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Pharmaceutical Management Agency (Pharmac)

Minutes of the Board Meeting

Held on Tuesday 27 May 2025 at 9.00am

Via Microsoft Teams

Present:

Board members

Paula Bennett	Chair
Dr Peter Bramley (BSc (Hon), LL.B, PhD)	Deputy Chair
Talia Anderson-Town (BBS, PG Dip Professional Accounting, CA, CPP)	Board member
Anna Adams	Board member
Lucy Elwood	Board member (until 1.00pm)
Dr Margaret Wilsher (MD, FRACP, FRACMA)	Board member

Apologies

Trevor Simpson	Kaituruki Maori - Director Māori
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Board Observers

Rhiannon Braund	Board Observer, PTAC Deputy Chair
Robyn Manuel	Board Observer, CAC Chair (by Teams)

Pharmac staff in attendance

Brendan Boyle	Acting Chief Executive (until item 4.2)
Michael Johnson	Acting Chief Executive; Director, Strategy, Policy & Performance and Acting Director, Corporate - Financial Services
Catherine Epps	Director, Medical Devices and Acting Director Corporate – Business Services
Geraldine MacGibbon	Director, Pharmaceuticals
Nicola Ngawati	Director, Equity & Engagement
David Hughes	Director, Advice and Assessment/CMO and Acting Director, Corporate – Analysis
Jacqui Webber	Board Secretary (Minute taker)

Attendees joined the meeting to present relevant papers: Saar Cohen-Ronen, Emma Clarke and Rachael Dowrick.

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Welcome and Opening of Meeting

Following Directors only time, the Chair welcomed everyone and formally opened the meeting at 10.08am with a karakia.

1. Directors Only time

1.1 The Board held *Board Only* discussions, prior to formally commencing the meeting.

1.2 Future options for consumer representatives in Pharmac – In confidence

The Board and SLT only convened to discuss this paper. The paper aligns with Pharmac's Engagement Strategy and supports the 2024/2025 Minister's Letter of Expectations, specifically the objective to have *"appropriate processes and methodologies for ensuring that those living with a disease, and their carers and family, can participate and provide input into the decision-making processes. This should also include the involvement of patient groups"*.

Consumers from the group that have been meeting with the Acting CE will nominate a Chair who will then progress the recruitment of the Committee members. Members will be appointed for an initial 12 month period.

The working group will then work alongside the reset team to assist with creating a prioritised list of future work. This may include some of the recommendations from the November 2024 consumer workshops and resulting report, together with wider items.

The Board will receive regular updates going forward.

The Terms of Reference (TOR) will assist with clarifying the different focus areas and roles of the Consumer Working Group and the Consumer Advisory Committee (CAC). Staff have been working with an external provider to make sure we get this right. The sessions the Acting CE has been holding with consumer groups have been going well.

[REDACTED]

Lucy Elwood (Board member) will work with the Director, Equity and Engagement, to engage with the CAC, to get better alignment. The Board suggested including one of the CAC general members to attend as the observer – it was agreed that the observers that sit on the Board from CAC and PTAC, should not be on the Committee.

The Board:

noted that in September 2024, they had commissioned two independent workshops with key consumer representatives to *"reset relationships between Pharmac and key consumer/patient representatives"*

noted these workshops were chaired by Dame Kerry Prendergast, who developed a resulting report with an independent report writer. One of the report's recommendations was that a *"Board sponsored Reference Group be established to work in partnership with Pharmac management"*

noted that the Board must ensure Pharmac has a Consumer Advisory Committee (CAC) as one of our two advisory committees (s. 71 Pae Ora (Healthy Futures) Act 2022 (the Act) to *"provide input from a consumer or patient point of view"*

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approved the recommendation to retain CAC and establish a Consumer Working Group to support the 12 month Reset Program (which would be reviewed after the 12 month period)

approved the Committee consisting of 8-10 people

agreed that **further** recruitment to fill current CAC vacancies be paused at the moment.

