

**Quarter Two Performance Report
October to December 2023**

Purpose of this report

This report provides a progress overview of initiatives and performance measures, where available, outlined in Pharmac's 2023/24 Statement of Performance Expectations.

Highlights quarter two

Proactive activity to increase consumer input in our work, including:

- adding consumer representatives to our expert advisory committees
- increased engagement with sector partners in our assessment of funding applications
- early engagement with overseas agencies on consumer engagement
- the release of our new engagement strategy, outlining actions to strengthen how we will engage with a more diverse range of voices and consumers
- undertaking self-assessment against the Consumer Quality Safety Marker – so that we can identify improvements in the way we engage with consumers
- publication of stage two of our Pacific Responsiveness Strategy, focussing on embedding Pacific perspectives into Pharmac, and including Pacific ethnicity into our access criteria

Operational and/or spending highlights in the quarter include:

- evaluation of proposals for funding continuous glucose monitors (CGM), insulin pumps, and insulin pump consumables. We hope to have provisional agreements with preferred suppliers in place by the end of February
- agreements to supply a vaccine to combat the newer strains of COVID-19, which will be available to New Zealanders in time for winter 2024
- increased availability of COVID-19 antiviral treatments for consumers with disabilities and/or vulnerability to severe infection
- eight new agreements were approved - covering medical devices annual hospital expenditure of over \$29 million
- supply of naloxone injections (Needle Exchange Programme). Naloxone quickly reverses an overdose of drugs such as heroin, oxycodone, fentanyl or synthetic opioids.
- Our annual Invitation to Tender, which closed 14 December 2023. The annual tender will help Pharmac keep up with increasing demand for medicines we fund, encourages competition, and leads to price reductions

Capability building highlights in the quarter include:

- Discussions are well advanced with the Cancer Control Agency on the agreement of a Memorandum of Understanding
- Recruitment for our medical devices programme, following funding from Health NZ
- Agreement of our Equity Policy
- Agreement reached with the PSA on a new Collective Employment Agreement 1 July 2023 to 31 July 2024. This is the first for Pharmac
- Pharmac's pay equity report has been published. Both our Gender Pay Gap and our ethnicity pay gaps have improved notably since last reported in 2022.

Strategic Priorities

In our [2023/24 - 2026/27 Statement of Intent](#) 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, they are integral to everything that we do.

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.

The CPB investment pathway for budget 2024

A key Pharmac priority for the next three years is to use multi-year funding arrangements to take a longer-term view of spending decisions and the impact on the system. We are undertaking work now to assess what funding options are available for both new investments and unplanned expenditure when we need it. We are also considering the right mix of spending decisions across the breadth of the business.

We are currently working with the Ministry of Health on future budget options for both the CPB and on the workforce implications (and impact on our operating budget) of these options. We intend that this will be part of a wider programme of work to support the development of the next 3-year Government Policy Statement (GPS), coming into effect from July 2024.

Expenditure is tracking slightly over target

CPB forecast expenditure is tracking slightly over budget. We are working on options to manage expenditure and meet budget at year end. We are confident that we will meet budget at year end. One of the factors influencing our expenditure is the changes the previous Government made to remove the \$5 co-payment. We expected this to lead to an increase in the uptake of medicines.

Summary of SPE initiatives

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	On track	Development of a framework for consideration of a 3-year CPB funding pathway is underway. Proposed early direction discussed with the Board at September meeting. We continue to liaise with Manatū Hauora.
Progress number of medicines investments focused on health needs of Māori and improving health equity	On track	Refer to Impact for Māori section above for key funding decisions that impact Māori.
Update/adapt commercial activities to accommodate the expansion in Pharmac's scope	On track	Work is underway to understand the challenges of funding emerging therapies and investigate the intersection of international approaches with our current methods to address these.
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. Collaboration with Te Aho o Te Kahu, Te Whatu Ora and clinical line functions will inform future workforce planning.
Explore with Te Whatu Ora how we can improve hospital medicines management	On track	
Work with Te Whatu Ora on improvements to Pharmaceutical schedule as part of Health Sector Agreements and Payments programme	On track	Work underway with Te Whatu Ora as part of Health Sector Agreements and Payments programme.

Enhanced assessment and decision making

We continue to make improvements to how we assess and make funding decisions. Proactive steps are underway to incorporate more diverse perspectives - and make our assessment and decision-making processes faster, clearer and simpler.

Increasing consumer input

We have a range of committees that provide us with expert advice to support the decisions we make. This includes experts who provide us with clinical advice, consumer advisers, and specialist advisers covering a range of many topics. Key committee work undertaken in the quarter included:

- Cancer Treatments Advisory Committee (October)
- Pharmacology and Therapeutics Advisory Committee (PTAC) (November).

As part of supporting our expert advice committees, we ensure that advice is drawn from a diverse range of backgrounds who can bring both evidence-based perspectives and insights about how our decisions impact the people of New Zealand.

Since 2019 we have had various activities to increase consumer input into our assessment and decision-making processes. Whilst progress has been made, as highlighted by the Pharmac Review (refer to Part Three) there is more to be done to incorporate consumer advice and lived experience into many aspects of Pharmac’s work. Pharmac is preparing a briefing now on the work underway, and future implications, for increasing consumer input.

Pharmac also acts in accordance with the Code of expectations for health entities’ engagement with consumers and whānau (the Code) and uses the Consumer Quality Safety Marker (CQSM) Self-Assessment (developed by the Health Quality and Safety Commission) on a 6 monthly basis. We recently completed and reported our first self-assessment against the CQSM for the period from 1 March to 30 September 2023. For this first self-assessment we gave ourselves a CQSM score of 2 consultation (out of 4) which signals that as an organisation, we strive to do more and better with consumer and whānau engagement. As previously highlighted, we have added consumer representatives to our expert advisory committees and we have had patient advocacy groups present to PTAC and SACs.

Improving the efficiency of our decision-making

Making robust and evidenced-based decisions can be a lengthy process. The time taken to make a decision on a funding application includes the time needed to assess and rank the application and is dependent on the amount of funding made available by Government. Our aim is to focus on making improvements to those areas that are within our sphere of control, which is largely in the assessment and ranking space.

Reducing the backlog of applications and proposals

The current combined backlog (both applications and proposals) sits at 286 – a slight reduction compared with the previous quarter. 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 assessment¹

The 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. 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.

The Q1 results reflect the exceptionally high number of proposals that were ranked (proposals in scope – grey bar) and the relatively high number of those ranked proposals that were received more than five years ago (yellow line) indicating good progress towards reducing the backlog. The Q2 result reflects the high number of proposals that were ranked and the closer ratio of older v newer proposals that were ranked.



Time to Decision

The time to decision includes the time to assess and rank a proposal. The timeframe for making a funding decision is impacted by multiple factors, including the relative ranking of a proposal and the amount of funding available.

To date, decisions (to approve or decline funding) were made for 29 in-scope proposals, an increase of 23 since last quarter, taking an average of 115.8 months overall. This includes decisions for 5 proposals (average of 39.1 months) with applications received since 2019/20, and 24 proposals (average of 131.8 months) with applications received prior to 2019/20 (>5 years).

¹ Previously referred to as Time to rank.

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.

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.

Incorporating Te Tiriti o Waitangi and equity in our decision making

In addition to incorporating a stronger health equity perspective to our decision-making, we are in the process of updating the guidance we provide to pharmaceutical companies about the information we need to consider equity at all steps in our process. This means that we will receive better information about whether priority populations groups have a high level of need for a treatment for a particular condition, and whether a new treatment will address that need.

Getting this information when we receive an application helps us better identify which proposals will address health inequities, so that we can accelerate the process of obtaining clinical advice, assessing and funding these when budget allows.

Improving the transparency of our decision-making

We continue to improve transparency. We began to release our Technology Assessment Reports (TARs) in 2022.² The TAR is our health economic analysis, used to determine the cost-effectiveness of a medicine. People who are interested can see all the information we have considered in the TAR.

² TARs available at <https://pharmac.govt.nz/news-and-resources/order-publications/technology-assessment-reports-tars/>

We have produced and proactively released summaries of decision making documents for several medicines of high public interest including trikafta and continuous glucose meters.

We proactively publish information on our website about funding decisions and supply issues.

