PHARMAC
TE PĀTAKA WHAIORANGA

Pharmaceutical Management Agency (Pharmac)

Minutes of the Board Meeting held on Tuesday, 28 July 2026 at 9.05am

Held Online via Microsoft Teams

***Attendees*:**

Board members

Hon Paula Bennett	Chair
Dr Peter Bramley	Deputy Chair
Talia Anderson-Town	Board Member
Lucy Elwood	Board Member
Dr Margaret Wilsher	Board Member

Apologies None

Pharmac staff in attendance

Natalie McMurtry	Chief Executive
Trevor Simpson	Kaituruki Māori – Director Māori
David Hughes	Director, Advice and Assessment/CMO
Michael Johnson	Director, Strategy, Policy and Performance
Geraldine MacGibbon	Director, Pharmaceuticals
Nicola Ngawati	Director, Equity & Engagement
Maria Robertson	Director, Corporate Services
Julia Shackleton	Board Secretary (Minute taker)

Pharmac staff in attendance for Items

Rose Simpson	Manager, Policy (Item 5.3)
Lauren Romanos	Senior Exceptions Advisor (Item 6.2)
Susan Melvin	Senior Policy Advisor (Item 6.2
Danae Staples-Moon	Manager, Medical Devices Prg. (Items 6.5, 6.6)
Saar Cohen-Ronen	General Counsel (Item 7.1)

Board Only Time

A Board-only meeting was held between 8.30am and 8.50am and a session with the Chief Executive was held between 8.50am and 9.00am. The meeting proper commenced at 9.05am.

There were no resolutions passed during the Board-only meeting or matters to be discussed during the formal meeting.

1.0 Meeting Opening and Welcome

The Chair welcomed Board members and staff to the meeting, and the Kaituruki Māori opened the meeting with a karakia at 9.05am.

1.1 Apologies

There were no apologies noted for absence of the meeting. Talia Anderson-Town noted her apologies for an early departure at 10.41am at the end of Item 5.7.

1.2 Confirmation of Quorum

There was a quorum to hold today's meeting.

2.0 Board Chair's Report and Standard Governance

2.1 Board Chair's Verbal Update

The Chair provided an update on key matters that have occurred since the last Board meeting.

The Chair spoke to recent media coverage.

The Chair spoke to the Forbidden Pharmacy campaign and the installation at Auckland's Shed 10, which was open to the public. Now is an opportune time for the organisation to communicate patient stories and what Pharmac is doing, as what Pharmac undertakes was not fully understood at the Forbidden Pharmacy event.

The Pharmac Board **NOTED** Item 2.1, Board Chair's Verbal Update.

2.2 Previous Board Meeting Minutes

The Pharmac Board **RESOLVED** that, the minutes from the 30 June 2026 Pharmac Board meeting were a true and correct record; ***noting*** they will be proactively published following relevant redactions.

2.3 Interest Register and Declarations of Conflicts of Interest

No conflicts of interest were declared for today's agenda and no changes were made to the Interests Register.

The Pharmac Board **NOTED** Item 2.3, Interest Register and Declarations of Conflicts of Interest.

3.0 Finance, Audit and Risk Committee Update

3.1 Verbal Update from the Finance, Audit and Risk Committee Chair

The Finance, Audit & Risk (FAR) Committee Chair provided a summary of the key issues addressed at the FAR Committee meeting held on Monday, 27 July 2026.

Board members discussed several factors around the budget and the year-end result, noting it may be advantageous for Pharmac to communicate year-end results to its consumer groups.

The Pharmac Board:

a) **NOTED** Item 3.1, Verbal Update from the Finance, Audit & Risk Committee Chair***;***

b) **NOTED** the financials for April 2026, as presented to the Finance, Audit and Risk Committee at its meeting on 24 April 2026; and

c) **ENDORSED** the 24 April 2026 Finance, Audit & Risk Committee meeting minutes.

