

May 2019



PHARMAC Change Proposal

Creation of a Pharmaceutical Assessment Team

Contents

Introduction	3
Rationale for change	4
The Proposal	5
Organisational Impact	5
Current Structure of Impacted Teams.....	5
Proposed Structure of Impacted Teams.....	4
Impact Assessment.....	6
Key Responsibilities of New Positions	7
Proposed Changes to Existing Roles.....	8
Specific Matters We'd Like Feedback on.....	8
Consultation Process and Timeline	9

INTRODUCTION

The purpose of this document is to outline a proposal to create a new team within the Operations Directorate called the Pharmaceutical Assessment team. It is proposed this team would have two sub-teams, led by team leaders and would incorporate the roles of the existing Health Economics team, the Funding Applications Advisors from the Pharmaceutical Funding team and the PTAC Secretary and Clinical Advice Coordinator from the Medical Directorate.

Under this proposal, three new roles would be established within the Pharmaceutical Assessment Team. They are:

- Manager, Pharmaceutical Assessment
- Senior Health Economist/Team Leader
- Senior Funding Application Advisor/Team Leader

It is proposed that the vacant role of Manager, Health Economics be disestablished. The PTAC Secretary title is proposed to be changed to Clinical Advice Coordinator, aligning the roles and responsibilities of the two roles to enable flexibility around allocation of tasks and consistency of approach. The current Clinical Advice Coordinator position would become fixed-term for one year while resourcing needs in the new structure are determined. Recruitment for the Health Economist and Therapeutic Group Manager positions, which each become vacant in mid-May, will be put on hold pending the outcome of this consultation and, if the proposed new structure is implemented, pending recruitment into the newly established roles noted above.

The aim of these proposed changes is to establish a structure under which we can make our funding decisions faster, clearer and simpler. I consider the proposed structure would do this by unifying the assessment of pharmaceuticals and enabling better alignment of processes.

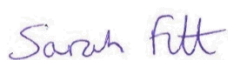
I will be leading this change process with support from s9(2)(a), Director of Operations. As Chief Executive, I will be the final decision-maker.

If approved, the new structure will take effect once key new roles are recruited.

I invite your feedback on what is proposed so I can consider all views before making a final decision. Feedback can be on any/all aspects of the proposed change and can be prepared individually or as a group. Your comments, suggestions and submissions can be emailed to change@pharmac.govt.nz by 5 pm on Friday 31 May 2019.

While it can be difficult to work through change, it also opens up a whole world of opportunity. I acknowledge, however, that change can be stressful and remind you that confidential counselling and support are available to you through the Employee Assistance Programme (EAP). EAP can be contacted 24/7 on 0800 327 669, www.eapservices.co.nz.

I look forward to receiving your feedback on the proposal and appreciate your commitment as we work through the process. I encourage you to ask questions of m s9(2)(a) if there is anything at all that you need clarified in this proposal.



Sarah Fitt
Chief Executive
6 May 2019

RATIONALE FOR CHANGE

SLT has agreed the following as our Key Priorities for 2019:

1. Land the CPB on target
2. Make our funding decisions faster, clearer and simpler
3. Progress our work on medical devices
4. Progress our work on equity of access to medicines
5. Support and develop our people

In thinking about how we might achieve item 2, *make our funding decisions faster, clearer and simpler*, it has been identified that the responsibility for activities required to undertake assessment of new pharmaceuticals, from receipt of application through to ranking on the prioritisation list, is spread across several positions, teams and Directorates, namely Therapeutic Group Managers (TGMs), Funding Application Advisors (FAAs), Medical Director/Deputy Medical Directors, Medical Adviser Registrar and the PTAC Secretary/Clinical Advice Coordinator.

In the future, as we commence regular assessment of new medical devices, the Manager Devices Funding and Device Category Managers will also be involved.

The efficient and timely assessment of new pharmaceutical applications has been impacted by the number of people involved and the lack of clarity around overall accountability for this work. There are several ways that clarity could be achieved:

1. a business process review to document agreed processes, procedures, roles, responsibilities, accountabilities;
2. stronger leadership and expectation-setting regarding deliverables and outcomes and organisation measurement tools to measure whether we are meeting timeliness goals; and/or
3. structural change.

