

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING APRIL 2021

The meeting was held via videoconference starting at 9.00am with the following attendees:

Board members

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|-------------------------|---|
| Steve Maharey | Chair |
| Jan White | Deputy Chair |
| Ross Lawrenson | Board Member |
| Nicole Anderson | Board Member |
| Claudia Wyss | Board Member |
| Elizabeth Zhu | Institute of Directors, Future Director |
| Mark Weatherall | Observer, PTAC Chair |
| Peter Bramley | Observer, DHB Representative. |
| Adrienne von Tunzelmann | Observer, Deputy 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 |

1. Directors' Only Discussion

9.00am a karakia to open the meeting followed by Directors' Only Discussion.
9.07am the Senior Leadership Team 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

Lisa Lawrence, CAC Chair.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of March 2021 Board Meeting

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

Nicole Anderson and Jan White

(carried)

3.2 Minutes of March Audit and Risk Committee meeting

noted the minutes of the February 2021 meeting.

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 the recent announcement by the Minister of Health on the Health Reforms; and

noted that the Board Chair and Chief Executive met with the New Zealand Health Partnerships Chief Executive, Steve Fisher and FPIM Programme Director, Jakkie van Wyk.

6.2 Correspondence

noted the correspondence report.

7. Chief Executive's Report

noted the Chief Executive's Report;

noted the financials for March 2021;

noted the recent incident where an error was introduced into the acitretin Special Authority criteria safety information and a verbal update and risk assessment by staff. PHARMAC staff noted that they have work underway to identify where there is patient safety information included in special criteria and that they plan to meet with Ministry of Health staff to discuss roles and responsibilities for patient safety information for prescribers; and

noted the Health Reforms announcement. The information released is high level however generally the Board sees the Reforms as opportunity to advance our strategic priorities in a positive way.

8. Key Items

8.1 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 risk register and this cover paper noting changes to the register, both of which provide a summary of current and ongoing risks of relevance to the Board; and

noted that at its February 2021 meeting, the Board agreed that the Audit and Risk Committee will be considering the risk register going forward.

9. Strategy Planning and Policy

9.1 PHARMAC 2020/21 Quarter Three Performance Report

noted PHARMAC's 2020/21 Quarter Three Performance Report; and

noted the following key insights from the Quarter Three Performance Report:

1. PHARMAC staff continue to make progress towards delivering the initiatives set out in the first year of our new strategic direction.
2. Our work programme in the 2020/2021 Statement of Performance Expectations is ambitious. Whilst much of the programme is on track, a number of factors have led to some milestones slipping, and actions to address this are being progressed by the Senior Leadership Team. We are confident many of the Quarter Four milestones can be reached and delivered.
3. There has been significant progress across all strategic priority areas. Overall, three strategic priority areas have been rated amber (Enhance Key Functions, Equitable Access and Use, and Data and Analytics). The remainder are rated green. Te Whaioranga is rated amber, and People and Capability is rated green.
4. Resourcing issues, including recruitment challenges, have continued to affect our capacity to deliver.
5. The development of performance measures and the collection of data for new performance measures is going very well, with just six out of 43 measures rated amber in terms of our ability to report on them at the end of the financial year. We are confident that we will be able to report on all performance measures as part of PHARMAC's 2020/21 Annual Report.

noted the significant progress across all strategic priority areas and acknowledged the work of staff to continue to deliver on our objectives while also managing work associated with the independent review of PHARMAC and resourcing constraints, including recruitment challenges, in some areas which have had some effect on our capacity to deliver. The Board noted that recruitment challenges appear to be across Wellington and also at a national level.

9.2 Draft Statement of Performance Expectations 2021/22

noted PHARMAC's draft Statement of Performance Expectations 2021/22;

noted that the draft Statement of Performance Expectations sets out measures from PHARMAC's performance framework, with no performance measures added or removed from the previous year;

noted that the draft Statement of Performance Expectations contains forecast financial information based on PHARMAC's operating budget, which was considered by the Audit and Risk Committee on 26 March 2021;

noted that the forecast financial information includes expected movements in the CPB Discretionary Pharmaceutical Fund (CPBDPF) and Hospital Discretionary Pharmaceutical Fund (HPDF).

noted that the draft Statement of Performance Expectations has been sent to the Ministry of Health, Audit NZ and Bell Gully for their review and their material feedback will be incorporated into the final draft Statement of Performance Expectations;

noted following feedback from the Board, the draft Statement of Performance Expectations will be provided to the Minister of Health in early May for feedback;

noted the final draft Statement of Performance Expectations will be brought back to the Board for approval at its May 2021 meeting; and

noted that following Board approval at its May 2021 meeting, the Statement of Performance Expectations will be presented to the House of Representatives by 30 June 2021.

The Board were very pleased with the draft report and commended staff as it reads as an accessible document for the public and highlights that our focus to move to plain English is going very well.

10. General Business

NA.

Date of Next Meeting

The date for the next Board meeting is set for Friday 28 May 2021 in Wellington.

The meeting closed at 10.35am with a karakia.

Chair:

Date: