

**Quarter Four Performance Report
April to June 2024**

Purpose of this report

Pharmac helps people live better, healthier lives by deciding which medicines, vaccines, medical devices, and products, should be funded and accessible. This report provides a progress overview of our contribution, including initiatives and performance measures outlined in our 2023/24 Statement of Performance Expectations (SPE).

Highlights - Quarter Four

Funding update

Hon David Seymour announced in April that [the Government is committing an additional \\$1.774 billion over four years for the Combined Pharmaceutical Budget](#).

In June, the Government announced a funding boost allocating Pharmac an additional \$604 million over four years to fund or widen access to cancer medicines and other medicines.

Pharmac will work through its Options for Investment (OFI) list to determine which medicines to progress. We made the first announcements on public consultation in early July.

We made a new web page where we list the funding applications we have been able to progress due to the 2024 budget increase:

<https://pharmac.govt.nz/medicine-funding-and-supply/funding-cancer-medicines>.

Operational and/or funding highlights in the quarter

CGM progress

Our consultation for the funding of continuous glucose monitors (CGMs), insulin pumps, and insulin pump consumables closed in April 2024. In May 2024 we publicly announced that the timeframe for making CGMs available would be delayed, to allow us to work through the issues raised in the feedback. Following consideration of these issues, we will then take the proposal at the earliest opportunity to the Board for a decision.

A public online information session was held in June, talking about plans to progress the funding proposal for CGMs, insulin pumps, and insulin pump consumables. Diabetes NZ's CE Heather Verry also participated in the session, asking questions from their members. Over 750 people attended and we received nearly 200 comments and questions. A recording of the session was published along with responses to questions asked during the session. The Q&A is available here: <https://pharmac.govt.nz/news-and-resources/news/cgms>.

Funding myeloma treatments

In April 2024, Pharmac issued a consultation on a proposal to fund more treatments for people with a type of blood cancer, multiple myeloma and some people with a blood cell disorder myelodysplastic syndrome. The funding would benefit over 800 New Zealanders and improve their quality of life. The funding proposal would increase access to lenalidomide and fund a new treatment pomalidomide, with a brand change for lenalidomide from 1 August 2024.

Consultation on the proposal closed on 17 May 2024 and after considering the feedback, a decision was made by Pharmac's Board in June to approve the proposal. This decision was announced in early July.

Letter of expectations

The Associate Minister of Health's 2024/25 annual Letter of Expectations (LoE) to Pharmac was received on 28 May 2024. The Board Chair has provided an initial response to the Minister and we will provide a more detailed response following further Board discussion. In the meantime, we have ensured that actions outlined in the LoE have been captured in our 2024/25 Statement of Performance Expectations.

Our 2024/25 SPE was provided to the office of the Associate Minister of Health and the Ministry of Health on 28 June to meet statutory timeframes. We plan to publish our 2024/25 SPE at the same time as the LoE is made public in July.

Proactive activity to increase consumer input and efficiencies in our work

Self assessment - CQSM

The [Consumer Quality Safety Marker](#) self-assessment measures engagement by agencies in three areas – engagement, responsiveness, and experience. Health entities self assess their progress in applying the Code. We recently submitted our second report. Pharmac continues to be rated an overall score of 2 consultation. With the following rating for each domain:

- Engagement: 3
- Responsiveness: 2
- Experience: 2.

The improved score for the Engagement domain, reflects the completion of an organisation-wide Engagement Strategy and Equity Policy. Additionally, we have worked collaboratively with cross-sector partners to create positive outcomes for consumers and whānau, commenced our engagement training programme for staff and been delivering actions to improve our organisation's culture.

Engagement of note

- The Board Chair, Board members, the Chief Executive and staff attended the Valuing Medicines Summit in April. Pharmac participated in discussions with experts and advocates about the challenges people face in accessing medicines. Key themes from the summit included speeding up the time it takes to rank medicines, meaningful consumer engagement and increased transparency.
- Minister Seymour and Todd Stephenson MP visited Pharmac offices to meet medical devices staff in late May to better understand our work programme and how it benefits the health sector and New Zealanders.
- We hosted a Medical Devices Healthcare Hui with 25 attendees across 15 organisations (colleges, societies etc) to give them a chance to hear more about our Medical Devices programme and for us to build connections, gain feedback and learn about areas of interest from our stakeholders. Attendees said that they appreciated the early engagement, facetime with Pharmac staff and that they felt listened to and heard.
- Pharmac had a number of speakers at the Medical Technology Association of New Zealand (MTANZ) Healthtech conference in June. This is the annual NZ medical device supplier event.

Capability building highlights in the quarter

Government Policy Statement on Health 2024 – 2027

We provided detailed feedback to the Ministry of Health on the draft Government Policy Statement on Health 2024–2027 (GPS) received in late March. The Ministry acknowledged our positive feedback. The GPS has been approved by Cabinet and was released on 30 June. Our 2024/25 SPE takes account of the GPS.

NZ Health Plan - Te Pae Waenga

We attended cross-agency webinars on Te Pae Waenga in April and May and provided feedback on the latest drafts of the plan. We are awaiting to hear from Health New Zealand on next steps.

Scrutiny week

In June, the Chief Executive and Manager Finance attended the Health Select Committee for scrutiny week with Associate Minister of Health.

Updates on Memorandum of Understanding (MoU)

Health New Zealand

We have been working with Health NZ to develop a relationship agreement that will provide a single framework to support relationship management across a range of topics between the two agencies. The agreement has been finalised and has been signed by both entities.

In addition to the relationship-level agreement, we are working on a first schedule to the agreement that sets out how claims and payments will be made between the two agencies. This follows an Audit NZ recommendation to Health NZ around documentation of the processes being used.

Public Health Agency (PHA)

We have been working in recent months with the PHA on updating an MoU for the funding and management of vaccines. The purpose of the MoU is to provide clarity of the roles and responsibilities of health agencies (the Ministry of Health, Pharmac and Health New Zealand) involved in the management of vaccines.

The revised MoU is currently being reviewed by a small working group of kaimahi from each agency, after which it will be reviewed by the Immunisation Oversight Board before being progressed for approval by the respective agencies.

Welcoming our new Kaumātua to Te Pātaka Whaioranga

We are very pleased to welcome our new Kaumatua, Matua Kura Moeahu, to the Organisation. Kura has agreed to take up the role in succession to Pāpā Bill Kaua, who served with Pharmac for 13 years and sadly passed away in December last year. Kura's appointment to the role brings a strong foundation in mātauranga Māori, tikanga and mana whenua through his whakapapa links to Te Atiawa. He is a very well-known and respected leader in Māoridom exemplified by the role he maintains as Cultural Advisor to Parliament. He will start his tenure with us in mid-July.

