

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING MARCH 2021

The meeting was held at Level 9, 40 Mercer Street, Wellington starting at 10.29am with the following attendees:

Board members

Steve Maharey	Chair
Ross Lawrenson	Board Member
Nicole Anderson	Board Member
Elizabeth Zhu	Institute of Directors, Future Director
Mark Weatherall	Observer, PTAC Chair
Lisa Lawrence	Observer, CAC Chair

PHARMAC staff in attendance

Sarah Fitt	Chief Executive
Lisa Williams	Director of Operations
Alison Hill	Director of Engagement & Implementation
Michael Johnson	Director of Strategic Initiatives
Mark Woodard	Director of Corporate Services/CFO
Trevor Simpson	Chief Advisor Māori
Lizzy Cohen	Board Secretary

Angela Cathro, Craig Butler, Geraldine MacGibbon, Sarah Beri, Andrew Davies, Graham Beever and Janet Mackay (PHARMAC staff) attended for relevant items.

10.26am the Senior Leadership Team, Board Observers, Senior Project Lead Te Whaioranga Strategy and HR Manager joined for the guest speaker's presentation.

Guest speakers Mere-Heni Simcock-Reweti, Director, Te Kāhui Hīkina (Māori Crown Relations) and Shane Kawenata Bradbrook, Senior Advisor – Te Kāhui Hīkina (Partnerships Team) from Te Arawhiti.

Mere-Heni and Shane presented to the Board on Te Arawhiti's role and what it means for public sector, for Crown agents and Boards and what it means for the PHARMAC Board and Board accountabilities. Te Arawhiti's advice for PHARMAC was centred around building capability and partnering with Māori to deliver better health outcomes for Māori. They acknowledged that PHARMAC's Te Whaioranga strategy supports this and were encouraged to see this as an overarching strategy. They encouraged PHARMAC to continue to build on its partnerships with whanau ora collectives.

1. Directors' Only Discussion

11.15am Directors' Only Discussion.

12.05am SLT and Board Observers joined.

1.1 Glossary of Terms

1.2 Board Actions

noted the Board Actions.

1.3 Board Annual Agenda 2021

The Board noted the Board Annual Agenda 2021.

2. Apologies

Jan White, Deputy Chair.
Claudia Wyss, Board Member.
Peter Bramley, Observer, DHB Representative.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of February 2021 Board Meeting

resolved to adopt the minutes of the February 2021 meeting as being a true and correct record.

Nicole Anderson and Ross Lawrenson (carried)

3.2 Minutes of February Board Health and Safety Committee meeting

noted the minutes of the February 2021 meeting.

3.3 Recommendations from Audit and Risk Committee – March meeting

noted the verbal update from the Audit and Risk Committee Chair of the March 2021 meeting.

agreed with the following Audit and Risk Committee (the Committee) recommendations to enhance and support risk review by the Committee:

agreed that the review of the risk register is completed by the Committee, instead of the Board.

agreed that the frequency of the review of the risk register will be aligned to the Committee meeting schedule (March, June and September).

agreed that, in intervening months, a risk report will be prepared by staff on an exceptions basis and presented to the Board.

agreed that the Committee will continue to provide an update to the Board after their meetings which will include an update on monitoring risk.

noted that staff intend to conduct a review of the Committee's work programme to look for opportunities to align with best practice, as part of staff's continuous improvement work; and

noted that staff intend to complete the review of the work programme by the June 2021 Committee meeting, at which point the Committee's Terms of Reference will be updated to include not only the risk review work but also any recommendations from the review of the work programme.

Nicole Anderson and Ross Lawrenson (carried)

4. Interests Register

noted the interests register; and

noted any decisions by the Chair to manage actual or potential conflicts of interest, as follows:

[None required]

5. Matters Arising

noted the matters arising and actions progressed.

6. Chair's Report

6.1 Verbal Report

A verbal update was provided by the Board Chair. The Board:

noted that the Board Chair and Chief Executive met with the Chair of the independent review of PHARMAC, Suzanne Chetwin and Review panel member Frank McLaughlin on Thursday 25 March. The Board Chair noted that this was a positive meeting, and the review presents an opportunity to look at current processes and what can be improved. The Chair noted that the mechanism by which PHARMAC is allocated budget is in scope of the review and confirmed that the budget allocation from the Government is not in scope.

The Board Chair noted that the Review Panel intend to meet with the Board Chair and Chief Executive in the near future.

noted that in March the Board Chair and Chief Executive met with MTANZ Chief Executive and Board Chair.

