

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING JANUARY 2022

The meeting was held by Zoom meeting starting at 9.30am with the following attendees:

Board members

Steve Maharey	Chair
Claudia Wyss	Board Member
Anthony Jordan	Board member
Talia Anderson-Town	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
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

Due to COVID-19 restrictions, the meeting was held via Zoom instead of face-to-face, as originally intended.

Attendees joined the meeting via Zoom to present papers:

Jannel Fisher, Chris Stewart, Brent McPherson, Adrienne Martin, Sarah Beri, Ben Campbell-Macdonald, and Andrew Davies (Pharmac staff) attended for relevant items.

The Board Meeting started with a Karakia by Trevor Simpson.

A presentation was given on Health, Safety & Well-Being Governance by Nathan Hight of Safe365, outlining that good health and safety governance is about having a demonstrable plan and a pro-active approach to making the workplace as safe as it can be.

1. 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.

1.4 Revised Board Governance Manual

The Board reviewed the Board Governance Manual and suggested edits will be made to the draft document in order to produce the final copy.

The Board **noted** the suggested changes to the draft Board Governance Manual.

2. Apologies

Jan White, Deputy Chair

Peter Bramley, Observer, DHB representative

3. Record of Previous Board and Committee Meetings

3.1 Minutes of November 2021 Board Meeting held 3 December

The Board:

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

noted that the Board are aware of the unusual process required to secure funding of COVID-19 treatments, in particular that there is not the same efficacy information; and they are likely to be one-off purchases and that staff are working with the Ministry of Health, DHBs and Health agencies overseas to gather as much information as possible to inform decisions. The Board also noted that a Pharmac COVID-19 Treatments Advisory Group has been established to provide clinical advice and that, following a suggestion from the Board at a previous meeting, a consumer representative has since joined the group.

Steve Maharey and Claudia Wyss (carried)

3.2 Minutes of November Audit and Risk Committee meeting

The Board **resolved** to adopt the minutes of the November 2021 Committee meeting as being a true and correct record.

Steve Maharey and Claudia Wyss (carried)

3.3 Annual Report 2020/21 from the Audit and Risk Committee

The Board **noted** the draft annual report of the Audit and Risk Committee.

3.4 Summary of November 2021 Consumer Advisory Committee (CAC) Meeting

This paper informed the Board of advice received from the Consumer Advisory Committee (CAC) at the 12 November full-day meeting. The Board:

noted the following summary of the Consumer Advisory Committee (CAC) meeting held on 12 November 2021

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

4. **Interests Register**

The Board:

noted the interests register

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

[no new interests/conflicts]

5. **Matters Arising**

The Board **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 looked at strategy for the year and monitoring in terms of media, noting media has recently been positive.

6.2 **Correspondence**

The Board **noted** the correspondence report.

7. **CE Report**

7.1 **Chief Executive's Report**

The Board **noted** the Chief Executive's Report

- The Review Committee was to meet both the Pharmac Board and Pharmac's Māori Advisory Rōpū on 28 January to discuss the Final Review Report. Meeting with Board was deferred, meeting with Rōpū went ahead on Zoom.
- In assessing the impact of the new omicron variant, we are ensuring compliance with any legislative mandates, carrying out a health and safety assessment that includes a risk assessment and staff consultation survey. The situation of a prospective outbreak was discussed the week before the country moved to red to ensure there was a plan in place for business continuity. The COVID vaccine consultation survey was sent to all staff and is currently being assessed.
- Media indications are that supply chain issues may be experienced due to high levels of staff sickness so this is currently being monitored.
- Annual process by Audit NZ was discussed at the last Audit and Risk meeting.

7.2 **Monthly Communications Report**

The purpose of this paper was to summarise the communications activity for December 2021 including our latest media impact score. The Board:

noted that all six of our proactive media activities in December had media pick-up

noted that our media impact score has further improved and was +1.3 for the October to December quarter

noted that the volume of proactive media releases has more than tripled in the past three years from 10 in 2019 to 42 in 2021

noted that for 2022, as part of broader work to enhance our reputation score, we will continue to focus on proactive media opportunities and are increasing resourcing in the communications team to support this and related work.

Best review to-date for the quarter so heading in positive direction. Looking at benchmarking against other government agencies in relation to negative/positive coverage.

8. Strategic Planning and Policy

8.1 Progress Update on People and Capability Strategy

The purpose of this paper is to provide an overview of the People and Capability Strategy (Strategy) work programme and an update on progress.

The Board **noted** the progress update on the People and Capability Strategy work programme.

