

**MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)  
BOARD MEETING MARCH 2022**

Due to COVID-19 restrictions, the meeting was held via Zoom, and started at 10.00am 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
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: Jannel Fisher, Gillian Anderson, Helen Fielding, Brent McPherson, Ben Campbell-Macdonald, Andrew Davies, Adrienne Martin, Sarah Beri, Davina Carpenter, Graham Beever and Casim Alabere.

The Board Meeting started with a Karakia.

A presentation was given by David Nalder on understanding and managing risk management.

**1. Directors-only Discussion**

Nothing to note.

**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.

## 2. Apologies

Peter Bramley, Observer, DHB representative.

## 3. Record of Previous Board and Committee Meetings

### 3.1 Minutes of Board Meeting held 28 February 2022

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

Jan White and Claudia Wyss **(carried)**

### 3.2 Minutes of the Health and Safety Committee recommendations

The Board **resolved** to adopt the minutes of the Health and Safety Committee February 2022 meeting as being a true and correct record.

Claudia Wyss and Anthony Jordan **(carried)**

### 3.3 Recommendations of the Audit and Risk Committee

The audit process was reviewed with an Audit NZ representative talking to the paper and taking the Committee through the timeline to ensure we are kept on-track with the audit. Discussion around risk, timetable, and security and risk.

It is proposed at the June Audit and Risk Committee to include an agenda item to consider options for how Pharmac could potentially utilise the risk framework outlined in David Nalder's risk presentation.

## 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 or conflicts noted.*

## 5. Matters Arising

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

## 6. Chair's Report

- A productive Strategy Meeting took place on 24 March. The Board had a recent catch-up to talk about the Board as a new group, with not being able to get together physically due to current COVID-19 restrictions, with the intent of building a new and progressive culture.
- The forecast was discussed with the aim to achieve budgets, mainly around personnel and not being able to fill posts.

- Looked at financial procurement and Māori Health Authority (MHA) operations. Will need to work closely with MHA and Health NZ from 1 July.
- A talk took place with the Ministry about budget.
- A meeting took place with Diana Siew, new Board member.
- Call with Sue Chetwin in relation to the final Review report.
- Correspondence was received in relation to funding Trikafta.

## 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 February 2022 Financial appendices.

#### **Meeting with Minister Henare**

A briefing was sent to Minister Henare on 14 March giving an update on Pharmac's engagement and work. The Chief Executive and Chief Advisor Māori met with Minister Henare on Thursday 17 March to discuss the update, with the Minister expressing that he was keen to work with and support Pharmac, particularly around Māori stakeholders.

#### **Provisional OIA statistics July to December 2021**

In the first half of the 2021/22 financial year, Pharmac responded to 80 Official Information Act requests. The team has done well with actioning all requests on time. Ongoing work around transparency with 95% responses being published on the website.

#### **COVID-19 treatment funding**

Financial position has changed since the last meeting with additional operating funding revenue to supporting work on managing COVID-19 treatments.

#### **Working from Home**

Able to build on previous organisational procedure in relation to working from home from experience with the last lockdown. Any new staff were set up at that time and were provided with a monitor, desk and chair at a relatively small cost. The office is still open with a small number of staff, some going into the office 1 or 2 days a week. Workplace assessments have been offered to people to have desks set-up from a health and safety perspective. A further update will be provided at the next board meeting.

### **COVID-19 Vaccination Policy**

COVID-19 Vaccination Policy consultation is still being analysed, and with the chance that lockdowns might return, there is a need to reassess whether to implement the policy taking into consideration the current COVID-19 situation.

Plan for reintegration back into the office was being discussed by SLT on 4 April. It was noted that Wellington is currently behind Auckland and still peaking in omicron cases, so it is anticipated there will be a few weeks before staff return to the office.

Floor plan to be considered. Leasing an additional floor last year was beneficial with the ability to have increased social distancing. The office lease is up for renewal at end of 2024.

## **7.2 Monthly Communications Report**

This paper summarises communications activity for February 2022.

The Board:

**noted** that there were five proactive media releases in February.

**noted** that work is underway to improve the Online Schedule so it's easier to use and responds to user feedback.

While targets were exceeded for our proactive media opportunities, coverage was limited due to the COVID-19 protest in Wellington.

Enhancements continued to be made to the website, as part of the public understanding, trust and confidence strategic priority. The current focus is the online schedule. We are making enhancements based on feedback from pharmacists and other health professionals. The Board were supportive of the work and our approach to seeking user feedback.

## **8. Strategic Planning and Policy**

### **8.1 Supply Chain Risk Mitigation and Management Update**

The purpose of this paper was to provide a six-monthly update to the Board on Pharmac's supply chain risk mitigation and management. Included in this report are updates on the workstreams and work programmes that are intended to improve supply chain risk mitigation and management.

The five workstreams and programmes we report on are:

- Activity 1: Enhancing Key Functions - Process Improvements
- Activity 2: Enhancing Key Functions – Procurement & Contracts System
- Activity 3: Enhancing Key Functions – Emergency Management Planning
- Activity 4: External Clinical Engagement
- Activity 5: Enhancing Key Functions - Due Diligence - Supplier Social Sustainability

The Board:

**noted** that a continuous improvement and wananga approach has been used to change how Pharmac manages and mitigates risks in the supply chain

**noted** the other government agencies Pharmac engages with following the emergence of the COVID-19 pandemic in relation to supply chain management

**noted** that our process improvement project on supply issue management approaches is approximately 90% complete

**noted** the updates on:

- current notable supply chain issues
- our emergency response planning work
- external clinical input to supply interruption processes and risk management
- our Supplier Social Sustainability due diligence tool.

One key achievement in the pandemic has been the establishment of key contacts and relationships across government agencies which have assisted us with some of the challenges being presented, in particular freight issues. We have taken a more proactive engagement approach with suppliers, and the contract management team has done well in liaising with suppliers and managing issues as they arise. NZ fared well throughout the pandemic and proved there is resilience in the system and supply chain.

## 8.2 Draft 2022/23 Statement of Performance Expectations

This paper presents for Board input the first draft of Pharmac's Statement of Performance Expectations (SPE) for 2022/23.

The Board:

**noted** Pharmac's draft Statement of Performance Expectations 2022/23

**noted** that the draft Statement of Performance Expectations sets out measures from Pharmac's performance framework, with no performance measures added or removed from the previous year

**noted** that the draft Statement of Performance Expectations contains forecast financial information based on Pharmac's operating budget, which was considered by the Audit and Risk Committee on 25 March 2022

**noted** that at the time of drafting the Statement of Performance Expectations the annual 2022/23 Letter of Expectations from the Minister of Health had not yet been received

**noted** that a number of external factors will mean likely significant changes to the final Statement of Performance Expectations

**noted** that the draft Statement of Performance Expectations has been sent to the Ministry of Health, Audit NZ and Bell Gully for their review and their material feedback will be incorporated into the final draft Statement of Performance Expectations

**noted** following feedback from the Board and other parties, the draft Statement of Performance Expectations will be provided to the Minister of Health in early May for feedback

**noted** the final draft Statement of Performance Expectations will be brought back to the Board for approval at its May 2022 meeting.

#### **8.4 Reappointments to the Consumer Advisory Committee**

The purpose of this paper is to seek the Board's agreement on the reappointment of five members, including the Chair, of the Consumer Advisory Committee (CAC).

The CAC chair was asked to leave the room given her reappointment was being discussed and left for the duration of the discussion.

The Board:

**noted** there has been considerable effort and thought into ensuring the Consumer Advisory Committee has good diversity of membership and opinion, that members' feedback is being sought into a range of operational and strategic issues of importance to Pharmac, and that the committee has gained good traction and momentum over the past two years

**resolved** to reappoint Lisa Lawrence as the Consumer Advisory Committee Chair for a further twelve-months beginning 1 August 2022, noting this would extend her membership beyond the usual maximum term for members set out in the committee's Terms of Reference

**resolved** to reappoint Leslie Robinson for a further two-year period beginning 1 August 2022

**resolved** to reappoint Mary Schnackenberg for a further two-year period beginning 1 August 2022

**resolved** to reappoint Sione Vaka for a further two-year period beginning 1 August 2022

**resolved** to reappoint Janfrie Wakim for a further two-year period beginning 1 August 2022

**noted** the recent resignation of Tui Taurua from the committee

**noted** Pharmac staff plan to engage with other health sector government agencies on recruitment for the current vacancy on the committee.

Claudia Wyss and Talia Anderson-Town

**(carried)**

The CAC Chair's term and four existing members terms were extended. One resignation was noted. There is one vacancy to recruit, with Mātauranga Māori and diversity considerations top of consideration. The Board recognised that departures from a terms of reference (with respect to the Chair's overall term on CAC going beyond 6 years (including as a member before becoming chair)) should be a rare exception and noted in this case and context there were a number of strong reasons for the extension. The Board was also pleased with how CAC is performing and adding value, and the productive interface with Pharmac staff.

## 8.5 2022/23 International Travel Plan

The international travel plan provides the Board with estimated costs for international travel that staff may take for the 2022/23 financial year. This will assist the Board in assessing future business cases for specific international travel requests. The paper does not consider travel to Australia given such travel does not require Board approval under the Pharmac Travel Policy.

The Board:

**noted** the 2022/23 plan for Pharmac staff international travel

**noted** risks around COVID-19 and the need to include insurance

## 8.6 Travel Request – HTAi Annual Meeting, Utrecht, Netherlands – June 2022

This paper sought the approval for the Manager of the Pharmaceutical Assessment Team, to attend the HTAi annual meeting in Utrecht, Netherlands from 25 to 29 June 2022.

The Board:

**resolved** to approve international travel for the Manager of the Pharmaceutical Assessment Team in June 2022, to attend the 2022 Health Technology Assessment International (HTAi) conference in Utrecht, Netherlands

**noted** that if this proposal is approved, a report will be delivered to the Board on learnings following the trip.

Anthony Jordan and Talia Anderson-Town

**(carried)**

## 9. Schedule and Funding

### 9.1 Medical Devices Transaction and Investment Report

The 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.

