

1 May 2009

INPUT INTO THE CONSUMER ADVISORY COMMITTEE TERMS OF REFERENCE REVIEW

We'd like to benefit from your views on how PHARMAC can best utilise its Consumer Advisory Committee (CAC).

At present we are not making any proposals; we simply want to gather information on all relevant issues to assist further work in this area.

CAC's advice is one of the ways we ensure PHARMAC is aware of consumer issues relevant to our work. It's by no means the only interaction we have with consumers, but CAC's advice is a valuable input to our work.

The Committee is established under the NZ Public Health and Disability Act 2000, and its current roles and functions are defined by its Terms of Reference (attached). CAC's Terms of Reference were reviewed and amended in 2004, and the review we are now beginning is in line with the actions arising from *Medicines New Zealand*, the strategy for the medicines system.

As a first step in the process, we are interested in your views on the issues we think are relevant to the review. We will use your feedback and other information, including what has been learned from overseas approaches, to develop options for an amended Terms of Reference, which we will consult on later this year.

I am including documents with this letter to help you provide input into this process:

- a copy of the current CAC Terms of Reference;
- an information and response form (for optional use in providing feedback);and
- an information sheet about CAC which summarises how the Committee currently operates.

Written responses should be provided by Friday 12 June 2009, and we are interested in any and all views on matters you consider relevant to the work. If you would like to discuss your views, whether as an alternative or in addition to a written response, we would be very pleased to meet. Please contact Cherie Jacobson to arrange a meeting (04 460 4990, cherie.jacobson@pharmac.govt.nz).

I hope you take the opportunity to share your knowledge and ideas. I look forward to this work advancing and to receiving any views you would like to provide.

Yours sincerely



Matthew Brougham
Chief Executive

Consumer Advisory Committee Terms of Reference Review

Seeking your views



Consumer Advisory Committee Terms of Reference Review

PHARMAC looks forward to benefiting from your views as part of The Consumer Advisory Committee (CAC) Terms of Reference Review. We have sought to provide sufficient information to enable informed stakeholder engagement in this work, but would be happy to provide additional material as required. PHARMAC has sought to guide input through some specific questions, but we are interested in any and all information you consider is relevant to the review.

Review parameters

The review provides an opportunity to reconsider the fundamental features of the current Consumer Advisory Committee. There are, however, some broad parameters for the review which are outlined below.

- CAC is a committee established by legislation to 'provide input from a consumer or patient point of view', so the review must focus on an optimal role for CAC that meets the statutory obligation .
- The review is being conducted by PHARMAC, not CAC itself (analogous to how the review of the guidelines for our expert clinical committee, PTAC, was conducted). CAC is an advisory committee to the PHARMAC Board so it is appropriate that PHARMAC undertakes the review itself.
- Final decisions on the role of CAC, and the associated modified terms of reference, will be made by the PHARMAC Board.

It should also be noted that advice from CAC is not the only way that PHARMAC engages with consumers. PHARMAC is undertaking wider work on how best to engage with consumers across all of PHARMAC's work and will consult with interested parties during 2009.

Information on CAC

An information sheet on CAC and a copy of its current Terms of Reference are included. You may want to refer to these to understand the role and operations of the current CAC.

CAC also has its own part of the PHARMAC website: <http://www.pharmac.govt.nz/patients/CAC>. You will find minutes of previous CAC meetings here.

Key issues

At this stage in the review process we are focussed on identifying the key issues relevant to a review of CAC's Terms of Reference. We have included a number of questions on the following pages that we think need to be considered. Information on the current arrangements is included alongside the questions to provide context. The list of questions is not necessarily exhaustive and you are welcome to identify other issues that you think the review should take into account and provide information on these.

A space to record your response is provided under each question so that you can send the completed form back to PHARMAC (contact details are at the end of the document). You may, however, respond using any format you wish. A 'submitter information' section is included at the end of this document. If you choose not to use this form to make a response, please include your name and, if appropriate, organisation (including explaining any constituency that you represent) on your submission, and refer to the last page for information about the release of your submission under the Official Information Act 1982.

1. The Committee's role

Section 1 of the current Terms of Reference (attached) describes the Committee's purpose, as specified in the New Zealand Public Health and Disability Act 2000, 'to provide PHARMAC with input from a consumer or patient point of view'.

The Committee developed its vision which is "to ensure that the voice of consumers is effectively represented in PHARMAC decision making in order to achieve optimal health outcomes".

The following questions seek your feedback on how, at a broad level, the Committee should fulfil its legislative purpose.

a) What is the optimal role for the Consumer Advisory Committee and how is this best broadly described?

b) What lessons can be taken from consumer engagement in other contexts, whether health funding bodies or other public organisations?

2. Responsibilities & functions

The Committee’s current functions are described in section 2 of the Terms of Reference.

CAC has only occasionally provided advice on medicines funding decisions to ensure that the proposed consultation process on these is appropriate. Consumer and interest groups are able to directly share their views on the substance of proposed funding decisions through PHARMAC’s consultation process.

The following questions seek your feedback on the desirable responsibilities and functions for CAC.

c) What responsibilities and functions align with the desired role for CAC that you described in question (a)?

d) Should CAC advise on funding applications for medicines and, if so, on what basis?

3. Relationships with other stakeholders

Section 2 of the Terms of Reference allows CAC to engage with community, consumer and special focus/interest groups. Committee members links to communities of consumers inform them of topics of interest and concern for these groups. As CAC members broadly reflect New Zealand’s population demographics, the Committee’s advice reflects a range of (though not all) different consumer perspectives.

The Committee receives and responds to correspondence from individuals through its email address. Committee members have also attended conferences that feature a range of consumer/patient groups to better understand their views and concerns.

While the Committee raises issues of importance to consumers, it does not currently advocate for funding of specific pharmaceuticals or treatments in a therapeutic area, on behalf of a particular stakeholder group.

The following questions seek your feedback on the relationships that the CAC should have with stakeholder groups.

e) What relationship, if any, should CAC have with stakeholder groups?

f) How would these relationships support CAC in achieving the optimal role you described in question (a)

g) What resources do you think the Committee would require to support these relationships?

4. Membership and the appointment process

Current arrangements for the appointment of members and removal and resignation are described in sections 5 and 6 of the Terms of Reference. The Terms of Reference require that the Committee consist of eight members, including two Māori and one Pacific People’s representatives.

The focus is on appointing members who reflect consumers and communities, not health professionals or commercial enterprises. Currently CAC members are chosen to reflect societal demographics including people of different age groups and genders, from different locations and cultures, and who can represent interests broader than a specific group and demonstrate a connection to a particular community of consumers.

As CAC is an advisory Committee to PHARMAC, the Board is responsible for appointment of members and cannot delegate this function. The Board’s decision can, however, be informed by advice from other parties.

The following questions seek your feedback on the desirable membership of CAC and how appointments to the Committee should be made.

h) What is the optimal membership of the Committee? Please describe the appropriate number, and the desirable characteristics and experience of members (or any other factors that you consider would help usefully define optimal membership).

i) How should membership appointments be made? Please describe the optimal process for identifying potential members and selecting appointees to the Committee.

j) What is the optimal length of time for members to serve on the Committee and are there any circumstances in which extensions should be allowed?

5. Relationship with PHARMAC staff and Board

Section 8 of the Terms of Reference describes the role of the PHARMAC staff member who provides secretariat services to support the CAC.

Minutes of the Committee’s meetings are provided to the PHARMAC Board for consideration. The Board’s responses to these recommendations are communicated to Committee members in a letter from the Chief Executive.

The Committee Chair or their nominee is now invited to attend all Board meetings, including those at which the Committee’s minutes are considered by the Board, as an observer without voting rights. This allows the CAC member to provide further information about the Committee discussion on its recommendations if this is necessary.

The following questions seek your feedback on the relationship that the Committee should have with PHARMAC staff and the PHARMAC Board.

k) What is the optimal relationship between CAC and PHARMAC staff? Please describe and explain your view.

l) What is the optimal relationship between CAC and the PHARMAC Board? Please describe and explain your view.

6. Measuring performance

The Committee's minutes are made publicly available on the CAC page on PHARMAC's website once they have been agreed by the Committee.

The following questions seek your feedback on the Committee's performance in fulfilling its statutory objective and role.

m) How should the how should the role of CAC be periodically evaluated?

n) How can the quality of the Committee's advice to PHARMAC be measured?

Submitter information

Please provide your details under the following headings:

Individual name and Contact details

Organisation name (if responding on behalf of an organisation)

Type of organisation (explain any constituency you represent)

Information requested under the Official Information Act

Please note that your submission and all correspondence you have with PHARMAC may be the subject of requests under the Official Information Act 1982 (the 'OIA'). PHARMAC would generally omit your personal details (name, contact details and any other personally identifying information) from the submission if you make it clear in your submission that you wish such information to be withheld to protect your privacy.

If there is any other part of your submission or correspondence that you consider could properly be withheld under the OIA, please include comment to this effect along with reasons why you want the information withheld. The provisions setting out reasons for withholding information under the OIA are included for your information.

Where to send your submission

PHARMAC

PO Box 10-254

Wellington

Email: CACTOR@pharmac.govt.nz

Fax: (04) 460 4995

Please direct enquiries to:

Cherie Jacobson

Corporate Team Assistant

Tel: (04) 916 7595

Email: cherie.jacobson@pharmac.govt.nz

Relevant Provisions of the Official Information Act 1982

9. Other reasons for withholding official information –

- (1) Where this section applies, good reason for withholding official information exists, for the purpose of section 5 of this Act, unless, in the circumstances of the particular case, the withholding of that information is outweighed by other considerations which render it desirable, in the public interest, to make that information available.
- (2) Subject to sections 6, 7, 10, and 18 of this Act, this section applies if, and only if, the withholding of the information is necessary to –
 - (a) protect the privacy of natural persons, including that of deceased natural persons; or
 - (b) protect information where the making available of the information –
 - (i) would disclose a trade secret; or
 - (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or
 - (ba) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information –
 - (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
 - (ii) would be likely otherwise to damage the public interest; or
 - (c) avoid prejudice to measures protecting the health or safety of members of the public; or
 - (d) avoid prejudice to the substantial economic interests of New Zealand; or
 - (e) avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
 - (f) maintain the constitutional conventions for the time being which protect –
 - (i) the confidentiality of communications by or with the Sovereign or her representative;
 - (ii) collective and individual ministerial responsibility;
 - (iii) the political neutrality of officials;
 - (iv) the confidentiality of advice tendered by Ministers of the Crown and officials; or
 - (g) maintain the effective conduct of public affairs through –
 - (i) the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any Department or organisation in the course of their duty; or
 - (ii) the protection of such Ministers, members of organisations, officers, and employees from improper pressure or harassment; or
 - (h) maintain legal professional privilege; or
 - (i) enable a Minister of the Crown or any Department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities; or
 - (j) enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
 - (k) prevent the disclosure or use of official information for improper gain or improper advantage.

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Listening to consumers - Role of the Consumer Advisory Committee

The **Consumer Advisory Committee (CAC)** helps PHARMAC better understand consumer and patient perspectives.

CAC | Consumer
Advisory Committee

Considering Consumer perspectives

Our work directly affects the lives of New Zealanders so we need to consider the views of consumers and patients. Listening to the recommendations of the Consumer Advisory Committee is one of the ways that we achieve this.

What does the Committee do?

The Consumer Advisory Committee provides us with input from a consumer or patient perspective.

Its role is to provide advice on how we can better seek the views of, and be responsive to, consumers. Advice can be sought from the Committee to obtain a consumer or patient view on many different areas, including:

- educational information to assist patients
- initiatives to promote the responsible use of medicines
- how access to medicines could be improved
- use of medicines by Māori, Pacific Peoples and other groups experiencing inequalities in relation to medicines
- implementation of PHARMAC's funding decisions.

Relationship to PHARMAC

The Consumer Advisory Committee is an advisory committee to the PHARMAC Board. It provides written reports to the Board, and its Chair attends Board meetings as an observer to report on the activities and findings of the Committee, and to comment on consumer issues. While accountable to the Board, the Committee's general working relationship is with PHARMAC staff.

Who are its members?

The Committee is made up of people from a range of backgrounds and interests including the health of Māori people, Pacific peoples, older people, women and mental health. For current membership of the Consumer Advisory Committee, visit our website.

Who appoints members?

When there are vacancies, PHARMAC advertises publicly for nominations and draws up a short list of nominated people for consideration by the PHARMAC Board, which makes the appointments. Committee members may be reappointed at the end of a term.

How does the Committee operate?

Committee members developed the following vision statement to describe the Committee's aim:

“To ensure that the voice of consumers is effectively represented in PHARMAC decision making in order to achieve optimal health outcomes.”

The Terms of Reference which guide the Committee's activity are available on our website.

The Committee meets three or four times a year. Meeting minutes are available on our website. PHARMAC staff may also ask for Committee views on items that need to be progressed between scheduled Committee meetings.

How do I contact the Committee?

The Consumer Advisory Committee can be contacted by email: **cac@pharmac.govt.nz**, or you can write to the Consumer Advisory Committee at PHARMAC's postal address.

PHARMAC is the Government agency that decides, on behalf of District Health Boards (DHBs), which medicines get subsidised so that they are more affordable for New Zealanders and available nationally. The subsidies PHARMAC sets are funded from a fixed budget that is part of DHB funding. PHARMAC also promotes the optimal use of medicines, carries out some procurement for DHBs, and manages special access programmes for some medicines.

Information Sheets on various PHARMAC topics are available from our website: www.pharmac.govt.nz/patients/infosheets

If you have specific areas of interest (such as consultations, committees or vacancies), visit our website and subscribe to news feeds in the area(s) of interest to you: <http://pharmac.govt.nz/feeds>

Contacting Us

Call us on **0800 66 00 50** (between 9am and 5pm, Monday to Friday), or on **04 460 4990** (between 8am and 5.30pm, Monday to Friday).

Write to us at: **PHARMAC, PO Box 10 254, Wellington**
– we respond to all letters

Email us at enquiries@pharmac.govt.nz – we respond to all emails

**TERMS OF REFERENCE
FOR THE
CONSUMER
ADVISORY
COMMITTEE (CAC)**

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GLOSSARY

The following words are used in the Terms of Reference and have the following meanings:

“Act” means the New Zealand Public Health and Disability Act 2000 and includes any regulations, amendments, re-enactments and replacements.

“Board” means the PHARMAC Board.

“CAC” means the Consumer Advisory Committee.

“CAC Secretary” means the secretary of CAC (see section 8).

“Chairperson” means the Chairperson of CAC (see section 11).

“Terms of Reference” means the Terms of Reference for CAC.

“Member” or **“Members”** means a member of CAC.

“PHARMAC” means the Pharmaceutical Management Agency.

“pharmaceutical(s)” means a medicine, therapeutic medical device or related product or related thing.

“Pharmaceutical Schedule” means the list of pharmaceuticals for the time being in force that states, in respect of each pharmaceutical, the subsidy that the Crown intends to provide for the supply of that pharmaceutical to a person who is eligible for the subsidy.

“supplier” means the supplier of a pharmaceutical, usually a pharmaceutical company.

1. Primary Purpose

CAC is a committee representing the interests of health consumers. The primary purpose of CAC is to provide the Board with input from a consumer or patient point of view (see section 50(1)(b) of the Act).

2. Functions

To fulfil its primary purpose CAC is to provide PHARMAC, when requested by PHARMAC, with a consumer or patient perspective on:

- (a) initiatives to promote the responsible use of pharmaceuticals;
- (b) information to assist patients, particularly educational information;
- (c) where appropriate, implementation of PHARMAC's decisions;
- (d) how access to pharmaceuticals could be improved for specific patient groups in terms of specific disease states within existing listed pharmaceuticals;
- (e) the use of pharmaceuticals by Maori, Pacific Peoples or other groups experiencing inequalities in relation to existing listed pharmaceuticals;
- (f) the prioritisation of pharmaceuticals by PHARMAC; and
- (g) any other matters relating to the management of the Pharmaceutical Schedule.

CAC may also, subject to the confidentiality provisions in section 13:

- (a) engage and consult with the community and/or relevant consumer groups;
- (b) work with special focus/interest groups that may be required from time to time for specific issues and problem solving;

CAC's functions do not include, unless expressly requested by PHARMAC, providing input on, or otherwise being involved with:

- (a) the clinical evaluation of pharmaceuticals;
- (b) any consultation process PHARMAC conducts; or
- (c) PHARMAC's contracting processes.

