

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING FEBRUARY 2021

The meeting was held at Level 9, 40 Mercer Street, Wellington starting at 10.26am with the following attendees:

Board members

Steve Maharey	Chair
Jan White	Deputy Chair
Ross Lawrenson	Board Member
Claudia Wyss	Board Member
Nicole Anderson	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

Rachel Read, Andrew Davies, Geraldine MacGibbon, Sarah Beri, Fiona Rutherford, Janet Mackay, Sandy Bhawan, and Graham Beever (PHARMAC staff) attended for relevant items.

10.26am The Minister of Health, Hon Andrew Little, met with the PHARMAC Board, Senior Leadership Team and Policy Manager. The Minister was accompanied by Lisa Petraschuk, Ministerial Adviser and Fiona Ryan, Regulatory Policy Manager, Ministry of Health. The Minister of Health's visit provided an opportunity for the Minister to meet Board members, to talk about his priorities for the health portfolio and to provide an update on the external review of PHARMAC.

11.03am Guest speaker Matt Benson from The Navigators provided the Board with some initial insights into the stakeholder engagement survey results. The survey, which will be undertaken annually, is a workstream within the Relationships and Partnerships strategic priority. This is the first stakeholder survey conducted by PHARMAC since 2015 and the results provide a benchmark on which we can then measure our progress. The results measure outcomes, not just engagement which is important for PHARMAC with stakeholder and public expectations and interest in our role.

1. Directors' Only Discussion

11.35am Directors' Only Discussion.

12.05am SLT and Board Observers joined and a karakia opened the meeting.

The Board Chair acknowledged Lisa Williams, Director of Operations and Mark Weatherall, PTAC Chair for giving evidence at the lamotrigine coroners inquest this week.

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 January 2021 Board Meeting

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

Jan White and Nicole Anderson

(carried)

3.2 Recommendations from Board Health and Safety Committee – February meeting

noted the verbal update from the Board Health and Safety Committee Chair of the February 2021 meeting.

3.3 Summary of November 2020 PTAC meeting

The Board were informed of the recommendations made by PTAC at its November 2020 meeting held on 12 and 13 November 2020. The Board:

noted the following summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meetings held on 12 & 13 November 2020; and

noted the August 2020 PTAC record was signed off by the Chair on 29 January 2021 and is published on the PHARMAC website.

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 a sub-group of Board members met with the Chief Executive for her 2020/21 interim performance review; and

noted that the Chief Executive and Board Chair appeared before the Health Select Committee for the 2019/20 Annual Review of PHARMAC, via Zoom on 17 February, and that the Board Chair has invited the Committee to receive a briefing on PHARMAC's role.

6.2 Correspondence

noted the correspondence report.

7. Chief Executive's Report

noted the Chief Executive's Report;

noted the financials for January 2021; and

noted the release of the Cancer Control Agency report and the opportunity for us to work with them particularly in their prioritisation role and the health outcomes work. The Board suggested extending an invitation to the Chief Executive, Diana Sarfati to meet with the Board.

8. Key Items

8.1 Update on funding of medicines for rare disorders

The Board were provided with an update on PHARMAC's ongoing work to improve funded access to medicines for rare disorders. The Board:

noted the recent and future focussed activities relating to funding of medicines for rare disorders following the introduction of PHARMAC's medicines for rare disorders policy in 2018;

noted the contents of this paper and more substantive background material on funding of rare disorders medicines will be compiled in a briefing to the Minister of Health;

noted that staff will engage with the Ministry of Health to engage on broader system challenges for people with rare disorders, as the challenges are broader than solely funding medicines; and

noted the need for rare disorders strategy, led by the Ministry of Health. PHARMAC staff will follow up with Ministry staff consider how we can contribute to a system wide focus.

8.2 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.

8.3 Combined Pharmaceutical Budget Management Report

This paper updates the Board on the February 2021 Combined Pharmaceutical Budget (CPB) Forecast. It aims to enable a discussion by the Board regarding management's planned activities to achieve the 2020/21 CPB expenditure target and manage out-year expenditure. The Board:

noted that the total allocated CPB funding for 2020/21 is \$1,119 million, comprised of:

- \$1,045 million in baseline funding; and
- \$74 million in funding for COVID-19 expenses, made up of \$10 million from 2019/20 rolled over to 2020/21 and \$64 million provided for 2020/21;

noted that staff are progressing with some small but positive savings transactions.

9. Schedule and Funding

9.1 Pharmaceutical Expenditure and Transactions Report

noted the update from PHARMAC staff on the large and/or significant medicines transactions that are currently planned or in progress.

9.2 Medical Devices Transaction and Investment Report

noted the update on progress with medical devices national contracting activity, and the good progress towards achieving the 2020/21 Statement of Performance Expectations target of \$400 million of medical devices under national contracts by 30 June 2021.

10. Strategic Planning and Policy

10.1 Update on Medical Devices work programme

This paper briefly reminded the Board of the Programme; provided an update on progress since we last publicly engaged in a substantive way in mid-2019 on the maturation of our medical devices management approach; and described what staff will be doing next to engage with key stakeholders later this year. The Board:

noted PHARMAC's progress with its programme to deliver on its medical devices strategic priority;

noted that we will be engaging a range of sector stakeholders from May 2021 to seek their feedback on aspects of our more detailed proposed approach to the management of medical devices;

noted that the next paper to the Board on the Medical Devices Programme is scheduled in July 2021 which will describe our next engagement with key stakeholders; and

noted the challenge engaging across the DHBs with the different structures, making it a little more difficult to work out who to engage with. However, acknowledged that the DHB Advisory Group should assist with this.

The DHB representative noted that the actions from Health and Disability System Review may help pull the sector together which would assist with this and with compliance.

1.36pm Mark Weatherall left the meeting.

The Board and Acting CAC Chair discussed how we balance applying an equity lens verses standardisation when we consider the funding of medical devices.

The Acting CAC Chair noted that DHB consumer councils are working through the aspects of their role to factor in equity and te tiriti obligations and staff welcomed her to share any insights that we can consider for engaging with consumers on our medical devices work.

10.2 Relationships and Partnerships strategic priority work programme

This paper provided the Board with an overview of the Relationships and Partnerships strategic priority work programme and an update on progress. It also provided a summary of activity undertaken to date and planned next steps over the next twelve months. The Board:

noted the overview of the Relationships and Partnerships strategic programme;

noted over the next six-months PHARMAC staff will be re-engaging with key stakeholders to help develop action plans and confirm the approach for PHARMAC's stakeholder engagement strategy, which they are looking forward to;

noted that the 2021 stakeholder engagement survey will be undertaken in October 2021;

noted that staff will be developing a stakeholder engagement strategy over the next twelve months that will help to inform our approach to relationships and partnerships across PHARMAC; and

The Board acknowledged that the stakeholder engagement survey will help determine our vision for engaging with our stakeholders – where we want to be in the next year or so.

The Acting CAC Chair encouraged staff's thinking in how they utilise the CAC when considering how we engage with consumers and that the DHB consumer councils will have some useful insights.

10.3 Update on equitable access and use work programme and Qlik tool demonstration

The Board were provided with an update on the strategic priority of Equitable Access and Use of medicines. This included an update on cross-organisational work on PHARMAC's policies and approaches to medicine access equity, and the proposed approach to drive measurable changes in medicine access equity for the priority conditions as the data insights are derived. The Board:

noted the overview of progress to date and work underway under the Equitable Access and Use strategic priority;

noted the insights derived from our outcomes framework analytics on gout management, intended and planned activities to improve equity of medicine access and use for gout management; and

noted that we plan to build these insights using PHARMAC's existing visual analytics tool - QLIK, which is the development of our data story; and

noted the pro-equity inclusion of ethnicities in Special Authority criteria in a recent diabetes medicine decision, and policy work now underway to build on this by establishing a framework for further use of ethnicity Special Authority criteria to support medicines access equity.

PHARMAC staff provided the Board with a demonstration of the QLIK tool.

The Board noted the opportunities that could come from sharing data to help influence a change in prescribing behaviour, and the benefits this will have in progressing our equity work programme.

The Board commended staff on their work looking at gout as a priority condition for Māori and acknowledged the challenges that will come with broader health conditions such as cardiovascular.

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 Communications Report

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

noted that proactive media has been focused on ensuring the PHARMAC voice is included in media coverage.

11.3 Summary of Decisions Made Under Delegated Authority – January 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

13. General Business

Date of Next Meeting

The date for the next Board meeting is set for Friday 26 March 2021 in Wellington.

The meeting closed at 2.40pm with a karakia.

Chair:

Date: