

**Pharmaceutical Management Agency (Pharmac)**

**Minutes of the Board Meeting**

**Held on Tuesday 4 November 2025 at 9.00am**

**At Pharmac, Wellington**

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***Attendees:***

**Board members**

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

**Apologies**

**Board Observers**

Robyn Manuel	Board Observer, CAC Chair
Rhiannon Braund	Board Observer, PTAC Deputy Chair

**Pharmac staff in attendance**

Natalie McMurtry	Chief Executive
Catherine Epps	Director, Medical Devices
David Hughes	Director, Advice and Assessment/CMO
Michael Johnson	Director, Strategy, Policy & Performance
Adrienne Martin	Director, Pharmaceuticals
Nicola Ngawati	Director, Equity & Engagement
Maria Robertson	Director, Corporate Services
Trevor Simpson	Chief Advisor Māori
Jacqui Webber	Board Secretary (Minute taker)

Attendees joined the meeting to present relevant papers: Emma Clarke and Ben Campbell-Macdonald.

## 1. Welcome and Opening of Meeting

Following Board only time, the Chair welcomed everyone and formally opened the meeting at 10.07am.

### 5.1 Revised Equity Policy

The Board and SLT only attended for this item.

Following the Board's initial discussion on 30 September 2025, this paper proposed revisions to the 29 July 2025 draft Equity Policy, for further consideration and input from the Board.

The Board **noted** and **discussed**:

- 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)
- that on 29 July 2025, the Board approved the proposed Equity Policy in response to this request (pending consideration of comments from the PSA and staff as a result of a consultation process) which was subsequently held with the PSA and staff
- at the 30 September Board meeting, the summary of feedback from staff and the PSA was considered. The Board requested that the Equity policy be further reviewed and presented at the 4 November meeting for discussion, in order for a final version to be adopted on 9 December.

Following a robust discussion, the Board directed management to revert to the July version of the Policy and to rework some of the policy wording, taking into account points noted today. Some key points included:

1. We need to provide for the Crown's intentions.
2. Section 4 – Definitions – remove the reference to internal focus – this is an outward focussing policy. It needs to be made clear that this Policy is not related to internal systems.
3. Section 5 – end the first sentence after 'Act'. Operational level paragraph – add the first two sentences to the July policy. No PSA engagement is necessary as this is not staff related.

**Action:** The Board requested a final version be taken to the December 2025 Board meeting for sign off.

## 2. Chair's Report

### 2.1. Chair's Verbal Update

The Chair provided an update on recent activities. The Chair and Chief Executive met with various people in Auckland last Friday and this time was really valuable and a great networking opportunity for the Chief Executive.

The Chair recently had a meeting with the Minister and a majority of the time was spent discussing the upcoming budget bid. He commented he is hearing more positive feedback on assessment timings.

**Valuing life Summit** – the Board had a wide-ranging discussion on the Summit and commented that it went really well. The Chair commented that a Pharmac session may be added to the agenda next year.

## 2.2. Minutes of Previous Board Meeting

The Board suggested the following amendments to the Minutes:

Item 3 – paragraph 4 – amend wording to read ... *the Board would like to receive examples of where children cannot access medicines because they are not cancer related.*

Item 4.5 – reword recommendation as it is not clear – *provide the Board with a revised version of option 4* – undertake a full health economic assessment of widened clinical criteria to a cardiovascular risk of greater than or equal to 10 % (versus 15%).

The Board **resolved** to **adopt** the minutes of the meeting held on 30 September 2025, subject to amendments as discussed.

## 2.3. Interest Register

The Board **noted** the interest register and no conflicts were registered. Updates were notified following the meeting.

## 3. Chief Executive's Report

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

- Update on measles doses and supply/availability - staff are meeting daily with HNZ on this to go through modelling and doses.
- We have held workshops with staff to shape our new vision and strategy and are engaging with key external stakeholders. Once the draft is refined and endorsed internally, we will conduct external testing to ensure alignment and relevance. A detailed update will be shared at the December Board meeting.
- The Rare Disorders Strategy is progressing well. A Ministerial round table is scheduled for next week. Staff are developing a 12-month work programme and implementation plan, in consultation with the Ministry of Health and the Minister. Implementation is planned for early 2026.