There are strengthening efforts to give effect to Te Tiriti obligations in relation to expertise across the business, noting there has been successful employment engagement to-date. Performance indicators will be required for future engagements.

8.2 Pharmac 2021/22 Quarter Two Performance Report

The purpose of this paper is to provide the Board with Pharmac's 2021/22 Quarter Two Performance Report. It includes information about Pharmac's progress towards our strategic priorities including insights, highlights, challenges, and good news stories.

The Quarter Two Performance Report (Appendix One) incorporating quarterly performance data where available, and the report shows progress over October to December 2021 against Pharmac's strategic priorities as set out in our [2021/22 Statement of Performance Expectations](#) (SPE). The Board:

noted Pharmac's 2021/22 Quarter Two Performance Report

noted the following key insights from the Quarter Two Performance Report (refer to Appendix One):

1. 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
2. Overall, four strategic priority areas have been rated Green (Medical Devices, Data and Analytics, Public Understanding Trust and Confidence and Relationship and Partnerships) with Enhance Key Functions and Equitable

Access and Use rated Amber. Of the two supporting priorities, Te Whaioranga is rated Amber, and People and Capability is rated Green

3. There is some slippage on progress of some strategic priority initiatives
4. All quarterly and six-monthly performance measures are on-track for achieving targets by 30 June 2022

noted that the Quarter Two 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.

Measures are generally on-track. Aim for improvement in relation to Te Tiriti obligation capacity.

9. Schedule and Funding

9.1 Pharmaceutical Transactions and Expenditure Report

The purpose of this paper is to update the Board on the Pharmaceutical Budget, including the Combined Pharmaceutical Budget, COVID-19 related expenditure, associated risks, and our approach to managing the CPB. This paper also provides the Board with an advanced overview of current issues and the contentious, large or significant pharmaceutical transactions and investments that staff are currently progressing. The Board:

resolved to delegate decision-making for the award of the losartan potassium 50mg with hydrochlorothiazide 12.5mg tab bid in the 2021/22 Invitation to Tender to the Chief Executive

Claudia Wyss and Anthony Jordan

(carried)

9.2 Prioritisation Report

The purpose of this report is to describe prioritisation activity since the last report was presented to the Board at its October 2021 meeting. It also updates the Board on the progress of selected items from the following prioritisation lists:

- the top 10 proposals on the *Options for Investment* list
- proposals with a high PTAC priority on the *Options for Investment* or *Under Assessment* lists
- proposals with a high PTAC or Specialist Advisory Committee priority on the *Under-Assessment* list.

The board **noted** the prioritisation activity undertaken by Pharmac staff since October 2021 and the progress of selected items from Pharmac's prioritisation list.

9.3 Medical Devices Transaction and Investment Report

This purpose of this paper is to provide a monthly update to the Board on progress with medical devices national contracting activity. The Board:

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

9.4 Summary of Decisions Made Under Delegated Authority – November and December 2021

This report contains a summary of all decisions made by Pharmac staff under delegated authority since the last Board meeting, i.e., decisions made during November and December 2021.

The Board **noted** the summary of decisions made under Delegated Authority during November and December 2021 by the Chief Executive, Director of Operations, Acting Director of Operations Manager Pharmaceutical Funding, Senior Advisor/Team Leader and Senior Therapeutic Group Managers/Team Leaders.

10. Regular Reports and Noting Papers

10.1 Risk Register – Quarter Two 2021/22

The full risk register is considered by the Audit and Risk Committee and provided to the Board as an information item. The register lists risks that exceed the Board's identified risk tolerance. This paper is an exception report for the Board about changes to the register since it was considered at the Audit and Risk Committee.

The Board:

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

noted that the quarter two risk register will be included in the quarter two report to the Minister of Health

noted that the Audit and Risk Committee reviewed the risk register (as at 17 November 2021) on 3 December 2021

noted the Board received an exception risk report at its November 2021 meeting

noted the quarter two risk register has been re-arranged from highest to lowest risk and therefore the risk number may have changed since the register was last viewed by the Board.

11. Interest Articles

The Board **noted** the interest articles.

12. General Business

The Chair advised that meetings will most likely be held via Zoom in the foreseeable future due to COVID restrictions.

VERSION FOR PUBLIC RELEASE, SOME INFORMATION MAY HAVE BEEN EXCLUDED
DUE TO CONFIDENTIALITY

Date of Next Meeting

The date for the next Board meeting is set for Friday 25 February 2022.

The meeting closed at 1.45pm with a karakia.

Chair:

Date:

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