The recent addition of two new, permanent FAA roles within the Pharmaceutical Funding Team, the resignations of the Manager, Health Economics, the Medical Director and the Deputy Medical Director (Primary Care), along with recent resignations of a Senior HE and a TGM, have created an opportunity to consider structural changes. I believe the time is right to do that and this document sets out initial views on proposed changes to team structures and reporting lines and invites your comments and feedback. The new team would be expected to progress activities described in 1 & 2 above.

The proposed changes aim to:

- centralise the assessment process to support closer working and sharing of information between staff assessing new pharmaceuticals for funding, leading to improved workflow management, including time waiting for information and ultimately leading to a reduction in the time between application receipt and ranking;
- enable better alignment of the processes to seek and record advice from our clinical advisory network;
- support S/TGMs to focus on strategic and day-to-day therapeutic group management activities;
- enhance development opportunities and career progression options for staff; and
- improve the day-to-day access to leadership, coaching and guidance for staff.

THE PROPOSAL

My proposal is to establish a new team, the Pharmaceutical Assessment team, made up of the existing Health Economics team, the FAAs, the PTAC Secretary and the Clinical Advice Coordinator.

This would involve the following proposed changes:

- changing the reporting line and some role responsibilities of Senior/Health Economists
- changing the team and reporting line of the FAAs
- aligning the position descriptions of the PTAC Secretary and the Clinical Advice Coordinator to enable flexibility as to allocation of tasks and to require consistency of approach
- changing the job title, directorate and reporting line of the PTAC Secretary
- changing the directorate and reporting line of the Clinical Advice Coordinator and making it a fixed-term position for a period of twelve months, to allow for the launch of PharmConnect in August 2019 and a subsequent review of resourcing needs
- creating three new positions:
 - Manager, Pharmaceutical Assessment
 - Senior Health Economist/ Team Leader
 - Senior Funding Application Advisor/Team Leader
- reducing the number of direct reports of the two Senior TGM/Team Leaders in the Pharmaceutical Funding Team
- removing line management from the role of Deputy Medical Director (DMD), Primary Care
- some role responsibility changes for S/TGMs
- some role responsibility changes for the Medical Director/DMDs/the MAR
- disestablishing the position of Manager, Health Economics

It is intended that the establishment of the three new positions would be 'headcount neutral' to the organisation. Therefore, recruitment for the Health Economist and TGM positions, which each become vacant in mid-May, will be put on-hold pending the outcome of this consultation and, if the proposed new structure is implemented, pending recruitment into the newly established positions noted above. While we are not proposing to reduce the headcount of S/TGMs or HEs as part of this proposal, it is a potential option that will be considered.

ORGANISATIONAL IMPACT

This proposal directly affects staff in the following positions:

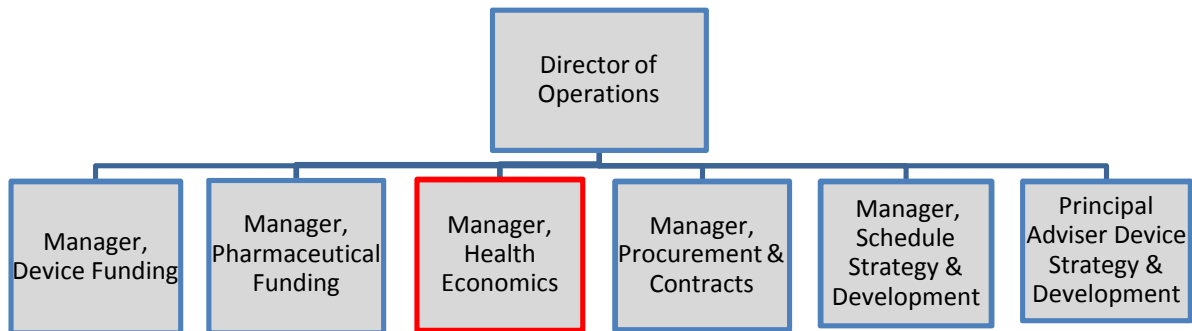
- Acting Manager, Health Economics (1)
- Senior Health Economist (3)
- Health Economist (3)
- Medical Director (1) - vacant
- Deputy Medical Director, Primary Care (1) – position vacant from 10 May 2019
- PTAC Secretary (1)
- Clinical Advice Coordinator (1) – currently filled by a temporary resource
- Funding Application Adviser (2)
- Senior TGM/Team Leader (2)
- Therapeutic Group Managers (8)

