

## MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

### BOARD MEETING JUNE 2020

The meeting was held at Level 9, 40 Mercer Street, Wellington, with some members joining by videoconference starting at 9 32am with the following attendees:

#### Board members

Steve Maharey	Chair
Jan White	Deputy Chair
Ross Lawrenson	Board Member
Claudia Wyss	Board Member
David Lui	Observer, CAC Chair
Mark Weatherall	Observer, PTAC Chair
Peter Bramley	Observer, DHB Representative

#### PHARMAC staff in attendance

Sarah Fitt	Chief Executive
Lisa Williams	Director of Operations
Alison Hill	Director of Engagement & Implementation
Michael Johnson	Director of Strategic Initiatives
Mark Woodard	Director of Corporate Services/CFO
Ken Clark	Acting Medical Director
Lizzy Cohen	Board Secretary

Jannel Fisher, Andrew Davies, Geraldine MacGibbon, Sarah Beri, Katie Brownless, Laura Baker, Sean Dougherty, Rachel Read and Graham Beever (PHARMAC staff) attended for relevant items.

*9 32am Graeme Norton guest speaker on the consumer perspective*

#### 1. Directors' Only Discussion

##### 1.1 Glossary of Terms

##### 1.2 Board Actions

##### 1.3 Board Annual Agenda

#### 2. Apologies

#### 3. Record of Previous Board and Committee Meetings

##### 3.1 Minutes of May 2020 Board Meetings

**resolved** to adopt the minutes of the May 2020 meeting as being a true and correct record

Ross Lawrenson and Jan White **(carried)**

##### 3.2 Minutes of May Board Health and Safety Committee Meeting

**noted** the minutes of the May 2020 Board Health and Safety Committee meeting

Jan White and Ross Lawrenson **(carried)**

**3.3 Audit and Forecast Committee recommendations**

**noted** that staff intend to release the annual DHB letter;

**noted** the 2020/21 Internal Audit Work Programme (refer to Appendix One);

**agreed** to the proposed internal work programme;

**noted** the annual review of the Committee's Terms of Reference with no changes;  
and

**noted** that in a future review of the Committee's Terms of Reference, the Committee intends to consider adapting the name and function of the Committee to be more risk focused.

Ross Lawrenson and Jan White

**(carried)**

**4. Interests Register**

**noted** the interests register; and

**noted** any decisions by the Chair to manage actual or potential conflicts of interest, as follows:

[None required]

**5. Matters Arising**

**noted** the matter's arising

**6. Chair's Report**

**noted** the verbal update from the Board Chair; and

**noted** the recent death of Paul Cressey, member of the Ministry of Health's governance board, for the finance procurement infrastructure management programme (FPIM)

**6.1 Verbal Report**

**noted** the Chair's verbal report;

**6.2 Correspondence**

**noted** the correspondence report.

**7. Chief Executive's Report**

**noted** the Chief Executive's Report;

**noted** staff turnover information as requested at the H&S Committee meeting; and

**noted** the financials for May 2020.

## 8. Key Items

### 8.1 Risk Report

**noted** the summary risk report which provides an update on items on the Board risk register that have a 'high' rating on either impact or probability; and

**noted** that a paper on the risk management refresh will be considered at the June 2020 Audit and Forecast Committee meeting

### 8.2 Public Sector Reputation Index Report and Monthly Communications Report

**noted** that PHARMAC's overall reputation score has increased by four points in the 2020 Colmar Brunton Reputation Index Report; and

**noted** COVID 19 related communications have continued to dominate through May, which has impacted progress on the Communications and Engagement Strategy

Jan White and Claudia Wyss (carried)

## 9. Schedule and Funding

### 9.1 Medical Devices Transaction and Investment Report

**noted** the update on progress with medical devices national contracting activity.

### 9.2 Pharmaceutical Expenditure and Transaction Report

**noted** the current Combined Pharmaceutical Budget (CPB) expenditure position and significant medicines transactions; and

**noted** that the Board will consider a Budget Management Options paper at its July 2020 meeting, which will provide the 2020/21 CPB Forecast and our proposed budget management approach.

Nicole Anderson and Claudia Wyss (carried)

### 9.3 Proposal to award sole supply of infliximab in DHB hospitals

**resolved** to accept the proposal from Janssen Cilag Pty Ltd ("Janssen") for Remicade to be the Hospital Supply Status brand of infliximab inj 100 mg in DHB hospitals, with a DV limit of 5%, from 1 September 2020 until 30 June 2024;

**resolved** to maintain the price of infliximab (Remicade) inj 100 mg in the Oncology Agents and Immunosuppressants therapeutic group in Part II of Section H of the Pharmaceutical Schedule from 1 July 2020 as follows:

Chemical	Presentation	Brand	Pack Size	Price (ex-man., ex. GST)
Infliximab	inj 100 mg	Remicade	1	\$806 00