3. PHARMAC's objectives and functions

In performing its functions, CAC must have regard to PHARMAC's objectives and functions as outlined respectively in sections 47 and 48 of the Act.

4. Relationship with PHARMAC

- 4.1 CAC is an advisory committee to the Board.
- 4.2 CAC will provide written reports to the Board outlining any issues relevant to the matters specified in section 2, and setting out its views in relation to those issues, taking into account its responsibilities under sections 1, 2 and 3 of these Terms of Reference.
- 4.3 The Board will take into account the reports provided by CAC and seek any clarification required from CAC.

5. Appointment

- 5.1 PHARMAC staff will advertise publicly for nominations for Members and draw up a short-list of nominated people for consideration by the Board, who will appoint the Members as required by Section 50(3) of the Act.
- 5.2 CAC will consist of up to eight Members, including two Maori and one Pacific People's representatives. Where no suitable Maori or Pacific People's candidates are nominated, the Board will actively seek to identify a member with appropriate skills and experience from those communities. In making appointments to CAC, the Board will endeavour to ensure that CAC has an appropriate mix of people:
 - of different age groups and genders;
 - from different locations (urban and rural);
 - from different cultures;
 - who can represent interests broader than those of a specific group and;
 - who can demonstrate a connection to a particular community of consumers.

In general, the focus will be on appointing members who represent consumers and communities, not health professionals or commercial enterprises.

- 5.3 Except as set out in section 5.4, Members will serve a term of three years with a right of renewal for a further three-year or shorter term by mutual agreement.
- 5.4 The Board will stagger the terms of the initial Members, in the following manner:
 - (a) three Members will initially be appointed for a term of two years;
 - (b) three Members will initially be appointed for a term of three years; and
 - (c) two Members will initially be appointed for a term of four years,with a right of renewal by mutual agreement for a three-year or shorter term as set out in section 5.3 above. The Board will notify the initial Members of the length of their term at the time of appointment.
- 5.5 The Board will appoint the Chairperson of CAC, in consultation with the other Members.

6. Removal and resignation of Members

- 6.1 Members may resign at any time by notice in writing to the Board
- 6.2 A Member may be removed by the Board by notice in writing to that Member, stating the Board's reasons for the removal and the date on which the removal takes effect. The Board may exercise this power only if it has first consulted the Member about the removal.

7. Remuneration

- 7.1 Members are to be paid for their attendance at meetings and, with PHARMAC's approval, any reasonable time spent preparing for meetings. The Board will set the level of payment that it considers appropriate, having regard to any public sector or other relevant guidelines.
- 7.2 PHARMAC will reimburse Members for all reasonable costs incurred in travelling to and from any CAC meeting.

8. CAC Secretary

- 8.1 The CAC Secretary, who is to be a PHARMAC staff member and appointed by PHARMAC's Chief Executive in consultation with the Chairperson of CAC, will support CAC and assist the Chairperson in performing his or her role. In particular, the CAC Secretary is to provide the services necessary for the smooth operation of CAC, including (without limitation):
- (a) determining a programme of meetings (see section 9.1);
 - (b) preparing a draft agenda for meetings in accordance with section 8.3 below;
 - (c) ensuring that papers for meetings are sent to Members; and
 - (d) providing regular and ongoing communications to CAC members in relation to PHARMAC's activities.
- 8.2 The CAC's Secretary will be responsible for keeping minutes of each meeting of CAC. The process for finalising the minutes is to be as follows:
- (a) minutes are to be prepared and sent to Members as soon as possible after a CAC meeting;
 - (b) Members are to peruse the minutes and return comments to the CAC Secretary promptly;
 - (c) the CAC Secretary will produce a final draft of the minutes in light of the suggested changes. The final draft will then be sent to Members for review. Once any further changes are made to the final draft, the Chairperson will sign the minutes as finalised;
 - (d) a copy of the signed minutes will be sent to each Member and will be included for final ratification as part of the agenda of the next meeting of CAC; and
 - (e) a copy of the signed minutes will be forwarded to the Board.
- 8.3 The agenda for each meeting is to be agreed by the Chairperson and PHARMAC staff. Members may forward items to the Chairperson for inclusion on the agenda with at least two weeks' notice prior to the meeting. The agreed agenda and related papers are to be sent to Members by the CAC Secretary, if possible, two weekends before the relevant meeting.