The Board **noted** the Chief Executive's Report for October 2025 and commented that they like the new format.

## 4. Decision Papers

### 4.1. Quarter One Performance Report

This report provided the Board with a summary of progress against Pharmac's strategic priorities (and associated work programme), the 2025/26 Letter of Expectations (LoE) and performance measures set out in the 2025/26 Statement of Performance Expectations (SPE). Staff noted that this is the first quarterly report under the current LoE.

The Board and staff discussed the paper at length.

The Board requested that the Chief Executive include monthly updates in the CE Report on progress against the LoE. A performance dashboard highlighting key areas would be helpful.

The Board noted a lack of clarity on the definition of “horizon scanning”, as interpretations vary. The Board requested a paper be presented at the February Board meeting to define the term and outline its application.

There is an opportunity to leverage subcommittees more effectively and engage clinicians both strategically and in horizon scanning. Clinicians have unique insights into emerging trends, particularly in integrating medicines and devices for patients requiring mixed therapies.

Integration of Devices and Medicines: with the introduction of devices, Pharmac will ensure alignment between devices and medicines. Management has discussed this extensively and will present a paper at the February Board meeting outlining the integration approach.

Budget 2027 and Emerging Therapies: Budget 2027 is expected to include significant discussion on obesity. The horizon scanning paper scheduled for the February Board meeting will incorporate emerging therapies relevant to obesity management.

Consumer Engagement – Diabetes: We are working with the Diabetes Consumer and Patient Working Group to share positive stories and highlight health and clinical gains, as well as broader health system benefits. These narratives will support our engagement and demonstrate impact on the wider health system.

The Board:

- **approved** the content of the Quarter One 2025/26 report
- **noted** that following Board approval of the quarterly performance report, it will be provided to the Associate Minister of Health.

#### 4.2. **Proposal to fund treatments for multiple sclerosis, eye conditions, breast cancer and lung cancer**

The proposal outlined that this has not been dealt with by the Chief Executive under delegated authority because as the estimated Financial Impact (NPV) of this proposal is more than \$10,000,000 of the Pharmaceutical Budget<sup>1</sup>.

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

The Board:

- **resolved** to approve the amendments to the Pharmaceutical Schedule as set out in this paper and appendices
- **resolved** to approve the 9 October 2025 provisional agreement with Roche Products (NZ) Limited
- **resolved** to approve the 19 September 2025 letter of amendment to the terms of listing of pertuzumab (Perjeta) with Roche Products (NZ) Limited
- **noted** that consultation has been undertaken on this proposal and that the feedback has been fully considered in the development of this proposal.

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<sup>1</sup> The Financial Impact (NPV) is calculated on the basis of the net present value of the proposed subsidy (ex-manufacturer exclusive of GST) over 5 years at a discount rate of 8% to be paid by the funder for the product(s) and the forecast demand, taking into account any effect of the change /decision on that demand, versus the status quo.

## 5. Strategic Discussion Papers

### 5.1. Updated Revised Equity Policy

This discussion took place at the start of the meeting.

### 5.2. Budget 2026

This paper outlined the proposed investment options and potential budget bids that Pharmac intends to progress in preparation for Budget 2026.

The Board congratulated the team on the work that has gone into this – phenomenal work.

The Board:

- **noted** further work undertaken on options for Budget 2026 following feedback from the Minister's office
- **discussed** our proposed approach and options for Budget 2026
- **noted** the indicative timeframes and milestones for Budget 2026
- **noted** that we will provide the Board with progress updates on Budget 2026 at upcoming meetings.

**Action:** Dialysis details – Director Advice and Assessment to liaise with Lucy Elwood offline.

### 5.3. Update on Pharmac Reset Programme

This paper provided an update on the Reset Programme, including progress on the current 90-day action plan and work underway with the Consumer and Patient Working Group.

