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Pharmaceutical Management Agency (Pharmac)

Minutes of Board Meeting

Held on Tuesday 29 July 2025 at 9.00am

At Pharmac Offices, Wellington

Attendees:

Board members

Paula Bennett	Chair
Dr Peter Bramley	Deputy Chair
Talia Anderson-Town	Board member (via Teams)
Anna Adams	Board member
Lucy Elwood	Board member
Dr Margaret Wilsher	Board member

Apologies

Rhiannon Braund	Board Observer, PTAC Deputy Chair
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Board Observers

Robyn Manuel	Board Observer, CAC Chair
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Pharmac staff in attendance

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

Attendees joined the meeting to present relevant papers: Saar Cohen-Ronen, Andrew Oliver, Josh Wiles, Lauren Romanos, Ryan Perica and Jannel Fisher.

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1. Directors Only time

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

Welcome and Opening of Meeting

Following Directors only time, the Chair welcomed everyone and formally opened the meeting at 9.51am with a karakia.

The Chair expressed the Board's appreciation for the success of the LoE event, noting its strong attendance and the overwhelmingly positive feedback received. Particular commendation was given to the Minister's address, which resonated strongly with attendees. The Board extends its sincere gratitude to the Minister for his valued contribution.

2. Chair's Report

2.1 Chair's Verbal Update

The Chair provided an update on recent activities. The Board expressed its appreciation to the Acting Chief Executive for his contributions to date, noting the strong working relationship he has established with the Minister. The incoming Chief Executive, Natalie McMurtry, will participate in a series of induction meetings designed to familiarise her with the Organisation's core business functions. A one-month handover period with Brendan has been arranged and staff are preparing a comprehensive support plan to assist her transition. This includes facilitating connections with key stakeholders across Wellington to help establish a robust professional network. The Kaituruki Māori – Director Māori will provide cultural guidance and training, and the Chair will accompany Ms. McMurtry to Auckland to introduce her to key suppliers.

It was also noted that the Director Pharmaceuticals will be on secondment for up to a 12-month period and the Manager Pharmaceutical Funding will step into the role during this time. This is still to be announced.

2.2 Minutes of Board meetings

The Board **resolved** to **adopt** the minutes of the meeting held on 24 June 2025, subject to minor amendments.

The Board agreed that the qualifications currently listed after each Board members name should be removed, for the purposes of the minutes.

2.3 Interest Register

The Board **noted** the interest register.

The Chair requested that a role be added to her interests - Advisor for Youth Justice.

3. Acting Chief Executive's Report

The Acting Chief Executive took the report as read and there was a wide-ranging discussion on the paper.

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The Acting Chief Executive provided an overview of Pharmac's position regarding sections 6 and 7 of the Pae Ora (Healthy Futures) Act 2022 (the Act). The Healthy Futures (Pae Ora) Amendment Bill is currently progressing through the House and is expected to be reviewed by the Select Committee, with completion anticipated by the end of the year.

In response to potential impacts on Pharmac, the Director Strategy, Policy and Performance confirmed that advice has been submitted to the Ministry of Health regarding proposed legislative changes. We are also seeking to provide advice to the Minister.

The Consumer and Patient Working Group has expressed strong support for changes to the statutory objective under the Pae Ora legislation.

It was noted that Budget materials have been proactively released. Planning is underway for Budget 2026, including work on assessing societal benefits. A meeting to discuss Societal Impacts will be scheduled for 14 August and will involve the Chair, Deputy Chair, Acting Chief Executive, Director Strategy, Policy and Performance, and Director Advice and Assessment/CMO.

Societal Impacts and Ministerial Considerations

The Minister has reinforced the preservation of Pharmac's independence in its decision-making processes.

Collaboration with Health New Zealand (HNZ) will be essential moving forward. While maintaining simplicity, the assessment process will be toned to ensure that societal benefits are clearly demonstrated and substantiated.