While Senior/Funding Coordinators are involved in the assessment of new pharmaceuticals for the purposes of NPPA applications, this proposal does not directly impact them. Impacts on other Pharmaceutical Funding team members, other Operations teams, other directorates and teams are estimated to be minimal.

CURRENT STRUCTURE OF IMPACTED TEAMS

The current permanent structures of the impacted teams with the Operations directorate and Medical Directorate are depicted below.

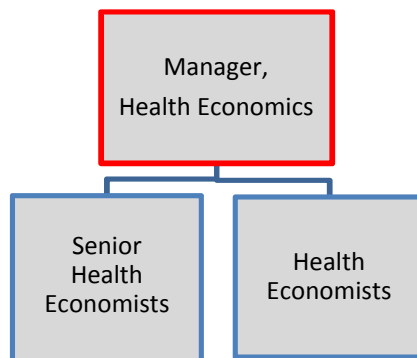
Operations Management Team



Legend

- the position highlighted in red is proposed to be disestablished

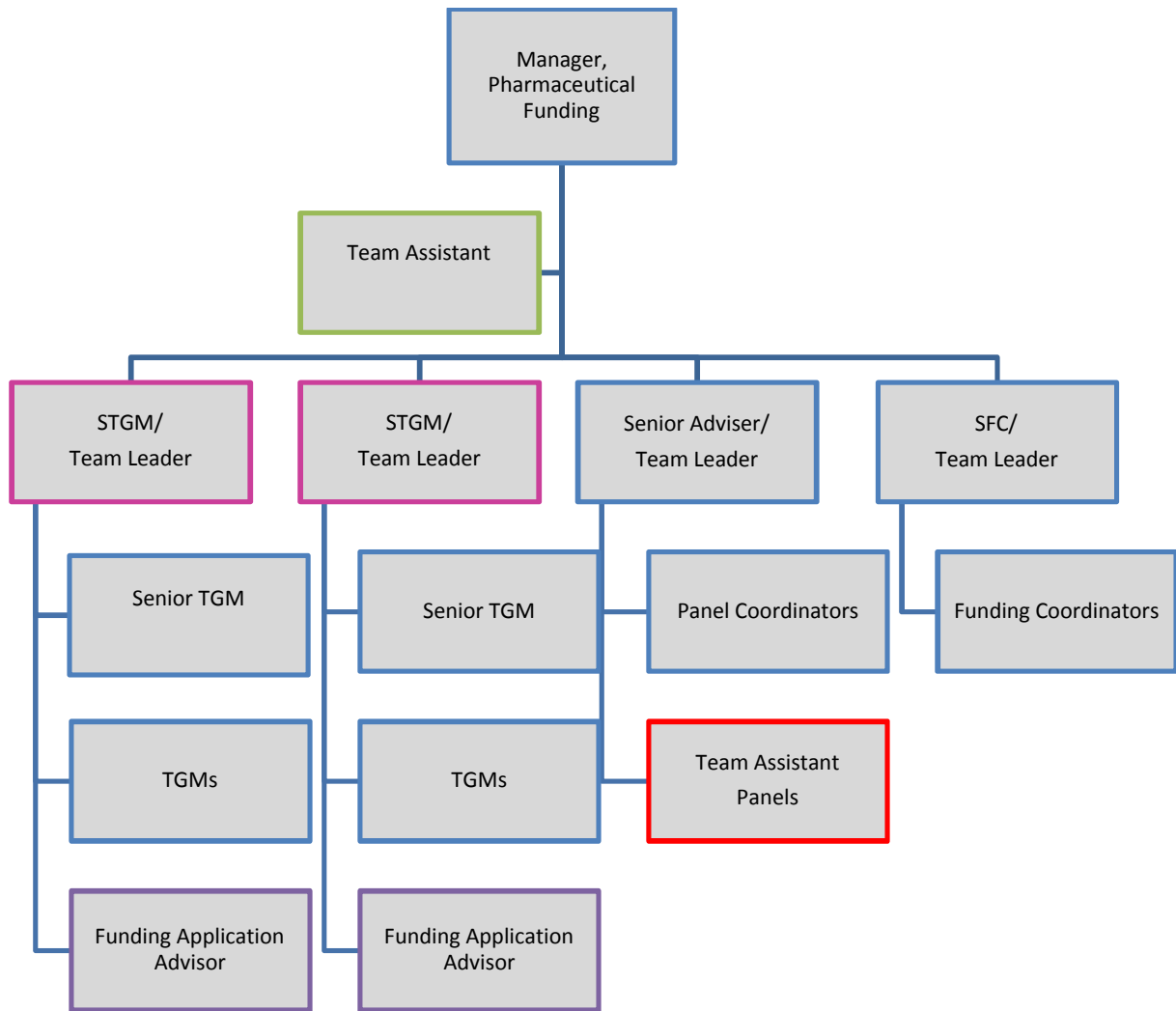
Health Economics Team