- 8.4 The CAC Secretary is responsible for managing communications between Members and members of the general public and other interest groups.
- 8.5 The CAC Secretary stands apart from CAC recommendations and does not have voting rights at any CAC meeting.
- 8.6 Once the minutes of a CAC meeting are signed they will be made publicly available by PHARMAC, by publishing them on the PHARMAC website (www.pharmac.govt.nz), provided that PHARMAC reserves the right to withhold any element(s) of the minutes that it considers appropriate on grounds of commercial confidentiality. In doing so PHARMAC will be guided by the principles and withholding grounds of the Official Information Act 1982.

9. Meetings of CAC

- 9.1 CAC is to meet as and when required by the Board and no less than twice a year. Meetings are to be held in Wellington at PHARMAC's offices, or as provided in section 10 (electronic conferences), unless the Chairperson, in agreement with PHARMAC, directs otherwise. The CAC Secretary and Chairperson will select the dates for CAC meetings, taking into account the dates of Board meetings. They will present the dates to Members, who will confirm the dates, subject to their availability.
- 9.2 The quorum for meetings of CAC is 5 Members, of whom one member (subject to section 9.5 below) must be either the Chairperson or a deputy nominated by the Chairperson. In exceptional circumstances (for example where time is of the essence) the Chairperson may direct that the quorum for a particular meeting is to be 4 Members.
- 9.3 Members can request leave of absence from any particular CAC meeting.
- 9.4 Members will receive prior written notice of each CAC meeting, which will either be delivered by hand or sent to the Members by post, facsimile or other written or electronic mail message.
- 9.5 The Chairperson is to preside at each meeting of CAC unless he or she is absent or is unwilling or unable to preside. In this case the Chairperson will nominate a Member to preside as a Deputy Chairperson. If neither the Chairperson nor the nominated Deputy Chairperson can preside, then the Members present at the meeting must elect a Member who is present to be the Chairperson.
- 9.6 Members are to endeavour, at all times, to reach a consensus on the matters to be reported to the Board. If the Members are unable to reach a consensus then there is to be a vote, with a majority prevailing. If a vote is tied, the Chairperson (or other presiding Member) is to have a second or casting vote. Members who disagree with, or dissent from, a recommendation/decision of CAC are able to register their dissent or disagreement, and the grounds for it, in the report to the Board. However, Members are bound by each recommendation/decision and will not take any steps outside the meeting to undermine a consensus or majority recommendation/decision.
- 9.7 PHARMAC staff may attend each meeting of CAC and participate in discussions at the meeting, but may not vote on any matter at that meeting. The Chairperson may invite PHARMAC Board members to attend meetings of CAC from time to time.
- 9.8 Subject to compliance with the above procedures, CAC may regulate its internal meeting procedures in such manner as it thinks fit.

10. Electronic conferences

- 10.1 CAC can, if the Chairperson agrees (and the meeting has a quorum, see section 9.2), have a meeting by contemporaneous linking together by telephone, or other means of communication (an electronic conference). To the extent applicable, the rules and procedures relating to CAC meetings set out in section 9 will apply to a meeting held under this section. In addition, the following rules are to apply:
- (a) notice must have been given by telephone, or by other means of communication, to every Member entitled to receive notice of a meeting of CAC; and
 - (b) each Member taking part in a electronic conference must:
 - (i) at the start of the electronic conference, acknowledge the Member's participation in the electronic conference, to the other Members taking part;
 - (ii) be able to hear the other Members taking part at all times throughout the electronic conference; and
 - (iii) on any vote, individually express his or her vote at the electronic conference.
- 10.2 A Member may not leave a meeting held under this section by disconnecting his or her telephone or other means of communication unless he or she has first obtained the permission of the Chairperson. A Member is to be presumed to have continued to be present, and to have formed part of the quorum, at all times during an electronic conference unless he or she has been expressly permitted to leave.