We have welcomed a number of speakers to Pharmac this quarter, on the theme of Living our values:

- Murray Edridge Wellington City Missioner, who will share his take on what living the values of the Mission everyday.
- Dr Margaret Wilsher spoke to our values from a clinician's perspective.
- Deon York, the Acting Chief Executive of Haemophilia New Zealand, discussed our values from a consumer perspective.
- Louise Aitkin, Sustainability and Climate lead for Deloitte's Consulting practice, spoke of starting small and doing what we can and hope for the future.

Strategic Priorities

In our [Statement of Intent](#) 2023/24 - 2026/27 we outlined three key areas that will shape improvements in the way we manage and invest in medicines and medical devices. These are:

- Strategic Management of Combined Pharmaceutical Budget (CPB)
- Enhanced assessment and decision making
- Strategic management of medical devices.

Each priority is underpinned by activities and initiatives to support te Tiriti o Waitangi, health equity, improved collaboration and engagement, and organisational excellence.

Strategic Management of Combined Pharmaceutical Budget (CPB)

To achieve the best health outcomes for medicines, vaccines, medical devices and related products, we need to better optimise funding available and take a longer-term view of how and where we direct funding to achieve improved health outcomes and health equity.

Medicine funding activity

We have funded 12 new medicines and 16 access widenings not related to COVID-19 in 2023/24. We have also progressed funding of one access widening, one advanced purchase and three purchase orders related directly or indirectly to COVID-19 in 2023/24.

Medicines funding highlights for quarter four

- From 1 July, ribociclib (branded as Kisqali) is funded for a form of advanced breast cancer known as HR-positive HER2-negative locally advanced or metastatic breast cancer. Palbociclib (branded as Ibrance) has been funded for this type of breast cancer since 2020.

These medicines are called CDK4/6 inhibitors. They slow down the progression of cancer so people have more time, and they maintain their quality of life.

- Pharmac has reached a multiproduct agreement with GlaxoSmithKline New Zealand (GSK). The agreement covers treatments for ovarian cancer, lung disease, HIV, a rare condition affecting blood vessels, and for people at high risk of getting shingles. It includes:
 - Funding a maintenance treatment for ovarian cancer, niraparib (branded as Zejula), from 1 May 2024, which will benefit 110 people in the first year of funding.

- Funding the first single inhaler triple-therapy will be funded from 1 May 2024. Fluticasone furoate with umeclidinium and vilanterol (branded as Trelegy Ellipta) will benefit around 15,000 people with chronic obstructive pulmonary disease (COPD) in the first year of funding. For most people, this will mean switching from using two or three separate inhalers to using just one.
- Funding a treatment for human immunodeficiency virus (HIV), dolutegravir with lamivudine (branded as Dovato), from 1 May 2024. About 900 people are expected to switch from their current treatment to this in the first year of funding.
- Widening access to mepolizumab (branded as Nucala) for relapsed or refractory eosinophilic granulomatosis with polyangiitis (EGPA), a rare vasculitis condition from 1 May 2024.
- Widening access to the shingles vaccine for some people who are immunocompromised and at high risk of getting shingles from 1 July 2024. This will affect 15,000 people in the first two years of funding, in addition to people who are 65 years old who can access the vaccine.
- We are making it easier for people with Wilson disease to get the medicine they need. From 1 May, trientine is listed on the Pharmaceutical Schedule. At the moment people access it through the Named Patient Pharmaceutical Assessment (NPPA) pathway. Listing trientine on the Schedule means people and prescribers will have clarity on who it's funded for and simplifies how people get it. It will also mean their approvals for funding will be life-long. Wilson disease is a rare, inherited condition that causes a build-up of copper in a person's body. This build-up in the liver and other organs causes fatigue and abdominal pain, and the person may eventually require a liver transplant. The medicine, trientine helps remove copper from the body.
- Mepolizumab is currently funded for people with severe eosinophilic asthma. Access to mepolizumab (branded as Nucala) will be widened to include people with relapsed or refractory eosinophilic granulomatosis with polyangiitis (EGPA). EGPA was formerly called Churg-Strauss syndrome and it is a rare disorder. EGPA is a form of vasculitis, causing severe swelling of blood vessels, often affecting the heart or kidneys. The treatment will reduce the risk of organ damage, improve symptoms and the patient's survival. We expect up to 15 people in New Zealand would receive mepolizumab for EGPA in the first year of funding.
- Pharmac has issued a request for proposals (RFP) asking suppliers to bid for the supply of oestradiol gel in New Zealand. In the past three years, the supply issues for oestradiol patches has caused stress and frustration for New Zealanders. Demand has more than doubled - growing from 1.2 million patches dispensed in 2020/21 to over 3 million patches in 2022/23.

Summary of CPB investment decisions to 30 June 2024

New investments for implementation in 2023/24 and 2024/25 financial years are summarised below.

Investments for implementation in the 2023/24 Financial Year

We have invested in 12 new medicines and 16 access widenings not related to COVID-19. We have also progressed funding of one access widening, one advanced purchase and three purchase orders related directly or indirectly to COVID-19 in 2023/24.

Type	Decision type	No. of pharmaceuticals	Estimated new patients 2023/24	Estimated Gross spending 2023/24
Not related to COVID-19	Widened access ¹	16	10,081	\$53,089,000
	New listing ²	12	9,770	\$7,995,000
	Total	28	19,851	\$61,084,000
Used for COVID-19	Widened access ¹	1	0	Confidential ³
	New listing ²	0	0	Confidential ³
	Advanced Purchases	1	1,000,000 ⁴	Confidential ³
	Purchase Orders ³	3	65,000	Confidential ³
Total - including COVID-19		33	1,084,851⁵	\$61,084,000

¹ Changes in access criteria for existing funded medicines, making them more accessible and/or available for a wider patient population(s).

² Any medicine not currently listed on the Pharmaceutical Schedule and any new presentations (e.g., tablet, infusion, injection) that represent a significant shift in treatment options for patients.

³ Advance purchase agreement or purchase orders for COVID-19 treatment. Pricing is confidential.

⁴ Number of doses (1,000,000) of COVID-19 vaccine estimated to be purchased for implementation in 2023/24. Note this may not be the same as the estimated number of new patients in 2023/24, as a small number of people may receive more than once dose of vaccine in this time period.

⁵ Includes number of doses of COVID-19 vaccine that may be purchased for implementation in 2023/24 as a proxy for estimated new patients 2023/24. Note that the number of doses of COVID-19 vaccines purchased may not be the same as the number of people, as a small number of people may receive more than one dose of vaccine in this time period.