The main focus the team is working toward is the target of getting \$500 million of DHB spend under national agreement by June this year.

### 9.2 Pharmaceutical Expenditure and Transaction 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:

### ***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.

A higher degree of forecast volatility is anticipated in the last quarter of this year with increasing numbers of COVID-19 cases, the recent opening of the border and global distribution challenges.

An update provided on COVID-19 treatments portfolio including progress since the last meeting.

Update provided on transactions: Decision made to widen access to the influenza vaccine for Māori and Pacific people aged 55 to 64 years for the 2022 influenza season. This is to help with an anticipated higher rate of influenza this year.

The Board expressed gratitude to everyone for their hard work in getting COVID-19 treatments promptly to New Zealanders.

### **9.3 Proposal: AstraZeneca Evusheld - tixagevimab and cilgavimab COVID-19 treatment APA (Advance Purchase Agreement)**

The purpose of this paper is to approve the advanced purchase agreement proposal to secure supply of tixagevimab with cilgavimab for the treatment of COVID-19.

The Board:

**resolved** to approve the Advanced Purchase Agreement (APA) with AstraZeneca Limited (AstraZeneca) to secure supply of tixagevimab with cilgavimab (supplied under the brand name Evusheld) for the pre-exposure prophylactic treatment of people in New Zealand who are immunocompromised and at risk of inadequate immune response to SARS-CoV-2 vaccination or infection, regardless of vaccination status or are unable to be vaccinated due to medical reasons.

**noted** that the APA would commit Pharmac to the purchase of 20,000 courses of tixagevimab with cilgavimab and would be conditional upon Medsafe approval.

**noted** that the APA also includes two options to purchase an additional 20,000 courses of tixagevimab with cilgavimab, any proposal to exercise these options would be subject to a separate decision process.

**noted** that following approval of this proposal by the Pharmac Board of Directors the Chief Executive would sign the APA on behalf of Pharmac.

**noted** that the costs associated with this decision would be met from COVID-19 funds approved by Government for COVID-19 treatments.

**noted** that clinical advice regarding tixagevimab with cilgavimab was sought from Pharmac's COVID-19 Treatments Advisory Group in December 2021, however the record of this meeting has not yet been published.

**noted** that evidence continues to emerge regarding the use of tixagevimab with cilgavimab for treatment of current variants of concern and Pharmac staff are seeking further clinical advice about this

**noted** that due to recent regulatory approvals in other countries and increasing global demand, an expedited decision to secure stock is required

**noted** if approved by Medsafe, supply of tixagevimab with cilgavimab could be available to New Zealand patients from mid-2022

**noted** that, as with other COVID-19 treatments, public consultation on this proposal is not possible prior to making any decision due to the urgency required to secure supply for New Zealand; however, Pharmac would retain the option to consult on proposed access criteria for tixagevimab with cilgavimab at a later date, if this was required.

Anthony Jordan and Claudia Wyss

**Carried**

#### **9.4 Summary of Decisions made under Delegated Authority – February 2022**

This paper provides the Board with a report that contains a summary of all decisions made by Pharmac staff under delegated authority since the last Board meeting, i.e., decisions made during February 2022. These are listed under the following headings:

1. [Pharmaceutical Schedule Listing Decisions - Medical Devices](#)
2. [Covid-19 Contingency Fund – Medicines and Medical Devices](#)
3. [Pharmaceutical Schedule Listing Decisions – Medicines](#)
4. [NPPA initial application approvals made by Director of Operations](#)
5. [Other NPPA initial and renewals made by Director of Operations](#)

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

Reconfirmation of the existence of Interventional Cardiology Advisory Group Committee occurred last month so looking into recruiting additional members to improve the diversity of the committee.

### **10. Regular Reports and Noting Papers**

#### **10.1 Risk Register**

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 is unchanged for this period.

#### **10.2 Legal Report**

Pharmac's legal team provides legal oversight of all contracts, and supports decision making processes as required, including for those matters that come before the Board. The legal report provides an update regarding any specific legal matters

where awareness at Board level is appropriate, but which are not otherwise addressed in reports to the Board.

The Board **noted** the legal report which provides an update on current legal issues of relevance to the Board.

Appreciation was given by the Board to Graham Beever noting it was his last day after being at Pharmac for 10 years.

### **10.3 Implementation Update**

This paper provides a six-monthly update to the Board (previous update was in September 2021) on some of the engagement and implementation activities that have occurred for major pharmaceutical funding transactions and to support the work of Pharmac.

The Board **noted** the update on engagement and implementation activities that are being undertaken to support our transactional work.

### **11. Interest Articles**

The Board **noted** the interest articles.

### **12. General Business**

None noted.

Appreciation was given to Jan White who was leaving the Board and was a valued Board Member for 10 years.

The meeting closed at 2.05pm with a karakia.

### **Date of Next Meeting**

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

Chair: \_\_\_\_\_  
Steve Maharey

Date: \_\_\_\_\_