Summary of SPE initiatives

SPE Initiative	Progress	Comment
Bring more diverse voices into all stages of our assessment and decision making (RR)	Off track	Our performance metrics show that there continues to be an under-representation of Māori and Pacific Peoples in our advisory committees compared with the proportion of the total population. We are working to address this.
Continue to make consumer appointments to our expert advisory network (RR)	On track	Consumer members have been included on committees, on tender panels. Ongoing engagement with sector partners in assessments of applications with service impacts.
Continue to make our assessment and decision-making timelier and more efficient (RR)	On track	Will be significant consideration of right-sizing of assessments
Continue to make our assessment and decision-making process more transparent (RR)	On track	Continuous improvement approach. Over past 12-18 months, have had more in-depth discussions around modelling with suppliers, including sharing TARs and CUA models to aid transparency. Proactive publication of TARs will be a significant next step for improving transparency.
Develop a plan for the review of Pharmac's decision-making framework (Factors for consideration) (RR)	On hold	To be considered in early 2024.
Increased focus on collaborating and working in partnership with the health sector to support implementation of our decisions (RR)	On track	Working with the HQSC to develop measures for medicines access equity. The first EAG meeting to discuss the measures for the diabetes atlas was in November, Data extraction and analysis are subsequently being done this month for this domain and our next meeting will be early next year. We are working with the Director of Pacific Health Manatū Hauora and the Pacific Team across a number of equity focussed mahi including: <ul style="list-style-type: none"> Pacific Health Capability & Leadership Development of the Tupu Ola Moui: Pacific Health Chat Book

SPE Initiative	Progress	Comment
		<ul style="list-style-type: none"> Principal Advisor Pacific Health is currently working with Ministry for Pacific Peoples to develop a Pacific Disability Position Statement. <p>We are working with the Chair of the Enabling Good Lives Leadership Group (Whaikaha) and Pacific Disability Persons Assembly Mana Pacifica to develop a capability and leadership workshop to be delivered in 2024.</p>
Develop our approach, with health sector partners, on assessing whether our decisions achieve the outcomes expected (RR)	On track	We will engage with Mānatū Hauora next quarter to assess an outcomes framework – and identify future performance metrics.

Strategic management of medical devices

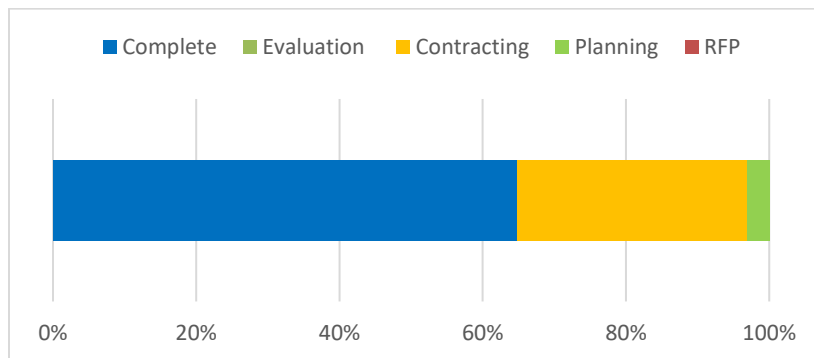
We have built strong foundations for medical device contracting and procurement since commencing this responsibility in 2012. Working in collaboration with our sector partners, there are significant opportunities to maximise health benefits to New Zealanders by implementing an integrated approach to the strategic management of hospital medical devices, which drives better value and more consistent and equitable access.

Pharmac, Te Whatu Ora, and suppliers continue to work towards a new way of managing medical devices used or supplied in hospitals. As the contracts are finalised, Te Whatu Ora 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. While there remains future work to be done to develop the next steps, working together with Te Whatu Ora will help to deliver an effective and integrated, system-wide approach that will secure better health outcomes for New Zealand.

As of 1 January 2024, the Pharmaceutical Schedule includes approximately 163,000 contracted line items from over 100 suppliers. These contracts cover approximately \$572 million of annual Te Whatu Ora hospital expenditure on medical devices.

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.



Transactional activity is focused on securing agreements with key suppliers to support schedule coverage and developing commercial approaches to provide greater value in some areas (such as interventional radiology, and surgical adhesives).

