

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING JANUARY 2021

The meeting was held at Level 9, 40 Mercer Street, Wellington starting at 10.10am 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
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

Rachel Read, Andrew Davies, Geraldine MacGibbon, Craig Butler, Ben Campbell-Macdonald, Catherine Proffitt and Graham Beever (PHARMAC staff) attended for relevant items.

1. Directors' Only Discussion

Guest Speaker

10.37am – After Directors' Only discussion, guest speaker Professor Andrew Moore from Otago University spoke to the Board, Board Observers, Senior Leadership Team and PHARMAC staff (Manager, Health Economics and Senior Health Economist) regarding his experience in health ethics and policy, specifically his views on equitable access and use of medicines and insights on health services accessing Māori. Professor Moore's talk linked to the strategic priority theme of the meeting; Equitable access and use of medicines.

11.21am - Mark Weatherall, PTAC Chair joined the meeting.

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

Shirley Crawshaw, Medical Director.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of November 2020 Board Meeting

resolved to adopt the minutes of the November 2020 meeting as being a true and correct record.

The Board noted that the Minister of Health will now attend the Board meeting in February, not January as reflected in the minute.

Claudia Wyss and Nicole Anderson **(carried)**

3.2 Minutes of December 2020 Out-of-Cycle Board Meeting

resolved to adopt the minutes of the December 2020 meeting as being a true and correct record, subject to one minor change.

Jan White and Ross Lawrenson **(carried)**

3.3 Minutes of November 2020 Board Health and Safety Committee Meeting

noted the minutes of the November 2020 meeting as being a true and correct record.

3.4 Summary of November 2020 Consumer Advisory Committee (CAC) Meeting

noted the summary of the Consumer Advisory Committee (CAC) meeting held on 6 November 2020; and

noted the minutes of the meeting will be published on the PHARMAC website during February.

The Board noted the action to circulate information to the CAC members in relation to brand changes and the effect of placebo and nocebo and requested they too receive a copy of this information.

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

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

noted that on 16 December 2020 the Board Chair and Chief Executive met with the recently appointed Minister of Health, Hon Andrew Little for the first of PHARMAC's regular meetings with the Minister.

noted that the Board Chair is a member of the COVID-19 Vaccine and Immunisation Programme Governance Group, coordinated by MBIE, who met this morning, Friday 29 January 2021.

noted that PHARMAC is part of the all-of-government COVID-19 vaccine strategy and responsibility for the vaccine implementation sits with the Ministry of Health. PHARMAC staff agreed to update information on the website to help clarify PHARMAC's role.

noted the low uptake of the measles vaccination and the pressure this may have on the timing of influenza and COVID-19 vaccinations.

The CAC Chair noted that measles and other vaccinations for under 25 year olds had been promoted through the trusted relationship with their sexual health provider.

The Board Chair thanked PHARMAC staff for their efforts to respond quickly to the diabetes transaction consultation feedback and the preparation of the Board funding proposal. They acknowledged that this was a good example of PHARMAC responding to the need of New Zealanders and quickly.

6.1 Verbal Report

noted the Chair's verbal report.

6.2 Correspondence

noted the correspondence report.

The Board noted the Public Service Commissioner's request to review the draft Code of Conduct for Crown Entity Boards and agreed to provide feedback which the Board Secretary will collate and respond to on the Boards' behalf.

7. Chief Executive's Report

noted the Chief Executive's Report;

noted the financials for December 2020;

noted that the Iwi Hauora Symposium at Waitangi on 3 February 2021, which the PHARMAC's Chief Advisor Māori has been invited to, is now going to be held via remotely; and

noted the security incident reported in the Chief Executive report and that PHARMAC staff do not identify a trend with regards to incidents of this nature.

8. Key Items

8.1 Update on the work programme to increase transparency

This paper provided the Board with a further update on PHARMAC's continuous improvement work to increase transparency and make our funding application processes faster, clearer, and simpler. The Board:

noted the activities underway to increase transparency and to make our funding application processes faster, clearer, and simpler; and

noted that the contents of this paper will form the basis of a report to the Minister of Health on PHARMAC's work on improving the transparency and timeliness of its processes, as outlined in the Minister of Health's 2020/21 Letter of Expectations, and will be covered in our briefing to the Health Select Committee.

8.2 Risk Report and Register – Quarter 2

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

noted the attached Board Risk Register for Quarter 2 2020/21.