Investments for implementation in the 2024/25 Financial Year

Note that from the 2024/25 financial year onwards all CPB investment decisions, including those related to COVID-19, will be reported together rather than decisions relating to COVID-19 being separated out.

We have invested in three new medicines and one access widening in 2024/25.

Decision type	No. of pharmaceuticals	Estimated new patients 2024/25	Estimated Gross spending 2024/25
Widened access ¹	1	7,495	\$3,743,000
New listing ²	3	1,476	\$16,090,000
Total	4	8,971	\$19,833,000

¹ Changes in access criteria for existing funded medicines, making them more accessible and/or available for a wider patient population(s).

² Any medicine not currently listed on the Pharmaceutical Schedule and any new presentations (e.g., tablet, infusion, injection) that represent a significant shift in treatment options for patients.

Enhanced assessment and decision making

We continue to make improvements to how we assess and make funding decisions.

Increased Consumer Focus (includes patient voice)

We are working to be more responsive and engaged with consumers and patients as part of assessment and decision making. Activities being progressed include:

- Consumer members have attended five advisory committee meetings this year to date: PTAC (two), Tender Clinical, Rare Disorders and Anti-infectives.
- In May we met with the three consumer members supporting the Specialist Advisory Committees to hear their feedback on their experiences. Members identified a range of requests and areas for improvement to support their active and successful participation.
- We are reviewing the methods used by other health technology assessment bodies internationally to engage consumers with a view to considering local examples and context to define New Zealand best practice.
- We are also reviewing consumer membership of Specialist Advisory Committees – following consumer engagement meetings in May.

Productivity / Efficiency of our Assessment and Decision-Making

We are working to increase the efficiency of our advice and assessment process. While Pharmac receives an increasing volume of applications, we are working to continuously reduce the number of proposals and applications awaiting advice and assessment.

Inactive funding applications

We are regularly reviewing all funding applications/proposals that are currently ‘inactive’ to determine whether they could be progressed to a decline decision or closed. An ‘inactive’ proposal is one that Pharmac is not currently intending to progress. Applications may be inactive for a number of reasons, including:

- our expert clinical advisors have recommended that the funding application be declined.¹
- other medicines for the same condition are now funded making the funding application no longer relevant
- our expert clinical advisors have recommended that the medicine would provide no additional benefits over other treatments we already fund, or it may be harmful
- no company is willing to supply the medicine in New Zealand.

To date, 566 applications have been considered through this process, and 504 inactive funding applications have been declined. We will continue to decline inactive applications on a quarterly basis in line with our quarterly prioritisation meetings. This will help prevent a backlog of inactive applications without decisions from building up in future.

¹ Note that applications are only considered to be ‘inactive’ one year after a recommendation from our clinical advisors. This ensures that there is time for additional information to be submitted and considered before we propose declining an application. Once an application is declined it can be re-opened at any time should new information be available.

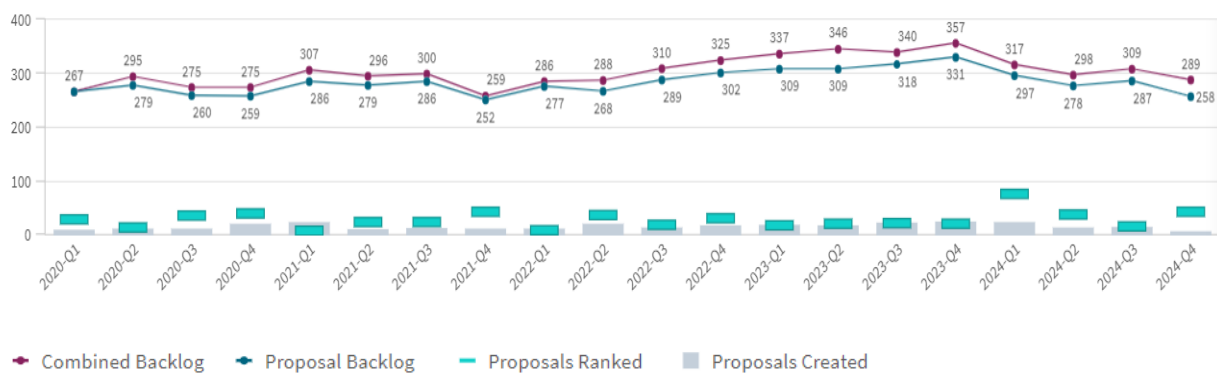
Reducing the backlog of applications and proposals

We continue to work toward eliminating the proposal backlog, making significant progress in the past two years. The number of proposals requiring clinical advice has decreased from 220 in Q4 2022 to 123 at the end of Q4 2024.

Pharmac received 110 funding applications last year, suggesting we are on track to process all applications for clinical advice within a 12-month period.² The volume of applications significantly increased from between 70 and 85 during the 2016-2020 period, largely due to a rise in consumer applications, which were infrequent before 2019 but now make up one in five applications.

The combined backlog, including proposals requiring an economic appraisal, has also improved. The current combined backlog (both applications and proposals) sits at 289 – Quarter three was finalised at 309. While we remain focused on reducing the backlog, our efforts have been hampered through an increasing volume (and increasing complexity) of applications and proposals received.

Proposal and Application Backlog Timeline



Timeliness of funding assessment

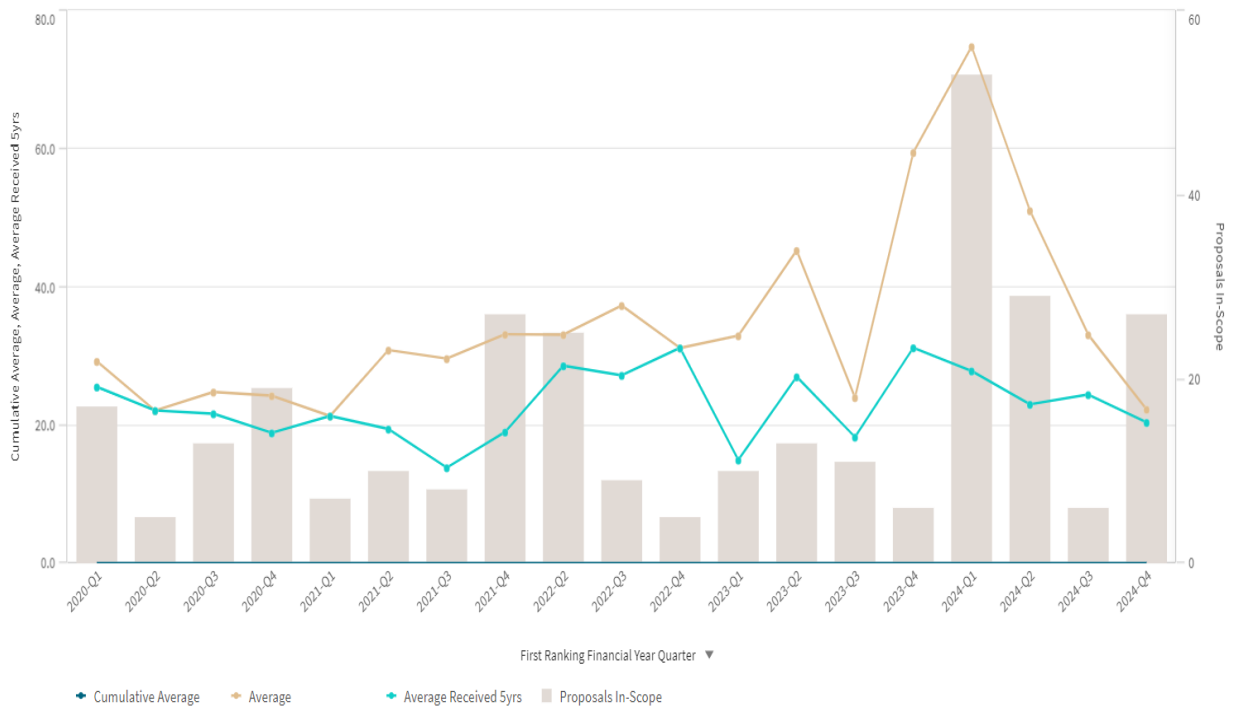
Timeliness of funding assessment is a measure of the time from date of receipt of an application to the date it is placed onto one of our priority lists – Options for Investment, Cost Neutral/Cost Saving or Recommended for Decline. It is an important measure for those aspects of assessment and decision-making process that we have more control over.

The blue line records the average time to rank of proposals received in the last five years and more closely reflects current performance.

The grey bar in the chart represents the number of proposals ranked during the quarter.

² To process proposals on average within 12 months, the incident application volume should match the total outstanding backlog. Some proposals may be processed faster or slower than this timeframe, depending on the frequency of clinical advice meetings.

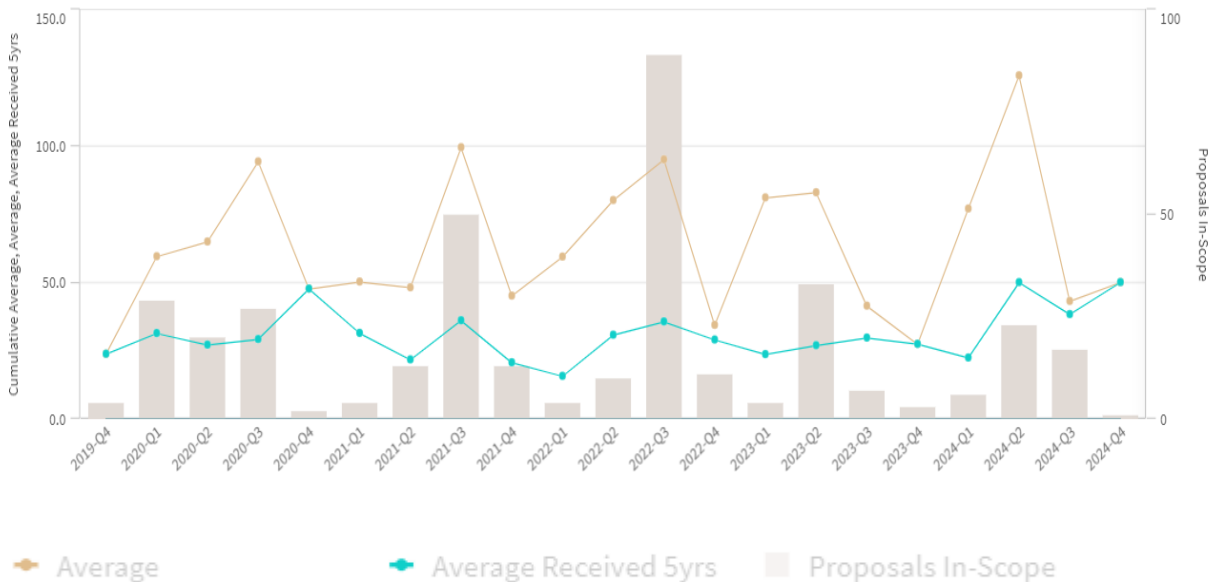
Proposals Average Months to Rank by First Ranking Date



Time to Decision

In this quarter, decisions (to approve or decline funding) were made for one in scope proposal, taking an average of 50.1 months overall.

Proposal Average Months to Decision by First Decision Date



Note

- Average = average time to decision for funding proposals decided on during the quarter, regardless of when the application was received.
- Average received 5 years = average time to decision for funding proposals decided on during the quarter, only for applications received in the previous 5 years.
- In-scope proposals are those for individual items where a decision has been made, recorded, and available for publishing at time of reporting.

Strategic management of medical devices

Pharmac, Health New Zealand, and suppliers continue to work towards a new way of managing medical devices used or supplied in hospitals. As the contracts are finalised, Health New Zealand will be able to determine the mix of products that offers the best value, the priority populations who are best served, and where changes to usage may be required to achieve this.

Funding update

Highlights for our work in hospital medical devices for April and May include:

- Four agreements approved in April and May covering annual hospital expenditure of \$21 million. We have released one further agreement for consultation.
- We have released four further agreements for consultation covering spend of approximately \$9 million annual spend.
- As of 1 June 2024, the Pharmaceutical Schedule includes approximately 168,000 contracted line items from over 140 suppliers. These contracts cover approximately \$607 million of annual Health NZ hospital expenditure on medical devices.

Transactions

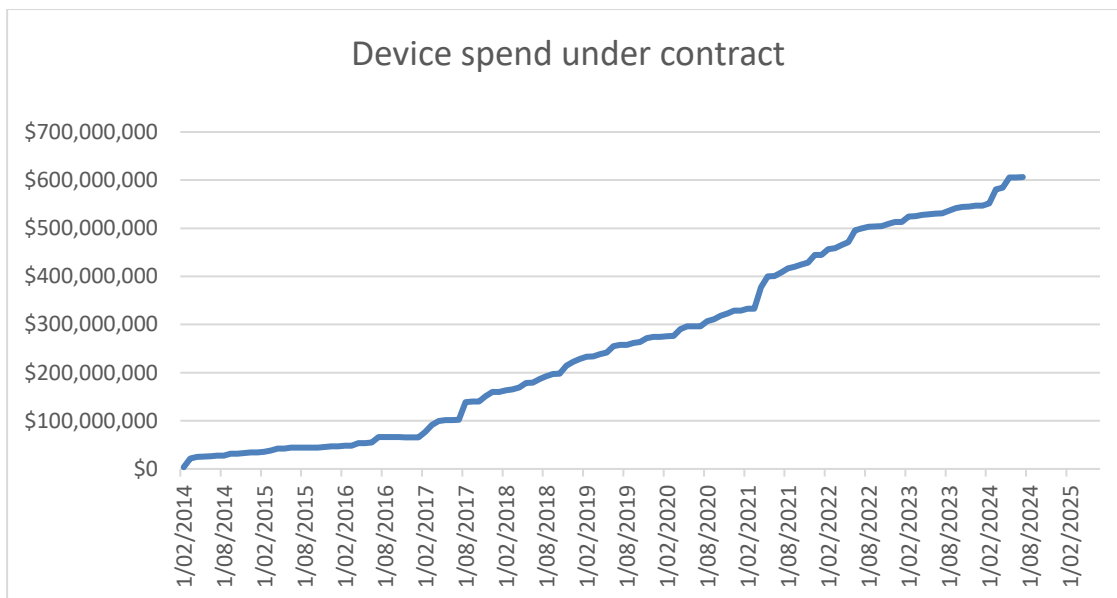
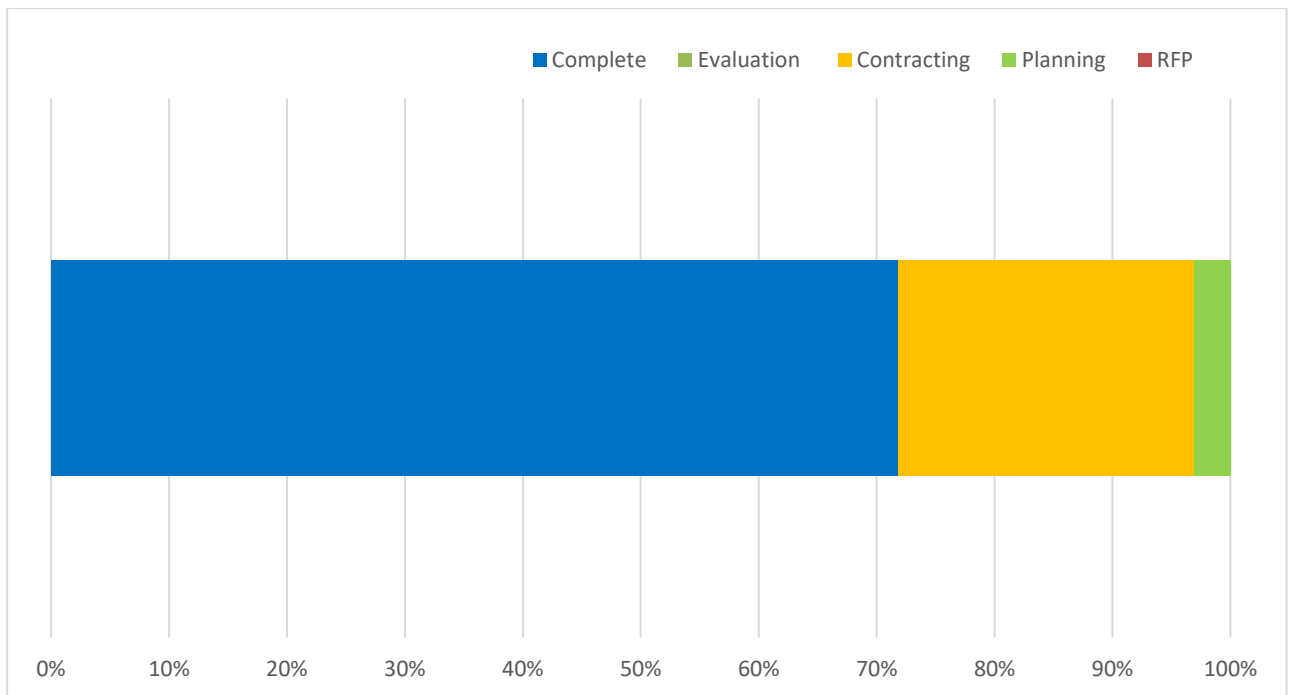
A financial profile of our medical devices activity is included below:

	2021	2022	2023	2024	2025
Total cumulative annual expenditure under agreement (\$ million)	\$401	\$495	\$530	\$606	<u>\$615</u>
Annual savings/(cost) as a percentage total contracted spend	0.34%	0.74%	(0.93%)	(0.90%)	<u>(0.30%)</u>

The table above shows savings (costs) as a percentage of the total spend under management. It continues to be negative (cost) this year, due to pricing pressure discussed further below. The figure has been reset for the financial year and is expected to climb in the short term given ongoing pricing pressure. We are at this stage confident it will remain within the 1.5% window set out in the 2024/25 Statement of Performance Expectations.

Medical devices spend under agreement

Below is a chart presenting the amount of expenditure that is covered by the Schedule as a proportion of the estimated total on devices. We estimate that the total spend is around \$850 million, which would mean we have 72% of devices spend contracted.



Medical Devices Highlights

- Philips agreement completed in the imaging category, increasing spend under agreement over \$600 million annually.
- Workshop with Health NZ equipment team on roles and responsibilities for equipment procurement and management. Output included a draft description of steps and broad agreement in principle about which entity leads and decision making for each step. A follow up session to develop this further is expected in June.
- Identified the critical suppliers in open categories that need to be under national contract and developed a roadmap to do this over the next year. We estimate that once this is achieved products under contract would represent around 75-85%.

- Released an RFP for Personal Protective Equipment which is one of the last remaining categories we need to list to make the Schedule comprehensive.
- Released a Request for Information in relation to Dialysis to support our longer term approach in this category to increase competition.
- An HTA Working Group (Pharmac/Health NZ) and a Health Technology Reference Group (Pharmac, Health NZ and Ministry of Health) have been established to support implementation and coordination of national Health Technology Assessment process for devices.
- The RFP evaluation team with members from the business, project, ICT and Health New Zealand have successfully completed the selection of a preferred supplier. We are developing the Stage One and Stage Two Contract (Master Services Agreement and Statement of Work). There will also be a detailed estimate completed for Stage 3.

Appendices

Appendix 1	Summary of performance measures
Appendix 1	Summary of SPE initiatives

Appendix 1

Summary of performance measures

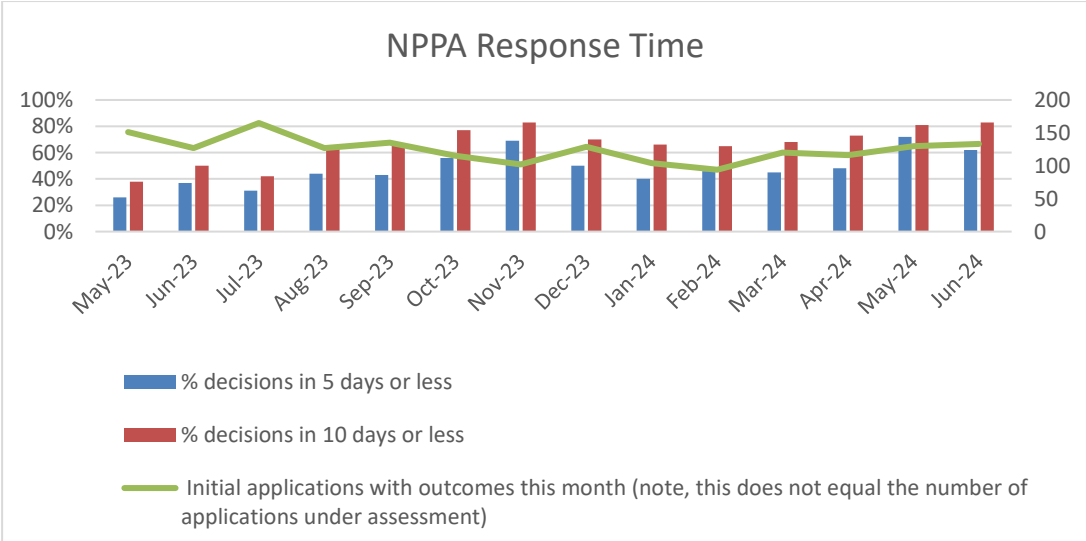
No.	Performance measure	2022/23 Result	2023/24 Result to date
1	Number of New Zealanders receiving funded medicines (A) ³	3.97 million	Result available August 2024.
2	Number of new medicines funded (A)	20	12 new listings, as at 30 June excluding COVID related medicines.
3	Access is widened to an increased number of medicines that are already funded (A)	22	16 access widenings, as at 30 June, excluding COVID related medicines.
4	Number of New Zealanders benefiting from new medicines funded or widened (A)	364,954	19,851 estimated new patients as at 29 February, excluding COVID related medicines. 1,084,851 (including COVID related medicines). Provisional only.
5	Access of medicines compared to subsidy	From 2013, the number of medicines (volume) and the range of medicines (mix) have increased over time	Result available August 2024.
6	Number of COVID-19 treatments funded (A)	145,664	Result available August 2024.
7	Number of patients receiving COVID-19 treatments (A)	n/a	As of 29 May 2024, a total of 250,569 courses of oral antiviral treatments have been dispensed
8	Access to medicines for priority populations	n/a	One access check-up was completed in 2023/24 and reported back to the business for consideration and improvement. Access check-ups use real-world data to check how well our Special Authority access criteria work in practice
9	Time to funding decision (A)	26.4 months	50.1 months (Q4 result) Annual to be confirmed
10	Time to rank applications (A)	21.5 months	22.3 months (Q4 result) Annual to be confirmed

³ (A) = Vote Health appropriation measure.

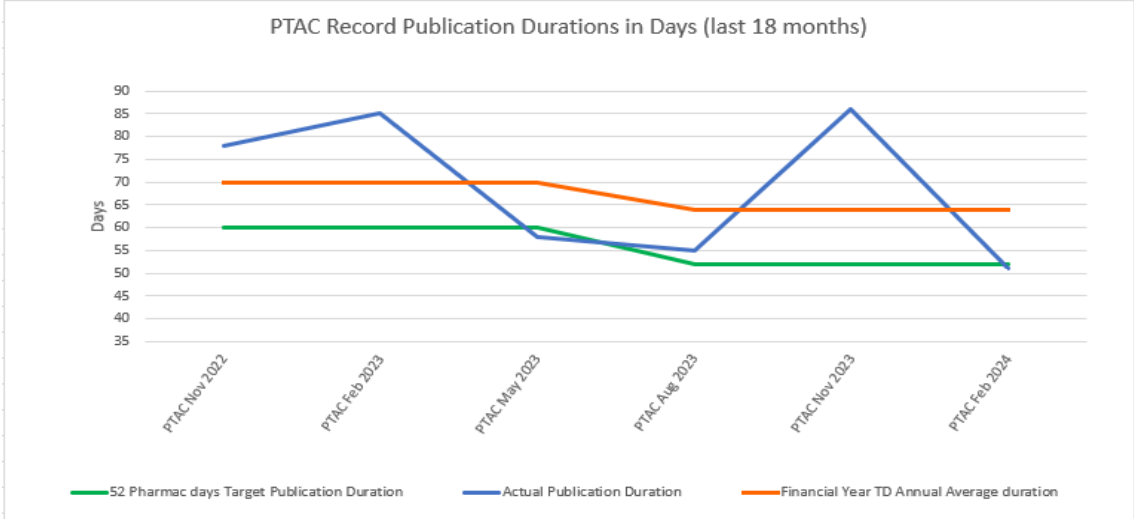
No.	Performance measure	2022/23 Result	2023/24 Result to date
11	Timeliness of Exceptional Circumstances decisions (NPPA)	46% decisions were made within 10 working days	83% (at 30 June)
12	Timeliness of PTAC and other specialist advisory committee records being published (A)	PTAC = 108 working days SAC = 108 working days	See graphs below.
13	Increase in the number of hospital medical devices on the schedule/list for Te Whatu Ora hospitals to access/purchase	63%	We estimate 68% of devices spend is now contracted.
14	Develop a methodology to show value to New Zealanders/Health system from hospital medical devices by 30 June 2024	n/a	Benefit mapping now completed. Value proposition of medical devices work will be further honed during Q1 and Q2 of 24/25.
15	Increased public trust in Pharmac (external survey)	93	Pharmac's overall reputation score has increased by one point from 2023, and four points from 2022. Overall reputation is one point above the average of 59 for the three benchmark agencies (ACC, Ministry of Health, Health NZ) 2021 = 59 2022 = 56 2023 = 59 2024 = 60 The 2024 average for all agencies = 64.
16	Māori trust and confidence in Pharmac (external survey)	Achieved. While the result has levelled in the last 12 months, we have seen a rise over a four year period. Advocates 21% Critics 31%	Result available August 2024.
17	Consumer engagement (Stakeholder experience)	n/a	Self-reported scores Q4: <ul style="list-style-type: none"> • Engagement: 3 • Responsiveness: 2 • Experience: 2.

No.	Performance measure	2022/23 Result	2023/24 Result to date
18	Assessment of bias and racism	n/a	<p>The Marsden research study “Reimaging anti racism theory for the health sector” led by Drs Heather Came-Friar and Zoe Tipa has come to an end in June 2024.</p> <p>The research team are the in the final stages of drafting a report for SLT and the board. We will be developing a three year plan based of these recommendations.</p>
19	Proportion of Māori and other under-represented groups in Pharmac’s workforce, and advisory groups compared with the proportion of the total population	Pharmac Board = 33% PTAC and Specialist Advisory Committees 3% Consumer Advisory Committee = 33% Responsible Use Advisory Group = 12.5%	Q1 = No change. Q2 = No change. Q3 = No change. Q4 – No change.
20	Reduce Pharmac carbon emissions	Total greenhouse gas (GHG) emissions 302 tCO2-e	The to-be-confirmed estimate for the 2023/24 financial year is carbon emissions of 190.96 tCO2-e for the year. This is a reduction of 32% from 2022/23 (279.0 tCO2-e), and a 57% reduction completed to our 2018/19 base year (436.59 tCO2-e).

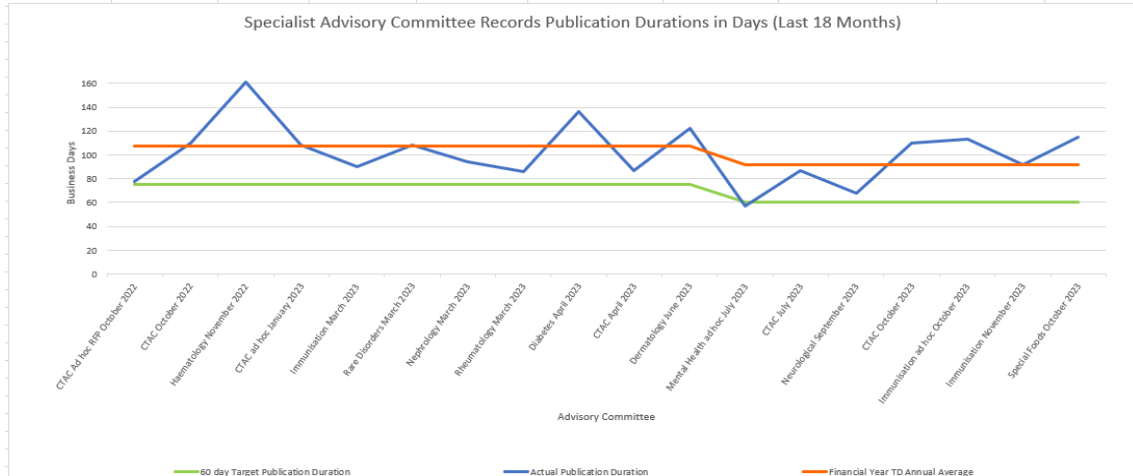
Measure 11 - Timeliness of Exceptional Circumstances decisions



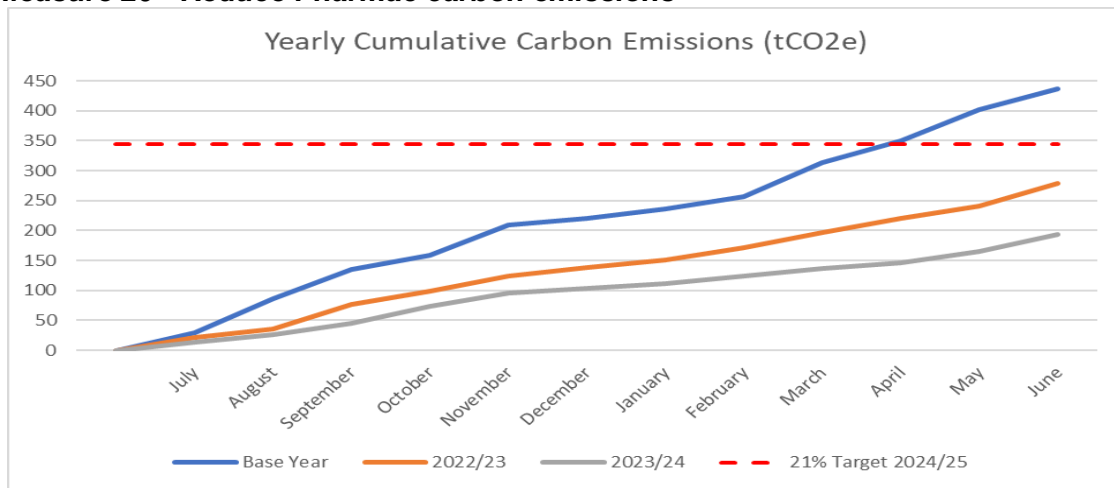
Measure 12 - Timeliness of PTAC committee records being published (A)



Measure 13 – Timeliness specialist advisory committee records being published (A)



Measure 20 - Reduce Pharmac carbon emissions



The to-be-confirmed estimate for the 2023/24 financial year is carbon emissions of 190.96 tCO₂-e for the year. This is a reduction of 32% from 2022/23 (279.0 tCO₂-e), and a 57% reduction completed to our 2018/19 base year (436.59 tCO₂-e).

Appendix 2

Summary of SPE initiatives

Strategic management of the CPB

SPE Initiative	Progress	Comment
Scope strategic CPB investment pathway for Budget 2024, moving to a multi-year funding pathway so that we can manage our CPB investment more strategically	Completed	Information provided. Bids submitted. Funding announced.
Progress number of medicines investments focused on health needs of Māori and improving health equity	On track	To date, of the 28 new investments for implementation in 2023/24, 5 were identified as a Māori health area of focus, 18 as having an impact for Māori and 18 as having an impact for equity.
Update/adapt commercial activities to accommodate the expansion in Pharmac's scope	On hold	Initial scoping has been done. Building of tools to support and better inform this work already underway as part of wider insights work. We are aiming to progress this work in 2024/25.
Work more collaboratively with the health sector and other stakeholders on service and workforce implications of our investments	On track	Collaboration is ongoing, across both organisations, at multiple different levels.
Explore with Te Whatu Ora how we can improve hospital medicines management	On track	Collaboration with Cancer Control Agency, Health New Zealand and clinical line functions to inform future workforce planning is ongoing.
Work with Te Whatu Ora on improvements to Pharmaceutical schedule as part of Health Sector Agreements and Payments programme	On track	<p>The Health NZ Health Sector Agreements and Payments (HSAAP) system is scheduled to go live for PCTs⁴ on 2 July 2024.</p> <p>Further work is required to agree a Claims and Payment Schedule to the Pharmac / Health NZ Relationship Agreement and to modify the Schedule Rules in order to establish agreed terms for payment. In the meantime, the current process will continue.</p>

⁴ PCT means a Pharmaceutical listed in Section B of the Schedule that a Health NZ Hospital Contractor may claim a subsidy payment for.

Enhanced assessment and decision making

SPE Initiative	Progress	Comment
Bring more diverse voices into all stages of our assessment and decision making (RR)	On track	Māori clinical advice and recruitment to PTAC and SACs was focus for Director Māori. Senior Lead Māori and Manager Expert Advisory have met for initial planning. This work is also included in Pou Tohu Mātāmua Principal Advisor Māori' engagement workplan with 4 external Māori health professional bodies. Discussions to ensue in 2024/25.
Continue to make consumer appointments to our expert advisory network (RR)	On track	<p>2 initial engagements occurred between Te Rōpū and PTAC meeting in mid-August and follow up session in November. Further meetings being planned for 2024/25. Focus will focus on potential collaboration on clinical and hauora Māori advice.</p> <p>Work to review consumer membership at SAC meetings is progressing slowing due to capacity within the team. Meeting with consumers held on 9 May and team now preparing next steps.</p>
Continue to make our assessment and decision-making timelier and more efficient (RR)	On track	<p>We are working to right-size our advice and assessment process and eliminate the backlog of proposals awaiting advice, assessment, and ranking.</p> <p>We have made significant headway for proposals requiring clinical advice with the number of proposals requiring clinical advice now close to our annual intake of applications.</p>
Continue to make our assessment and decision-making process more transparent (RR)	On track	We are looking to seek clinical advice via email for some lower risk proposals, rather than going to a full committee for everything. We are working towards 'right-sized' clinical advice being shared publicly in a manner similar to committee records.
Develop a plan for the review of Pharmac's decision-making framework (Factors for consideration) (RR)	On hold	Not actively being considered at this time.
Increased focus on collaborating and working in partnership with the health sector to support implementation of our decisions (RR)	On hold	<p>Further collaboration opportunities will be developed.</p> <p>We have contributed to sector strategies, and clinical networks. We continue to work to expand the expert advisory networks.</p>
Develop our approach, with health sector partners, on assessing whether our decisions achieve the outcomes expected (RR)	On hold	<p>The medicines outcome framework is led by the Ministry of Health. The current phase is very high level with a small number of system level measures.</p> <p>Pharmac intends to track the number of individuals who are prescribed a new medicine compared with the number of individuals we expected to receive a medicine. This is resource dependent.</p>

Strategic Management of medical devices

SPE Initiative	Progress	Comment
Finalise the Medical Devices List	On track	<p>Planning underway. Seeking clarity on potential to use Health Sector Catalogue and Spend Data Repository information held by Health New Zealand. Timeframe for finalisation to be confirmed.</p> <p>Working with Health New Zealand to encourage remaining suppliers to complete work. Including HSC provisions in agreements.</p> <p>Planning underway. Can identify around 15,000 codes not listed but with sales in HSC and SDR. Working up how we could list these in the Schedule and validate how close this takes the list to comprehensive.</p>
Manage the Medical Devices List	On track	<p>One category plan underway. Now needs expert advice to progress further. This will inform strategy and approach to future category plans.</p> <p>Category planning to commence for four further categories.</p>
Medical Devices investment management planning & transition	Off track	<p>Remains off-track as there is a dependency on developing a strategy for finalising the list before this work can be completed. This will be transferred to 2024/25 financial year.</p> <p>Recruitment underway to increase Pharmac capability and capacity for assessment and decision-making.</p>
Incorporate equity and taking a population-based view in line with Pae Ora into the medical devices work	On track	Team upskilling and progressing where can and focused on Māori and Pacific peoples.
Identify actions to implement Te Tiriti Policy in medical devices work	On track	Actions identified and recruitment underway to support implementation.
Work collaboratively with health sector partners to continue to develop the approach for and transition to Investment Management	On track	Implementation of Action Plan with Te Whatu Ora Procurement and Supply chain progressing and on-track.

Organisational capability

SPE Initiative	Progress	Comment
Prioritise giving effect to the health sector principles of Pae Ora, noting their significance for giving effect to te Tiriti, ensuring involvement of and engagement with Māori, and achieving Māori health equity (RR)	On track	Reported throughout this quarterly report.
Ensure the Board are meeting their te Tiriti accountabilities through a thorough and focused programme of work	On track	Board accountabilities assigned. Plan to revisit Board accountabilities as part of delivery of Kaituruki Māori individual Te Tiriti accountabilities.
Ensure the Senior Leadership Team are meeting and committing to their organisational and individual directorate te Tiriti accountabilities (RR)	On track	SLT collective accountabilities agreed. All SLT individual accountabilities in place. SLT capability plan in development.
Complete a review of systemic bias/ racism as they relate to Māori across our work (RR)	On track	Draft report progressing.
Commence a full review and renewal of Te Whaioranga with Māori, noting the desirability of bringing this forward to ensure a strategy fit for purpose under the Pae Ora Act and the expiry of the current strategy in 2023 (RR)	On track	Plan to do comprehensive refresh of strategy in 2025 to align with refresh of Pae Tū: Hauora Māori Strategy.

Equity

SPE Initiative	Progress	Comment
Identify the best ways to ensure the perspectives and experiences of disabled people are included in our work, including through discussion with Whaikaha - Ministry of Disabled People (RR)	On hold	Established relationship with Whaikaha through work on COVID-19 antivirals and widened access. Challenges of data availability discussed at sector level and improvements required.
We will make internal improvements to ensure our Pacific Responsiveness Strategy reaches all aspects of our work	On hold	Currently assessing future state of this strategy. This to be considered in first quarter of 2024/25.

Engagement

SPE Initiative	Progress	Comment
Develop an engagement strategy that provides a clear high-level understanding of Pharmac's engagement approach that supports our strategic direction and Pae Ora	Completed	An engagement strategy implementation plan has been developed outlining the engagement activity that is underway or planned to be completed within the next 18 months with existing resources and budget.
Develop principles that guide our engagement and hold us accountable to good engagement practice	Completed	As part of the engagement strategy development, engagement principles have been drafted that align with the Pharmac values. These will be reviewed further within Pharmac and external stakeholders such as Consumer Advisory Committee.