We are also working with Te Whatu Ora to improve supplier engagement with the Health System Catalogue, which will assist us in obtaining a comprehensive Schedule without needing to contract for every product.

Driving value from investment in hospital medical devices and more consistent and equitable access

In collaboration with our sector partners, and given the return on investment, we have begun scaling up Pharmac's management of devices to deliver additional value for the health system. This will be delivered through:

- introducing more explicit, robust and evidence-based decisions on what new medical devices are added to the Pharmaceutical Schedule
- the generation of market tension to improve public value from expenditure on medical devices
- improving consistency, transparency and fiscal sustainability of funding choices about medical devices used by Te Whatu Ora
- building relationships and engagement with our sector partners
- ICT improvements to support increased medical device activity and integration with the sector.

We are in the process of setting up interim national Health Technology Assessment functions and working towards long-term structures and functions in collaboration with Te Whatu Ora and Manatū Hauora. A Pharmac-led cross agency Reference Group is being established to support this work.

Summary of SPE initiatives

SPE Initiative	Progress	Comment
Finalise the Medical Devices List	On track	<p>\$572 million of an estimated \$850 million under agreement (approximately 67%).</p> <p>Planning underway. Seeking clarity on potential to use Health Sector Catalogue and Spend Data Repository information held by Te Whatu Ora. Timeframe for finalisation to be confirmed.</p> <p>Working with Te Whatu Ora to encourage remaining suppliers to complete work. Including HSC provisions in agreements.</p>
Manage the Medical Devices List	On track	<p>One category plan underway. This will inform strategy and approach to future category plans.</p> <p>Working to automate WIP which will improve timeliness. Developing improved triage at start of WIP.</p>
Medical Devices investment management planning & transition	Off track	<p>Rescoping underway to determine milestones and timing given resourcing agreement with Te Whatu Ora.</p> <p>Remains off-track as there is a dependency on developing a strategy for finalising the list before this work can be completed.</p> <p>Recruitment has commenced to increase Pharmac capability and capacity for assessment and decision-making.</p> <p>Preparing for implementation of relationship management plan, focus on external engagement.</p> <p>Programme budget updated. Additional funding is required in Budget 2024 to deliver full programme and to sustain in outyears functions established with seed funding.</p>
Incorporate equity and taking a population-based view in line with Pae Ora into the medical devices work	Off track	<p>Team upskilling and progressing where can and focussed on Māori and Pacific peoples. Additional advisor roles requested to support this. Capacity constrained for further work in other populations.</p>
Identify actions to implement Te Tiriti Policy in medical devices work	On track	<p>Actions underway include:</p> <ul style="list-style-type: none"> • SLT and Board agreement to initial Te Tiriti accountabilities which reflect this policy • review of Te Whaioranga underway • strong relationships in place with Te Whatu Ora and Te Aka Whai Ora to ensure cross system alignment with the broader health system goals for Māori.

SPE Initiative	Progress	Comment
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. Not yet discussed with Te Whatu Ora secondments as per resourcing agreement which will support increased collaboration to deliver additional value from Pharmac's management of medical devices as per 2019 FPIM business case.

Organisational capability

Te Tiriti

Our strategic framework ensures te Tiriti is an important element of all our strategic priorities. These initiatives are intended to ensure our organisation capability continues to grow.

Te Tiriti accountabilities have been assigned for the Board. The Senior Leadership Team has agreed to individual and collective te Tiriti accountabilities and the details are being finalised currently. The anti-racism project continues and the 12-month work programme is underway.

We are working to elevate our focus on te Tiriti and Te Ao Māori by building kaimahi capability and building Te Pou Hauora Māori. This currently includes access to te reo classes at both beginner and advanced beginner levels with classes run over four terms a year, as well as compulsory te Tiriti training which is offered twice a year. We hold mihi whakatau each month to welcome new kaimahi, have weekly waiata sessions and opportunities for karakia and whakawhanaungatanga are also provided.