Legend

- the position highlighted in red is proposed to be disestablished

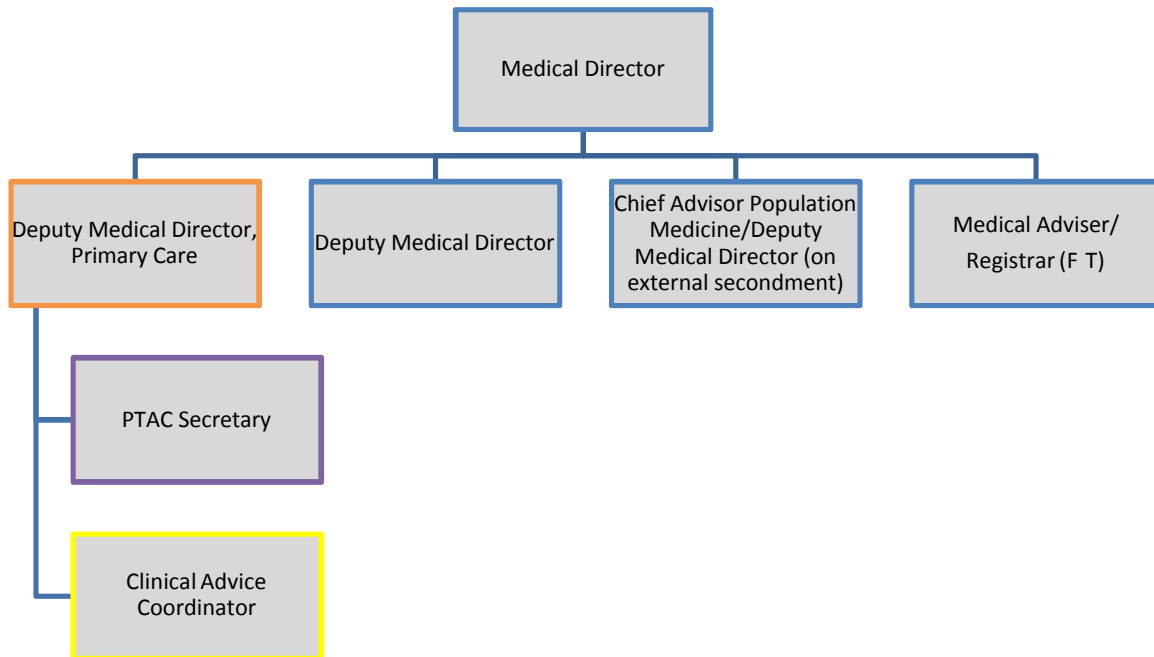
Pharmaceutical Funding Team



Legend

- the positions highlighted in pink are proposed to have a reduction in the number of direct reports by 1 FTE each
- the positions highlighted in purple are proposed to have a team and reporting line change
- the position highlighted in red is proposed to be disestablished – see separate proposal following the review of the administration support function
- the position highlighted in green is proposed to be moved into the Corporate directorate – see separate proposal following the review of the administration support function

