

Minutes of the PHARMAC Consumer Advisory Committee (CAC) meeting

Friday 7 April 2017

The meeting was held on Level 9, 40 Mercer St, Wellington from 9.30 am.

Present

David Lui	Chair
Stephanie Clare	CAC member
Key Frost	CAC member
Francesca Holloway	CAC member
Lisa Lawrence	CAC member
Te Ropu Poa	CAC member
Tuiloma Lina Samu	CAC member
Neil Woodhams	CAC member
Adrienne von Tunzelmann	CAC member

In attendance

Simon England (CAC Secretary), Kerri Osborne, Graham Beever, Mark Woodard, Rebecca Elliott, Angela Mansell, Scott Metcalfe, Jude Urlich, Ātene Andrews (PHARMAC staff) attended for relevant items.

1. Record of previous meeting

Minutes of the 14 October 2016 meeting were accepted as a true and accurate record.

2. Chair's report

The Chair noted that three members of the CAC attended the launch of the Pacific Responsiveness Strategy the day prior to this meeting. The Chair acknowledged the input from CAC members in development of the Strategy, at CAC meetings and through attendance at community fono. The launch featured a very good attendance of people from across the country who were influencers in the community, which was a strong foundation for the strategy. It included people from Northland, Otago/Southland, DHB staff and other Government officials, as well as community leaders. People who spoke at the launch acknowledged that PHARMAC had come out to the community, thought about their feedback, and had now produced a document within a good timeframe.

The CAC Pacific members were proud to be involved with the Strategy and very pleased with the document that's been produced.

The Chair had also attended several external meetings in his capacity, including recent PHARMAC Forums on Medical Devices. These were a good opportunity to talk to people about how PHARMAC operates.

The Chair and CAC member Stephanie Clare attended the Choosing Wisely symposium in Wellington as CAC members. This was a good opportunity to get a view on this clinician-led work and make connections. While there are still many issues to overcome it is great that there's a move to recognise patient needs and consumers in the health conversation.

Members saw the Choosing Wisely work as interesting, useful, important work. It touched on system issues, doctor attitudes, wastage, best use of medicines. Choosing wisely was about empowering the patient to ask questions and be engaged in their health conversations. Members saw this as fitting well with the PHARMAC strategy, NZ Health Strategy, and CAC's kaupapa.

3. Action points/matters arising

Members reiterated a desire to see an alternative communications method for members to connect with each other between meetings. Staff to investigate and advise.

4. PHARMAC strategy

Members were updated on the PHARMAC Strategy, which was now finalised and approved by the Board. A near-final version had been brought to the last meeting of CAC, and further input had also been sought from PTAC and other stakeholders. As a result, PHARMAC had decided to launch the Strategy with the Statement of Intent. This had allowed PHARMAC to continue conversations with stakeholders, including those within health sector – DHBs, Ministry of Health.

The centrepiece of the Strategy continues to be the Bold Goals. These had been reworded slightly since the version last viewed by CAC, taking into account feedback from CAC and others. The intention of rewording was to make the Bold Goals more accessible, clarify objectives and clarify intent.

- Bold Goal 1 re access inequities— largely unchanged
- Bold Goal 2 re savings – this had been changed to make clear that it's not just about savings for savings sake, it's about creating opportunities for reinvestment and greater efficiency.
- Bold Goal 3 system issues – mainly internally facing but important to help break down system silos. Main change had been to remove phrasing around health technologies that was raised externally.

Points raised by members:

- The description of PHARMAC's core competency continues to be complex
- The wording of Bold Goal 2 seemed to still focus strongly on savings
- Outcome measures would be critical to establishing the success of PHARMAC's strategy
- One of the access issues may be about different prices charged by different pharmacies
- Equity, equality and health disparity were not interchangeable terms.

Members acknowledged that the goals were intentionally big and possibly not achievable, but it was important to indicate a direction of travel and galvanise support.

5. PHARMAC Strategy – eliminating inequities in access to medicines

Members workshopped questions around Bold Goal 1 – eliminating inequities in access to medicines by 2025. This was prefaced by an outline of some evidence PHARMAC currently has around inequities in access to medicines, taking into account the relative health needs of different populations. Some issues were bigger than PHARMAC – structural in society and across the health system.

Questions for members:

- What are the key drivers of inequity in medicines access?
- What are the features of a successful intervention to address issues related to equity?
- Considering TW and PRS what else will help PHARMAC to deliver on the bold goal?
- What key partnerships will be required to help us achieve our bold goal to eliminate medicines access inequities?
- What organisational change may be required to enable PHARMAC to achieve this goal?
Consider for example:
 - Responsible use activity
 - Clinical expertise
 - Decision-making processes.

Feedback – a lot of systemic and societal issues were identified, including the cost to access primary care and the length of time available for appointments.

Some members considered doctors were a strong lobbying voice for their commercial interests with government.

Members considered that there was work PHARMAC could do in its internal structure and processes to become more consumer-centric. An example was looking at the level of resourcing being applied towards implementation of decisions.

Members supported the work being undertaken by PHARMAC and considered it should continue to be bold. New and different approaches needed to be tried and are supported.

6. Deputy Chair

Members unanimously supported the nomination of Stephanie Clare as Deputy Chair of CAC. This recommendation to be taken to the PHARMAC Board.

Members noted the need for effective leadership succession planning and that it would be desirable for a future incoming member to be identified as the next Chair. Members requested Staff prepare an options paper for consideration at the next meeting of CAC.