Pharmac supports a range of scholarship opportunities for Māori working and studying in the health sector. The scholarships help us build relationships with Māori health organisations, while we help support Māori health practitioners.¹

Summary of SPE initiatives

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	On track	Board accountabilities assigned. Review needed given environmental changes

¹ More information about the scholarships can be found at <https://pharmac.govt.nz/te-tiriti-o-waitangi/programmes-to-support-maori-health/scholarships/>

SPE Initiative	Progress	Comment
through a thorough and focused programme of work		<p>(new members, health sector reforms, te Tiriti policy).</p> <p>Plan to revisit Board accountabilities as part of delivery of Kaituruki Māori individual Te Tiriti accountabilities.</p>
Ensure the Senior Leadership Team are meeting and committing to their organisational and individual directorate te Tiriti accountabilities (RR)	On track	<p>Discussions held with SLT and some collective accountabilities agreed.</p> <p>All SLT individual accountabilities to be in place by November.</p> <p>4 collective accountabilities adopted by SLT. Last tranche of 4 collective accountabilities developed and planned for adoption in 2024. Implementation plan to be developed in collaboration with SLT.</p> <p>Individual accountabilities progressing well, with various SLT members having adopted their accountabilities. Implementation plans and SLT capability plan in development.</p>
Complete a full review of systemic bias/institutional racism as they relate to Māori across our work (RR)	On track	<p>Directorate Anti-racism Champions 12-month work programme and training has started. Workshops were held in June and August.</p> <p>The Board have agreed to continue the work with Manatū Hauora to adopt Position statement and working definitions for Racism and Anti-Racism in Aotearoa New Zealand Health System, and to continue with stages 3 and 4 of the Directorate Anti-racism champions work programme with Drs Heather Came-Friar and Dr Zoe Tipa.</p> <p>Directorates are working amongst their teams to identify sites of racism within their directorates to help with the development of their plan.</p> <p>Peer-review/discussions with teams is ongoing in preparation for Dr Came-Friar's next onsite workshop on 1 March 2024.</p>
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	On track	<p>SLT and Board have agreed approach and next steps for Te Whaioranga (develop implementation roadmap for 2024-2025 and, as part of that, evaluate delivery of the strategy since it was last refreshed).</p>

SPE Initiative	Progress	Comment
Pae Ora Act and the expiry of the current strategy in 2023 (RR)		Plan to do comprehensive refresh of strategy in 2025 to align with planned refresh of Pae Tū: Hauora Māori Strategy.

Equity Policy

We made a commitment as part of our response to the Pharmac Review to develop and finalise an Equity policy. The Board received initial advice for an equity policy at their September 2023 meeting and directed Te Ropu, agencies and other stakeholders be invited to provide feedback on the September advice papers, and two further advice papers be prepared for their December meeting. At the December meeting they directed a short equity policy document be prepared with a high level one year implementation plan for their February meeting. SLT will be considering the draft equity policy and implementation plan on 7 February 2024.

Summary of SPE initiatives

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	<p>Established relationship with Whaikaha through work on COVID-19 antivirals and widened access.</p> <p>Challenges of data availability discussed at sector level and improvements required.</p> <p>In September 2023 Pharmac notified its decision to widen access to COVID-19 treatments to disabled people and people with one or more severe health conditions that have resulted in severe frailty or vulnerability.</p> <p>A 'think piece' on the development of our disability policy will be presented to SLT in February 2024. Work has started on this. We have connected to Whaikaha and Mānatu Hauora, with the view of developing a disability policy. This work will continue in Q3.</p>
We will make internal improvements to ensure our Pacific Responsiveness Strategy reaches all aspects of our work	On track	<p>We are working with the Director of Pacific Health Manatū Hauora and the Pacific Team across a number of equity focussed mahi including:</p> <ul style="list-style-type: none"> Pacific Health Capability & Leadership Development of the Tupu Ola Moui: Pacific Health Chat Book Principal Advisor Pacific Health is currently working with Ministry for Pacific Peoples to develop a Pacific Disability Position Statement

		<ul style="list-style-type: none"> An internal anti-racism workshop led by Pacific and the Equity team is planned for Q3. <p>We are working with the Chair of the Enabling Good Lives Leadership Group (Whaikaha) and Pacific Disability Persons Assembly Mana Pacifica to develop a capability and leadership workshop to be delivered in 2024.</p>
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Engagement and collaboration

Engagement and collaboration are important to all our strategic priorities. Our Engagement Strategy was published in December 2023. The Engagement Strategy outlines our approach for engaging with external partners and stakeholders and the actions required to strengthen the way we do it. Partners and stakeholders include Māori, health sector agencies, and external organisations, entities, and individuals that may be affected by our work. Available at: <https://pharmac.govt.nz/about/our-strategic-direction/engagement-strategy>

We continue to proactively share updates on our work with external stakeholder, with 10 proactive media releases in Quarter Two.

We use a variety of newsletters to share proactive information and increase transparency. Readership of these updates is increasing, with the open rates growing between editions. The Kaunake Update, Rēre Kōrero, and Device Advice newsletters are often opened multiple times, and forwarded through organisations – particularly within government organisations and advocacy groups.

These updates are in addition to the operational updates to health sector stakeholders about funding decisions and supply issues.

Summary of SPE initiatives

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	On track	<p>The engagement strategy has been endorsed by the Board and will be published on the Pharmac website shortly.</p> <p>Pacific Engagement Action Plan is currently being developed with directorates and teams being engaged, this work will continue in the coming months</p>
Develop principles that guide our engagement and hold us accountable to good engagement practice	On track	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 CAC.

Organisational excellence

Progress against the organisational excellence commitments in the 2023/24 SPE are summarised as follows:

SPE Initiative	Progress	Comment
Increased proportion of staff who are Māori experienced in mātauranga Māori and with close ties to whānau (RR)	Off track	At the end of Q2 9% of staff identify as Māori.
Implement a Māori capability development programme for all staff using Te Arawhiti guidelines (RR)	On track	Work continues on a kaitiakitanga framework, looking at deliverables for all our kaimahi. This will be implemented in 2023/24 as part of a new performance management process. Work on reviewing the P&C strategy will begin in 2024.
Complete our organisational equity policy to make clear how equity considerations relate to our work (RR)	On track	In progress, with consultation underway.
Adopt te Tiriti policy (RR)	On track	Te Tiriti policy implementation underway.
Work further to build an inclusive work environment where all people feel they belong and can be their best – supporting both our current workforce and helping to attract additional diversity when we recruit new staff (RR)	On track	We are committed to championing workplace inclusion and acknowledge that to do their best work, we must foster an environment where people are comfortable to be themselves and work in a way that best suits their individual needs.
Evaluate how our recent insight reports, and use of the underlying monitoring framework, have been received and utilised by other key agencies and stakeholders, to better understand the demand and clinical relevance of such reports.	On hold	

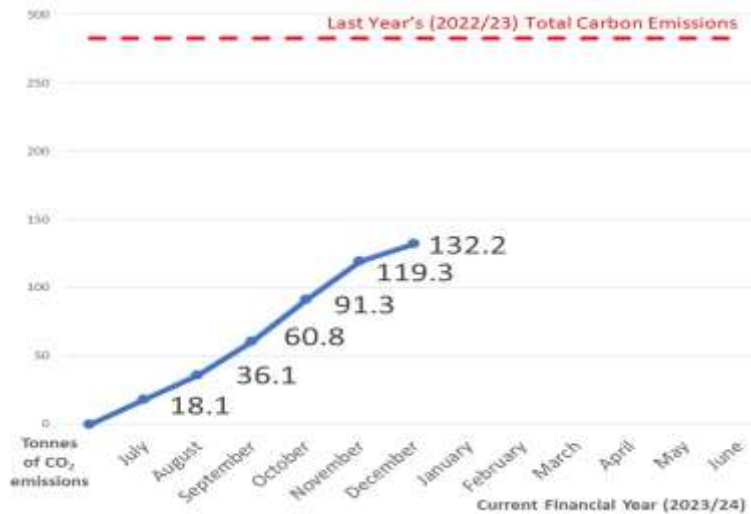
Carbon emissions

We are required by the Carbon Neutral Government Programme (CNGP) to measure and report on our greenhouse gas (GHG) emissions. This supports the goals of the Nationally Determined Contribution to reduce net GHG emissions to 50 per cent below

gross 2005 levels by 2030.² As an organisation, we must reduce our carbon emissions by 21 percent by 2024/25 and 42 percent by 2029/30. Pharmac falls into Tranche 2 for the CNGP. This means 2022/23 is our first mandatory reporting year.