Medical Directorate



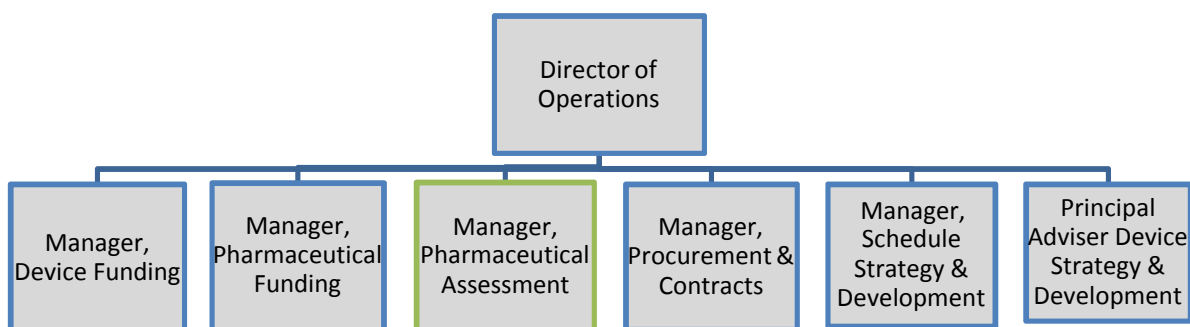
Legend

- the position highlighted in orange is proposed to no longer have direct reports
- the position highlighted in purple is proposed to have a change in directorate, reporting line, job title and some responsibilities
- the position highlighted in yellow is proposed to have a change in directorate, reporting line and some responsibilities; it is also proposed to be made a fixed-term position for a period of twelve months while resourcing needs in the new structure are determined

PROPOSED STRUCTURE OF IMPACTED TEAMS

The proposed permanent structures of the impacted teams within the Operations and Medical directorates of PHARMAC are depicted on the following pages.