The Board **noted** the:

- completion of five actions from the first 90-day action plan, with one action still in progress and two deferred to future action plans
- five actions outlined in the second 90-day plan, which focus on improving internal processes and enhancing consumer engagement and trust
- initial discussion held by the Consumer and Patient Working Group on improvements to the medicine funding application process, including the identification of key focus areas for further exploration.

### 5.4. Supply Chain and Global Trade Tariffs Update

This paper provided the Board with a six-monthly update on Pharmac's supply chain risk mitigation and management for medicines and medical devices, including global trade tariffs.

The Board **noted** and **discussed**:

- that Pharmac applies a continuous improvement and wānanga approach to the management and mitigation of supply chain risks
- the cross-government collaboration Pharmac engages in to strengthen supply chain resilience

- the potential impacts for Pharmac from global tariffs remain unclear
- that officials, suppliers and other external stakeholders are continuing with the wait and see approach on tariffs
- that Pharmac staff will continue to stay closely connected with suppliers and other external stakeholders and report back as new information on tariffs emerges.

## 5.5. Medical Devices Programme Update

This paper updated the Board on implications of and progress made with, implementing Cabinet's decision for a joint leadership model for the national medical device portfolio, between Health NZ and Pharmac.

[REDACTED]

Supplier sentiment – largely accepting of what has come out of the review and they valued attending the announcement with the Minister. Staff recently met with the Chief Executive of MTANZ and the main questions are around: *where does their work fall* – with HNZ or Pharmac?

The Chair advised she would like to be kept well informed – more detail than usual so Chair, Board (and Ministers) are well across everything. Brief fortnightly updates will be provided to the Chair going forward.

[REDACTED]

[REDACTED]

[REDACTED]

The Board **noted**:

- in September 2025, Cabinet approved a new approach to the evaluation and procurement of hospital medical devices. The new approach is for a joint leadership model where Health New Zealand (HNZ) and Pharmac take responsibility for the procurement of medical devices that are most focused on their particular capabilities and expertise



- a joint Letter of Expectations was received on 22 September 2025, for Health NZ and Pharmac, on medical device procurement and provided direction for the joint operating arrangements
- Pharmac is working with Health NZ, Ministry of Health oversight, on the operational details of implementing the Cabinet decision, as per the joint Letter of Expectations.

## 6. Discussion and Key Information Papers

### 6.1. Medicines Budget Management Report

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

The Board **noted** and **discussed**:

- the total medicines budget expenditure for 2025/26 is \$1.756 billion [REDACTED] (see Finance Report, FAR Committee Agenda). 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 June 2024 uplift

[REDACTED]

- the current and planned investments underway.

### 6.2. 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.

The Board **noted** the update on:

- the large and/or significant medicines transactions that are currently planned or in progress
- Pharmac's work to change the consultation process for the annual tender
- upcoming public consultations and decision notifications.

### 6.3. Medical Devices transactions report

This paper described the commercial and other key activity that is underway to achieve best health outcomes from the hospital medical devices portfolio.

It provided an overview of current issues relating to management of the hospital medical devices portfolio, including current significant supply issues and contentious or significant transactions being progressed.

The Board **noted** the update on progress with medical devices portfolio management.

#### 6.4. Prioritisation Report

This report described prioritisation activity since the last report presented to the Board at its July 2025 meeting. It also provided an update on the progress of selected items from the following prioritisation lists:

- The full *Options for Investment (OFI)* list as at 25 September 2025 is attached (refer to Appendix One).

The top 20 table was well received and it was suggested that a column be added called 'health equity'.

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

#### 6.5. Update on implementation activities for ADHD stimulant prescriber regulation changes

This paper served to update the Board on Pharmac's role in implementing the upcoming changes to ADHD prescriber rules, outlined planned activities, and clarified roles and responsibilities across the health system.

The Board **noted**:

- Medsafe and Pharmac are amending regulatory and funding restrictions for prescribing methylphenidate, dexamfetamine, and lisdexamfetamine – medicines used to treat attention deficit hyperactivity disorder (ADHD), on 1 February 2026
- Pharmac's role in amending Special Authority criteria in line with Medsafe's regulatory changes and the implementation activities being undertaken to support these changes
- broader sector readiness – such as training and funding for professional services - sits outside of Pharmac's scope. Public expectations for expanded access may exceed what the current system can deliver, given capacity and funding constraints.

#### 6.6. Communications and Government Services Report

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

The Board **noted** that:

- four media releases were distributed in September and early October as part of Pharmac's proactive media approach
- internal and external media coaching was provided to support the Chief Executive with her first New Zealand media interviews
- discussions on opportunities for joined up communications are underway with consumer representatives
- 100% timeliness was achieved for OIA responses for September 2025
- interest remains high in methylphenidate supply and Semaglutide information on Pharmac's website.



## 6.7. Finance, Audit & Risk Committee (FAR) Update

The Chair of the FAR Committee provided a verbal update to the Board on recent activity and comments from Audit NZ.

At its recent meeting, the Committee discussed the Annual Report and disclosures, and are happy with the feedback. Delegated authority was given for the Board Chair and Chair of the Finance, Audit and Risk Committee to sign off on the Annual Report and Pharmac Letter of Representation. Recommendations from the audit report will be discussed at next FAR meeting.

The Board suggested adding a paper to the Board pack each month with a brief summary on the financials, risks, challenges and highlights.

This report also provided the Board with:

- A view of the September financials, as presented to the FAR Committee.
- The minutes from the Finance, Audit & Risk Committee meeting held on 26 September 2025.

The Board:

- **noted** the verbal update from the Finance, Audit & Risk Committee Chair
- **noted** and **endorsed** the minutes of the Finance, Audit & Risk Committee meeting held on 26 September 2025
- **noted** the financials for September 2025, as presented to the Finance, Audit & Risk Committee.

## 6.8. Summary of August and September 2025 Consumer Advisory Committee (CAC) Meetings

This paper informed the Board of advice received from the CAC at the 6 August and 10 September meetings.

The CAC Chair took the paper as read and spoke briefly. The CAC Chair commented that the Committee would like clarity on how policy decisions are made and that all external facing documentation needs to be in plain language. The Chair also noted that four members have their terms coming to an end in 2026, so recruitment considerations need to start now if possible. Māori responsiveness model – CAC are keen for an update and it was noted that this would occur at the next CAC meeting.

The Board **noted** the:

- minutes from the August CAC meeting
- minutes from the September CAC meeting
- summary of key issues across the meeting.

## **7. Noting Papers**

### **7.1. Board and Committee Member Terms and Meeting Attendance Register**

The Chair noted that the terms of two Board members will expire in 2026. She has consulted with the Ministry of Health (MOH) to determine whether the current members can be reappointed without initiating a recruitment process.

The Board **noted**:

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

### **7.2. Board Correspondence**

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

It was noted that the Director Equity and Engagement will share the Pauline Norris report with CAC.

It was also suggested that the Enhancing Aotearoa NZ Clinical trials report (July 2022) be added to the Board Reading Room in Diligent.

### **7.3. Board Actions**

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

### **7.4. Matters Arising**

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

### **7.5. Board Meeting Dates for 2026**

The Board **noted** the Board meeting dates for 2026.

### **7.6. Glossary of Terms and Abbreviations**

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

## **8. General Business**

**Governance Committee** - The Board and Chief Executive have discussed establishing a Governance Committee as a Board subcommittee. This Committee is expected to oversee and support key governance processes, including Chief Executive remuneration reviews, Board evaluations, recruitment, succession planning, skills assessment, and risk and compliance oversight.

Staff will prepare the Terms of Reference and circulate it to the Board for feedback prior to the December meeting. Following this, the Terms of Reference will be submitted for final approval.

The establishment of this Committee will allow the Board to maintain a strategic focus rather than becoming involved in operational matters.

**Board Risk workshop** – it is intended that the workshop will cover what Board interpret risk as. The proposed date in February is not suitable, so will now look to March 2026.

The meeting closed at 2.00pm with a karakia.

**Date of Next Meeting:** 9 December 2025

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Paula Bennett, Chair

Date