4.0 Chief Executive Report

The Chief Executive spoke to her Chief Executive's Report, which was taken as read.

Board members discussed how Pharmac intends to meet its expectations as outlined in the 2026/2027 Letter of Expectations (LoE), noting that, for the first time, last year Pharmac released a summary report on progress against its 2024/2025 LoE, following requests from consumer advocates. A similar report for 2025/26 LoE will be released next month.

Board members discussed the Medical Device contracts that are transferring from Pharmac to Health New Zealand (Health NZ), noting they are on track and Health NZ is happy with the progress Pharmac is making.

Board members congratulated the Medical Devices team (the team), noting the very positive comments about Pharmac and the team's approach and work undertaken.

The Pharmac Board **NOTED** Item 4.0, the Chief Executive's Report.

5.0 Decision Papers

5.1 2025/2026 Quarter 4 Performance Report

The Board noted that the Quarter 4 Performance Report is for the last quarter of the financial year and will be included in the Quarterly Ministerial report.

The Board discussed progress against timeliness performance measures and discussed elements around historical claims and the challenges in this space. The Board noted that from 1 July, Pharmac will introduce a new 18-month timeframe target for receipt of funding application to ranking. Board members acknowledged the work the team is undertaking and noted that including narrative on how Pharmac's metrics are improving, would be good in the Quarterly Report.

The Pharmac Board:

a) **NOTED** Item 5.1, 2025/2026 Quarter 4 Performance Report;

b) **APPROVED** the content of Pharmac's Quarter Four 2025/2026 Report; and

c) **NOTED** that, following Board approval of the Quarterly Performance Report, it will be provided to the Associate Minister of Health.

CARRIED

5.2 Annual Review of PTAC, Special Advisory Committee Fees

The Pharmac Board:

a) **NOTED** Item 5.2, Annual Review of PTAC, Special Advisory Committee Fees;

b) **AGREED** to increase the meeting day rate for members of both PTAC and Specialist Advisory Committee (SACs) members from $840 per day, to $860 per day, with an equivalent hourly rate increase from $105 per hour to $107.50 per hour for preparation work (both being increases of 2.5%) to be applied from 1 July 2026;

c) **NOTED** that, the annual budget impact for these changes is estimated to be around $25k, to be met within existing funding; and

d) **NOTED** that, the Fees Framework requires fee increases to be reported to Te Kawa Mataaho | Public Services Commission and the Crown Entities Act requires annual fees for Board Committee members to be reported in the annual report.

Rose Simpson, Manager Policy joined the meeting at 9.37am for Item 5.3.

5.3 Rule 8.1b of the Pharmaceutical Schedule Update

The Board discussed several issues around Rule 8.1b, including factors around governance and consistency around Pharmac's health delivery partner. Board members spoke to the need to communicate why Pharmac may not expand Rule 8.1b as far as may be preferred. The Director acknowledged the Board's comments around communication, and Pharmac will consult with Rare Disorders New Zealand before any communication goes out. Ministers will also be briefed before Pharmac makes any announcement.

The Board noted the complexities of Rule 8.1b work, acknowledging the team's efforts and were pleased Pharmac arrived at a good place.

The Pharmac Board:

a) **NOTED** Item 5.3, Rule 8.1b of the Pharmaceutical Schedule Update;

b) **NOTED** that, following the Board's February 2026 discussion, the Cancer Treatment Advisory Committee was re-consulted and confirmed that the refined, proposed three-part eligibility model regarding Rule 8.1b is clinically appropriate and workable;

c) **AGREED** to expand access under Rule 8.1b for adolescents and young adults with paediatric origin cancers using the proposed three-part eligibility model;

d) **NOTED** that, implementation of the approach as outlined in (c) above, is estimated to cost an additional $1-$1.3 million per annum to the medicines budget, based on currently available treatments;

e) **AGREED** that, Pharmac will not undertake further public consultation on the proposed expansion of Rule 8.1b access for adolescents and young adults, given the engagement that has been undertaken with key clinicians, national clinical networks and health agencies; and

f) **NOTED** that, Pharmac will provide Minsters with an update briefing for work undertaken to date and the next steps on Ruel 8.1b.

The Manager Policy left the meeting at 9.50am.

5.4 Proposal to Widen Access Criteria for Diabetes Medicines

The Board considered a proposal to widen access to funded diabetes medicines. This followed consultation in May 2026, on a proposal to remove the ethnicity criteria and lower the cardiovascular risk threshold for access to empagliflozin, empagliflozin with metformin, liraglutide and dulaglutide. The proposal would see wider access to these medicines than originally proposed, following consideration of consultation feedback.

Having regard to the decision-making framework set out in Pharmac's Operating Policies and Procedures, the Pharmac Board:

a) **NOTED** Item 5.4, Proposal to Widen Access Criteria for Diabetes Medicines;

b) **AGREED** to a revised wider access approach (Option 1) that removes the ethnicity criterion and the existing specific clinical access requirements other than HbA1c/poor glycaemic control and requirement to have trialled other glucose lowering funded options;

c) **APPROVED** the 7 July 2026 provisional agreement with Boehringer NZ Limited for the supply of empagliflozin (Jardiance) and empagliflozin with metformin (Jardiamet);

d) **APPROVED** amending the eligibility criteria for dulaglutide (Trulicity) and liraglutide (Victoza) from 1 September 2026 as set out in Appendix One, to widen funded access for Type 2 diabetes mellitus;

e) **NOTED** That, the proposal consulted on was to remove the ethnicity criterion from the Special Authority criteria for funded diabetes medicines, and widen access by lowering the five-year cardiovascular disease risk threshold from >15% to >10%;

f) **NOTED** That, consultation feedback on the proposal is mixed; however, there was substantial feedback that the proposal to remove the ethnicity criterion for Māori and Pacific peoples, without a sufficiently broad replacement pathway to ensure no loss of potential future access, was unsuitable. The feedback has been carefully considered in the development of the revised approach (Option 1); and

g) **NOTED** the four potential options presented, and agreed that, in light of consultation feedback, neither Option 2 (the consulted-on proposal), Option 3 (retain status quo) or Option 4 (addition of diabetic retinopathy) should be progressed.

CARRIED

The meeting broke for morning tea at 10.00am and reconvened at 10.15am.

5.5 Update on Consumer Advisory Committee Interim Terms of Reference

The Board noted the Interim Consumer Transition Committee (ICTC) is replacing the current Consumer Advisory Committee (CAC) and will operate from 1 August 2026 until the establishment of the new Community and Patient Advisory Committee (CPAC). The first ICTC meeting is set for Monday, 17 August 2026.

The Chair noted that it would be good to have the co-chairs attend the September Board meeting. The Board acknowledged the role the CAC has undertaken and the contribution its members have made. The Chair asked the Director for the contact details of the ICTC members. The Chair and Dr Margaret Wilsher will look to attend the 17 August ICTC meeting.

The Pharmac Board:

a) **NOTED** Item 5.5, Update on Consumer Advisory Committee Interim Terms of Reference;

b) **NOTED** the finalised membership of the Interim Consumer Transition Committee; and

c) **APPROVED** the Interim Consumer Transition Committee Terms of Reference as presented in Appendix One to Item 5.5.

CARRIED

5.6 Proposals for Funding of Various Vaccines, Influenza Vaccine and a Diagnostic Agent

The Board considered a proposal for the funding of various vaccines, influenza vaccine and a diagnostic agent, which resulted from a competitive request for proposals process for the supply of these pharmaceuticals. The Board noted and discussed the proposal, which included:

- Funding of 17 vaccines and 1 diagnostic test;
- A change-away from egg-based influenza vaccine to a cell-based vaccine and an adjuvant vaccine;
- Widening access to the influenza vaccine to all children from 6 months of age up to their fifth birthday (6-59 months inclusive); and
- Widening access to pneumococcal vaccine for people who have previously experienced a serious pneumococcal infection.

Having regard to the decision-making framework set out in Pharmac's Operating Policies and Procedures, the Pharmac Board:

a) **NOTED** Item 5.6, Proposals for Funding of Various Vaccines, Influenza Vaccine and a Diagnostic Agent;

b) **APPROVED** the amendments to the Pharmaceutical Schedule listings relating to various vaccines, influenza vaccine and a diagnostic agent as set out in Appendix One to Item 5.6;

c) **APPROVED** the provisional agreement with GlaxoSmithKline NZ Limited dated 10 February 2026;

d) **APPROVED** the provisional agreement with Pfizer New Zealand Limited dated 5 February 2026

e) **APPROVED** the provisional agreement with Sanofi-Aventis Australia Pty. Ltd. dated 5 February 2026;

f) **APPROVED** the provisional agreement with Seqirus (NZ) Lid. dated 25 February 2026;

g) **APPROVED** the provisional agreement with Merck Sharpe & Dohme (New Zealand) Limited dated 21 April 2026; and

h) **NOTED** the consultation that has been undertaken on the proposal for funding various vaccines, Influenza vaccine and a diagnostic agent and that the feedback has been fully considered in the development of the proposal.

CARRIED





Talia Anderson-Town departed the meeting at 10.41am.

6.0 Discussion and Information Papers

6.1 Data and Digital – Schedule Redevelopment Project Update

The Board received an update on key strategic elements of the project, including the current situation and next steps.

The Board noted its disappointment regarding the health sector not being ready to support a single coordinated integration and adoption approach, which Pharmac and Health NZ were proposing for the new Pharmaceutical Schedule and upgrade of Special Authority system.

The Board noted that this will need resolving in the future when Pharmac moves to a new Pharmaceutical Schedule (the schedule). The next critical piece is options analysis being undertaken to de-risk the current new schedule. The Director acknowledged the Board's comments, adding that Pharmac is working through what is the right pathway to a new schedule.

The Pharmac Board:

a) **NOTED** Item 6.1, Data and Digital – Schedule Redevelopment Project;

b) **NOTED** that, the Data and Digital – Schedule Redevelopment Project was set up with a joint oversight group in conjunction with the Health Sector Agreements and Payments programme (HSAAP) at Health New Zealand because it was recognised that there was a co-dependency between the two projects for full implementation, optimally through coordinated delivery, integration and adoption across the health sector;

c) **NOTED** that, as more detailed health sector engagement and integration planning was progressed, it became clear that the health sector could not be ready to support the single coordinated integration and adoption approach, including because of project constraints in the HSAAP programme;

d) **NOTED** that, after having explored alternative project coordination options with HSAAP, there is not a joint implementation pathway for the two projects;

e) **NOTED** that, it was agreed that the combined *Pharmac HSAAP Oversight Group* will no longer meet, although there will still be coordinated activities between Pharmac and Health New Zealand; and

f) **NOTED** that, the Schedule Redevelopment Project is now working through alternative implementation options including rephasing, with an update to be provided to the Board at its October meeting.

Lauren Romanos, Senior Exceptions Advisor and Susan Melvin, Senior Policy Advisor joined the meeting at 10.53 for Item 6.2.

6.2 Review of the Exceptional Circumstances Framework

The Board noted that the team has travelled around New Zealand meeting with stakeholders on the Exceptional Circumstances Framework and this has been very well received. Feedback was also received through Pharmac's online feedback tool, Citizen Space, and email submissions. The Senior Exceptions Advisor and Senior Policy Advisor summarised the feedback they received, and they are now working on a paper for the September Board meeting. The Senior Exceptions Advisor spoke to how much people wanted to engage with the team, particularly clinicians, which led to more constructive dialogue and will lead to more cohesive relationships with the health sector.

The Board acknowledged the work the team undertook on this project and congratulated the team on their efforts. The Board noted the second consultation will take place between October and December this year, with final decisions being brought to the Board in March 2027.

The Pharmac Board:

a) **NOTED** Item 6.2, Review of Exceptional Circumstances Framework;

b) **NOTED** that, the first stage of consultation for the review of the Exceptional Circumstances Framework, including the Named Patient Pharmaceutical Assessment (NPPA) concluded on 7 June 2026;

c) **NOTED** that, the feedback was received from a broad range of stakeholders impacted by the Exceptional Circumstances Framework through multiple engagement channels;

d) **NOTED** that, Item 6.2, provides a high-level summary of consultation feedback and the key themes identified to date; and

d) **NOTED** that, a further detailed paper will be presented to the Board at its September 2026 meeting, which will include proposed policy options, recommendations to inform the second phase of consultation and a Summary of Submissions document that is planned to be released alongside the second consultation phase.

6.3 Pharmaceutical Transaction Report

The Board considered Item 6.3, which provided 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 Pharmac staff are currently progressing.

The Pharmac Board:

a) **NOTED** Item 6.3, Pharmaceutical Transaction Report, including the update on:

   I. the large and/or significant medicines transactions that are currently planned or in progress;

   II. supply issues related to the Middle East conflict;

   III. Pharmac's work to change the consultation process for the annual tender; and

   IV. the upcoming public consultations and decision notifications.

6.4 Medicines Budget Management Report

The Board noted Item 6.4, which provided an update on Pharmac's plans to manage the medicines budget. The Board discussed planned activities to manage expenditure in 2026/2027 and the out-years.

The Pharmac Board:

a) **NOTED** Item 6.4, Medicines Budget Management Report;

b) **NOTED** that, the total medicines budget expenditure for 2026/2027 is $1.89 billion against a budget of $1.837 billion;

c) **NOTED** that, taking into account anticipated and planned costs, interest and planned equity, an equity position of $106.2 million is anticipated at year end. Given the equity target of $50.0 million set by the Board, this leaves $56.2 million in budget headroom, the majority of which would need to be carried over to 2027/2028 to support the anticipated financial impact in the out-years of investments as a result of the June 2024 budget uplift;

d) **NOTED** that, it is not unusual for Pharmac to forecast a deficit in the out-years, and these projections remain highly uncertain due to conservative assumptions. However, because the June 2024 budget uplift has resulted in a larger number of high-cost investments, a more cautious approach is being taken. Pharmac is closely monitoring uptake, maximising savings opportunitie, and considering whether future budget bids may be required to address emerging cost pressure; and

e) **NOTED** the planned and current investments and savings underway.

Danae Staples-Moon, Manager, Medical Devices Programme joined the meeting for Item 6.5.

6.5 Medical Devices Transactions and Programme Update

The Board discussed a variety of issues around the Medical Devices Transactions and Programme, including the technology and issues around big-ticket item devices. The Board congratulated the team and acknowledged the success of the programme compared to where it was eighteen months ago.

The Pharmac Board:

a) **NOTED** Item 6.5, Medical Devices Transactions and Programme, including the progress with delivering the Medical Devices Programme and procurement activity currently underway;

b) **NOTED** that, to implement the Cabinet decision as set out in the Joint Ministerial Letter of Expectations, September 2025, Pharmac is progressing a coordinated programme of work with Health New Zealand, focused on operational transition and system readiness;

c) **NOTED** that, over the next six months, the focus for Pharmac's and Health New Zealand's procurement partnership workstream will be on strengthening joint planning, refining benefits measurement, and delivering value in a more connected way, as set out in the Joint Ministerial Letter of Expectations; and

d) **NOTED** that, the Medical Devices Programme has reached the point of where continued and long-term success requires a deliberate transition from establishing a medical devices function to now work towards delivering a nationally coordinated system.

6.6 Joint Health Purchasing and System Level Procurement

The Board discussed Item 6,6, noting there are strategic opportunities across the health system, and the approach outlined set in place a 'test and learn' approach to understand the risks and opportunities this work might have for Pharmac and other agencies.

The Board discussed the pilot in which Pharmac is partnering with ACC and New Zealand Government Procurement, and factors around the negotiation process. Board members noted the cost and time required to do the pilot well and would like to see what resources have been spent [redacted] The Board noted further work needs to be undertaken around competition law, governance and related factors.

The Pharmac Board:

a) **NOTED** Item 6.6, Joint Health Purchasing and System Level Procurement;

b) **NOTED** the Government's expectations and Ministerial direction relating to joint health purchasing;

c) **NOTED** the strategic significance of joint health purchasing in supporting a more coordinated value-focussed approach to health technology investment and procurement;

d) **ENDORSED** the proposed direction of travel for joint health purchasing and the development of a service-based partnership model; and

e) **NOTED** the progression to the pilot phase to test and refine the model and inform future decisions.

The Manager, Medical Devices Programme left the meeting at 11.42am.

7.0 Noting Papers

Saar Cohan-Ronen, General Counsel joined the meeting at 11.35am for Item 7.1.

7.1 Legal Report Update

The General Counsel spoke to the key highlights of Item 7.1, noting Pharmac's success in Court regarding an OIA request for release of a copy of the Pfizer vaccine advancement Purchase Agreement, which is in the public domain and on the Ministry of Justice's website. The General Counsel then spoke to other updates and talked through the Active Litigation and Contested Matters table, updating the Board on each case's progress.

The Pharmac Board **NOTED** Item 7.1, Legal Report Update.

The General Counsel left the meeting at 11.45am.

7.2 Summary of Consumer Advisory Committee Meetings

The Pharmac Board:

a) **NOTED** Item 7.2, Summary of Consumer Advisory Committee Meetings from the March and June 20265 meetings, including the summary of key issues from both meetings; and

b) **NOTED** that the minutes from the March Consumer Advisory Committee Meeting have been edited.

7.3 Board and Committee Member Terms and Board Attendance Register

The Pharmac Board **NOTED** Item 7.3, Board and Committee Member Terms and Board Attendance Register.

7.4 Board Actions

The Board **NOTED** Item 7.4, Board Actions, noting there are no actions at this time.

7.5 Board Correspondence

The Board **NOTED** Item 7.5, Board Correspondence.

7.6 Matters Arising Schedule

The Board **NOTED** Item 7.6, Matters Arising schedule.

7.7 2026/2027 Board Meeting Dates and 2026 Annual Agenda

The Board **NOTED** Item 7.7, 2026/2027 Board Meeting Dates and 2026 Annual Agenda.

7.8 Glossary of Terms and Abbreviations

The Board **NOTED** Item 7.8, Glossary of Terms and Abbreviations.

8.0 General Business

The Chair spoke to the status of the new Board member appointment, and it is expected they will attend the next Board meeting.

9.0 Confirmation of Next Meeting and Meeting Closure

9.1 Confirmation of Next Meeting

The next meeting was confirmed for **Tuesday, 29 September** and will be held at Pharmac's Wellington office, Simpl House, 40 Mercer Street.

9.2 Meeting Closure

The Chair noted today's meeting is concluding earlier than scheduled, due to clear and well-written Board papers which is appreciated. The Chief Executive is on leave shortly until late August and the Director, Strategy, Policy & Performance is Acting Chief Executive for the duration.

The Kaituruki Māori closed the meeting at 12.00pm with a karakia.

Minutes confirmed as a true and accurate record.



9 October 2026

Hon Paula Bennett
Pharmac Board Chair

Date signed