In the context of budget bids for specific medicines, it is important to articulate the value these treatments bring to both the health system and broader society, alongside a transparent presentation of associated costs.

Attention should be given to aligning our language with the Minister's framing of these issues, ensuring that our proposals are communicated using terminology that supports and reinforces the intended narrative.

Medical Devices Review

[REDACTED]

[REDACTED]

Health Technology Assessment (HTA)

HNZ has indicated that it views HTA as a core function for Pharmac. However, current HTA activity involves a relatively small number of assessments and does not extend into the medical devices space. HNZ has also expressed interest in more forward-looking, strategic planning in this area.

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The Board formally acknowledged and expressed their appreciation to the Director, Medical Devices and the team for their dedicated efforts over recent months. It was noted that this period has presented significant challenges and the Board commended the team's resilience and commitment throughout.

The Board **noted** the:

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

4. Decision Papers

4.1 Revised Equity Policy

This paper sought approval in principle of the revised Equity Policy, in advance of a planned consultation process with staff and the PSA. The changes respond to the Board's request to better reflect the Cabinet direction and the LoE.

The Board acknowledged the work that has gone into this paper and commented that it is important to still have this Policy.

The Board also:

- noted proposed changes to the Act could impact on the policy and suggest this Policy is provisional, with final approval to come following any amendments.
- noted that we would cross reference with the MOH framework and their policy
- requested that we make it clear on the website that this is provisional, and we are waiting on the amendments to the legislation to be finalised
- proposed that Anna Adams could liaise with the team if necessary.

The Board:

- **noted** that at the May Board meeting, it was resolved to place the Equity Policy under formal review to align with the latest Letter of Expectations 2025/2026 (LoE) and Cabinet Circular (24) 5: Needs-based service provision (the Circular)
- **noted** SLT approved the revised Equity Policy in response to this request
- **agreed** that this policy be referred to as 'provisional' until amendments are received on any changes to the Legislation

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- **agreed in principle** on the revised Equity Policy, subject to any significant comments from a planned subsequent consultation process with the PSA and staff
- **noted** that the Acting Chief Executive will assess the comments from this consultation process and advise if further Board involvement is required (ie they will make determinations on the comments received as a first step).

4.2 Revised Te Tiriti Policy

This paper sought Board approval in principle of the revised Te Tiriti Policy. In May 2025, the Board requested a formal review of Pharmac's Te Tiriti o Waitangi (Treaty of Waitangi) and Equity policies to better reflect Cabinet direction and the LoE.

The Board wish to bring Pharmac's policies into line with the Government's direction and note there are no other Crown Entities with a specific Te Tiriti policy.

Pharmac has always worked to the Treaty and will continue to do so. The Treaty continues to be woven through the work we do, without requiring a specific policy.

The CAC Chair believes this is an opportunity for Pharmac to be a leader in this space, given nobody else currently has a policy like this. The CAC Chair does not agree with removing this policy.

The Board directed staff to progress to consultation with the PSA and staff, and following consultation, refer back to the Board.

The Board:

- **agreed** that the Te Tiriti policy is not consistent with the Government's direction and prefer the Policy not be progressed at this time
- **noted** that consultation would need to be undertaken with staff and the PSA
- **agreed** that following consultation, feedback is to be provided to the Board to enable an informed decision to be made.

4.3 Reporting sub-delegated decisions to the Board

This paper provided advice on whether staff are required to report to the Board on all decisions made under their sub-delegated authority.

The Board queried what they would not potentially be seeing in future.

The Board would still like to see a high-level summary of how many approvals have been made, etc and commended the team on bringing this to them, so that we can work toward having a better operating model.

The Board:

- **noted** the governance advice
- **agreed** to change the current threshold of reporting sub-delegated decisions to the Board, in line with existing policies

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- **directed** the General Counsel to draft relevant changes to policies.

