

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING MAY 2020

The meeting was held at Level 9, 40 Mercer Street, Wellington, with some members joining by videoconference starting at 9 04am with the following attendees:

Board members

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|-----------------|------------------------------|
| Steve Maharey | Chair |
| Jan White | Deputy Chair |
| Ross Lawrenson | Board Member |
| Claudia Wyss | Board Member |
| David Lui | Observer, CAC Chair |
| Mark Weatherall | Observer, PTAC Chair |
| Peter Bramley | Observer, DHB Representative |

PHARMAC staff in attendance

| | |
|-------------|-----------------|
| Sarah Fitt | Chief Executive |
| Lizzy Cohen | Board Secretary |

Lisa Williams, Alison Hill, Michael Johnson, Mark Woodard, Ken Clark, Ben Campbell Macdonald, Geraldine MacGibbon, Sarah Beri, Andrew Davies, Graham Beever, Janet Mackay, Glenn Murray, and Catherine Proffitt (PHARMAC staff) attended for relevant items.

1. Directors' Only Discussion

noted the letter from the State Services Commissioner, Peter Hughes in relation to pay restraint; and

noted the government's expectations regarding workforce pay restraint

1.1 Glossary of Terms

1.2 Board Actions

1.3 Board Annual Agenda

2. Apologies

Nicole Anderson, Board Member.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of March 2020 Board Meetings

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

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

3.2 Minutes of March Audit and Forecast Committee Meeting

noted the minutes of the March 2020 Audit and Forecast Committee meeting.

Ross Lawrenson and Claudia Wyss **(carried)**

3.3 Health and Safety Committee recommendations

noted the verbal update from the Committee Chair.

3.4 Summary of February 2020 PTAC advice and recommendations

Moved to align with the Expert Advice Network Update report (agenda item 8.4)

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 matter's arising; and

noted and thanked the Board Secretary for a successful implementation of Diligent BoardBooks, a portal solution for preparation and distribution of Board papers

6. Chair's Report

6.1 Verbal Report

noted the Chair's verbal report;

The Board Chair thanked PHARMAC staff on their impressive performance in the shift to working remotely. The Board were impressed with how well staff have adapted to the impacts of COVID 19, notably how staff have helped with the sector-wide response, particularly taking on extra tasks with supply chain and logistics, and the positive impact this has had on our reputation; and

The Board Chair noted a recent discussion with the Consumer Advisory Committee Chair after receiving a letter from the Committee in relation to the current Committee work with PHARMAC staff to complete the transition to the new Committee Chair and members. The Chair noted that PHARMAC staff will be providing a monthly update to the Board on progress and details are included in a paper presented to the Board for this meeting (agenda item 8.3).

6.2 Correspondence

noted the correspondence report.

7. Chief Executive's Report

noted the Chief Executive's Report;

noted that Government have announced an uplift in PHARMAC's operational budget;

noted the impact of COVID 19 on the CPB and the likelihood of this continuing to be an issue for 2020/21 and beyond; and

noted the financials for April 2020

8. Key Items

8.1 Prioritisation Report

noted the presentation from staff on the prioritisation process

noted the prioritisation activity undertaken by PHARMAC staff since January 2020 and the progress of selected items from PHARMAC's prioritisation list

8.2 Report of independent review of lamotrigine sole supply decision

noted the findings of the lamotrigine sole supply decision independent review;

noted the plans PHARMAC staff have to consider and respond to the findings, particularly in relation to consumer engagement and media relations;

noted that PHARMAC staff plan to share the report with individuals and organisations with a particular interest in the brand change, including the Chief Coroner;

noted that PHARMAC staff will provide the Board with an overall report on actions and learnings from the independent review in October 2020;

agreed that the report be publicly released and note the key groups and stakeholders we intend to share the report with directly; and

noted from Board perspective that our processes were sound

Jan White and Claudia Wyss

(carried)

8.3 Consumer Advisory Committee update

noted the four Consumer Advisory Committee meetings that have been held in 2020 so far and the topics that have been discussed and actions from those;

approved the appointment of Adrienne von Tunzelmann as Deputy Chair of the Consumer Advisory Committee, effective 1 August 2020;

noted the current recruitment for new Consumer Advisory Committee members and the intention to bring recommendations to appoint new members to the Board at their July 2020 meeting;

noted the intention for new Consumer Advisory Committee members to meet with current members of the Committee in August 2020 for a handover meeting;

noted the recent meeting of the Consumer Advisory Committee with the PHARMAC Board Chair and PHARMAC and the outcomes agreed;

approved Jan White to be the liaison between PHARMAC Board and the Consumer Advisory Committee;

noted the expectation of the Board that the current Committee work with PHARMAC staff to complete transition to new Committee Chair and Deputy Chair by 1 August 2020 and the Board will receive monthly updates on progress; and

noted PHARMAC staff are developing an annual agenda to assist in providing the Committee with a more strategic view.

Claudia Wyss and Ross Lawrenson

(carried)

3.4 Summary of February 2020 PTAC advice and recommendations

noted the following summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 20 and 21 February 2020; and

noted the February 2020 PTAC record was signed off by the Chair on 23 April 2020 and will be published on the PHARMAC website once applicants have been given the opportunity to review it and provide feedback on any aspects that they consider should be withheld in accordance with the Official Information Act 1982.

8.4 Expert Advice Network Update

noted the update on PTAC succession planning including potential expert advisor education, diversity of membership, and on-going work in the expert advisory work programme;

noted that the PTAC Terms of Reference are currently being revised, and the Board will receive a draft at the June Board meeting;

agreed with the recommended fee increase application to the State Services Commission (SSC); and

noted that we are recommending similar remuneration levels for equivalent clinical advisory roles in the health sector.

Ross Lawrenson and Claudia Wyss

(carried)

8.5 Risk Report and Register

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

noted that the risk register was updated given the fast-moving COVID-19 situation for inclusion in the quarterly report to the Minister of Health; and

noted a copy of the Quarter 3 Risk Register is attached (Appendix One) which was last updated on 5 May 2020.

noted the COVID-19 impact on risk profile which will we need to consider in the future.

9. Schedule and Funding

9.1 Medical Devices Transaction and Investment Report

noted the update on progress with medical devices national contracting activity including activity in response to COVID 19

The order of papers was rearranged in the interest of time and to accommodate Board member attendance.

10. Strategic Planning and Policy

10.2 Approval of PHARMAC's Statement of Intent 2020/21 2023/24

approved the Statement of Intent 2020/21 2023/24 for publication;

noted that due to COVID 19 impacts on PHARMAC's work programme, the Statement of Performance Expectations required updating, so it will come to the Board for approval via email, outside of a formal Board meeting in the first week of June;

noted that Treasury has advised us that legislation has been passed to allow flexibility around the deadlines for accountability documents in light of the impacts of COVID 19. PHARMAC has not requested a formal extension to the July deadline but received an extension in sending the Statement of Performance Expectations to the Minister of Health;

noted that PHARMAC received the 2020/21 Letter of Expectations from the Minister of Health on 23 March (refer to Appendix Four). It was aligned with our intentions and no significant changes were required to our accountability documents;

noted that a draft of the Statement of Intent was provided to the Minister of Health on 6 April. No feedback was received;

noted the changes to the content of the Statement of Intent since the draft was last reviewed by the Board in March 2020; and

noted the sample pages of the design and layout for the Statement of Intent publication

Ross Lawrenson and Jan White

(carried)

1.00pm Ross Lawrenson left the meeting.

10.3 Strategies and Expectations Update Quarter 3 2019 20

noted PHARMAC's quarter three progress against our 2019-20 strategy action plan;

noted that the Board will receive quarterly reporting against our new strategy and performance framework following quarter one of 2020 21; and

noted that PHARMAC staff intend to hold a strategy session with the Board on 2 October focused on the impact of COVID 19 and the longer-term strategic landscape.

9.2 Pharmaceutical Expenditure and Transaction Report

noted the update from PHARMAC staff on the current Combined Pharmaceutical Budget expenditure position and significant medicines transactions.

10.1 People and Capability Strategy

noted that a comprehensive People and Capability Strategy (the Strategy) has been developed for the first time, following substantial engagement with PHARMAC staff;

noted that the Strategy is focused around five priorities:

- Engaged staff
- Strengthen our Leadership
- Diversity and Inclusion
- Organisational Capability
- Health and Wellbeing.

noted that the Strategy has been developed in parallel with our overarching new Strategic Direction and has been substantially informed by the recent refresh of Te Whaioranga; and

approved the attached People and Capability strategy and its proposed implementation plan.

Jan White and Claudia Wyss

(carried)

10.4 Updated list of Government Health Priorities

noted that PHARMAC's decision making framework, the Factors for Consideration, refers to Government health priorities;

noted that PHARMAC's formal record of Government health priorities was most recently updated in September 2018 and that a refresh is appropriate;

noted that PHARMAC staff have considered the most up to date sources of information available on the current Government health priorities and have developed a revised PHARMAC record of these priorities; and

noted that the revised record of Government health priorities is now updated on the PHARMAC website.

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 Implementation Quarterly Report

noted the update on activities and projects that PHARMAC staff to support the transactional work of PHARMAC

11.3 Communications Report

noted that COVID 19 has dominated the work of the communications team which has impacted progress on the Communications and Engagement Strategy; and

noted that there has been a spike in reactive media queries due to COVID 19.

11.4 Summary of Decisions Made Under Delegated Authority – March and April 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.

12. Interest Articles

13. General Business

The Board agreed to consider the option for some members to attend meetings by videoconference for future Board meetings

Date of Next Meeting

The date for the next Board meeting is set for Friday 26 June 2020 in Wellington, commencing with the Directors Only from 10 00am, and attendees and relevant staff from 10.30am.

The meeting closed at 1.47pm.