

11 July 2025

Hon David Seymour
Associate Minister of Health
Parliament Buildings
Wellington

Sent via email amanda.smith@parliament.govt.nz

Dear Minister

Annual Letter of Expectations for Pharmac for 2025/26

Further to your letter of 13 June 2025, please find attached information on how we intend to meet your expectations for 2025/26 and how we will report our progress.

I would be pleased to discuss this with you further and am happy to provide more information on any of the areas outlined.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paula Bennett', followed by a stylized flourish.

Hon Paula Bennett
Board Chair

How Pharmac will meet its 2025/26 Expectations

Improving access to medicines and medical technology

Expectation	How we plan to meet the expectation	How we will report
<p>1 How the current statutory objectives and functions of Pharmac are working with a view to updating. Any updates could include reflecting the wider fiscal impacts to government, and broader societal and non-health outcomes, of funding medicines and medical devices. Please report back to me on this work in December 2025.</p>	<p>We will work with the Ministry of Health to explore opportunities for updating the legislation with respect to Pharmac.</p>	<p>Work with the Ministry of Health to provide input as required.</p> <p>Ministerial briefings as required.</p>
<p>2 Updating Pharmac's assessment methodologies and approach, including:</p> <p>a. The wider fiscal impacts to the government of funding medicines and medical devices, and how you consider societal impacts.</p> <p>b. 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.</p>	<p>In line with our Enhanced Assessment and Decision-making strategic priority, we will:</p> <ul style="list-style-type: none"> • pursue opportunities for Budget 2026 (assessing fiscal and societal impacts) • revise our methods for cost-utility analysis to enable us to consider wider fiscal impacts to government and societal impacts • review how we seek expert advice • report on how we have increased consumer participation across our assessment and decision-making processes. 	<p>We will report on progress through our quarterly performance reporting and in our Annual Report.</p>
<p>3 Evaluating and evolving the different roles Pharmac undertakes in relation to health technology assessment and procurement to ensure they are fit-for-purpose.</p>	<p>We will continue to explore international funding models and best practice for assessment and procurement. This will include progressing work on societal impacts, utilising expertise from the Netherlands.</p>	<p>Ministerial briefings as required.</p>

Expectation		How we plan to meet the expectation	How we will report
4	Pharmac making budget requests to me as its responsible Minister, in a manner which maintains independence but supports additional investment. This should include exploring with stakeholders different methods for funding medicines.	We will work with you, the Ministry of Health and Treasury to pursue opportunities for progressing budget requests in the lead up to Budget 2026. This will include next steps for assessing wider fiscal impacts and societal impacts.	Through Ministerial briefings as required and input to Vote Health process and correspondence.

Building Productive Partnerships

Expectation		How we plan to meet the expectation	How we will report
5	Prioritising improvements in the timeliness of assessment and decision-making and publication processes. I expect you to continue to report results publicly.	Pharmac will continue to report publicly on the progress of our timeliness measures. Improvement steps will include: <ul style="list-style-type: none"> developing and testing new approaches for the publication of expert advisory meeting records/provisional recommendations reducing the backlog of funding applications waiting for assessment (to 150) piloting rapid assessment processes streamlining assessment process with suppliers (and reflect this in updated guidelines). 	We will report on progress through our quarterly performance reporting and in our Annual Report.
6	Partnership and engagement work being strengthened to ensure all stakeholders understand what Pharmac does and how it works. This should include identifying opportunities for collaboration including: <ul style="list-style-type: none"> Supporting the implementation of the rare disorder's strategy. Contributing to a medicines and medical devices strategy. 	We will continue to report on how we are increasing consumer participation across our assessment and decision-making processes. This will include the establishment of the Consumer Working Group and ongoing work with the Consumer Advisory Committee. We will also work with the Ministry of Health and Health NZ on the Rare Disorders, Medicines, and Medical Devices strategies and policies.	We will report on progress through our quarterly performance reporting and in our Annual Report.

Expectation		How we plan to meet the expectation	How we will report
7	Partnering with government and non-government stakeholders, including the medicines and medical devices industries, to identify and pursue opportunities that improve horizon scanning, enable process efficiencies, support funding and planning for emerging technologies, and ultimately deliver better health outcomes.	We will develop a (stakeholder informed) policy-based approach to how we enhance our horizon scanning activities.	We will report on progress through our quarterly performance reporting. Ministerial briefings as required.

Continuous Improvement of Organisational culture

Expectation		How we plan to meet the expectation	How we will report
8	Progress is made on implementing recommendations from the Board commissioned external reviews into workplace culture and consumer engagement. This should include initiatives such as a consumer reference group. This should include the involvement of patient groups.	We have established a 12 month “reset” programme to respond to recent external reviews. This includes the establishment of the Consumer Working Group to support the programme, alongside our ongoing commitment to increase consumer input and voice in our assessment and decision-making.	We will report on progress through our quarterly performance reporting. Ministerial briefings as required.
9	A new vision and strategy is developed that supports the organisation to be more outwardly stakeholder focused including ensuring this is reflected in the annual Statement of Performance Expectations, and a revised Statement of Intent by June 2026.	We will work with stakeholders to revise our vision and strategy by June 2026.	We will reflect changes in our revised statutory reports (Statement of Intent and Statement of Performance Expectations) by June 2026.
10	Pharmac is investing in data and digital infrastructure to enhance core functions and improve decision making, collaboration and transparency.	Our Data and Digital strategy reflects the steps ahead. Investments over the next 12 months will include the scoping and development of enhancements for the Pharmaceutical Schedule and other externally facing systems as budget allows.	We will report on progress through our quarterly performance reporting.

Expectation		How we plan to meet the expectation	How we will report
11	<p>Pharmac continues to contribute to the Government's health priorities including:</p> <ul style="list-style-type: none"> a. The Government Policy Statement on Health 2024-2027. b. National health targets. c. New Zealand Health Plan and associated Pae Ora strategies. 	Our commitments to the Government Policy Statement, national health targets, and associated plans and strategies, are reflected in our statutory reports (Statement of Intent and annual Statement of Performance Expectations).	We will report on progress through our quarterly performance reporting and in our Annual Report.
12	Pharmac's work gives effect to the Cabinet Circular (24) 5: <i>Needs-based Service Provision</i> , to meet the Government's expectations for how the targeting, commissioning and design of public services should be based on the needs of all New Zealanders.	We will revise our policies and procedures to ensure alignment with Cabinet Circular (24) 5: Needs-based Service Provision.	We will report on progress through our quarterly performance reporting.
13	Pharmac is delivering the agreed outcomes from the medical devices review including working collaboratively with the Ministry of Health, Health New Zealand, medical devices industry and other stakeholders.	We will work with the Ministry of Health and Health NZ to deliver the agreed outcomes of the Medical Devices review.	<p>Work with the Ministry of Health to provide input as required.</p> <p>Ministerial briefings as required.</p>