

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING MARCH 2019

The meeting was held at Level 9, 40 Mercer Street, Wellington, starting at 10.05am with the following attendees:

Board members

Steve Maharey	Chair
Jan White	Board Member
Ross Lawrenson	Board Member
Jens Mueller	Board Member
Nicole Anderson	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
Lizzy Cohen	Board Secretary

PHARMAC staff attended for relevant items.

1. Directors' Only Discussion

1.3 Key Focus Areas

noted the updated Board actions register;

noted as part of the Board's governance role, to collaborate with the sector and to align engagement with stakeholders with organisational priorities;

noted the State Services Commission Code of Conduct attached for their review;

noted that Board Observers are encouraged to contribute to the discussion of papers presented to the Board at their regular Board meetings;

noted the Chief Executive annual performance review process;

noted that the Chair and up to two Board members conduct the biannual performance and remuneration review meetings for the Chief Executive;

noted that PHARMAC staff will present to the Board updated staff turnover, salaries, gender pay gap annually and as information is available;

noted that Nicole Anderson and PHARMAC's Kaumatua consider an appropriate Board karakia and cultural practice for Board members; and

noted and agreed Board meeting minutes are published on the PHARMAC website, subject to commercial considerations.

2. Apologies

3.1 Minutes of Previous Meetings

resolved to adopt the minutes of the February 2019 meeting as being a true and correct record; and

noted the minutes of the February 2019 Audit and Forecast Committee meeting.

Nicole Anderson and Jens Mueller **(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. Chairman's Report

noted their concerns with the Christchurch Attack on 15 March 2019 and their condolences to the victims families and all those affected by the attack.

6.1 Verbal Report

6.2 Correspondence

7. Chief Executive's Report

8. Key Items

8.1 Draft SPE

noted PHARMAC's draft Statement of Performance Expectations (refer to Appendix One);

noted that the draft Statement of Performance Expectations (SPE) contains forecast financial information based on the PHARMAC operating budget, which was considered by the Audit and Forecast Committee on 28 February 2019;

noted following feedback from the Board the final draft SPE will be provided to the Minister for feedback, and the final SPE will be brought back to the Board for approval at the May 2019 Board meeting; and

noted PHARMAC's intention to establish a new performance framework as part of the development of our 2020/21-2024/25 Statement of Intent.

8.2 Board Strategy Workshop – Next Steps

noted the contents of this paper; and

resolved to provide PHARMAC's initial submission to the Health and Disability System Review (refer to Appendix One).

Nicole Anderson and Jan White

(carried)

8.3 Stock Issues and Risk Management

noted the contents of this paper; and

noted that an update report will be provided to the Board in September 2019.

9. Schedule and Funding

9.1 Medical Devices Transaction and Investment Report

noted the contents of this paper.

9.2 Pharmaceutical Transaction and Investment Report

noted the contents of this paper.

9.3 Proposal to Move to One Funded Brand of Lamotrigine (Logem)

resolved to approve the changes to the Pharmaceutical Schedule outlined in Appendix One;

resolved to approve the 29 August 2018 provisional agreement with Mylan New Zealand Limited, as subsequently amended on 7 March 2019;

noted the summary of consultation feedback and full copies of consultation responses (Appendix Four);

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

noted the proposed implementation activities should the proposal be approved (Appendix Two).

Resolutions - Proposal to move to on funded brand of lamotrigine (Logem)

resolved to accept the proposal from Mylan for its brand Logem to be the sole subsidised brand of lamotrigine tab dispersible 25 mg, 50 mg and 100 mg in Section B of the Pharmaceutical Schedule from 1 October 2019 until 30 June 2022;

resolved to accept the proposal from Mylan for its brand Logem to be the Hospital Supply Status brand of lamotrigine tab dispersible 25 mg, 50 mg and 100 mg in Part II of Section H of the Pharmaceutical Schedule, with a DV Limit of 5%, from 1 October 2019 until 30 June 2022;

resolved to amend the price and subsidy of Mylan New Zealand Ltd's brand of lamotrigine tab dispersible 25 mg, 50 mg and 100 mg in the Nervous System therapeutic group in Section B and Part II of Section H of the Pharmaceutical Schedule from 1 May 2019 as follows (ex-manufacturer, excl. GST);