Pharmac is generally on track, however, there will be some pressures to meet our targets at year end.

Measure 20 Reduce Pharmac carbon emissions



² This is New Zealand's commitment to the Paris Agreement which describes the effort to limit the temperature increase to 1.5°C above pre-industrial levels.

Appendix One

Summary of performance measures

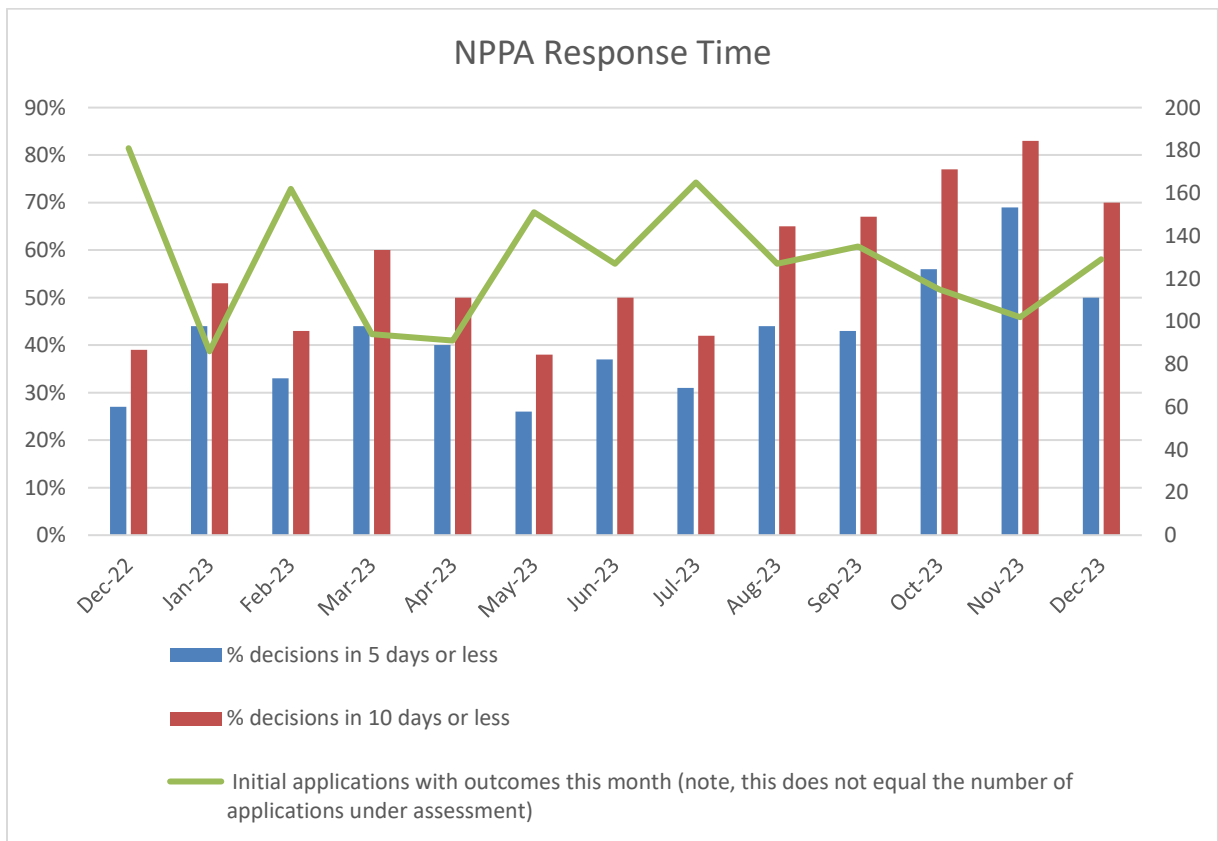
No.	Performance measure	2022/23 Result	2023/24 Result
1	Number of New Zealanders receiving funded medicines (A) ³	3.97 million	Result available August 2024.
2	Number of new medicines funded (A)	20	4 new listings, as at 31 December excluding COVID related medicines.
3	Access is widened to an increased number of medicines that are already funded (A)	22	9 Access widenings, as at 31 December, excluding COVID related medicines.
4	Number of New Zealanders benefiting from new medicines funded or widened (A)	364,954	8,270 estimated new patients as at 31 December, excluding COVID related medicines.
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	As of 1 November 2023, a total of 185,511 courses of oral antiviral treatments have been dispensed.
7	Number of patients receiving COVID-19 treatments (A)	n/a	As of 1 November 2023, a total of 185,511 courses of oral antiviral treatments have been dispensed.
8	Access to medicines for priority populations	n/a	Result available August 2024.
9	Time to funding decision (A)	26.4 months	Quarterly progress reported above. Annual averages will be calculated at year end.
10	Time to rank applications (A)	21.5 months	Quarterly progress reported above. Annual averages will be calculated at year end.