6.2 Correspondence

noted the correspondence report.

7. Chief Executive's Report

noted the Chief Executive's Report;

noted the financials for February 2021; and

noted that the Board Chair and Chief Executive intend to request an introductory meeting with Associate Minister of Health, Hon Dr Ayesha Verrall.

8. Strategy Planning and Policy

8.1 Te Rautaki o Te Whaioranga – Māori Responsiveness Strategy update

The Board were provided with an update on Te Whaioranga, PHARMAC's Māori responsiveness strategy and an overview of work planned for this year. The Board:

noted progress made in the first half of 2020/21 in implementing Te Whaioranga;

noted actions and outputs planned for the second half of 2020/2021;

noted that we will update the Board further in May 2021;

noted that PHARMAC staff are addressing recent challenges with recruiting Māori staff members; and

noted PHARMAC staff's intention to focus on partnerships with whanau ora, which was highlighted earlier in Te Arawhiti's presentation to the Board.

9. Key Items

9.1 Risk Report

The quarterly risk register was presented which includes risks that meet or exceed the Board's identified risk tolerance. For Board meetings in the intervening months, a summary risk report updates the Board on the items on the risk register that have materially changed. The Board:

noted the summary risk report, which provides an update on items on the Board risk register that have materially changed since the quarter 2 risk register was reviewed by the Board in January 2021; and

noted that the Audit and Risk Committee, at the March 2021 meeting, considered recommendations from staff to enhance and support the Committee's role in monitoring risk and that the Board have endorsed the Committee's recommendations (Agenda Item 3.3).

9.2 Risk in the Supply Chain Update

The Board were provided a six monthly update on PHARMAC's supply chain risk mitigation and management work and includes brief updates on the workstreams and a description of the work programmes that are intended to continue to improve supply chain risk mitigation. The Board:

noted that since 2017 changes and improvements have been made to PHARMAC's management of risk in the supply chain;

noted that staff are conducting a process improvement project on our supply issue management approach which is approximately 75% complete;

noted the work with other government agencies PHARMAC is engaged in following the COVID-19 pandemic in relation to supply chain management; and

noted staff's progress to secure alternative supply of medicines arising from the Apotex market exit.

10. Schedule and Funding

10.1 Pharmaceutical Expenditure and Transactions Report

noted the current Combined Pharmaceutical Budget expenditure position and significant medicines transactions being planned or underway.

Ross Lawrenson and Nicole Anderson

(carried)

10.2 Medical Devices Transaction and Investment Report

noted the update on progress with medical devices national contracting activity.

PHARMAC staff noted that the DHB group met for the first time this morning and they were very engaged. This group will work with PHARMAC to help identify who PHARMAC staff can engage with in DHB's, to headline any issues and assist with getting the right information to the right people.

11. Regular Reports and Noting Papers

11.1 Confidential and Legally Privileged Legal Report

noted the legal report which provides an update on current legal issues of relevance to the Board.

11.2 Legislative Compliance Report for Period from 1 August 2020 to 31 January 2021

noted that the legislative compliance survey is one of several mechanisms in place to ensure legal compliance and, based on the information obtained as a result of the survey, it appears that PHARMAC has a good level of compliance with its key legislative requirements; and

11.3 Implementation Update

This paper provided a six-monthly update to the Board on some of the engagement that has already occurred, and further engagement that is planned, for major pharmaceutical funding transactions. The Board:

noted the update on engagement activities that PHARMAC staff are undertaking to support the transactional work of PHARMAC; and

noted that translation costs are incurred by PHARMAC and will likely continue to be a cost going forward. The Board suggested staff may like to consider how we leverage off other agencies and consider generating discussion regarding central funding for translations.

11.2 Monthly Communications Report

This paper summarises communications activity for February 2021. The Board:

noted the spike in mentions of PHARMAC in the media due to the lamotrigine inquest;

noted that we are increasing our social media activity and focusing the content of posts on items of interest to pharmacists, prescribers and advocacy groups; and

11.3 Summary of Decisions Made Under Delegated Authority – February 2021

noted the monthly summary of decisions made under Delegated Authority in relation to the Pharmaceutical Budget by the Chief Executive, Director of Operations, Manager Pharmaceutical Funding, Senior Advisor/Team Leader and Senior Therapeutic Group Managers/Team Leaders.

12. Interest Articles

noted the interest articles.

13. General Business

Date of Next Meeting

The date for the next Board meeting is set for Friday 30 April 2021 via videoconference.

The meeting closed at 12.53pm with a karakia.

Chair:

Date: