

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING MAY 2022

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

Board members

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| 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

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|------------------|--|
| Sarah Fitt | Chief Executive |
| Carol Morris | Board Secretary |
| Lisa Williams | Director of Operations |
| Peter Alsop | Director of Engagement & Implementation |
| Brent McPherson | Acting 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, Jane Wright, Davina Carpenter, Sandy Bhawan, Helen Fielding, Andrew Davies, Adrienne Martin, Caroline De Luca, Josh Wiles, Ben Campbell-MacDonald.

The Board Meeting started with a Karakia.

Paula Tesoriero, Disability Rights Commissioner, attended the meeting as a guest speaker and gave a talk on health and wellbeing of disabled people including barriers they face and issues relating to medicines, and the opportunities for health and disability system reforms. Paula acknowledged the work that Pharmac does.

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.

1.4 Board and Committee Member Terms

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

It was also advised that Diana Siew was appointed onto the Health and Safety committee in April.

It was advised that Claudia Wyss is not a member of the Health and Safety Committee as listed in item 1.4.

2. Apologies

Diana Siew, Board Member.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of Board Meeting held 29 April 2022

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

Talia Anderson-Town and Anthony Jordan **(carried)**

3.2 Summary of PTAC February 2022 Meeting

This paper informed the Board of recommendations made and advice given by PTAC at its February 2022 meeting held on 17 and 18 February 2022 via Zoom.

The Board:

noted the following summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 17 and 18 February 2022 via Zoom

noted the February 2022 PTAC record was signed off by the Chair on 26 April 2022 and is published on the Pharmac website.

A paper is being brought to the June Board Meeting in relation to a CAC member being appointed to PTAC.

It was suggested that a better statement around Māori and Pacific population on how each medicine could meet need, and reference to this be included in the PTAC minutes.

If considering a specific medication for people with a disability, an impact statement could also be included in the PTAC minutes to ensure equity across this group.

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

- The Chair met with the co-chairs of Te Rōpū.
- An external Pharmac Board review will take place in June/early July.
- The release of the budget on 19 May was acknowledged.

6.1 Verbal Report

A verbal update was provided by the Board Chair.

6.2 Correspondence

The Board **noted** the correspondence report.

7. Chief Executive Report

7.1 Chief Executive's Report

COVID-19 vaccine transfer

An update will be given at the June Board Meeting.

The Board **noted** that the COVID-19 vaccination purchasing being transferred to Pharmac is a positive step.

CPB Appropriation

The Board was updated on appropriation process discussions with MoH and Interim Health NZ (IHNZ). An appropriation process paper will be brought to the June Board meeting.

Notification to GPs of stock issues

Pharmac initiated a brand change in 2019 for the funded brand of lamotrigine and during the brand change period, six people with epilepsy passed away unexpectedly with these deaths being referred to the Coroner. There were also consumer complaints to the Health and Disability Commissioner (HDC) about the brand change, and the [Coroner ultimately found](#) that the unexpected deaths were not attributable to the brand change for lamotrigine, but that there were areas where communicating to patients could be improved.

There have been issues around stock management with GPs. Discussion took place with the Dr Hughes and Bryan Betty on 12 May who met to discuss the work to incorporate alerts in into the Primary Care practice management systems. Constructive discussion in relation to cross-sector activities to address communication around medical issues has been taking place.

The quarterly meeting of the hui planned for May 25 was postponed.

Nutricia supply issues

It was noted that information can be found on the Pharmac website. Air freighting the product is affecting services, but our goal is to assure adequate product is available.

Staff turnover

It was **noted** by the Board support for the Chief Executive to retain staff where practicably possible.

Staff Survey

Malae Te Manaaki Pacific Series - Traversing Pacific Health Kaitiakitanga

Positive attendance at the talanoa on 25 May, and a good chance for Pharmac teams to be involved in terms of data and analytics. Need to build alignment and ownership so more external outreach planned.

Health and Safety

A general discussion took place in relation to ensuring control measures are in place and reviewed as more staff return to the office. A separate meeting is scheduled for 2 June to discuss and agree the proposed timeline and resourcing for the upcoming annual workplan.

The Board **noted** the Chief Executive's Report and April 2022 Financial appendices.

7.2 Monthly Communications Report

Jane Wright also attended for this paper.

This paper summarises communications activity for April 2022.

The Board:

noted that there were three proactive media releases in April

noted that our media impact score slightly decreased this quarter but remained positive at 1.1

noted that our media impact results for the 2021 year are the same or better than the other government agencies in Australia and New Zealand who use Isentia

noted that we continue to make enhancements to the Pharmac website.

Media impact score slightly decreased this quarter but overall remained positive. Benchmarking was carried out by Isentia for the 2021 year and Pharmac have the same or better results compared to other government agencies in Australia and New Zealand who use Isentia.

Continue to make website enhancements to achieve our goal of making the website the primary source of information about Pharmac.

7.3 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 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 exception risk report provides an update on items on the Board risk register that have materially changed since the quarter 3 risk register was reviewed by the Board in April 2022

8. Key items

International Travel Request: Vancouver Group Annual Meeting and Agency for Care Effectiveness Meeting, September 2022

The Board:

2022 Vancouver Group Annual Meeting

resolved to approve international travel for the Chief Executive to attend and present at the 2022 Vancouver Group meeting

noted that this travel was included in the 2022/23 International Travel Plan which was noted by the Board in March 2022

noted the Vancouver Group receives no funding from commercial interests, and the cost of travel and accommodation would be covered by Pharmac

noted that, if this proposal is approved, the Chief Executive would provide a report back to the Board following the meeting.

2022 Agency for Care Effectiveness, Ministry of Health Singapore Inaugural Value-based Healthcare Conference

resolved to approve international travel for the Chief Executive to attend and present, and be a panelist for discussion, at the 2022 Agency for Care Effectiveness Value-based Healthcare Conference, Singapore

noted that this travel was included in the 2022/23 International Travel Plan which was noted by the Board in March 2022

noted the conference organisers may provide return Business Class return tickets, together with accommodation and meals, awaiting confirmation

noted that, if this proposal is approved, the Chief Executive would provide a report back to the Board following the conference.

It was suggested a positive profile could result from the trip in relation to the Chief Executive and organisation being well thought of overseas.

Anthony Jordan and Talia Anderson-Town

Carried

9. Strategic Planning and Policy

9.1 Equitable Access and Use

The Board:

noted the equitable access and use strategic priority programme update for the 21/22 year

noted the additional equity focused activities that have also occurred alongside the strategic priority programme

noted that we will need to set the future direction of our equity work, requiring an all-of-organisation effort as we seek to make progress across multiple dimensions of our work and organisation capability

noted that, while work is underway to design our future approach to embed equity considerations, we need to ensure this work is well informed by other viewpoints and perspectives, including to meet expectations of Pharmac's role in the evolving health system

noted that we will provide an update on a Pharmac-wide equity work programme in September 2022, as part of the Board's strategy workshop.

The paper was presented in three parts: the update on the strategic priority, the additional equity activities of the organisation and the future direction of the priority in the context of our overall approach to equity. An overview of the paper was given on when work was started in 2017 focussing on medicine access equity goals.

9.2 Final Statement of Performance Expectations

The purpose of this paper was to present Pharmac's 2022/23 Statement of Performance Expectations (SPE) for final review and Board approval.

The Board:

approved the 2022/23 Statement of Performance Expectations

noted that the draft 2022/23 Statement of Performance Expectations was considered by the Board at its March meeting

noted that the draft 2022/23 Statement of Performance Expectations has been reviewed by the Ministry of Health, Audit NZ and Bell Gully

noted that minor changes have been made to the draft Statement of Performance Expectations following feedback received from the Board, the Ministry of Health, Audit NZ and Bell Gully

noted that following Board approval and any feedback from the Minister of Health, the Statement of Performance Expectations will be presented to the House of Representatives.

The Statement of Performance Expectations sets out the deliverables for 2022/23. The document has been reviewed by the MoH and Audit NZ, with minor changes made. Bell Gully has also confirmed that legal requirements have been met. Following feedback from the Board in March, further references to the Pae Ora Bill, equity, and Te Tiriti have been added. Performance targets for 2022/23 have been finalised.

This is the last SPE under the current Statement of Intent. Work will be undertaken to prepare for the next Statement of Intent, commencing with the Board Strategy Day in September.

