

**Quarter Two Performance Report  
October to December 2024**

## Highlights for the Quarter Two 2024/5

- We have invested in 23 new medicines and 35 access widenings, benefiting an estimated 79,074 new patients.
- In response to the June budget uplift, we have progressed a significant number of new investments. As of 31 January, a total of 56 new/widened access medicines are at various stages in the funding process. There has been considerable cross agency collaboration in these activities.
- Continuous glucose monitors (CGMs) were funded from 1 October 2024 for type 1 diabetic patients alongside new arrangements for funded insulin pumps and consumables. About 12,000 people with type 1 diabetes are expected to receive CGMs in the first year of funding, rising to more than 18,000 after five years.
- We continue to make progress on reviewing funding applications/proposals that are currently 'inactive', to determine whether they could be progressed to a decline decision or be otherwise closed. In quarter two we consulted on a proposal to decline 56 inactive applications. We are currently considering feedback and the decisions on these applications are planned for February.
- Work continued to explore options for how our assessment and decision-making processes could take account of societal impacts. We engaged experts from The Netherlands, who are helping us test the wider costs and benefits associated with some specific medicines. A report from the Dutch experts was received on 24 December 2024 and will be considered by the Board at its February 2025 meeting.
- Work is underway on options for Budget 2025 and will be progressed further during quarter three.
- From 1 February 2025, the Pharmaceutical Schedule will include approximately 174,000 contracted line items from over 140 suppliers. These contracts cover approximately \$643 million of annual Health NZ hospital expenditure on medical devices.
- A medical devices webinar was held in October for over 190 attendees, mainly suppliers, to discuss planning and process development.
- We held meetings with over 23 professional healthcare organisations interested in medical devices during quarter two.
- The Ministry of Health commenced work on an externally led review of the Medical Devices work programme. The review will look at whether the medical devices work is better positioned to be delivered by Health NZ or Pharmac. Advice from the Ministry will be provided to the Associate Minister of Health in February/March 2025.
- The new engagement plan template has been adopted to support strategic and tactical engagement planning of several initiatives across the organisation. A key focus of the strategic planning work has been improvements to consumer engagement.
- The pilot of a new system and procedure for capturing consumer and stakeholder interactions within the Medical Devices directorate has been successfully completed with the system and process now formally adopted as BAU.

- Two independent workshops were held with consumer and patient representatives in November. These workshops, initiated by the Board Chair, aim to reset relationships with key consumer representatives and provide an opportunity to hear and work through what representatives consider Pharmac's issues and opportunities from a consumer perspective. An independent report of the meetings will be presented to the Board in February 2025.
- The wide range of work in the expert advisory and consumer spaces has helped us to channel the consumer voice and enabled us to identify potential improvements in our access criteria.
- Debbie Francis has completed a review of Pharmac's workplace culture, and this will be considered by the Board at its February meeting.
- We hosted our first external equity working group hui. 11 representatives from the health sector and other government agencies came together to discuss how we can work together to improve health outcomes for population groups experiencing the highest health needs.
- Our Māori advisory group Te Rōpū was disestablished so that we can focus more of our efforts on the other partnership arrangements we already have in place and the strong connections we wish to establish. These include the four Māori health professional bodies, iwi Māori Partnership Boards, and the Hauora Māori Advisory Committee within the Ministry of Health.
- We supported a request in October from the Ministry of Foreign Affairs and Trade to donate 45 doses of Pfizer's Adult XBB.1.5 COVID-19 vaccine to the French Antarctica Programme, ensuring the protection of French and Italian nationals ahead of new staff arriving on base.
- In 2023 we received and responded to 89 Ministerials. In 2024 there were 242 in total, a significant increase.
- Our proactive media policy means the number of press releases we have issued has steadily increased. In 2021/22 we issued 52. In 2022/23 we issued 49, and in 2023/24 we issued 58.
- The 2023/24 Audit process is complete and a management report, outlining areas for improvement, has been received. We will action the Audit NZ recommendations in the preparation of future accountability documents.
- The 2023/24 Annual Report, 2025/26 Statement of Performance Expectations, and Statement of Intent 2024/25 – 2027/28 have been tabled in Parliament.

## Strategic Priority 1: Strategic management of the medicines budget

We are planning and managing our medicines budget (Combined Pharmaceutical Budget) over a medium-term horizon to achieve the best health outcomes and value for the public.

### Medicines budget investments

#### Summary of medicines budget investment decisions to 31 December 2024

We have invested in 23 new treatments and 35 access widenings in 2024/25 for implementation in 2024/25.

Decision type	No. of pharmaceuticals	Estimated new patients 2024/25	Estimated Gross spending 2024/25
Widened access <sup>1</sup>	35	36,954	\$80,453,000
New listing <sup>2</sup>	23	42,120	\$71,928,000
<b>Total</b>	<b>58</b>	<b>79,074</b>	<b>\$152,381,000</b>

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

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

#### Improved access to funded cancer and non-cancer medicines

In June 2024, the Government provided additional funding to Pharmac to fund new medicines and widen access to medicines that are already funded.

In response to this uplift, we have been progressing a significant number of new investments. As of 31 January, a total of 56 new/widened access medicines are at various stages in the funding process:

- Consultation is open on proposals for 12 medicines (7 cancer, 5 non-cancer)
- Consultation has closed on proposals for 6 medicines (3 cancer, 3 non-cancer) and Pharmac is now considering the feedback
- Decisions have been made on the funding of 38 medicines (19 cancer, 19 non-cancer) specifically enabled by the budget uplift.

The number of people estimated to benefit from these investments as the result of this additional funding in these medicines in the first year of funding is approximately 48,000. This number will continue to increase as more consultations open and decisions are made.<sup>1</sup>

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<sup>1</sup> Further details of the treatments progressed because of the 2024 budget uplift can be found here: <https://pharmac.govt.nz/medicine-funding-and-supply/funding-cancer-medicines>

## **Improved cross-sector collaboration to support implementation of new medicines**

Implementation of our funding decisions is supported by a cross-sector implementation group involving Pharmac, Health NZ, Ministry of Health, and the Cancer Control Agency.

This group meets fortnightly and ensures that we are joined up on both the information from Pharmac needed to support implementation (such as numbers of people expected to receive the new medicines, the route of administration, likely impact on Health NZ resources etc) and communication of our consultations and decisions, including with media, Ministers' offices etc).

Oversight of these activities is provided through regular meetings of the Chief Executives, or their representatives, of these organisations.

As part of our contribution to the sector implementation activities, Pharmac has been working with Health NZ to develop a template for the information they require for their implementation planning for each medicine – this is quite comprehensive and draws information from multiple teams across Pharmac's business.

We expect this enhanced collaboration will continue beyond the June 2024 funding uplift.

## **Process improvements for how we consult on pharmaceuticals in the annual tender**

We have heard from consumers that the consultation process to support our decision on oestradiol patches via the Annual Tender was inadequate. We understand that the advice we get from our advisors on issues like brand changes through the tender may not be satisfactory to identify issues that potentially impact consumers and that our current approach to consultation doesn't always reach the right people in the right way. We are therefore rethinking how we could consult on potential brand changes that would occur through our Annual Tender process. This is likely to extend the timeframes for tender decisions that result in a brand change.

## **Targeting population groups with the highest health need**

Consideration of populations with the highest health needs is an integral part of our assessment and transaction work. Of the funding decisions made for implementation in 2024/25, 46 will address populations with high health needs.

## **Decisions on inactive funding applications**

People have told us that they want more clarity about which treatments we are actively considering for funding. To provide clarity about which medicines we are actively considering for funding, we have an ongoing programme of work to close out (usually via declining the application) inactive applications, that we are not intending to progress for funding.<sup>2</sup> We understand that a decision to decline an application may be disappointing to hear.

We are currently proposing to decline a further 56 funding applications. Consultation on this proposal closed on 29 November 2024 and we are currently considering the feedback, including contacting some of the consultation responders. A decision on the 56 applications is planned for February.

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<sup>2</sup> An 'inactive' proposal is one that Pharmac is not currently intending to progress for funding.

## **Improvements to the pharmaceutical schedule**

We are working in partnership with Health NZ on improvements to how Pharmaceutical Schedule subsidies are processed and paid as part of Health Sector Agreements and Payments (HSAAP) programme. The HSAAP programme is transforming the Health NZ's agreements and payments environment responsible for over 120 million transactions and \$12 billion funding annually.

On 2 July the HSAAP system went live for medicines that Health NZ hospitals directly claim for. We fund approximately \$400 million per annum of medicines via this route. The next phase of work is focused on shifting subsidy claims from community pharmacies, worth over \$1.5 billion each year.

## **Strategic Priority 2: Enhanced assessment and decision-making**

We are improving our assessment and decision-making processes by increasing consumer input and participation; improving timeliness, efficiency and transparency; and updating our approaches to include wider fiscal impacts to whole of Government – and how we consider societal impacts.

### **Increasing our consumer focus and patient voice**

We are working to be more responsive and engaged with consumers and patients as part of assessment and decision making. As part of our funding decisions highlighted previously, we have engaged with a wide range of consumer advocacy groups as part of the decision-making process. Progress made in the quarter includes:

#### ***Consumer workshops***

Two independent workshops were held with consumer and patient representatives in November.

These workshops, initiated by the Board Chair, aim to 'reset' relationships with key consumer representatives and provide an opportunity to hear and work through what representatives consider Pharmac's issues and opportunities from a consumer perspective. An independent report of the meetings will be presented to the Board in February 2025.

#### ***Other engagement activity***

- In the lead up to the significant changes to the special authority criteria for stimulant medicines for ADHD, Pharmac staff engaged highly effectively with two consumer groups ADHD NZ and Aroreretini Aotearoa to understand the barriers consumers were facing to access these medicines. This early and consistent engagement was key to the success of the consultation and decision-making process.
- A communications and engagement toolkit has been developed for staff. It is designed to help plan and deliver strategic and meaningful communications and engagement for our partners and stakeholders.
- We have also developed Interim guidance on engaging with Māori for all staff.
- We have developed a Health NZ Relationship Management Plan to identify actions to strengthen Pharmac's relationships with Health NZ.

- We have firmed up our approach for sponsorship and conference activities including:
  - making sponsorship and conference activities part of annual business planning
  - bringing the sponsorship, scholarship, and conference budgets together to provide a consistent approach and improve visibility
  - updating the sponsorship criteria to strengthen alignment with the Pae Ora Act and related Pharmac strategies and policies, and
  - investing in updating our promotional equipment to be more visually appealing and engage conference attendees better.
- We hosted our first external equity working group hui. 11 representatives from the health sector and other government agencies came together to discuss how we can work together to improve health outcomes for population groups experiencing the highest health needs. Key discussion points included data and evidence sharing, system connection across the consumer journey, and the inclusion of diverse voices to service design.
- Supporting Health NZ and Plunket in their immunisation roll-out pilot project.

### Improving the timeliness of our assessment and decision making

We are improving the efficiency of our advice and assessment process. Despite receiving an increasing volume of applications, we are working to continuously reduce the number of proposals and applications awaiting advice and assessment – as well as identifying and streamlining improvements to our processes.

### Reducing the backlog of applications and proposals

The current combined backlog (both applications and proposals) is 343. (Quarter one was 323). 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. Priority has also been given to progressing proposals following the funding uplift.