7. Session with the Chief Executive

The CE briefing was provided by Jude Ulrich, Director of Engagement and Implementation.

Members noted the PHARMAC Strategy has been approved by the Board and will be embedded into PHARMAC's Statement of Intent, and published in July. PHARMAC will be held to account for delivery of the Strategy.

TPP

New Zealand is continuing to work with TPP partners to explore options on how to best capture the benefits of the agreement following the withdrawal of the US after President Trump's inauguration in late January.

PHARMAC has done the work necessary to support New Zealand's obligations.

PHARMAC's objective continues to be to have all our work and system changes completed should Government go ahead with ratification of TPP. If this didn't occur, PHARMAC may look at whether any aspect of the proposed changes could proceed.

Members asked whether any of the proposed changes would have any implication for consumers' access to medicines. This was not the case as the changes mainly related to the funding process followed by suppliers.

Members asked whether PHARMAC would go back out to the community to report back. This was something PHARMAC could look into but would need to follow any update on the Government's intentions.

Health select committee session

PHARMAC appeared before the Health Select Committee for its annual financial review. Some of the themes covered included:

- Our analysis of cancer medicines funding compared to Australia
- Cannabis-derived pharmaceuticals vs medicinal cannabis
- Costs of PHARMAC marketing.

No media coverage ensued.

Members commented that PHARMAC's engagement with the community was useful and were keen to see PHARMAC getting out and doing more 'PHARMAC 101' sessions. The publication of the new strategy and PHARMAC's bold goals might be a further opportunity to look at this.

8. Rare disorders pilot evaluation

Members were given an overview of the rare disorders contestable funding pilot. The concept was to try a new approach looking at the funding of medicines for rare disorders. CAC had been involved from the initial discussions related to the pilot in 2013, and attended public consultation events.

The chosen approach (and RFP) was to promote greater competition amongst suppliers of medicines for rare disorders. Identifying discrete funding for a defined group of medicines was a new approach.

The pilot has now closed, with 10 medicines funded. The evaluation has begun and is being undertaken by an external contractor, Grant Thornton. The evaluation is looking to see if the pilot met the objectives outlined in the original discussion document released in 2013. External feedback has been sought from stakeholders who have been involved in the process. This feedback has been provided to Grant Thornton to incorporate into the evaluation.

The findings from the evaluation will feed into our consideration of next steps. PHARMAC staff will come back to the next CAC meeting with the evaluation findings.

Members sought clarification on what was being looked at in the evaluation – whether it was more than just financial or efficiency-driven. The choice of Grant Thornton may create the impression that it is only financial aspects being looked at.

Members were interested to know the views of people and groups with an interest in rare disorders about the pilot process. Members advised PHARMAC staff to consider the feedback provided by these interest groups when communicating the evaluation findings.

9. Te Whaioranga and Pacific Responsiveness Strategy update

Internal structure

With the launch of the Pacific Responsiveness Strategy, PHARMAC has changed its internal team to become the Māori and Pacific responsiveness team. This would put both streams of work on strong footings, although they retained their identities. They would be 'together but different' – this would extend to the way they were initially portrayed externally such as through the PHARMAC website.

PHARMAC will be open to being guided by the community as to how long this 'tuakana taina' situation continued.

Members were given an outline of the work of the Te Whaioranga champions, an internal staff-driven group that looked at implementing aspects of Te Whaioranga. This was a very valuable internal group.

The next 2-year Te Whaioranga action plan was in development, this would be provided to the next meeting of the CAC.

Māori name for PHARMAC

Another workstream in its early stages was formalisation of a Māori name or strapline for PHARMAC, given there are a range of informal descriptions used when conversing in te reo Māori. Three initial options had been put forward for discussion. PHARMAC will also be meeting with the Māori Language Commission to learn from the experiences of other agencies who have adopted Māori names or straplines.

This was likely a long-term piece of work that PHARMAC wanted to implement well. There will be extensive stakeholder engagement over the development timeframe, including with other Government agencies and our responsible Minister. The CAC and Te Rōpū Āwhina Māori will also be kept informed and consulted on progress. Ultimately the decision will be made by the PHARMAC Board.

Māori health areas of focus

With the implementation of the Factors for Consideration the Māori health areas of focus have a different status, so need to be current. It was timely for PHARMAC to check in to ask the community what the areas of focus should be.

Staff will bring a paper to the next meeting of CAC seeking input to this process.

Pacific responsiveness strategy launch

The Strategy has been approved by the PHARMAC Board and launched publicly at an event in Lower Hutt, the day prior to this CAC meeting. PHARMAC had hit the ground running – redefining its internal team structure and already making an appointment to the Pacific Adviser role.

The work will continue with community report-back fono, which will be occurring over the coming months.

Members commended PHARMAC for the inclusive nature of the Strategy work, the relationships created and the involvement of CAC members along the way. Members commented that the final

strategy was vibrant and engaging, succinct, and had recognisable and achievable milestones. This increased the likelihood of success. Members also welcomed that the Strategy explicitly acknowledged individuals who had contributed to its development. Members noted the particular contribution of Agnes Tokuma for her work in the development of the Strategy and consultation fono.

Members commented that the new Pacific Adviser will need to work on continuing to build strong relationships. These relationships would form the strong roots for success of the Strategy.

Members provided comment about an appropriate welcome for the new Pacific Adviser.

Meeting closed 3.30 pm.