

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING 30 SEPTEMBER 2022

The meeting was held at Pharmac offices, Level 9, 40 Mercer Street, Wellington, and by Zoom, and started at 9.30am with the following attendees:

Board members

Steve Maharey ((MA (Hons), CNZM))	Chair
Dr Claudia Wyss ((BHB, MBChB, MBA Harvard))	Deputy Chair
Talia Anderson-Town (BBS, PG Dip Professional Accounting, CA, CPP)	Board member (by zoom)
Dr Anthony Jordan (BHB, MBChB, FRACP)	Board member
Diana Siew (PhD)	Board member
Dr Elizabeth Zhu (MD)	Institute of Directors, Future Director

Board Observers

Peter Bramley	Board Observer, Te Whatu Ora
Lisa Lawrence	Board Observer, Consumer Advisory Committee
Marius Rademaker	Board Observer, PTAC Deputy Chair

Pharmac staff in attendance

Michael Johnson	Acting Chief Executive
Lisa Williams	Director of Operations
Peter Alsop	Director of Engagement & Implementation
Kathryn McInteer	Director Finance and Corporate
Trevor Simpson	Chief Advisor Māori
Katherine Graham	Deputy Medical Director
Carol Morris	Board Secretary

Attendees joined the meeting to present relevant papers: Jannel Fisher, Jacqui Mettam, Sean Dougherty, Yazmin Juned, Geraldine MacGibbon, Ashton Rounthwaite, Andrew Davies, Davina Carpenter and Gillian Anderson.

The Board Meeting started with a Karakia.

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 Annual Agenda 2023

The Board **noted** the Annual Agenda 2023.

1.5 Board and Committee Member Terms

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

1.6 CAC-Board liaison person

The Board **noted** the Chair will become the CAC-Board liaison person.

1.7 Chief Executive Review

The Board **noted** the Chief Executive Review.

1.8 SLT Feedback to the Board

The Chair thanked the Pharmac Senior Leadership Team for their feedback to the Board and acknowledged points made.

2. Apologies

Sarah Fitt, Chief Executive
David Hughes, Medical Director.

3. Record of Previous Board and Committee Meetings

3.1 Minutes of Board Meeting held 26 August 2022 Out-of-Cycle Meeting

The Board **resolved** to adopt the minutes of the 26 August 2022 Out-of-Cycle Board meeting as being a true and correct record.

Anthony Jordan and Talia Anderson-Town **Carried**

3.2 Summary of PTAC May Meeting

The Board **noted** the summary of the PTAC May Meeting.

3.3 Summary of CAC Meetings

The Board **noted** the summary of the CAC meetings.

3.4 Audit and Risk Committee Recommendation

A verbal overview was given on the Audit and Risk Committee Meeting held on 30 September and on papers. A review of the 2023 annual plan was also undertaken.

4. Interests Register

The Board **noted** the interests register.

5. Matters Arising

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

6. Chair's Report

- The Chair:
 - Advised that a lot of interaction has taken place with te Rōpū recently, including the recent face-to-face meeting on 14 September. Chair acknowledged the high-level of respect for the Chief Māori Advisor.
 - Met with Di Sarfati, Acting Director General of Health, and positive conversation about cancer related activity.

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

- Had first meeting with Robyn Shearer, Deputy Director-General, System Performance and Monitoring who now has responsibility for the Crown Monitoring team at the Ministry of Health.
- Suggested that Pharmac nominate member of staff for the Public Service spirit of service awards in 2023.
- Met with Alex Muelhaupt of Roche with a discussion on emerging trends.
- Board observers were advised that they can give their view in *Record of Previous Board and Committee meetings minutes* section.

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

- Te Rōpū and the Board had a positive face-to-face meeting on 14 September and agreed to a series of actions.
- Planning for our October response to the Pharmac review is being carried out and an out-of-cycle Board meeting on 17 October has been arranged to seek feedback on the draft final response.
- Paediatric Cancer treatments funding discussion paper has had good input from our Cancer Treatments Advisory Committee (CTAC) and with Te Aho o Te Kahu, the Cancer Control Agency. Release of the paper is a few weeks away, as finalising discussion paper and also seeking meeting with members of the Health Select committee.
- The ongoing discussions on next steps for COVID-19 vaccine arrangements were noted.

The Board **noted** members were pleased with the additional detail in the Financial Commentary section of the Chief Executive report.

7.2 Communications Report

This paper summarises communications and engagement activity for August 2022 and the impact of Pharmac work.

The Board:

noted that our media approach for the second half of 2022 has an overarching focus on collaboration and transparency

noted the four proactive media releases in August all resulted in positive coverage

noted that we are now tracking how our key messages are used by media to strengthen Pharmac's voice in media coverage

noted that website traffic has increased by 30% in the last 12 months

noted that Pharmac attended the launch of the Code of Consumer and Whanau Engagement which is part of the new Pae Ora legislation

noted that the communications resource has remained at a similar head count over the past five years, but the salary costs has increased as staff are more senior.

8. Key items

8.1 Update on People and Capability Strategy

This paper provides the Board with an overview of the People and Capability Strategy (Strategy) work programme that is driven by the Human Resources (HR) team, and an update on our areas of future focus.

The Board:

noted the work on the People and Capability Strategy that has occurred since the last update to the Board in January 2022

noted the future focused work we have identified

ACTION: Board requested more frequent up-to-dates on HR issues.

8.2 Appointment of CAC Member

This paper seeks Board agreement on the reappointment of Tui Taurua (Ngāpuhi) to the Consumer Advisory Committee.

The Board:

agreed to reappoint Tui Taurua to recommence her initial three-year term

noted that the reappointment of Tui is supported by the Consumer Advisory Committee Chair

noted we are currently running an open recruitment process for another member to join the Consumer Advisory Committee

Claudia Wyss and Talia Anderson-Town

Carried

9. Strategic Planning and Policy

9.1 Horizon Scanning

This paper provides the Board with an overview of the horizon-scanning activities that are taken by Pharmac staff in our management of the Pharmaceutical Schedule.

The Board:

noted that Pharmac staff use a range of types of market information to inform long-term decision-making in the management of the Pharmaceutical Schedule

noted that in general, the predictive value of this information for financial planning purposes declines significantly as the time horizon increases.

9.2 Board Governance Manual – Pae Ora updates

This paper seeks Board agreement to update the Board Governance Manual to:

- reflect the Pae Ora Act
- reflect other recent legislative changes where those were not otherwise incorporated into the Manual.

The Board:

noted that staff have revised the Board Governance Manual on behalf of the Board and the Board are asked to provide feedback on any desired amendments or improvements

noted that Schedule Eleven has not yet been updated to reflect the Pae Ora Act as further information is required to understand the future of funds remaining in the Discretionary Pharmaceutical Fund

approved the proposed amendments to the Board Governance Manual

noted staff will publish a final version of the Board Governance Manual on the Pharmac website, subject to any amendments suggested by the Board.

9.3 Report-back on June HTAi Annual Meeting, Utrecht, Netherlands

Paper moved to October Board meeting due to the unavailability of paper presenter.

10. Schedule and Funding

10.1 Pharmaceutical Expenditure and Transactions Report

The purpose of this paper is to update the Board on the Combined Pharmaceutical Budget (CPB), 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, including COVID-19 treatments, vaccines, current significant supply issues and the contentious, large or significant pharmaceutical transactions and investments that staff are currently progressing.

10.2 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** update on progress with medical devices national contracting activity

The Board noted that they will receive an update on the Medical Devices Strategy programme at its October meeting. Following the October update the Board would like to see progress updates on the programme as part of this report.

10.3 Summary of Decisions made under Delegated Authority – July and August 2022

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

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

11.0 Regular Reporting

11.1 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 exception risk report provides an update on items on the Board risk register that have materially changed since the 2021/22 quarter four risk register which was reviewed by the Board on 29 July 2022

noted that there is one updated risk item which relates to overlapping or conflicting responsibilities and functions due to the health sector reforms

noted that the Audit and Risk Committee will review the 2022/23 quarter one report and risk register when it meets on 30 September 2022

noted that the Board will receive the risk register and first quarter report in October 2022.

11.2 Implementation Update

This paper provides a six-monthly update to the Board (the previous update was in March 2022) on some of the engagement and implementation activities that have occurred to support the work of Pharmac, particularly for significant pharmaceutical funding transactions.

Highlight that more is being undertaken in collaborating with other agencies, success story working with Health Navigator (highly utilised by patients as well as clinical advisers).

The Board:

noted that Pharmac is part of a multi-agency group supporting the role out of new COVID-19 treatments

noted the collaborative implementation approach taken to support a brand change of Accuretic (blood pressure medication) because of safety concerns

noted the partnership with Health Navigator to create patient resources to support the paracetamol oral liquid brand change

noted Matui has launched a cardiovascular disease, and asthma prescribing dashboard to support our medicines access equity work.

11.3 Risk in the Supply Chain Update

This paper is a six-monthly update to the Board on Pharmac's supply chain risk mitigation and management.

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 tuhono with other government agencies Pharmac engages with in relation to supply chain management

noted that an Event Management Plan (previously Emergency Management Plan) has been drafted and is undergoing review and approval.

12. Interest Articles

The Board **noted** the interest articles.

13. General Business

Liz Zhu, IOD Future Director, was farewelled as her term finished in September 2022.

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, 28 October 2022.