Proposal and Application Backlog Timeline

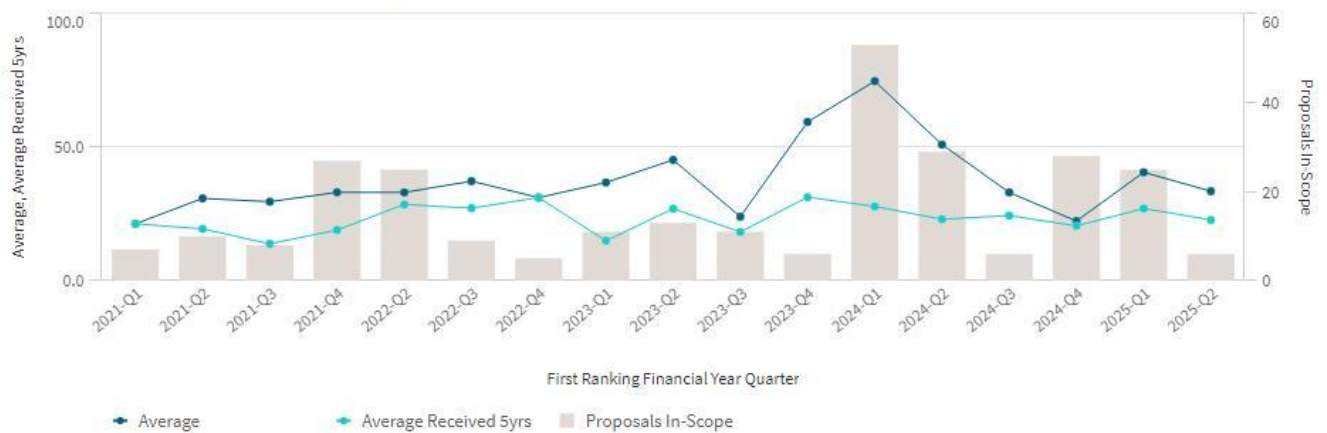


### Timeliness of funding assessment

Timeliness of funding assessment (time to rank) 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 measures those aspects of the 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. The average is 33.5 months. The average over five years is 22.8 months.

While the average may fluctuate, depending on which proposals are prioritised, we anticipate a reduction in the average as the backlog of applications awaiting ranking lessens and our processes become more efficient.

Proposals Average Months to Rank by First Ranking Date



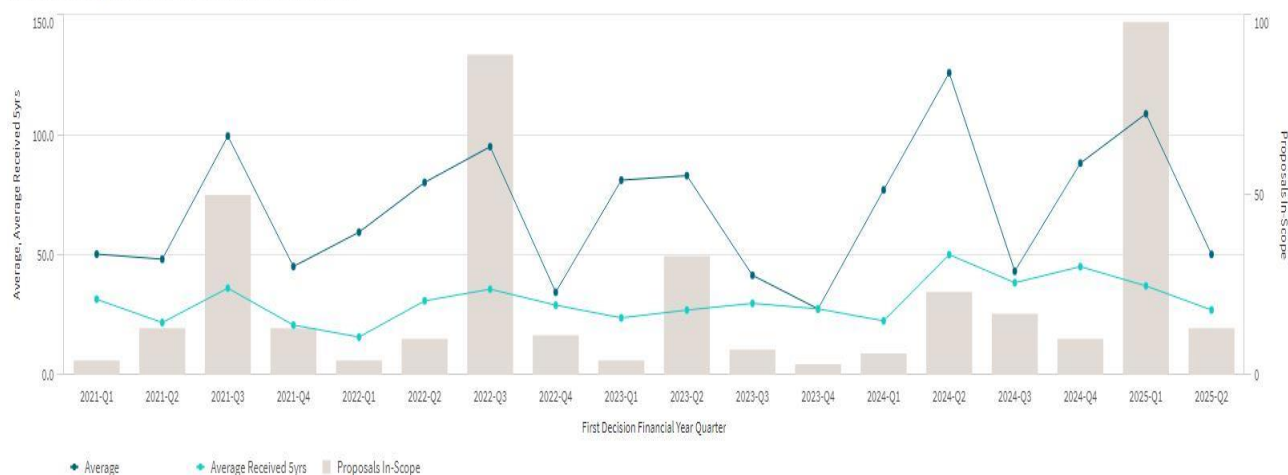
Note: Proposals flagged with an invalid first ranking date, are a bundle, withdrawn, or marked as do not publish, are not included above.



## Time to Decision

In this quarter, decisions (to approve or decline funding) were made for 13 in scope proposals, taking an average of 50.2 months overall. The average for applications received in the last five years is 27.1 months. The decrease is due to the large number of positive funding decisions in the first two quarters of this financial year.

Proposal Average Months to Decision by First Decision Date



Note: Proposals flagged with an invalid first decision date, are a bundle, withdrawn, or marked as do not publish, are not included above.