Talia Anderson-Town and Anthony Jordan

Carried

9.3 Public Service Principles

This paper provides the Board with an update as to how as an organisation Pharmac is upholding the principles of the new Public Service Act (the Act) to assist the Board in fulfilling its duties under the Act.

The Board:

noted that the new Public Service Act came into effect in August 2020

noted that as a Crown Agent Pharmac under the Public Service Act is made part of the public service in relation to the purpose, principles, values and spirit of service of the public service

noted that the Pharmac Board is responsible for ensuring that Pharmac upholds the five public service principles when carrying out its functions

noted the work and activity across the organisation to ensure that the principles of the Public Service Act are being upheld

noted that the Board Governance Manual was updated in January 2022 to reflect the Public Service Act.

A reminder was given to uphold the principles of the Public Service Act, including taking into account the Board's new Te Tiriti accountabilities.

Peter Bramley left at 1.30 pm

9.4 NZIER Review – Quality of Pharmac's advice

This paper summarises the findings from New Zealand Institute of Economic Research's (NZIER) review of a sample of Pharmac papers.

The Board:

noted that NZIER have undertaken an independent quality of advice review of a sample Pharmac internal and Board briefing papers

noted that NZIER's overall assessment is good and represents an improvement from last year

noted that the recommendations from NZIER's review have been discussed with managers – and will be used to strengthen the quality of the papers we present

noted that the quality of advice score will be reported in Pharmac's 2021/22 Annual Report

noted that external benchmarking of briefing papers will continue to be undertaken annually by NZIER so that progress can be measured and monitored in relation to quality of advice.

10. Schedule and Funding

10.1 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.

10.2 Pharmaceutical Transactions and Expenditure Report

The purpose of this paper is to update the Board on the Pharmaceutical Budget, COVID-19 related expenditure, associated risks, and our approach to managing the Combined Pharmaceutical Budget (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 Combined Pharmaceutical Budget in 2021/22 is \$1,085 million.

COVID-19 funding

noted that the Government allocated \$76 million in 2021/22 to cover cost pressures resulting from COVID-19 from the COVID-19 Response and Recovery Fund.

noted that further funding of \$300 million over two years has been secured for COVID-19 treatments.

Transactions

resolved to delegate decision-making for the progesterone 2021/22 Invitation to Tender award to the Chief Executive; and

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

Pharmaceutical Transactions and Expenditure Report – supplementary

The purpose of this paper is to provides the Board with an overview of a significant pharmaceutical transaction that staff are currently progressing and to seek delegation to the Chief Executive for decision-making on this investment.

The Board **resolved** to delegate decision-making for the proposal to widen access to trastuzumab emtansine for people with early stage HER2-positive breast cancer who have residual disease after neoadjuvant therapy to the Chief Executive.

Claudia Wyss and Anthony Jordan

Carried

10.3 Efficacy of COVID-19 treatments

The purpose of this paper is to update the Board on the COVID-19 treatments portfolio and provide an overview on their efficacy.

The Board:

noted that Pharmac continues to develop its portfolio of COVID-19 treatments for patients with active COVID-19 infection or at high risk of infection

noted the portfolio approach includes consideration of the different SARS-CoV-2 variants and provides flexibility to use different treatments as variants evolve and evidence of effectiveness emerges

noted that the funding for COVID-19 treatments is managed separately from the Combined Pharmaceutical Budget

noted that we continue to work closely with the Ministry of Health and other parts of the sector to support implementation and equitable access to these medicines.

10.4 Prioritisation Report

This report describes prioritisation activity since the last report presented to the Board at its January 2022 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 January 2022 and the progress of selected items from Pharmac's prioritisation list.

Two prioritisation meetings have taken place (on 2 March 2022 and 28 April 2022) and one email prioritisation process was undertaken for low-risk proposals.

10.5 Summary of Decisions made under Delegated Authority – April 2022

This report contains a summary of all decisions made by Pharmac staff under delegated authority during March and April 2022.

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

A commendation was given by the Board to the team on the quality and amount of work they do each month.

11.0 Interest Articles

The Board **noted** the interest articles.

12. General Business

None noted.

The meeting closed at 2.30pm with a karakia.

Date of Next Meeting

The date for the next Board meeting is set for Friday, 1 July 2022 (June Meeting).

Chair: _____
Steve Maharey

Date: _____