4.4 2024/25 Quarter Four Performance Report

This report provided a summary of progress against Pharmac's strategic intentions, initiatives and measures set out in the Statement of Performance Expectations (SPE) and the Letter of Expectations for 2024/25.

The Board thanked staff for the work that had gone into preparing the Report and key points and suggestions were noted.

The Board:

- **discussed** and **approved** the 2024/25 quarter four performance report, subject to amendments as discussed
- **noted** that following Board approval of the quarterly performance report, it will be provided to the Associate Minister of Health
- **noted** the draft 2024/25 Annual Report will be provided to the Board at its September meeting.

4.5 Proposal to award Principal Supply Status for the COVID-19 vaccine

This paper sought a decision from the Board on a proposal arising from a competitive procurement process that would result in Pfizer's Comirnaty brand of COVID-19 vaccine having principal supply status (PSS). The proposal would also result in widened access to the COVID-19 vaccine for severely immunocompromised people and high-risk children.

The Board suggested considering proactively identifying and flagging potentially sensitive content in future reports, with a short rationale or assurance note.

Vaccine Harm Comment - Page 40:

This needs clarification that this is Medsafe's role. The Board suggested adding a note to the one-pager stating: *"This falls under Medsafe's remit. We will provide feedback to Medsafe as appropriate."*

Widened Eligibility: This is a positive example for the Minister and a good news story. Perhaps highlight this more prominently.

Savings on Medicines: this is a great news story that enables reinvestment. Possibly frame this as a strategic success - eg *"Savings achieved through procurement efficiencies have enabled expanded access to other essential medicines."*

The Board:

- **resolved** to approve the amendments to the Pharmaceutical Schedule listings relating to the COVID-19 vaccine as set out
- **resolved** to approve the widened access criteria in Sections I and H of the Pharmaceutical Schedule as set out

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- **resolved** to approve the 14 May 2025 provisional agreement with Pfizer New Zealand Limited for the supply of its brand of COVID-19 vaccine (Comirnaty)
- **noted** that extensive consultation on this proposal was undertaken, and all responses have been carefully considered.

4.6 Proposal to amend access to COVID-19 antivirals and change supply and reimbursement arrangements

At its meeting in January 2025, the Board agreed with Pharmac's approach to consult publicly on a proposal to make changes to the way the population eligible for treatment with COVID-19 antivirals is described.

This paper requested a decision from the Board on this proposal, now that public consultation has been completed. If approved, this proposal would result in changes to the access criteria and it would also align the funding of COVID-19 antivirals with other medicines funded by Pharmac.

The proposal could potentially be problematic for pharmacies; however, we are working with Health NZ on this. We are also working with Health NZ to ensure that lower socio-economic communities have access to these medicines.

The Board acknowledged the work that staff have done on this and that it supports them with decision making.

The Board:

- **resolved** to approve the 25 March 2025 agreement with Pfizer New Zealand Limited, for the supply of nirmatrelvir with ritonavir (Paxlovid)
- **resolved** to approve the 17 April 2025 agreement with Gilead Sciences (NZ), for the supply of remdesivir
- **resolved** to approve amendments to the eligibility criteria for COVID-19 antivirals (Paxlovid and remdesivir), as set out in this paper
- **noted** that extensive consultation on this proposal was undertaken and all responses have been carefully considered.

4.7 Proposal to approve a Named Patient Pharmaceutical Assessment (NPPA) application

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[illegible]

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[illegible]

This paper requested Board approval, consistent with the current Cabinet Fees Framework, to align the fees paid to members of PTAC, SACs and CAC.

The Board:

- **agreed** to increase the meeting day rate for both PTAC and SACs from \$820 per day to \$840 per day with an equivalent hourly rate increase from \$102.50 per hour to \$105 per hour for preparation work (both being increases of 2.5%)

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CAC

- **noted** Pharmac have considered the current CAC member rates in contrast to the newly formed Consumer Patient Working Group (CPWG) which is supporting the reset programme
- **noted** that to achieve parity between CAC and CPWG members hourly rates (in recognition of their comparable roles and contributions), the required CAC increases would require Cabinet-level approval via the Cabinet Appointments and Honours Committee (APH)
- **agreed** to seek to progress an increase of CAC member rates to achieve parity with CWG members via APH (a process which would require the Ministry of Health to lead)

Other

- **noted** that the annual budget impact for the PTAC / SAC changes is estimated to be around \$20K, to be met within existing funding
- **noted** that the Fees Framework requires fee increases to be reported to the Public Service Commission and the Crown Entities Act requires annual fees for Board Committee members to be reported in the annual report.

5. Key Information Papers

5.1 Medicines Budget Management Report

The purpose of this paper was to update the Board on Pharmac plans to manage the Medicines Budget. It aimed to enable a wider discussion by the Board regarding planned activities to manage expenditure in 2025/26 and in out-years.

The Board **noted** the:

- medicines budget expenditure target for 2025/26 is \$1.724 billion [REDACTED] (see Finance Report to FAR Committee). Taking into account anticipated and planned costs, interest and planned equity, there is [REDACTED] remaining. The majority of this would need to be carried over to 2026/27 to support the anticipated financial impact in 2026/27 of investments as a result of the 2024 uplift.
- current and planned investments underway.

5.2 Strategic management of the medicines budget: emerging therapies update

This paper provided the Board with an update on the 'Strategic management of the medicines budget' strategic priority, specifically in relation to two of the focus areas outlined in our 2025/26 SPE to support this priority.

The Board **noted**:

- that 'Strategic management of the medicines budget' is one of the Pharmac strategic priorities in our 2024/25 – 2027/28 Statement of Intent

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- that reviewing commercial approaches to funding new medicines and enhancing horizon scanning activities, are key focus areas to support this strategic priority
- the update from Pharmac staff on work planned in these focus areas.

5.3 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.

Staff provided the Board with an update on work to review the Special Authority criteria for medicines with ethnicity criteria, following recent receipt of clinical advice. The Board requested that more detail on potential changes, including the cost of those changes (if any), be presented at the next meeting.

Staff noted that there had been a good response to the recent consultations on potential brand changes through the annual tender and that as a result of the feedback, there would be a small number of decisions that would be coming to the Board. Staff noted that there were some medicines where, while the consultation feedback was not necessarily substantial, a decision to change brands could be controversial (for example, widely used antidepressants). The Board advised that, at this time, it would prefer decisions on potential brand changes for these medicines to continue to be made by the Board.

The Board **noted**:

- the update 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
 - our work to review the criteria for medicines with restrictions that contain ethnicity criteria
 - upcoming public consultations and decision notifications
- the summary of decisions made under Delegated Authority during May 2025.

5.4 Medical Devices Transaction and Investment Report

This paper provided an update to the Board on progress with medical devices national contracting activity.

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

The Board commended the Director, Medical Devices and her team, on the work carried out to date and acknowledged how difficult it is at present, for staff in this space.

The Board **noted**:

- the update on progress with medical devices contracting activity

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- the summary of decisions made under Delegated Authority during June 2025 by the Director, Medical Devices.

5.5 Proposed approach for Pharmac Reset Programme

This paper set out the governance structure for the reset programme, including the membership of the consumer working group, and the proposed actions for the first 90-day work plan.

Letter of Expectations event (LoE) – the Board noted we received positive feedback on this and extended congratulations on progress made with the reset programme.

Staff spoke to how the first workshop went. The TOR was finalised and the main area was they wanted to make sure they contributed to the wider scope the TOR was tweaked to address this. The TOR was made available at the LoE event.

The first 90 day plan was considered and endorsed by all of the members. Action items were prioritised for the quarter. The Group would like to be part of the Budget discussion which the Director Strategy will address. They are keen to make sure that the outcomes from the recent reviews are not lost and continue to be a focus. The Group will initially meet fortnightly virtually.

The Board:

- **noted** the governance and reporting structure that is being established for the reset programme
- **endorsed** the membership of the consumer working group
- **noted** that a verbal update was provided to the Board on the first consumer working group meeting, which is taking place on 21 July 2025
- **noted** the first 90-day plan actions are focused on establishing the partnership approach for the reset programme, building trust with consumers and quick wins.

Action: Valuing Life Summit – send invite to Board so they have the dates.

5.6 Consumer Relationship Management Update

This paper outlined Pharmac's strategic approach to enhancing consumer relationship management.

Staff advised that the Manager of the Public Affairs and Government Services team has been seconded to another role and the position is currently being advertised internally. The Board expressed a perspective of the value in appointing an external candidate to the role, as an opportunity to bring in fresh views.

The Board **noted**:

- the series of work undertaken to design an approach to improving consumer relationship management
- the Senior Leadership Team's confirmed approach to establish a centralised consumer relations team based in the Equity and Engagement Directorate
- the consumer relations team will strengthen day-to-day consumer engagement

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and operate in parallel with the Consumer Advisory Committee (CAC), Consumer Working Group and wider reset programme

- the implementation approach and initial benefits of setting up the consumer relations team.

5.7 Prioritisation Report

This report provided an update on prioritisation activities since the last Board meeting in May 2025. It included progress on selected items from the *Options for Investment (OFI)* list, current as at 30 May 2025.

The team is actively working through a backlog of prioritisation items. This work forms part of Pharmac's broader reset programme aimed at improving efficiency and transparency in investment decisions.

A staff member will present to the Consumer Advisory Committee (CAC) to explain how health need is assessed and how these metrics inform prioritisation decisions.

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

5.8 Communications and Government Services Report

This paper summarised recent communications and government services activity and the impact of Pharmac's work.

Staff noted that we have plans in place to upskill the new Chief Executive in relation to OIAs, etc.

The Board queried why we don't appear to be using AI and staff commented that we have introduced co-pilot, which is being used successfully by staff. The Board also queried the plain language scores and how we get CAC to achieve a better score. Staff advised that they are working with CAC on this.

The Board extended congratulations to the team on the OIA responses.

The Board **noted**:

- that six media releases were distributed in June as part of Pharmac's proactive media approach
- that 100% timeliness was achieved for OIA responses from 1 January – 30 June 2025
- the use of AI to streamline the proactive release process
- that Pharmac's plain language scores have improved.

6. Noting Papers

6.1 Record of Previous Meeting(s)

The Board **noted** and **endorsed** the minutes of the Finance, Audit & Risk Committee meeting held on 19 June 2025.

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6.2 Summary of June 2025 Consumer Advisory Committee (CAC) Meeting

This paper informed the Board of advice received from the CAC at the 7 May in person meeting.

The Board **noted**:

- the minutes from the June CAC meetings
- the summary of key issues across the meeting.

6.3 Summary of May 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 15 and 16 May 2025.

The Board **noted**:

- the summary of the record of the Pharmacology and Therapeutics Advisory Committee (PTAC) meeting held on 15 and 16 May 2025
- the provisional recommendations from the May 2025 PTAC meeting were shared publicly on 1 July 2025 at 30 business days following the meeting.

6.4 Board and Committee Member Terms and Meeting Attendance Register

The Board **noted**:

- the Board and Committee member terms; and
- the Meeting Attendance Register.

6.5 Board Correspondence

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

6.6 Board Actions

The Board **noted** the Board Actions.

6.7 Matters Arising

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

6.8 Board Annual Agenda for 2025 and 2026

The Board **noted** the Board Annual Agenda for 2025 and 2026.

6.9 Glossary of Terms and Abbreviations

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

7. General Business

There was no general business discussed.

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The meeting closed at 1.57pm with a karakia.

Date of Next Meeting: 29/30 September 2025

Approved

September 2025

Paula Bennett, Chair

Date