceptive, in response to discontinuation of another oral contraceptive called levonorgestrel
- a proposal to fund axitinib for kidney cancer, inotuzumab for acute lymphoblastic leukaemia, crizotinib for lung cancer, ceftazidime with avibactam for severe infections and to change the funded brand of palbociclib, a medicine funded for breast cancer, through a multiproduct agreement with Pfizer

noted that if, following consultation, any of the above proposals were considered to be contentious, we would take them to the Board for a decision

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

noted the summary of decisions made under Delegated Authority during September 2024.

5.4 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 an update on some wider medical device programme activity.

The Board:

noted the update on progress with medical devices national contracting activity

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

6. Strategic Planning and Policy

6.1 Draft Statement of Intent 2024/25 – 2027/28

This paper presented Pharmac's draft Statement of Intent 2024/25 – 2027/28 (SOI). The Board was asked to consider the draft and provide any feedback ahead of a final SOI being brought to the Board for approval at its next meeting on 29 November 2024.

Staff commented that we have received positive feedback from the Ministry and Minister's office.

The Board:

noted that we have been asked in the Minister's 2024/25 Letter of Expectations to 'refresh' our Statement of Intent by 31 October

discussed and provided feedback on the draft Statement of Intent

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noted that due to tight timeframes to finalise the Statement of Intent, we have provided the draft Statement of Intent to the Minister's office, Ministry of Health and Audit NZ for feedback

noted the final draft Statement of Intent will be considered for approval by the Board at its November 2024 meeting.

6.2 A refocused approach to Pacific Health delivered through the Equity Policy

This paper sought the Board's approval to discontinue the PRS and instead, to refocus our work on improving health outcomes for Pacific peoples (as a high health need population) through the implementation of the Equity Policy.

The Board:

noted in December 2016, the Board approved the Pacific Responsiveness Strategy (PRS) 2017-2026 which aimed *"to support Pacific people to live healthy lives through improved and timely access to, and use of, medicines and medical devices."*

noted that the PRS was to be delivered in three stages and in July 2021, the Board approved the Stage Two Action Plan

noted in May 2023, the Senior Leadership Team (SLT) received an update on the completion of the Stage Two Action Plan of the PRS, which had mixed success in delivering on actions

noted that in June 2024, following an evaluation of PRS progress and noting its origins predated the Pae Ora (Healthy Futures) Act 2022, Te Mana Ola: The Pacific Health Strategy¹, the Government Policy Statement on Health 2024-2027 and our Equity policy, SLT agreed to discontinue the PRS and refocus our work on Pacific health as part of the Equity Policy implementation

approved the conclusion of the PRS and agree to the refocused approach to Pacific health as outlined in this paper.

6.3 Equity Strategy update

This paper provided an overview of the points of connection with our Equity policy in relation to the LoE and the GPS and a brief update on our Equity implementation plan.

The Board:

noted that following the Board's approval of the Equity policy in February 2024, the 2024/25 Letter of Expectations (LoE) and Government Policy Statement on Health 2024-2027 (GPS) have been received

noted that as a result, we have since reviewed the Equity policy against the LoE and GPS to clarify the points of alignment and our direction of travel

noted that there are a number of points of alignment, which point to the continuing validity and robust nature of the Equity policy

noted that Directorates are continuing to progress the actions in the related Equity implementation plan, in alignment with existing work programmes and our strategic objectives.

¹ [Published](#) by the Ministry of Health on 12 July 2023

7. Regular Reporting

7.1 Communications Report

This paper summarised communications activity for the previous month and the impact of our work.

The Board:

noted the results of the recent media sentiment survey undertaken, which will be used to further improve our media work and support the implementation of the public affairs strategy

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

noted that we are receiving positive feedback from patients and health professionals about the new online consultation form.

7.2 Carbon Neutral Government Programme Reporting

This paper updated the Board on the progress of Pharmac's commitment to the Carbon Neutral Government Programme (CNGP) to reduce our carbon emissions by 21% by 2025. The CNGP is managed by the Ministry for the Environment.

The Board:

noted the Greenhouse Gas Emission ISO 14064-1:2018 report for 2023/24

noted the 2024/25 first quarter emissions.

7.3 Previous Minutes of Committee Meetings

7.4 Minutes of Finance, Audit & Risk Committee Meeting

The Board:

noted and endorsed the minutes of the Audit & Risk Committee meeting held on 27 September 2024, subject to minor edits.

7.5 Governance Matters

7.6 Glossary of Terms and Abbreviations

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

7.7 Board Actions

The Board **noted** there were no new Board Actions.

7.8 Matters Arising

The Board **noted** the Matters Arising.

7.9 Board Annual Agenda for 2024 and 2025

The Board **noted** the Board Annual Agenda for 2024 and 2025.

7.10 Board and Committee Member Terms and Attendance Record

The Board:

noted the Board and Committee member terms; and

noted the 2024 Meeting Attendance Register

7.11 Board Correspondence

The Board:

noted the correspondence sent / received for the prior month.

7.12 General Business

There was no general business discussed.

The meeting closed at 1.10pm with a karakia.

Date of Next Meeting: 29 November 2024

Approved

29 November 2024

Paula Bennett, Chair

Date