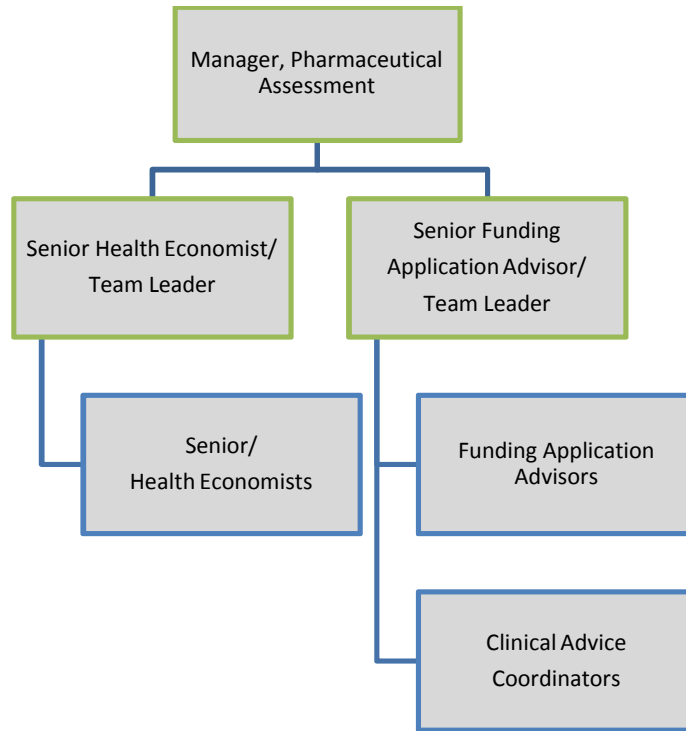
Operations Management Team



Legend

- the position highlighted in green is a proposed new position

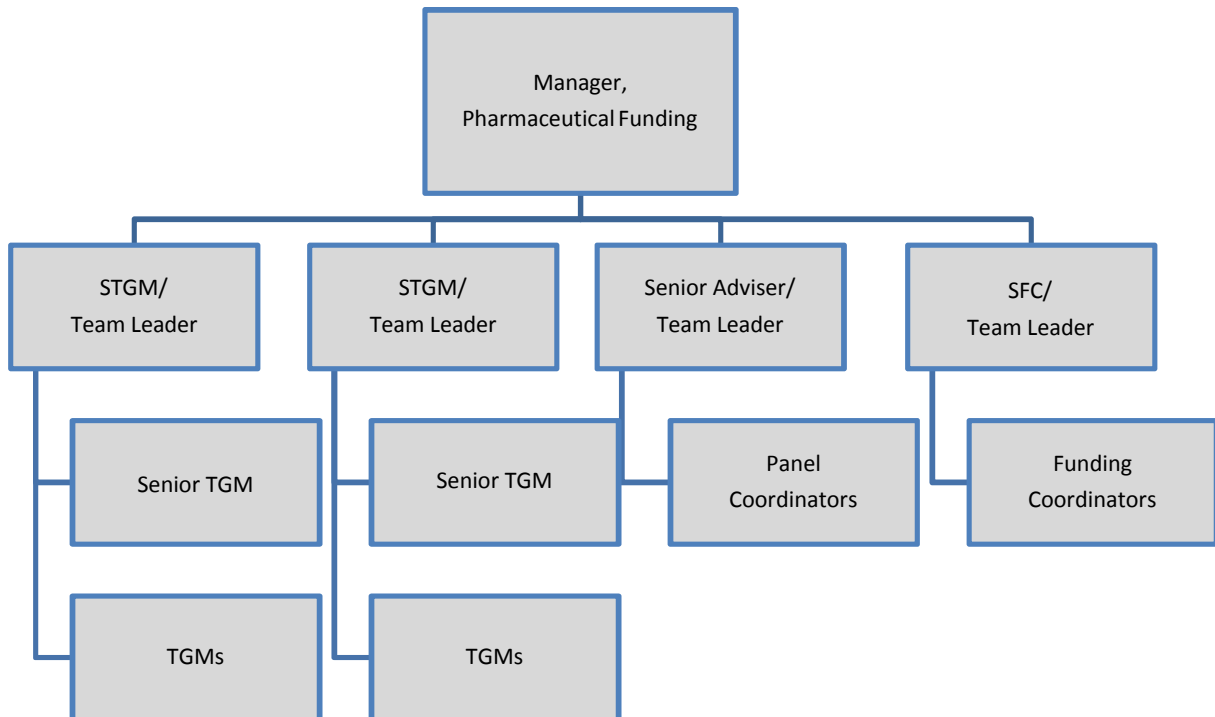
Pharmaceutical Assessment Team



Legend

- the positions highlighted in green are proposed new positions

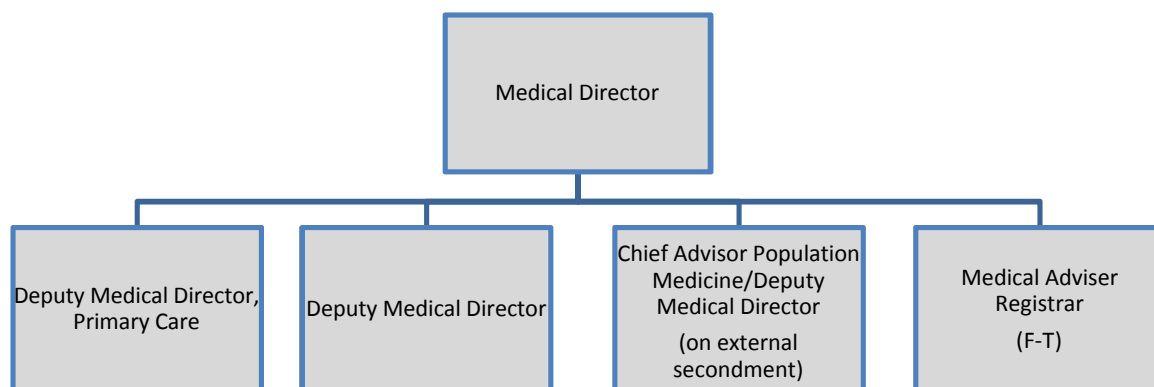
Pharmaceutical Funding Team



Legend

- assumes the separate proposal, following the review of the administration support function, proceeds