9. Schedule and Funding

9.1 Medical Devices Transaction and Investment Report

noted the update on progress with medical devices national contracting activity; and

noted that PHARMAC staff are issuing the last RFPs for the remaining categories and that once the categories have been completed, staff plan to look at the differences in purchasing behaviours across DHBs and the impact for patients.

The DHB representative noted that DHB compliance with requirements to purchase from the catalogue will largely rely on having a large catalogue, and that quality and cost will be main drivers for compliance.

9.2 Pharmaceutical Expenditure and Transactions Report

noted the current Combined Pharmaceutical Budget expenditure position and significant medicines transactions.

noted an update from PHARMAC staff on their progress in securing alternate supply of some of Apotex's portfolio following their announcement of exit from the New Zealand market.

Claudia Wyss and Jan White

(carried)

9.2 Prioritisation Report

This report describes prioritisation activity since the last report presented to the Board at its October 2020 meeting.

noted the prioritisation activity undertaken by PHARMAC staff since September 2020 and the progress of selected items on PHARMAC's prioritisation list.

noted that the PTAC Terms of Reference is out for public consultation and that we may receive feedback on how PTAC consider and provide advice to PHARMAC.

10. Strategic Planning and Policy

10.1 Public Preference Survey for the Prioritisation of Pharmaceuticals

This paper sought the Board's feedback on the proposed path to issuing a Request For Proposal (RFP) and undertaking a discrete choice experiment designed to elicit public preferences for pharmaceutical spending. The Board:

noted that PHARMAC staff intend to issue an RFP for research on public preferences;

noted that the results of the research will be used to improve our prioritisation process to move towards a model that better reflects public values and supports the Government's goal of equity of health outcomes;

noted that staff may want to consider administering the survey in other languages such as te reo Māori and Chinese; and

noted that the language used in the survey and the administration of it (in person and online) will be important to ensure that we capture the voices of Māori and Pacific peoples and people with disabilities.

The Board supported staff's suggestion that this work be used as an opportunity to co-design with Māori and highlight our commitment to te Tiriti, and that it would be beneficial when considering data sovereignty to have strong Māori sponsorship.

The Board supported this work however noted staff need to consider how the data collected will be used and applied, and the timing for undertaking the survey.

10.2 PHARMAC 2020/21 Quarter Two Performance Report

This paper provided the Board with PHARMAC's 2020/21 Quarter Two Performance Report. This provides the Board with assurance on PHARMAC's progress towards our strategic priorities. The Board:

noted the Quarter Two Performance Report;

noted the following key insights from the Q2 Performance Report:

1. PHARMAC is making good progress towards delivering the milestones set out in the first year of our new strategic direction.
2. We have initiated a watching brief on three of our quarterly and six-monthly performance measures, the remaining five are on track to be achieved by the end of the financial year.

noted that this report provides a very good summary of the work we have been focused on for the last year or so. They noted the great progress staff had made during the first two quarters on progressing our four year strategic direction.

noted the capacity and resources issues and invited management to manage Board expectations about timeframes to complete additional reports requested by the Board.

10.3 Four-Year Roadmap to our Strategic Direction

This paper provided the Board with a high-level overview of planned activity that supports the delivery of PHARMAC's strategic direction over the four-year period of the 2020/21 – 2023/24 [Statement of Intent](#).

noted that staff have developed a high-level four-year roadmap of planned activity over the duration of the 2020/21 – 2023/24 Statement of Intent.

noted that the roadmap will be updated as part of planning activity that is underway for 2021/22 and outyears.

noted that staff will incorporate the impact of our work as we progress with the delivery of our strategic priorities as identifying the impact of our work will be what drives change.

noted that this diagram will be useful to brief key stakeholders on our programme of work.

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 December 2020. The Board:

noted that media queries and general enquires declined in December compared to the previous month, and are lower than in December 2019.

noted the Media Impact Score for the October to December 2020 quarter is negative at -0.6 and is a decline from the previous quarter.

noted that user satisfaction with our website has improved from 2.3 out of 5 in December 2019 to 3.6 in 5 a year later.

The Board thanked staff for their progress.

11.3 Summary of Decisions Made Under Delegated Authority – November and December 2020

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

noted that the number of delegated decisions has been high due to stock supply issues.

12. Interest Articles

noted the selection of interest articles.

noted the article about COVID-19 strains and that, should cases increase, the Board and PHARMAC staff will need to understand clinical advice requirements for potential treatments for COVID-19.

13. General Business

None.

Date of Next Meeting

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

The meeting closed at 2.35pm.

Chair:

Date: