

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING APRIL 2022

Due to COVID-19 restrictions, the meeting was held via Zoom, and started at 9.00am with the following attendees:

Board members

Steve Maharey	Chair
Claudia Wyss	Board member
Anthony Jordan	Board member
Talia Anderson-Town	Board member
Jan White	Board member
Elizabeth Zhu	Institute of Directors, Future Director
Jane Thomas	Observer, PTAC Chair
Lisa Lawrence	Observer, CAC Chair

Pharmac staff in attendance

Sarah Fitt	Chief Executive
Carol Morris	Board Secretary
Lisa Williams	Director of Operations
Jannel Fisher (for Peter Alsop)	Director of Engagement & Implementation
Michael Johnson	Director of Strategic Initiatives
Kathryn McInteer	Director Finance and Corporate
David Hughes	Chief Medical Officer
Trevor Simpson	Chief Advisor Māori

Attendees joined the meeting via Zoom to present relevant papers: Davina Carpenter, David Hughes, Helen Fielding and Brent McPherson.

1. Directors-only Discussion

The meeting opened at 9.00am with a Karakia followed by a Directors-only discussion.

1.1 Glossary of Terms

1.2 Board Actions

The Board **noted** the Board Actions.

1.3 Board Annual Agenda 2022

The Board **noted** the Annual Agenda 2022.

The Senior Leadership Team joined the meeting at 9.45am.

1.4 Information recommendations from Independent Review of Pharmac

A paper was presented to provide the Board with an opportunity to discuss and review the informal recommendations and suggestions from the final report of the independent review of Pharmac, with consideration given to our response and implications for our work.

The Board:

noted that the final report of the independent review of Pharmac includes both formal recommendations to the Minister of Health and a number of other information recommendations and suggestions for Pharmac's consideration throughout the body of the report; and

noted that the final report will be published alongside four accompanying reports, which contain a range of insights, observations, and recommendation for improvement. A further analysis of these reports will be undertaken to determine the impact of the recommendations.

The Board discussed the informal recommendations from the review report and implications for Pharmac's current and future work programmes, and provided general feedback.

The Chair advised that he and the Chief Executive had a meeting with the Minister of Health mid-March in relation to the Review.

The Board Observers joined the meeting at 10.25am.

2. Apologies

None.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of Board Meeting held 25 March 2022

The Board **resolved** to adopt the minutes of the March 2022 meeting as being a true and correct record.

Claudia Wyss and Talia Anderson-Town **(carried)**

3.2 Minutes of the Audit and Risk Committee Meeting

The Board **resolved** to adopt the minutes of the March 2022 Audit and Risk Committee Meeting as being a true and correct record.

Talia Anderson-Town/Anthony Jordan **(carried)**

3.3 Strategy Meeting notes

The notes of the Board Strategy Meeting of 24 March 2022 were received.

4. Interests Register

The Board:

noted the interests register

noted decisions by the Chair to manage actual or potential conflicts of interest.

5. Matters Arising

The Board **noted** the matters arising and actions progressed.

It was advised that the offsite meeting planned for May will now be held at a future date due to COVID-19 restrictions.

6. Chair's Report

The Chair advised:

- Health reforms are going well and we are continuing to work closely with the team
- Treasury forum held in relation to governance
- Implementation of Health Finance, Procurement, and Information Management System (FPIM) moving at pace
- The Board and Pharmac SLT met with the Rōpū on 13 April for the first Rōpū meeting.

6.1 Verbal Report

A verbal update was provided by the Board Chair.

6.2 Correspondence

The Board **noted** the correspondence report.

Correspondence Received

- Letter of Expectations for Pharmac for 2022/23 to the Board Chair received from the Minister of Health dated 31 March 2022.
- Joint letter from Hon Grant Robertson and Hon Chris Hipkins to the Board Chair dated 11 April 2022 notifying the direction of a whole of government approach relating to the Carbon Neutral Government programme.

Correspondence prepared on behalf of the Board

No correspondence has been received on behalf of the Board this month.

7.1 Chief Executive's Report

The Board **noted** the Chief Executive's Report and March 2022 Financial appendices.

Transition back to the office

An overview was given on the transition back into office for staff working from home. A further risk assessment was completed with two drop-in sessions for staff with high attendance uptake. The transition is envisaged to be over the next 5-6 weeks and for most staff to return by early June. There is currently an option to work in the office or home, and for staff to return when they feel comfortable as some people expressed anxiety around taking public transport. Measures are in place in the office with mask wearing in shared areas and meeting rooms, and holding meetings by Zoom or Teams in relation to spacing. A number of staff have expressed they are keen to get back to the office and it has been noted that the city has picked up with people returning. Currently working through transition with support to staff over the next weeks.

COVID-19 vaccine transfer

Working with the Ministry in relation to the transition of the COVID-19 vaccine management.

Bell Gully has also been involved to work throughout the transition, and work has been taking place with Interim Health NZ, MoH and sector operations. A further update will be given at the May Board Meeting.

The Board requested an update paper for their meeting in May on progress with implementation of the appropriation.

8. Strategic Planning and Policy

8.1 Risk Report and Register – Quarter Three

The purpose of this paper was to present the full risk register which was considered by the Audit and Risk Committee and provided to the Board as an information item. The purpose of the risk management programme, and paper summarising its status, was to identify potential problems before they occur, or, in the case of mitigation or improvement opportunities, to ensure that positive action steps are taken.

The Board:

noted the risk register, which provides a summary of current and ongoing risks of relevance to the Board; and

noted that the Audit and Risk Committee reviewed the risk register (as at 7 March 2022) on 25 March 2022; and

noted that the quarter three risk register will be included in the quarterly report to the Minister of Health.

Changes in the report have been underlined to assist with outlining progress or changes since the Board last saw the report. No changes have occurred to any ratings since the last report. The paper focused on four of the highest rating risks and gives an overview of how these risks are being managed.

Following the presentation to the Board in March by David Nalder, work is now underway to take a paper to the June Audit and Risk Committee to look at the implications of the risk framework presented to see whether or not it has future viability for how Pharmac manage and assess risk.

8.2 Reappointment of PTAC Member

The purpose of this paper was to request the Board recommend to the Director-General of Health that one current member of PTAC is reappointed for further three-year term of service according to the PTAC Reappointment Process 2021. This member is eligible to serve further terms.

The Board:

resolved to recommend to the Director-General of Health that Professor Brian Anderson be reappointed for a second three-year term on PTAC ending 31 January 2025; and

noted that the above member has fulfilled the required performance review and is eligible to serve a further term on PTAC; and

noted that after considering the Board Chair's and Pharmac Board's advice, the Director-General of Health will determine if the member is to be reappointed.

Claudia Wyss and Talia Anderson-Town

Carried

9. Strategy Planning and Policy

9.1 Pharmac 2021/22 Quarter 3 Performance Report

The purpose of this paper was to provide a summary of the progress of our strategic initiatives, and some strategic insights for consideration.

[Statement of Performance Expectations 2021/22](#) (SPE), and quarterly performance measures.

The Board:

noted Pharmac's 2021/22 Quarter Three Performance Report

noted the key insights from the Quarter Three Performance Report Pharmac has made good progress towards delivering the initiatives set out in our Statement of Performance Expectations 2021/22, year two of our strategic direction set out in four-year Statement of Intent

noted that the Quarter Three Performance Report (excluding the Organisational Excellence section) will be sent to the Minister of Health and published on the Pharmac website in line with our proactive publication policy to increase our transparency; and

noted that no issues were foreseen in relation to year-end performance measures and targets being met; and

noted that future reports would capture additional analysis and insights where possible. This would include, for example, reporting the anticipated benefits of our transactions on population groups, and giving greater consideration to (or analysis of) equity across all priorities and work areas; and

noted that future reports would address the use of the traffic light system when reporting and/or provide greater clarity to how progress was being assessed and classified; and

noted that recorded measures pertain to annual actions listed in SOI, rather than specific outcomes, and that further detail may be helpful and that future reports will capture additional analysis and insights where possible.

10. General Business

None noted.

The meeting closed at 11.30pm with a karakia.

Date of Next Meeting

The date is set for Friday, 27 May 2022.

Chair: _____
Steve Maharey

Date: _____