³ (A) = Vote Health appropriation measure.

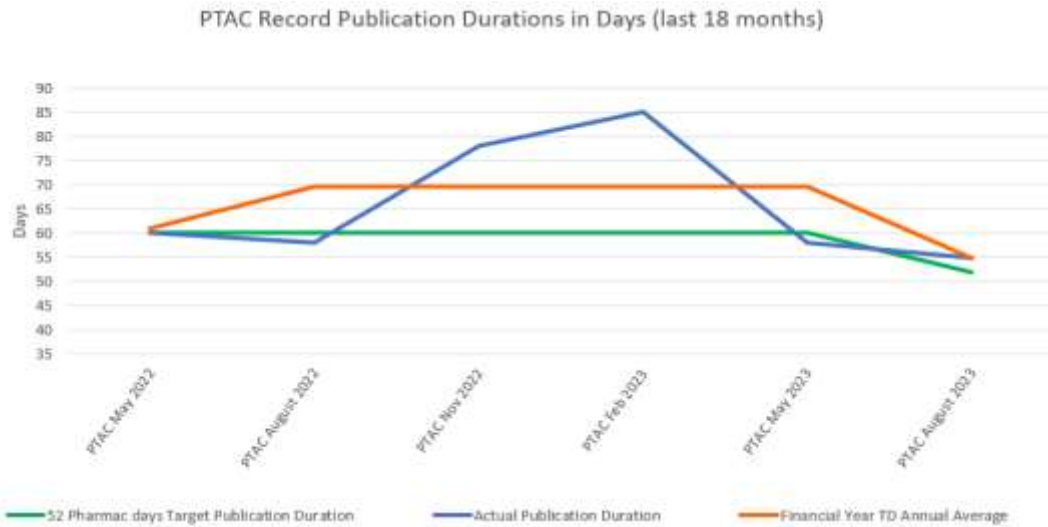
No.	Performance measure	2022/23 Result	2023/24 Result
11	Timeliness of Exceptional Circumstances decisions (NPPA)	46% decisions were made within 10 working days	See graph below.
12	Timeliness of PTAC and other specialist advisory committee records being published (A)	PTAC = 108 working days SAC = 108 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%	Q2 = As of 1 November 2023, the Pharmaceutical Schedule includes approximately 163,000 contracted line items from over 100 suppliers. 64%.
14	Develop a methodology to show value to New Zealanders/Health system from hospital medical devices by 30 June 2024	n/a	Reporting a range of output measures for Devices has commenced at end of January 2024. We are on track for developing a methodology to show value to New Zealanders/Health system from hospital medical devices by 30 June 2024.
15	Increased public trust in Pharmac	93	Result available August 2024.
16	Māori trust and confidence in Pharmac	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	Result available August 2024.
18	Assessment of bias and racism	n/a	The Board have agreed to continue the work with Manatū Hauora to adopt Position statement and working definitions for Racism and Anti-Racism in Aotearoa New Zealand Health System, and to continue with stages 3 and 4 of the Directorate Anti-racism champions work programme.

No.	Performance measure	2022/23 Result	2023/24 Result
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.
20	Reduce Pharmac carbon emissions	Total greenhouse gas (GHG) emissions 302 tCO ₂ -e	See graph in Organisational excellence section.

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)