**resolved** to maintain the price and subsidy of infliximab (Remicade) inj 100 mg and inj 1 mg for ECP in the Oncology Agents and Immunosuppressants therapeutic group in Section B of the Pharmaceutical Schedule from 1 July 2020, as follows:

Chemical	Presentation	Brand	Pack Size	Price and subsidy (ex-man., ex. GST)
Infliximab	inj 100 mg	Remicade	1	\$806.00
Infliximab	Inj 1 mg for ECP	Baxter	1 mg	\$8.29

**noted** that infliximab (Remicade) inj 100 mg is listed as a PCT only Special Authority pharmaceutical in Section B of the Pharmaceutical Schedule;

**resolved** to approve the 15 May 2020 provisional agreement with Janssen Cilag Pty Ltd (Janssen);

**noted** that a confidential rebate would also apply to Remicade that would reduce the net price of infliximab (Remicade) inj 100 mg from 1 July 2020;

**noted** that acceptance of this proposal would not result in a brand change for infliximab and the hospital restrictions and Special Authority criteria would remain unchanged; and

**resolved** that the consultation on this proposal was appropriate, and no further consultation is required.

Claudia Wyss and Jan White

(carried)

#### 9.4 Modifying access to mifepristone and misoprostol

**resolved** to establish a new 'Obstetric Preparations' heading and 'Antiprogestogens' subheading under the Genito Urinary System therapeutic group of Section B of the Pharmaceutical Schedule from 1 August 2020;

**resolved** to list mifepristone (Mifegyne) tab 200 mg under the Antiprogestogens (Obstetric Preparations) subheading of the Genito-Urinary System therapeutic group in Section B of the Pharmaceutical Schedule from 1 August 2020 as follows:

Chemical and presentation	Brand	Pack Size	Subsidy and price (ex-man., ex. GST)
Mifepristone tab 200 mg	Mifegyne	3	\$180.00

**resolved** to apply the following restrictions to mifepristone tab 200 mg in Section B of the Pharmaceutical Schedule from 1 August 2020:

- a) Up to 15 tab available on a PSO
- b) Only on a PSO

**resolved** to apply the following note to mifepristone tab 200 mg in Section B of the Pharmaceutical Schedule from 1 August 2020:

Subsidised on a PSO only if from a Family Planning New Zealand Clinic or an abortion service provider with a DHB contract and the PSO is endorsed with the name of the institution for which the PSO is required

**resolved** to apply the following restrictions to misoprostol tab 200 mcg in Section B of the Pharmaceutical Schedule from 1 August 2020 as follows:

Up to 120 tab available on a PSO

**resolved** to apply the following note to misoprostol tab 200 mcg in Section B of the Pharmaceutical Schedule from 1 August 2020:

Subsidised on a PSO only if from a Family Planning New Zealand Clinic or an abortion service provider with a DHB contract and the PSO is endorsed with the name of the institution for which the PSO is required.

**noted** that the proposed endorsement requirements for PSO are temporary arrangements to support a smooth transition to community provision of early medical abortions;

**noted** that PHARMAC staff expect to recommend removal of these endorsement requirements in coming months when stock issues have been resolved and clinical guidelines have been developed;

**resolved** that the consultation on this proposal was appropriate, and no further consultation is required; and

**noted** that this decision is being made to allow the legislation to be enacted.

Jan White and Claudia Wyss

**(carried)**

## **10. Strategic Planning and Policy**

### **10.1 PTAC Terms of Reference Review**

**noted** PHARMAC staff have reviewed the PTAC Terms of Reference (ToR) and are proposing several changes;

**noted** the proposed changes will be consulted on with PTAC/Subcommittee members, the Consumer Advisory Committee, Ministry of Health, clinical colleges and societies, and the public; and

**resolved to approve in principle** the intent of the proposed changes outlined in this paper, subject to further consultation and engagement.

Claudia Wyss and Ross Lawrenson

**(carried)**

### **10.2 Consumer Input and Engagement**

**noted** the consumer-related activity currently underway at PHARMAC; and

**noted** the Consumer Advisory Committee meeting on 12 June 2020 and the actions from that meeting.

## **11. Regular Reports and Noting Papers**

### **11.1 Confidential and Legally Privileged Legal Report**

**noted** the legal report which provides an update on current legal issues of relevance to the Board

**11.2 Summary of Decisions Made Under Delegated Authority – May 2020**

**noted** the monthly summary of decisions made under Delegated Authority by the Director of Operations, Manager Pharmaceutical Funding, Senior Advisor/Team Leader and Senior Therapeutic Group Managers/Team Leaders.

**12. Interest Articles**

**13. General Business**

Ross Lawrenson, Board member raised the equity issues relating to postponing the Lung Cancer RFP.

**Date of Next Meeting**

The date for the next Board meeting is set for Friday 31 July 2020 in Wellington, commencing with the Directors Only from 8.30am, and attendees and relevant staff from 9.30am.

The meeting closed at 1 48pm