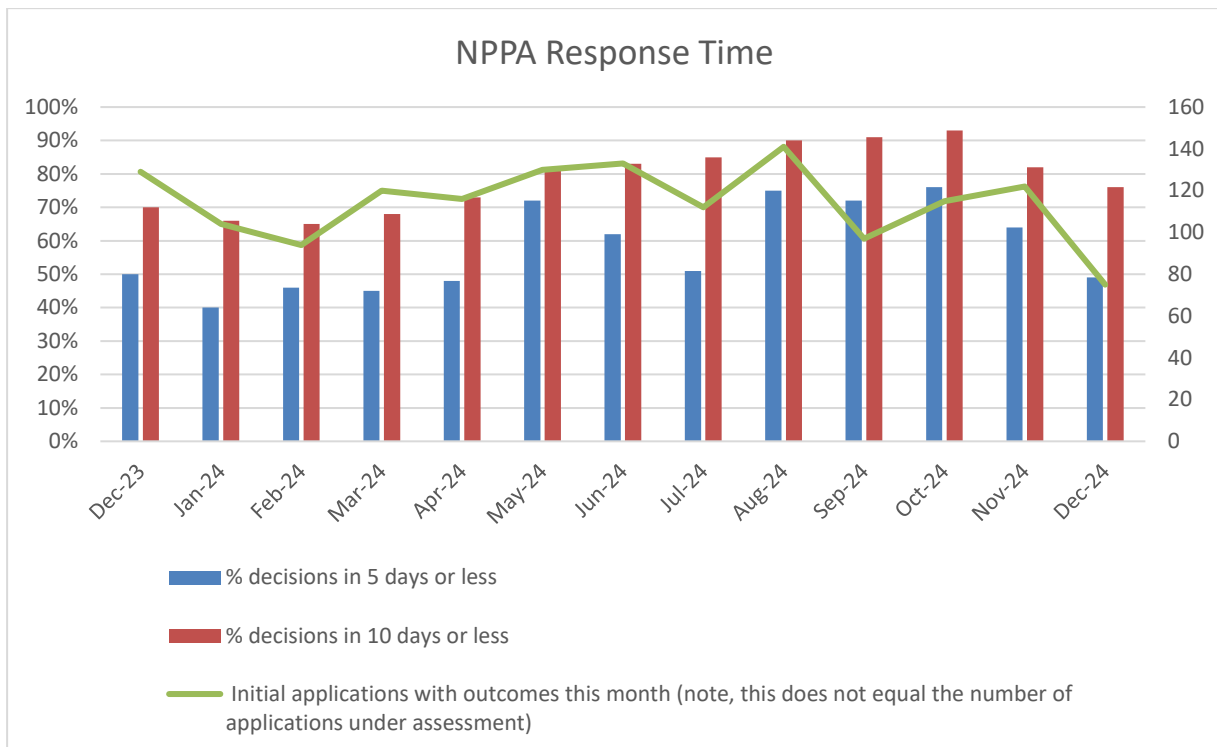
## Notes

- 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.

## Exceptional Circumstances

Between 2018/19 and 2022/23, 10-day response times were consistently between 45% and 51%, despite a significantly lower volume of applications. Our responsiveness has improved month on month from February 2024 to October 2024, where it peaked at 93%. Responsiveness has since dropped due to a team member leaving at the start of November and significant resource required for diabetes technology alternative brand applications (excluded from NPPA data).

Work is underway to review the Exceptional Circumstances Framework and the associated policies. Consultation required for the review is being planned and will include a web-based form/online consultation, webinars and targeted meetings/town halls.



We have significantly reduced the backlog of applications awaiting an outcome. The list of NPPA applications awaiting an outcome has reduced from over 100 at the start of 2023/24 to less than 30 by the end of quarter two. This backlog had been present for a number of years and clearing it has allowed greater oversight of all active applications, reducing the risk of urgent applications being incorrectly triaged.

### Considering societal impacts of our work

Pharmac commissioned Erasmus University in the Netherlands tasked with widening the lens from a health system perspective to a social perspective for four assessments on the Options for Investment list. Their work, capturing the wider costs and benefits associated with the four assessments, was received by Pharmac on 24 December 2024. The next step is for Pharmac staff to present their findings to the Pharmac Board in February 2025.

### Strategic Priority 3: Strategic management of medical devices

We are developing and implementing an integrated approach to hospital medical devices so that we drive better value and more consistent and equitable access.

The new approach drives a new way of managing medical devices used or supplied in hospitals. As the contracts are finalised, Health NZ 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.

### Review of Medical Devices

- The Ministry of Health has commissioned a review of Medical Devices work programme. The review will look at whether the medical devices work is better positioned to be delivered by Health NZ or Pharmac in the long term. Consulting agency Martin Jenkins has been contracted to carry out this review. Advice from the Ministry will be provided to the Associate Minister of Health in late February 2025.

## Engagement

- We have now had 1-1 meetings with over 23 professional healthcare organisations interested in medical devices during quarter two. In November, we presented to the Council of Medical Colleges Executive Committee on the Medical Devices Programme, assessment & decision-making, Health Technology Assessments and Expert Advice.
- A medical devices webinar was held for over 190 attendees. The team discussed:
  - How we propose to finalise a comprehensive list of medical devices used by Health NZ
  - An update on the national process that is being established for Health Technology Assessment (HTA).
- We are preparing for consultation on the comprehensive list of medical devices in February. This is a significant consultation. Preparation includes finalising the consultation documentation and the way the comprehensive medical devices list will be presented for feedback. This includes categorisation of non-contract devices that will be proposed for listing on the Pharmaceutical Schedule. The consultation will include significant engagement with suppliers, Health NZ and other interested parties to bring the devices schedule to the point where it covers the items used currently. Comprehensive list consultation is planned for release in February.

## Interim medical device advisory group

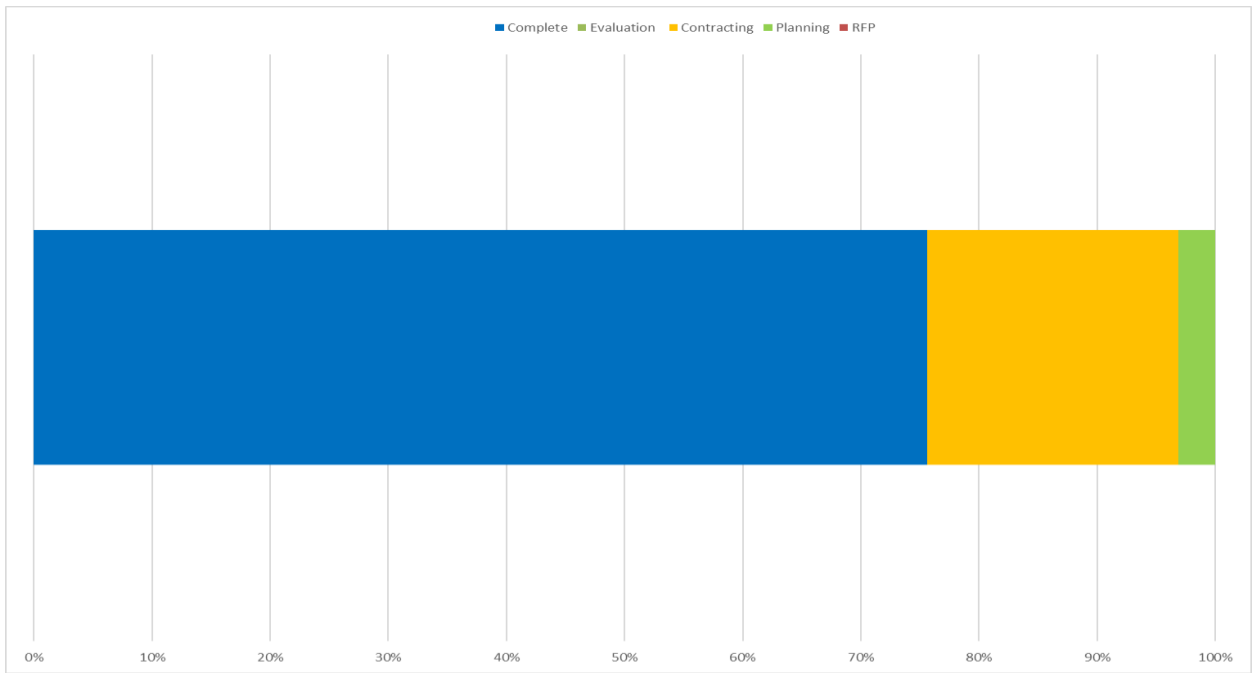
Pharmac has appointed six members to the interim Medical Devices Advisory Group (iMDAG) as part of the first round of recruitment. This group will provide advisory support to inform and develop evidence-based frameworks for medical device health technology assessments (HTAs) and other advice required by Pharmac.

## Medical devices spend under agreement

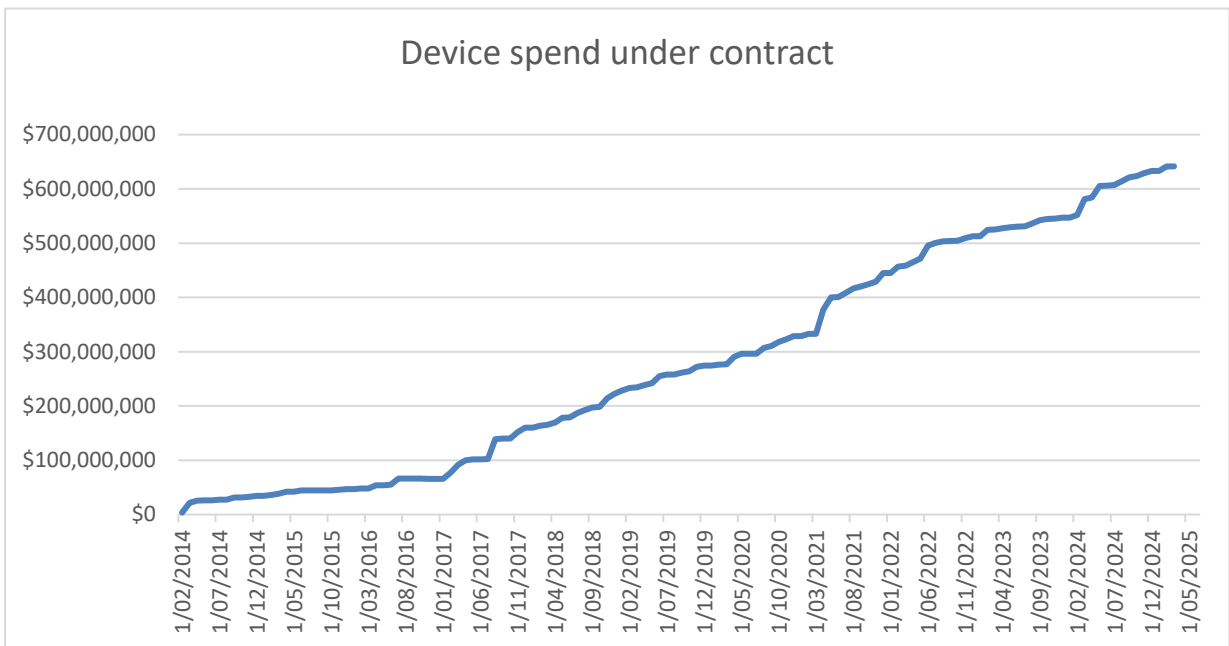
Recent highlights for our work in hospital medical devices:

- Four agreements approved in December and January covering annual spend of \$7 million. Two further agreements in a consultation process, covering an estimated \$3.5 million in annual spend.
- From 1 February 2025, the Pharmaceutical Schedule will include approximately 174,000 contracted line items from over 140 suppliers. These contracts cover approximately \$643 million of annual Health NZ hospital expenditure on medical devices.
- Consultation on the comprehensive list of medical devices began in February. We are seeking feedback on the addition of items we have identified as being in use in hospitals, but not currently on the Schedule. This list would become the Schedule of devices and provide transparency and aid more consistent use of medical devices in public hospitals.

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 75 percent of devices spend contracted.



### Developing an integrated approach to hospital medical devices



## Organisational Priorities and Capability

Key highlights and/or progress undertaken in the quarter include:

### Data and digital strategy

The Board approved Pharmac's data and digital strategy in January 2025. The development of the strategy is the first step in moving towards the future. The strategy describes how optimising data and digital services can enhance delivery of Pharmac's strategic business intentions.

#### Step One – Development of the Data and Digital Strategy Implementation Plan

- Implementation plan will be developed with a wide range of working group members and identified representatives of customers, sector partners and suppliers as part of the service design development and the usability design.
- Development of Overall Programme Plan and project high level brief documents.

#### Step Two – Establishment of:

- Cross functional Data Governance Group which may include external members to represent key parts of the sector and specialist professional knowledge.
- Data and Digital Strategy Delivery Steering Committee with business ownership of the delivery and responsibility for sector engagement.
- Using Ministry of Health advice for managing Māori and Pacific people data sovereignty.
- A data framework with clear relationships across the sector.

#### Step 3 - Delivery of the priority activity as laid out in the Strategy Roadmap and Target State.

Step 4 – Deliver the 2024 – 2029 Roadmap – through the delivery of the initiatives. An example of this is - first of these is the forming of the working group to support AI proof of Concepts.

### Official Information Act

The Chief Ombudsman reviewed seven public sector agencies to assess the OIA timeliness under the Ombudsman Act. Pharmac was included in the review and participated in the identification of a range of process improvement activities.

All seven agencies have received their provisional reports. We have 31 action points for areas for improvement, ranging from edits to our website to developing better guidance to help us meet our OIA obligations. Of these 14 have been fully implemented and six have been partially implemented. The final report from the Ombudsman is expected to be tabled in Parliament in quarter three.

This investigation and report has been a good opportunity for us to work with the Ombudsman to identify ways to improve our processes.

## Other activity

- Engagement with Ministry of Health on next steps for the repeal of the Therapeutic Products Act and development of the new Medical Products Act.
- Our Te Tiriti o Waitangi policy has been revised to align with the Pae Ora (Healthy Futures) Act 2022, the Government Policy Statement on Health, and the Minister's Letter of Expectations 2024/25. The policy has been published on our website.<sup>3</sup>
- Māori Health Professional Body scholarships completed for 2024/25. A total of 31 award recipients this round.
- For the fourth year, Pharmac hosted three TupuToa interns from November 2024 to February 2025.
- We are upgrading our current finance system, following a review undertaken by Business Services, ICT, Analysis, and Finance. The upgraded and enhanced system is expected to be in place by April 2025.
- An ongoing reduction in carbon emissions. Pharmac has already reached our carbon emissions target for 2030.

## People & capability

### *People and capability strategy*

The People and Capability Strategy was provisionally endorsed by the Senior Leadership Team (SLT) in December 2024, subject to the findings and recommendations set out in the workplace culture review report.

The strategic objectives are set out under the following three pillars, with initiatives underway:

- Leadership and Culture
  - Ask me anything sessions with the senior leadership team
  - Wānanga with the senior leadership team, focussing on specific topics
  - Development of leadership capability programme with people leaders
- Workforce
  - An internal fellowship programme awarded three fellowships
  - Employee led networks for peer support networks have been established
  - PSA bargaining for new Collective employment agreement ongoing
- Employee Experience.
  - New contract signed with Vitae for EAP services
  - Exploring options to enhance career pathways at Pharmac.
- Recruitment promotion videos are being finalised and will be posted on our careers website to support the attraction of quality candidates.

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<sup>3</sup> Available at: <https://pharmac.govt.nz/te-tiriti-o-waitangi/te-tiriti-o-waitangi-policy>

### **Reporting on staffing**

As of 31 December 2024, Pharmac had 188 employees (161 permanent and 27 fixed term). The total FTE was 184.35, including two on parental leave and two on long term leave. There were no contractors engaged. 17 positions were vacant.

### **Māori and Diversity Targets**

Below we have provided our current workforce and expert advice diversity, compared with the previous year.

#### *Workforce*

<b>Ethnicity</b>	<b>23/24 Percentage</b>	<b>24/25 Percentage</b>
European	87%	68%
Māori	9%	9%
Pacific peoples	1%	3%
Asian	12%	12%
Middle Eastern/Latin American/African (MELAA)	4%	3%
Other	6%	24%

#### *Board/Committees*

(No change for 2024/25 to date).

<b>Proportion of Māori</b>	<b>22/23 Percentage</b>	<b>23/24 Percentage</b>
Pharmac Board	33%	33%
PTAC & SAC	3%	3%
CAC	33%	33%
RUAC	12.5%	37%

## Appendix One: Progress against 2024/25 Letter of Expectations

Expectation	Source	Status	Comment
<b>Organisational Culture and Collaboration</b>			
Strengthen partnership work	LoE #1	On track	Independent Report from Consumer Engagement Workshops will be presented to the February Board meeting. Wide range of activity underway as part of implementation of our Engagement Strategy. Budget 2025 proposal underway.
Prioritise collaboration with sector	LoE #2	On track	A high level of engagement with the sector on medicines and medical continues (highlighted throughout report).
Report on Culture & Stakeholder Sentiment	LoE #3	On track	The Board receive regular quarterly reports on media sentiment. We participate in the annual public sector index survey. External organisational culture review commissioned and will be considered by the Board at its February meeting
Ensure Right Information is going to the Board	LoE #4	On track	Annual Board programme reviewed and agreed.
<b>Role of Pharmac</b>			
Review Pharmac statutory objectives	LoE #5	Started	Initial considerations underway. Await further advice from the Ministry of Health.
Clarify role delineation (assessment & decision-making)	LoE #6	Started	A paper provided to the Ministers office in November 2024. Further engagement and discussion planned with the office in February.
Role clarity (Medical Devices)	LoE #7	On track	Review commissioned by Ministry of Health and scheduled to report to Ministers in February/March
Prepare Budget requests to support future investment	LoE #8	On track	Budget 2025 work underway.
<b>Methods and processes (including SPE commitments for Assessment &amp; Decision-making)</b>			
Increase participation into decision-making (including consumers and those with lived experience)	LoE #9 SPE	On track	Activities include researching best practice, consumer workshops, recruitment for expert advisory groups, engagement strategy.
Comply with Consumer Quality Safety Marker (CQSM) expectations	LoE #10	On track	Third CQSM self-assessment for the reporting period April 2024 to September 2024 submitted. Next one to be submitted in March 2025.
Report publicly (LoE# 9 & 10)	LoE #11	On track	Embedded into statutory reporting.



Expectation	Source	Status	Comment
Explore new assessment approach (fiscal and societal impacts)	LoE #12 SPE	On track	We are exploring international approaches to health assessment that adopted a wider societal impacts approach. We have now received expert feedback to help inform our future approach.  Engaged experts from the Netherlands to test the wider costs and benefits associated with a number of medicines. Findings to be presented to the Board in February.
Publish agendas/minutes in a timely fashion	LoE #13	Not on track	Agenda and minutes are published currently. Current focus is on addressing the backlog and inactive applications. An improvement programme is yet to commence for publishing agendas and advice records. This work is resource dependent.
Publicly report on timeliness	LoE #14	On track	Embedded into statutory performance reporting
Improve timeliness of assessment & decision-making	SPE	On track	Work on backlog, inactive applications, NPPA processes, and streamlining front-end (rapid) assessment processes.
Increase transparency of assessment & decision-making	SPE	Started	Online information is improving (including trackers) with plain language explanations increasing.
Harness innovation in the use of the CPB	SPE	Started	Societal impacts work underway. Budget 2025 bid in progress.
<b>Strategic Management of Medicines and Devices (SPE commitments)</b>			
Work with Health New Zealand to increase access to cancer treatments and other medicines	SPE	On track	Progress tracked and reported via online (web tracker). We are working closely with Health NZ, the Cancer Control Agency and Ministry of Health to plan implementation.
Promote sustainability of our current portfolio of funded medicines	SPE	On hold	Approach has been developed. Plans to test the approach are currently on hold due to available resource focused on funding new medicines from the June 2024 budget uplift as fast as possible.
Update and develop our commercial approach	SPE	On hold	Pending recruitment of Principal Adviser Pharmaceuticals.
Improve reimbursement arrangements for medicines	SPE	On hold	Planning underway to improve reimbursement arrangements for medicines used in hospitals.
Comprehensive list of medical devices that hospitals are using	SPE	On track	Consultation on proposed additions to the Pharmaceutical Schedule based on Health Sector Catalogue information in February.
A category management approach for hospital medical devices	SPE	Started	Ongoing engagement with Health NZ on category management roles.  Work begun on category plans in several areas including Dialysis, and some surgical devices. Renal dialysis advisory group being established to support this work.

Expectation	Source	Status	Comment
A national assessment process for hospital medical devices	SPE	Started	Under development – with An Interim Medical Device Advisory Group (IMDAG) established. Two assessment process pilots completed. Work with HNZ on service design and processes being planned.
New IT system to support our medical devices work.	SPE	On hold	Proposal developed – Board agreed to defer pending Ministry of Health review of medical devices.
<b>Health System Priorities</b>			
Give effect to the Government Policy Statement on Health	LoE #15	Completed	Alignment captured in SPE and captured in refresh of the SOI.
Support Government priorities & targets	LoE #16	On track	Commitments captured refreshed SOI. SPE 2025/26 under development.
Work with Health NZ on Health Plan	LoE #17	Delayed	Delayed by Health NZ.
Work with Ministry of Health on rare disorders	LoE#18	On hold	Rare Disorders Strategy published. Awaiting implementation plan/approach from Ministry of Health/Health NZ.
<b>Accountability</b>			
Complete 2024/25 Statement of Performance Expectations	LoE #19	Completed	2024/25 SPE completed. Published on website.
Refresh Statement of Intent (SOI)	LoE #20	Completed	SOI 2024/25 – 2027/28 published in December.
Progress Pharmac review actions	LoE #21	Started	Embedded into statutory performance reporting.

## Appendix Two: Summary of performance measures

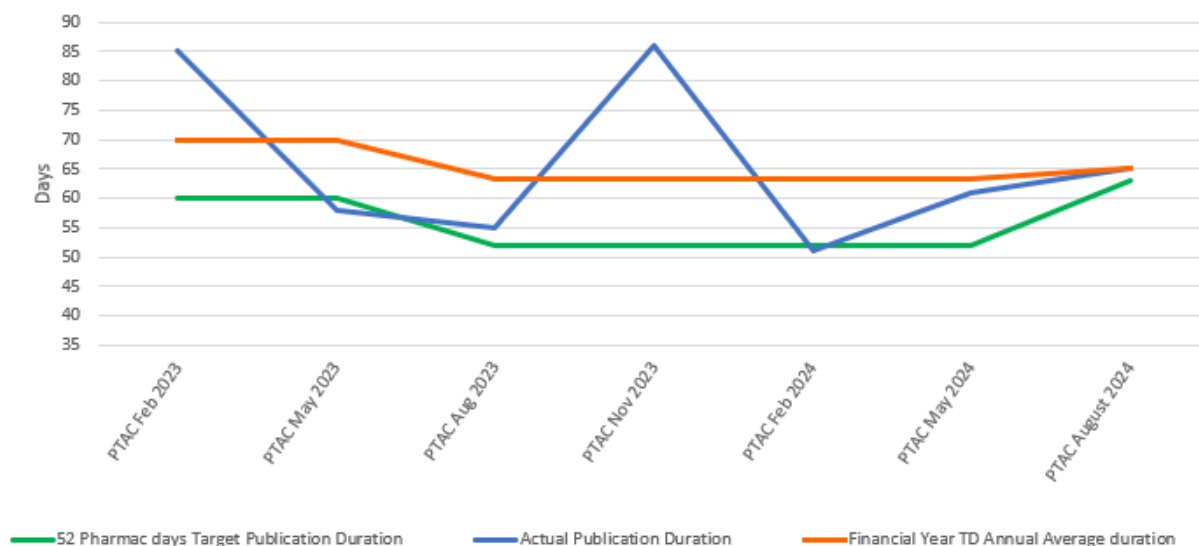
No	Performance measure	2023/24 result	Q2 result 2024/25
1	Increase in the number of New Zealanders receiving funded medicines. (A) <sup>4</sup>	4.1 million New Zealanders	Result calculated at year end
2	Increase in the number of new medicines funded. (A)	12 new treatments funded	23
3	Access is widened to an increased number of medicines that are already funded. (A)	16 access widenings	35
4	Increase the estimated number of New Zealanders benefitting from new medicines funded. (A)	19,851 additional New Zealanders received new medicines	Q2 = 79,074 additional New Zealanders received new medicines
5	A reduction in the average time to assess and rank new applications. (A)	Average is 54 months Average over 5 years is 23.7 months	Average is 33.5 months Average over 5 years is 22.8 months
6	A reduction in average time to publish PTAC and sub-committee records (SAC). (A)	PTAC = 63 days SAC = 90 days	Targets for 24/25 are PTAC: less than 70 days (14 weeks). Advisory panels: less than 108 days (22 weeks). See graphs below
7	Average time from funding application to decision date.	38.6 months average for applications received in last 5 years	Average of applications received for last 5 years at end of Q2= 33.5
8	% of decisions Named Patient Pharmaceutical Applications made within 10 working days.	68%	Q1 90% Q2 76%
9	The number (volume) and range (mix) of medicines have increased over time within budget.	In 2023/24 and 2022/23 volume and mix went up relative to the cost.	Result calculated at year end
10	An increase in Māori trust and confidence (external survey)	Advocates 11% (23/24) Critics 2023/24 = 31%	Result available at year end
11	Increased public trust in Pharmac (external survey)	2023 = 59 2024 = 60	Result available at year end
12	Assessment of consumer engagement (based on the Consumer Quality Safety Marker (CQSM) self-assessment)	Self-reported scores Engagement: 3 Responsiveness: 2 Experience: 2	Result available Q3
13	A comprehensive list of medical devices on the Pharmaceutical Schedule by 30 June 2025	New measure	Consultation on which products we propose to add to ensure the list is comprehensive prepared for release in Q3.

<sup>4</sup> (A) = Appropriation measure

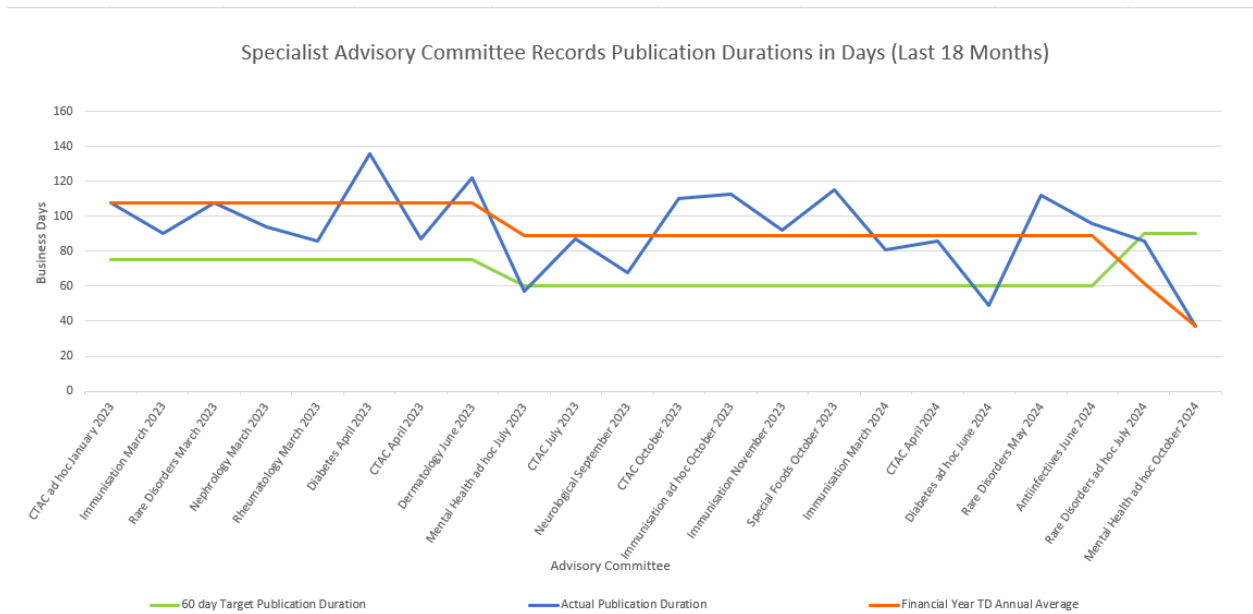
No	Performance measure	2023/24 result	Q2 result 2024/25
14	Manage expenditure on hospital medical devices under Pharmac contract to within 1.5% of budget for the year. (New measure)	New measure	Price variance agreed for implementation in Q3 increases this to 0.5%. On track to be well within target. Variance is expected to fluctuate during the year due to commercial activity and price volatility.

**Timeliness of PTAC committee records published (18 months)**

PTAC Record Publication Durations in Days (last 18 months)



## Timeliness of Specialist advisory committee records published (18 months)



### Notes for graphs:

- Graphs reflect the chronological order of meetings and meetings are not included until records are published.
- Publishing of records in Q2 24/25 continue to be delayed, largely due to staff availability and resource. Several records have required changes to the final version prior to publication.
- Lighter PTAC meeting agendas in 2024 have not led to more timely records to date.