11. Responsibilities of the Chairperson

- 11.1 Subject to the requirements set out in section 9, the Chairperson is free to conduct CAC meetings as he or she sees fit. The Chairperson will endeavour to ensure all CAC meetings start and finish on time and that, where possible, all agenda items are covered. The Chairperson is responsible for setting the agenda for the meetings (subject to section 8.3). The Chairperson is also responsible for signing off the final version of the minutes of any meetings of CAC in accordance with section 8.2.
- 11.2 The Chairperson should be aware of the range of perspectives across CAC and PHARMAC and is to manage discussion of those differing perspectives.
- 11.3 The Chairperson may, at PHARMAC's request, attend Board meetings to express CAC's views on issues to be considered by the Board, but is not entitled to vote at these meetings. The Chairperson is also responsible for liaising with the Board regarding the resources to be allocated to CAC and its Members.

12. Conflicts of interest

- 12.1 Members are to be aware of potential direct or indirect conflicts of interest as they arise in their daily professional life or otherwise and declare any such conflicts at the next CAC meeting.
- 12.2 Members are to avoid, to the greatest extent possible, any direct or indirect conflict between the performance of their duties and obligations as Members, and any obligations and interests they may have as a result of their professional duties and any obligations or interests they may have as a result of any agreement, arrangement, understanding or other connection or interaction (whether legally enforceable or not) with a pharmaceutical supplier. In particular,

if a Member wishes to accept supplier-funded travel, accommodation or other benefits, that Member must first discuss this with the CAC Chairperson and then declare this conflict at the next CAC meeting.

- 12.3 A Member who is directly or indirectly interested in any matter that is under consideration by CAC, is to disclose the nature of that interest to CAC immediately after he or she becomes aware of it. A Member who discloses an interest to CAC in accordance with this section will not be disqualified from discussing or voting on the matter concerned and is to be counted in the quorum for that meeting, unless the Chairperson of that meeting, in his or her discretion, decides that the particular interest is likely to affect the Member's ability to properly discharge his or her duties. If, as a result of the disqualification of a Member under this section, a quorum cannot be maintained, then the relevant matter is to be referred to the next meeting.
- 12.4 Where a Member declares or discloses a conflict of interest, this shall be recorded in a Conflict of Interest Register, which is to be attached to each CAC meeting agenda.

13. Confidentiality

- 13.1 Subject to section 13.3, all information, documents and other material relating to matters on CAC's agenda, as well as the proceedings of CAC, are confidential to CAC and PHARMAC. Members must comply with any statements of confidentiality obligations issued by PHARMAC from time to time and will, if required, sign confidentiality undertakings in the form required by PHARMAC.
- 13.2 Members must store all material relating to a pharmaceutical in a secure place until the matter has been considered by PHARMAC, after which time Members must either destroy the material or return it to PHARMAC.
- 13.3 Members are prohibited from speaking to the media in relation to the activities of CAC and any matters discussed at, or considered by, CAC at its meetings, unless they have the prior agreement of the Chairperson and the Chief Executive of PHARMAC.

14. Observers

- 14.1 At the discretion of the Chairperson and PHARMAC's Chief Executive, observers including invited experts may attend meetings of CAC. These observers are not, however, and are not to be deemed to be, Members and, unless the Chairperson of the particular meeting otherwise agrees, these observers will not have any right to speak at the meeting.
- 14.2 Observers will be required to sign confidentiality undertakings, prior to attending any meeting of CAC, in the form required by PHARMAC.
- 14.3 Observers should not, in the view of the Chairperson, by their presence affect any Member of CAC, either by influencing or constraining discussion at any CAC meeting. The Chairperson must endeavour to ensure that observers do not act in a manner that influences or constrains discussions at a CAC meeting and may require an observer to leave a CAC meeting if the Chairperson considers that observer's presence could otherwise influence or constrain discussion.

15. Variation of Terms of Reference and disputes

- 15.1 These Terms of Reference provide direction on CAC's functions and processes, but are not intended to cover every eventuality. They are to be interpreted flexibly and pragmatically, to allow CAC the scope, with PHARMAC's approval, to adapt its functions and processes as the need arises. These Terms of Reference may also be varied or revoked at any time (which may, where PHARMAC considers it appropriate, involve consultation) by the Board.
- 15.2 Any dispute or disagreement as to the meaning or application of any section in these Terms of Reference (except for the appointment process referred to in section 5 and 6 of the Terms of Reference) is to be determined by the Board, whose decision is final.
- 15.3 Irrespective of section 15.1, it is intended that these Terms of Reference will be reviewed once CAC has been operational for 18 months.