Medical Directorate



Legend

- assumes the separate proposal, following the review of the administration support function, proceeds

Recruitment

Once a decision has been made on the final structure, a recruitment process would be run to fill the new and vacant positions, beginning with the Manager, Pharmaceutical Assessment. It is likely that the Team Leader positions would be recruited internally in the first instance.

IMPACT ASSESSMENT

The table below shows the potential impacts of the proposed changes:

Position	Proposed Change	Impact
Changed Positions		
Senior/Health Economist	<ul style="list-style-type: none"> • Change of reporting line • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Permanent staff members confirmed in role • One fixed-term employee confirmed in role until November 2019 • One fixed-term part-time employee confirmed in role until September 2020 <p>Note: recruitment to vacant position on hold</p>
Funding Application Advisor	<ul style="list-style-type: none"> • Change of team • Change of reporting line • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Two permanent staff members confirmed in role
Senior TGM/Team Leader	<ul style="list-style-type: none"> • Reduction in number of direct reports by 1FTE • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Permanent staff members confirmed in role
S/TGM	<ul style="list-style-type: none"> • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Permanent staff members confirmed in role <p>Note: recruitment to vacant position on hold</p>

Position	Proposed Change	Impact
PTAC Secretary	<ul style="list-style-type: none"> • Change of directorate • Change of reporting line • Change of job title • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Permanent staff member confirmed in role
Clinical Advice Coordinator	<ul style="list-style-type: none"> • Change of directorate • Change of reporting line • Some change to role responsibilities (see table on the next page) • Change to 12 month fixed-term position 	<ul style="list-style-type: none"> • Position currently filled by temporary resource; to recruit for fixed-term position
Medical Director	<ul style="list-style-type: none"> • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Vacant position; recruitment underway
Deputy Medical Director	<ul style="list-style-type: none"> • No longer has any direct reports • Some change to role responsibilities (see table on the next page) 	<ul style="list-style-type: none"> • Vacant position w/e 10 May 2019; recruitment underway
Disestablished Positions		
Manager, Health Economics (currently vacant)		
New Positions (key responsibilities set out over)		
Manager, Pharmaceutical Assessment		
Senior Health Economist/Team Leader		
Senior Funding Application Advisor/Team Leader		

KEY RESPONSIBILITIES OF NEW POSITIONS

Positions	Key Responsibilities
Manager, Pharmaceutical Assessment	<ul style="list-style-type: none"> • Leading Health Economics and Funding Application teams • Managing all aspects of assessment of new funding applications for medicines and medical devices from receipt through to prioritisation • Lead Business Owner of PharmConnect • Contributing to the planning, reporting, discussion and decision-making of the OMT
Senior Health Economist/Team Leader	<ul style="list-style-type: none"> • Leading the Health Economics team • Ensuring the on-going development and implementation of the economic analysis framework to achieve PHARMAC's legislative objective • Providing advice and assessment of the cost-effectiveness of pharmaceutical and medical devices funding options to support decision-making processes
Senior Funding Application Advisor/Team Leader	<ul style="list-style-type: none"> • Leading the Funding Application team • Lead responsibility for the assessment of all applications for new listings of, or widened access to, pharmaceuticals. • Ensuring the on-going development and implementation of the decision-making framework (Factors for Consideration) to achieve PHARMAC's legislative objective • Overseeing the relationship between PHARMAC and PTAC and other committees and ensuring there is effective communication between each group

