

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING JUNE 2022

The meeting was held at Pharmac offices, Level 9, 40 Mercer Street, Wellington, and by Zoom, and started at 10.00am with the following attendees:

Board members

Steve Maharey	Chair
Claudia Wyss	Board member
Talia Anderson-Town	Board member
Jan White	Board member
Diana Siew	Board member
Elizabeth Zhu	Institute of Directors, Future Director
Jane Thomas	Observer, PTAC 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
Trevor Simpson	Chief Advisor Māori
Katherine Graham (for David Hughes)	Deputy Medical Director

Attendees joined the meeting via Zoom to present relevant papers: Davina Carpenter, Jayne Watkins, Graham Durston, Jannel Fisher, Josh Cronin-Lampe, Adrienne Martin, Stephen Tat, Andrew Oliver, and Sarah Beri.

The Board Meeting started with a Karakia.

Katelynn Fuller and Edward Langley of Kantar Public (formerly Colmar Brunton) gave a presentation on Pharmac's Public Sector Reputation Index 2022 with an overview of reputation measured across attributes reaching an overall score. While COVID-19 initially gave the public sector agencies a boost in 2020, this dropped back in the last year to a position pre-COVID-19 this year, and affected agencies closely associated to the COVID-19 response twice as much as agencies not associated, impacting agency reputations.

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 Board and Committee Member Terms

The Board **noted** the Board and Committee Member terms.

2. Apologies

Anthony Jordan, Board Member

Peter Bramley, Board Observer, Interim Regional Director Te Waipounamu and Interim District Director, Waitaha Canterbury and Te Tai o Poutini West Coast representative

Lisa Lawrence, Board Observer, CAC Chair.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of Board Meeting held 27 May 2022

The Board **resolved** to adopt the minutes of the 27 May 2022 Board meeting as being a true and correct record.

Claudia Wyss and Talia Anderson-Town **Carried**

3.2 Audit and Risk Committee Recommendation

A verbal overview was given of the Audit and Risk Committee Meeting held on 30 June.

The Audit and Risk Committee Chair presented recommendations for action by the Board following parallel resolutions approved by the Committee at its special meeting on 30 June, preceding the June Board Meeting. The recommendations are included in the Audit and Risk Committee June 2022 meeting papers that was circulated to Board Members.

The Board will be presented with the Minutes of the June 2022 Audit and Forecast Committee for noting at the July Board meeting:

The Board:

noted that staff intend to release the annual DHB letter

A discussion was held at the 30 June Special Meeting where auditors covered off the audit process. A new risk process is being piloted going forward.

[The Chair asked that the Board be insured as a group, which was supported by the Board.]

The Audit and Risk Committee recommended that an independent advisor is appointed to join the Committee

The Board **resolved** to appoint an independent advisor to join the Audit and Risk Committee.

Diana Siew and Steve Maharey **Carried**

4. Interests Register

The Board:

noted the interests register

5. Matters Arising

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

The Board **noted** that Peter Bramley will continue as observer on the Board for Interim Regional Director Te Waipounamu and Interim District Director, Waitaha Canterbury and Te Tai o Poutini West Coast representative.

In relation to timing around Te Tiriti and Te Reo training for Board members, Chief Advisor Māori advised of an assessment tool that is currently being trialled with PTAC members and will then be rolled out to the Board once finalised. An interactive package is now being put together for Board Members to do in their own time. Planning workshops are also being organised with the option for Board Members to be involved. This is expected to be in place by September/October.

The Government has carbon neutral expectations, and it was advised that Pharmac has a plan in place for reducing carbon emissions and is currently monitoring and reporting into MBIE, most recently around waste with implementing split waste in the office. The Board received a paper on Pharmac's plans in September 2021 and this to be circulated to new Board members.

6. Chair's Report

6.1 Verbal Report

A verbal update was provided by the Board Chair.

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 and May 2022 Financial appendices.

7.2 Risk Report

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

For Board meetings in the intervening months, an exceptions 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 exception report reviewed by the Board in May 2022 and the quarter three risk register reviewed by the Board in April 2022

noted that the Audit and Risk Committee will review the quarter four report and risk register when it meets on 1 July 2022

noted the additional activities underway for some evolving risks relating to planned and unplanned absences that may adversely impact Pharmac's operational capability.

8. Key items

8.1 Appointment of consumer member to PTAC

This paper seeks Board agreement to appoint a consumer member, Dr Robyn Manuel (Ngāpuhi), to PTAC.

The Board:

approved Dr Robyn Manuel (Ngāpuhi), a member of Pharmac's Consumer Advisory Committee (CAC), as Pharmac's recommendation to the Director-General of Health as a consumer appointment to the Pharmacology and Therapeutics Advisory Committee (PTAC) for a term of one year

noted a fallback option of a six-month appointment may be the outcome, given the details of the current PTAC appointment protocol

noted that this matter sits within the context of strengthening consumer voices in both Pharmac's work and the work of the wider health system – an area Pharmac will continue to strengthen ahead, including through consumer appointments to Specialist Advisory Committees

noted Pharmac is currently undertaking further work to better connect all different aspects of consumer involvement and consumer engagement work, with a view to identifying the best possible improvements in the context of both health reforms and Pharmac's response to the Review.

Talia Anderson-Town and Claudia Wyss

Carried

8.2 PTAC Succession Planning and Policy

This paper highlights the upcoming exit of experienced Pharmacology and Therapeutics Advisory Committee (PTAC) members in 2022, 2023 and 2024 and presents a proposal for succession planning for replacement members and emphasises the importance that Pharmac is placing on increasing the diversity across its Advisory network.

The Board:

noted and endorse the proposed Pharmacology and Therapeutics Advisory Committee (PTAC) succession plan; and

resolved that a communication from the Board Chair be submitted to the Director General of Health seeking approval of the recruitment and succession plan.

Looking at diversity in PTAC and Specialist Advisory Committees specifically at primary care, ethnic diversity, and gender. Consider different ways to recruit people, and potentially international appointments as long as appropriate to New Zealand context.

Claudia Wyss and Talia Anderson-Town **Carried**

8.3 Appropriation

This paper provides the Board with an update on the two appropriations that Pharmac will be responsible for from 1 July 2022 following the implementation of some of the Health Sector Reforms.

The Board:

noted the two different appropriations that Pharmac is responsible for from 1 July 2022

noted the process agreed with Ministry of Health and Te Whatu Ora - Health New Zealand that will be in place for the management of the National Pharmaceuticals Purchasing appropriation from 1 July 2022

noted the identified risks associated with the transition of the National Pharmaceuticals Purchasing appropriation.

9. Strategic Planning and Policy

9.1 Update on Public Understanding, Trust and Confidence strategic priority

This paper provides the Board with an overview of the progress in the past year for the public understanding, trust, and confidence strategic programme. It also summarises communications activity in May 2022.

The Board:

noted the progress made over the past 12 months in the public understanding, trust, and confidence programme of work

noted the public understanding, trust and confidence programme of work will focus on increasing transparency and engagement for 2022/23

noted we are considering what other initiatives should be undertaken to build public confidence in the context of Pharmac Review response

noted there were four proactive media releases in May which were all picked up and the balanced coverage for the budget and release of the Pharmac Review report

noted we designed an online COVID-19 antiviral treatments tool to support prescribers.

Focus is now on engagement and looking at our advisory groups with recognising there is more we can do in keeping people informed and engaged.

The Chair asked for an update paper to be taken to the September Board Strategy Workshop.

9.2 Update on funding medicines for Rare Disorders

This paper provides the Board with its annual update on Pharmac's ongoing work to improve funded access to medicines for rare disorders. It also discusses the recommendations of the Independent Review.

The Board:

noted the recent and future focussed activities relating to funding of medicines for rare disorders

noted the recommendation by the Independent Pharmac Review regarding the development of a Ministry of Health-led national rare disorders strategy that we look forward to being involved in.

9.3 Funding products that aren't medicines or medical devices

This paper addresses a Board request for information on our approach to assessing and managing the funding of products that aren't medicines or medical devices; but are 'related products or related things'.

The Board:

noted the contents of this paper.

9.4 COVID-19 Vaccine Transfer

The purpose of this paper is to provide the Board with an update on Pharmac's preparations for the transfer of responsibility for COVID-19 vaccine purchasing and management from the Ministry of Health from 1 July 2022.

The Board:

noted that Pharmac will be responsible for COVID-19 vaccine purchasing and management from 1 July 2022

noted that COVID-19 vaccines will continue to be funded separately from the Combined Pharmaceutical Budget, and final purchasing decisions on COVID-19 vaccines will be approved by Ministers

noted that Pharmac staff are working on a joint-agency (Pharmac, the Ministry of Health, Public Health Agency, Te Whatu Ora) memorandum to further clarify roles and responsibilities between agencies in COVID-19 vaccine management

noted that, consistent with the intent of the health and disability reforms and the Government's response to the Pharmac review, work to manage COVID-19 vaccines will be conducted through a joint governance group involving the Ministry of Health, Te Whatu Ora, Māori Health Authority, Public Health Agency and Pharmac (the details of which are currently being worked through).

10. Schedule and Funding

10.1 Medical Devices Transaction and Investment Report

This paper provides 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.

10.2 Pharmaceutical Transactions and Expenditure Report

The purpose of this paper is to update the Board on 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:

Combined Pharmaceutical Budget

noted that the Board will consider a Budget Management Options paper at its July 2022 meeting, which will provide the 2022/23 CPB Forecast and our proposed investment strategy for the significant budget uplift announced in May 2022.

Transactions

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

Talia Anderson-Town and Diana Siew

Carried

10.3 Summary of Decisions made under Delegated Authority – May 2022

This report contains a summary of all decisions made by Pharmac staff under delegated authority during May 2022 under the following headings:

1. PTAC, Subcommittee, Panels and Advisory Committee Appointments
2. Pharmaceutical Schedule Listing Decisions - Medical Devices
3. Covid-19 Contingency Fund – Medicines and Medical Devices
4. Pharmaceutical Schedule Listing Decisions – Medicines
5. NPPA initial application approvals made by Director of Operations
6. Other NPPA initial and renewals made by Director of Operations

The Board **noted** the summary of decisions made under Delegated Authority during May 2022 by the Chief Executive, Director of Operations, Manager Pharmaceutical Funding, Senior Advisor/Team Leader and Senior Therapeutic Group Managers/Team Leaders.

11. Interest Articles

The Board **noted** the interest articles.

12. General Business

None noted.

The meeting closed at 2.30 pm with a karakia.

Date of Next Meeting

The date for the next Board meeting is set for Friday, 29 July 2022.

Chair: _____
Steve Maharey

Date: _____