2. Chair's Report

2.1 Chair's Verbal Update

The Chair provided an update on recent activities and thanked the staff for their continued hard work. The Chair recapped what came out of the budget and noted that the interview panel were working through the Chief Executive recruitment process – they are now down to a preferred candidate. The Chair has also received direct feedback from people that they can already see a marked difference in the way Pharmac operate, which is pleasing to hear.

2.2 Minutes of Board meetings

The Board **resolved** to **adopt** the minutes of the meetings held on 29 April 2025 and 5 May 2025, subject to minor amendments.

2.3 Interest Register

The Board **noted** the interest register.

3. Acting Chief Executive's Reporting

3.1 Acting Chief Executive's Report

The Chief Executive provided a verbal update to the Board on recent activities with particular points:

- The 90 day plan will be presented to the Board at the June meeting.
- Consumer engagement forums have been well received and people have been really engaging.
- Attending the MTANZ conference at end of June.
- LoE is close and a Board meeting has been scheduled on 19 June to finalise the SPE.
- Staff are generally more settled, however, it was acknowledged that it is an unsettled time for many teams. The sense from staff is that they are more confident and focusing on their core roles. A message is going to all staff Wednesday, on the reset programme.

The Board thanked Brendan for a good report.

The Board **noted**:

- the Chief Executive's report for April 2025;

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- the Senior Leadership Team Engagement Calendar;
- the financials for April 2025, as presented to the Finance, Audit & Risk Committee;
- the Chief Executive's activities since the last meeting.

3.2 Legal Update – Legally Privileged and not for disclosure

[REDACTED]

[REDACTED]

[REDACTED]

The Board:

- **endorsed** the legal advice on sections 6-7 as Pharmac's position;
- **noted** the legal update.

Action: The Board requested a timeline for a review of the Treaty policy and Equity policy, to be provided to the June meeting.

4. Key Items

4.1 Initial Steps in Delivery of the Data and Digital Road Map

This paper provided the Board with an outline of the work to begin the delivery of the Organisation's Data and Digital Roadmap, which will reduce current technology risks, improve ability to understand, report and provide insights, and make improvements for health practitioners, pharmacists, and ultimately patients. It will also enable people to engage with the Organisation in a simpler and more timely manner.

The Board **noted** that:

- they had approved Pharmac's data and digital strategy in January 2025;
- the Government has agreed to provide Pharmac with one-off funding of \$7 million to principally support necessary data and digital investments;
- the proposed projects that will progress first over the next two years;
- a Data and Digital strategy update will be provided to the Board at its July meeting.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.3 Transitional access to newly funded cancer medicines to patients receiving treatment in private facilities

This paper provided the Board with background information on the Government's recent decision to change policy settings, to allow for newly publicly funded cancer medicines to be accessible for patients receiving treatment in private facilities.

The Organisation needs to be very mindful that this is a Cabinet decision – staff need to make sure about delivery from Health NZ and have assurance from them.

Other cancer treatments – the Board noted the Ministerial preference for this to be available for all cancer medicines, but the cost of this would be significant. Seeking advice from MOH on how to handle this.

The Board **noted**:

- that the Government has agreed to make policy changes to enable people receiving or about to start cancer treatment in private facilities, to benefit from access to publicly funded medicines, without needing to change their treatment timings and facility for treatment;
- that Pharmac is required to consult on changes to the Pharmaceutical Schedule that enable transitional access;
- that the new transitional access arrangements are due to come into effect from 1 July 2025;
- that funding for transitional access to newly funded cancer medicines will be met from within the existing medicines budget in 2025/26;

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- that the Ministry of Health are leading further work on broader access to funded medicines in private settings.

4.4 Impact of US Tariffs on Medicines and Medical Devices

The purpose of this paper was to provide an overview of the potential impacts of recently announced US tariffs (and related tariffs in other countries) on the availability and affordability of all pharmaceuticals in New Zealand.

The Board and staff had a wide ranging discussion on this matter.

The Board **noted**:

- that potential impacts for Pharmac from global tariffs are currently unclear, however could be significant, based on our experience from the impacts of COVID-19 on the supply chain and pricing;
- that Pharmac has engaged with suppliers and other external stakeholders, including other Government agencies, to ensure we have up to date information on potential impacts;
- that suppliers and other external stakeholders are currently taking a cautious 'wait and see' approach in the short term;
- that Pharmac staff will continue to stay closely connected with suppliers and other external stakeholders and report back as new information emerges.

4.5 Update on “Enhanced Assessment and Decision Making” strategic priority

At each Board meeting, staff provide the opportunity for the Board to have a focused discussion on key strategic themes. This paper provided an update on progress and next steps for the 'Enhanced Assessment and Decision Making' strategic priority since the last update to the Board in November 2024 and the expert advice focussed update shared in February 2025.

Some considerations posed by the Board included:

- Are we looking at societal impacts or are we only looking at health impacts. The Organisation needs to simplify the message. Did we have quantifiable information to test if our assumptions are correct - Yes. Test against real data and show comparisons of results.
- Are we being pragmatic enough – is the problem in the narrative. The Board discussed how to present the main findings in an effective way. The GSK presentation was mentioned as a reference point. Make our messaging crisp and clear. There is a need to get Board on board earlier and influencers on board to get messaging behind it out sooner.
- Release of provisional recommendations for advisory committee records – the level of detail is intricate and needs to be reviewed thoroughly, which holds up the process. Staff are working on this and reviewing processes. They are working really hard to reduce the time of publishing recommendations and then the full minutes. It was suggested that staff add a note up front to say that this is only a recommendation and not a decision to fund – contextualise the messaging.

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The Board:

- **confirmed** and **endorsed** the proposed approach to budget bid development for 2026/27;
- **confirmed** and **endorsed** the proposed approach to release provisional recommendations for advisory committee records;
- **noted** the progress being made towards the enhanced assessment and decision-making strategic priority (2024/25 – 2027/28 Statement of Intent)
- **noted** the pilot processes underway to test new ways of working.

4.6 Proposed 2026 Board meeting dates

Each year, the Board set the calendar for the next year well in advance, to assist with diary management.

The Board **noted** and **approved** the proposed meeting dates for 2026, subject to moving the October and November meeting dates out a week.

Action: Board Secretary to consult on moving the October and November meetings out a week and add all meeting dates to relevant calendars.

5. Schedule and Funding

5.1 Pharmaceutical transactions report

The purpose of this paper was to provide the Board with an advanced overview of current issues relating to pharmaceuticals funded through the medicines budget, including current significant supply issues and the contentious, large or significant pharmaceutical transactions that staff are currently progressing.

There are two rapidly emerging supply issues – liraglutide – nearly run out of stock (diabetes treatment) and Dulaglutide has enough stock to provide the market – the Board is comfortable to approve using same criteria.

The Board **noted**:

- the update from Pharmac staff on:
 - the large and/or significant medicines transactions that are currently planned or in progress
 - our work to change the consultation process for the annual tender
 - upcoming public consultations and decision notifications;
- the summary of decisions made under Delegated Authority during March and April 2025.

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5.2 Proposal to fund Estradot as an alternative brand of oestradiol patches

This paper sought a decision from the Board on a proposal to fund Estradot as an alternative brand of oestradiol patches. The proposal would result in two brands of oestradiol patches being funded. Either brand could be used, subject to availability.

Paper was taken as read and was discussed.

It was recommended that, having regard to the decision-making framework set out in Pharmac's Operating Policies and Procedures, the Board:

Resolutions for the proposal to fund estradot as an alternative brand of oestradiol patches

- **resolved** to approve the 25 February 2025 provisional letter to Sandoz Pty Limited;
- **noted** this is to be considered as part of the proposal to fund Estradot as an alternative brand of oestradiol patches;
- **resolved** to revoke the decision to delist the following products from Section B of the Pharmaceutical Schedule on 1 December 2025:

Chemical and presentation	Supplier	Brand
Oestradiol patch 25 mcg per day	Sandoz	Estradot
Oestradiol patch 50 mcg per day	Sandoz	Estradot
Oestradiol patch 75 mcg per day	Sandoz	Estradot
Oestradiol patch 100 mcg per day	Sandoz	Estradot

- **resolved** to amend the price and subsidy of Sandoz Limited's brand of oestradiol patch in Section B of the Pharmaceutical Schedule from 1 July 2025 as follows:

Chemical and presentation	Brand (Supplier)	Pack Size	Current price and subsidy (ex-man., ex. GST)	New Price and subsidy (ex-man., ex. GST)
Oestradiol patch 25 mcg per day	Estradot (Sandoz)	8	\$14.50	\$16.23
Oestradiol patch 50 mcg per day	Estradot (Sandoz)	8	\$14.50	\$15.79
Oestradiol patch 75 mcg per day	Estradot (Sandoz)	8	\$14.50	\$16.53

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Oestradiol patch 100 mcg per day	Estradot (Sandoz)	8	\$14.50	\$16.18
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- **resolved** to revoke the decision to delist the following products from Part II of Section H of the Pharmaceutical Schedule on 1 December 2025:

Chemical and presentation	Supplier	Brand
Oestradiol patch 25 mcg per day	Sandoz	Estradot
Oestradiol patch 50 mcg per day	Sandoz	Estradot
Oestradiol patch 75 mcg per day	Sandoz	Estradot
Oestradiol patch 100 mcg per day	Sandoz	Estradot

- **resolved** to amend the price of Sandoz Limited's brand of oestradiol in Part II of Section H of the Pharmaceutical Schedule from 1 July 2025 as follows:

Chemical and presentation	Brand (Supplier)	Pack Size	Current price and subsidy (ex-man., ex. GST)	New Price and subsidy (ex-man., ex. GST)
Oestradiol patch 25 mcg per day	Estradot (Sandoz)	8	\$14.50	\$16.23
Oestradiol patch 50 mcg per day	Estradot (Sandoz)	8	\$14.50	\$15.79
Oestradiol patch 75 mcg per day	Estradot (Sandoz)	8	\$14.50	\$16.53
Oestradiol patch 100 mcg per day	Estradot (Sandoz)	8	\$14.50	\$16.18

- **resolved** to approve the February 2025 agreement with Sandoz Pty Limited;
- **resolved** to approve the March 2025 agreement with Viartis Limited;
- **noted** that the resolutions as per the September 2024 tender decision, are effective, including the Brand Switch Fee on the Estradiol TDP Mylan brand from 1 December 2025 until 28 February 2026, and application of Principal Supply Status to Estradiol TDP Mylan from 1 December 2025;
- **noted** that while this proposal secures supply of Estradot, there may be times where it is unavailable for everyone who needs it;

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- **noted** that extensive consultation on this proposal was undertaken and all responses have been carefully considered.

5.3 Proposal to amend prescriber restrictions for stimulant medicines for attention deficit hyperactivity disorder (ADHD)

This paper sought a decision from the Board on a proposal to amend the prescriber restrictions in the Special Authority criteria for all stimulant medicines currently funded for Attention Deficit Hyperactivity Disorder (ADHD).

The Board requested a further paper be presented at the September or October meeting to show some of the progress that has been made with the training.

The Board:

- **resolved** to approve amendments to the prescriber restrictions for dexamfetamine sulfate as set out in this paper;
- **resolved** to approve amendments to the prescriber restrictions for lisdexamfetamine dimesilate as set out in this paper;
- **resolved** to approve amendments to the prescriber restrictions for methylphenidate hydrochloride as set out in this paper;
- **resolved** to approve amendments to the prescriber restrictions for methylphenidate hydrochloride extended-release as set out in this paper;
- **noted** the proposed implementation date for these changes is later than publicly consulted on, to ensure sufficient supply is available;
- **noted** the consultation that has been undertaken on this proposal and that the feedback has been fully considered in the development of this proposal.

5.4 Prioritisation Report

This report described prioritisation activity since the last report presented to the Board in February 2025. It also updated the Board on progress of selected items from the following prioritisation lists:

- the full *Options for Investment* list as at 4 April 2025 as set out in this paper
- the impact on health outcomes for populations with high health needs as set out in this paper.

The Board **noted** the prioritisation activity undertaken by Pharmac staff since February 2025 and the progress of selected items from Pharmac's prioritisation lists.

Action: Can we add a date to the columns of when a medicine goes onto the list.

5.5 Medical Devices Transaction and Investment Report

This paper provided an update to the Board on progress with medical devices national contracting activity. It also included updates on some wider medical device programme activity.

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Staff are balancing not having the decision from the Minister yet on the report and what we can do and when.

The Board **noted**:

- the update on progress with medical devices contracting activity;
- the summary of decisions made under Delegated Authority during March and April 2025 by the Director, Medical Devices, as set out in this paper;
- the additional content pertaining to the work to further mature Pharmac's role in relation to Medical Devices;
- the intention to commence consultation as staff plan for "closing" the medical devices list.

6. Regular Reporting

6.1 Communications and Government Services Report

This paper summarised recent communications and government services activity and the impact of their work.

The Board **noted** that:

- five media releases were distributed in April as well as communications planning for the proactive release of organisational review reports and the announcement of the Chief Executive's resignation;
- Pharmac's proactive media approach and use of spokespeople continues to have a positive impact on media coverage;
- 17 of the 31 action items recommended by the Chief Ombudsman to improve our OIA processes, have been fully implemented and five have been partially implemented.

6.2 Consumer Quality Safety Marker (CQSM) Self Assessment

This paper provided the Board with information on the CQSM self-assessment (for the time period October 2024 – March 2025) that was submitted to the Health Quality Safety Commission (HQSC) on 30 March 2025.

We are reviewing the process as it is quite onerous and time consuming for staff (done quarterly).

The Board **noted** the:

- latest CQSM self-assessment for October 2024 – March 2025;
- CQSM self-assessment overall score of 2 consultation (out of 4).

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7. Minutes of previous Committee meetings

7.1 Minutes of Finance, Audit & Risk Committee meeting

The Board **noted** and **endorsed** the minutes of the Finance, Audit & Risk Committee meeting held on 28 April 2025, subject to minor edits.

There was a concern raised at the last FAR Committee meeting around invoicing being completed in a timely manner – they are now getting back on track as now have extra staff.

An update will be provided to the Board on internal audit and what the focus will be, and what we will do a deep dive on. A programme is being pulled together currently.

7.2 Summary of March and April 2025 Consumer Advisory Committee (CAC) Meeting

This paper informed the Board of advice received from the CAC at the 12 March and 9 April 2025 virtual meetings.

The CAC Chair reiterated the disappointment of the Committee that they weren't included in the consumer engagement meetings. The Board are keen for a reset and for Lucy Elwood to be involved as needed.

The Board **noted** the:

- minutes from the March and April CAC meetings;
- summary of key issues across the meeting.

Action: Lucy Elwood to actively work with CAC to build the relationship and work programme – will attend next meeting.

7.3 Summary of February 2025 PTAC advice and recommendations

This paper informed the Board of recommendations made and advice given by PTAC at its meeting held in-person on 14 February 2025.

Two Board members attended the last PTAC meeting and found it really useful.

The Board **noted** the:

- summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 14 February 2025;
- February 2025 PTAC record is expected to be signed off by the previous PTAC Chair before the May Board meeting.

8. Governance Matters

8.1 Board and Committee Member Terms and Attendance Record

The Board **noted** the:

- Board and Committee member terms;

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- 2025 Meeting Attendance Register.

The Board have confirmed that Lucy Elwood will be an additional member on the Finance Audit and Risk Committee.

8.2 Board Correspondence

The Board **noted** the correspondence sent / received for the prior month.

8.3 Board Actions

The Board **noted** there were no new Board Actions.

8.4 Matters Arising

The Board **noted** the Matters Arising schedule.

8.5 Board Annual Agenda for 2025

The Board **noted** the Board Annual Agenda for 2025.

8.6 Glossary of Terms and Abbreviations

The Board **noted** the Glossary of Terms and Abbreviations.

9. General Business

None.

The meeting closed at 1.42pm with a karakia.

Date of Next Meeting: 24 June 2025

Approved

24 June 2025

Paula Bennett, Chair

Date