PROPOSED CHANGES TO EXISTING ROLES

Positions	Proposed Changes
Senior/Health Economist	<ul style="list-style-type: none"> • Addition of a specific obligation to contribute to drafting of briefing papers for, and minutes from, PTAC and SCs
PTAC Secretary/Clinical Advice Coordinator	<ul style="list-style-type: none"> • Alignment of the roles and responsibilities of the two positions to enable flexibility as to allocation of tasks and consistency of approach
Medical Director	<ul style="list-style-type: none"> • Responsibility for final approval of PTAC/SC briefing papers and minutes moved to Manager, Pharmaceutical Assessment • For the avoidance of doubt, would retain responsibility: <ul style="list-style-type: none"> ○ to review and provide advice on the production of PTAC/SC briefing papers and minutes ○ for strategic relationship management of PTAC/SCs
Funding Application Advisor	<ul style="list-style-type: none"> • Will lead the assessment of applications for new listings of, or widened access to, pharmaceuticals that are assigned to them by the Senior Funding Application Advisor/Team Leader
Therapeutic Group Manager	<ul style="list-style-type: none"> • Removal of lead responsibility for provision of advice regarding new listings of, or widened access to, pharmaceuticals • Would provide subject matter expertise, advice and opinions to FAAs and HEs, particularly about existing funded medicines and place in treatment for proposed new pharmaceuticals. • Would continue to interact and seek advice from SCs to support their strategic and tactical management of therapeutic groups, i.e. TG Reviews • Would continue to contribute to PHARMAC's prioritisation processes for new investment opportunities

SPECIFIC ISSUES WE'D LIKE FEEDBACK ON

- Working out the split of responsibilities between a S/TGM and a FAA will be key to the success of this proposal. The engagement and interaction within the proposed new team, and between the proposed new team and S/TGMs and the Medical Directorate, will also be important. What are your views on this? Consider, for example:
 - engagement with PTAC/SCs, external clinical advisors, consumer groups, suppliers, DHBs, other stakeholders
 - media/Communications/OIA queries
 - prioritisation and Cost-effectiveness assessment processes
- What do you think about the proposed team names and job titles?
- What do think about the workload impacts for proposed new team? Consider:
 - the proposal that accountability for signing off Pharmacology and Therapeutics Advisory Committee/SC briefing papers and minutes moves from the Medical Directorate to the Manager Pharmaceutical Assessment (note responsibility could be delegated/shared with other roles within the team)
 - In 2014, high-level time-recording activity by some S/TGMs occurred and indicated that (at that time) S/TGMs spent on average 0.3 FTE on work relating to PTAC or SC briefing papers, minutes and seeking ad hoc advice (i.e. total 3 FTEs). Has this changed?
 - PHARMAC receives 30-50 funding applications per year – a mix of new medicines and widening of access. Hospital medical device applications are expected after 2020.
- What do think the workload impacts would be for S/TGMs?

CONSULTATION PROCESS AND TIMELINE

This consultation will be open for three weeks. I invite your feedback, so I can consider all views before making a final decision. Feedback can be on any/all aspects of the proposed change and can be prepared individually or as a group. Your comments, suggestions and submissions can be emailed to change@pharmac.govt.nz by 5 pm on Friday 31 May 2019.

Draft PDs for affected positions and the three proposed new positions will be available during the consultation period. The table below gives an indicative timeframe for the proposal:

Date	Description
6/7 May 2019	Directly affected staff briefed
Thursday 9 May 2019	Other Operations staff briefed
Friday 10 May 2019	Consultation document released to all staff on PHARMHub
Friday 31 May 2019	Consultation period ends
W/b 17 June 2019	Decision document released. If decision is to proceed, notice provided to affected staff confirming new structure, including detail of any changes made following consideration of consultation feedback.
W/b 24 June 2019	Recruitment commences for Manager, Pharmaceutical Assessment

Human Resources and Support Contacts

- s9(2)(a), HR Manager (main HR contact for Medical Directorate)
- s9(2)(a), HR Adviser (main HR contact for Operations Directorate)
- s9(2)(a), HR Consultant (lead HR Advisor on the proposal)
- EAP Services, Tel 0800 327 669, www.eapservices.co.nz