Chemical and presentation	Brand	Pack Size	Current subsidy and price (ex-man., ex. GST)	New subsidy and price (ex-man., ex. GST)
Lamotrigine tab dispersible 25 mg	Logem	56	\$19.38	\$2.76
Lamotrigine tab dispersible 50 mg	Logem	56	\$32.97	\$3.31
Lamotrigine tab dispersible 100 mg	Logem	56	\$56.91	\$4.40

resolved to delist the following products from Section B of the Pharmaceutical Schedule on 1 October 2019:

Chemical and presentation	Supplier	Brand
Lamotrigine – tab dispersible 25 mg	GSK	Lamictal
Lamotrigine – tab dispersible 25 mg	Teva	Arrow-Lamotrigine
Lamotrigine – tab dispersible 50 mg	GSK	Lamictal
Lamotrigine – tab dispersible 50 mg	Teva	Arrow-Lamotrigine
Lamotrigine – tab dispersible 100 mg	GSK	Lamictal
Lamotrigine – tab dispersible 100 mg	Teva	Arrow-Lamotrigine

resolved to delist the following products from Part II of Section H of the Pharmaceutical Schedule on 1 October 2019:

Chemical and presentation	Supplier	Brand
Lamotrigine – tab dispersible 25 mg	GSK	Lamictal
Lamotrigine – tab dispersible 25 mg	Teva	Arrow-Lamotrigine
Lamotrigine – tab dispersible 50 mg	GSK	Lamictal
Lamotrigine – tab dispersible 50 mg	Teva	Arrow-Lamotrigine
Lamotrigine – tab dispersible 100 mg	GSK	Lamictal
Lamotrigine – tab dispersible 100 mg	Teva	Arrow-Lamotrigine

resolved to list on 1 October 2019 and delist on 1 January 2020 under the Various therapeutic group of Section B of the Pharmaceutical Schedule the following brand switch fee (BSF):

Chemical and presentation	Brand	Pack Size	Subsidy and price (ex-man., ex. GST)
Pharmacy Services, Brand switch fee (BSF)	BSF Logem	1 fee	\$4.50
May only be claimed once per patient			

resolved to add a BSF note to the following chemical as listed in Section B of the Pharmaceutical Schedule from 1 October 2019 until 1 January 2020 as follows (changes in bold):

LAMOTRIGINE

▲ Tab dispersible 25 mg – Brand Switch Fee payable	2.76	56	✓ <u>Logem</u>
▲ Tab dispersible 50 mg – Brand Switch Fee payable	3.31	56	✓ <u>Logem</u>
▲ Tab dispersible 100 mg – Brand Switch Fee payable	4.40	56	✓ <u>Logem</u>

resolved to remove the may dispense all-at-once (▲) rule from lamotrigine tab dispersible 2 mg, 5 mg, 25 mg, 50 mg and 100 mg in the Nervous System therapeutic group in Section B of the Pharmaceutical Schedule from 1 October 2019.

resolved to add the dispense all-at-once (Stat dispensing (*)) rule to lamotrigine tab dispersible 2 mg, 5 mg, 25 mg, 50 mg and 100 mg in the Nervous System therapeutic group in Section B of the Pharmaceutical Schedule from 1 October 2019.

noted that the application of reference pricing on the Lamictal and Arrow-Lamotrigine dispersible tablet brands was consulted on, but has not been recommended to occur.

Jens Mueller and Nicole Anderson

(carried)

10. Strategic Planning and Policy

10.1 Therapeutics Product Bill

noted that PHARMAC staff are broadly comfortable with the proposed new regulatory framework outlined in the draft Therapeutic Products Bill, and that staff will be taking an active interest in the development of subordinate regulatory instruments.

11. Regular Reports and Noting Papers

11.1 Legislative Compliance Update

noted the legislative compliance update.

11.2 Communications Report

noted that we are developing a communications and engagement strategy and will report further to the Board in May 2019

noted the content of the February 2019 Communications Report.

12.34pm Sarah Fitt, Chief Executive left the meeting.

11.3 Prioritisation Report

noted the current PHARMAC priority lists of proposals for pharmaceutical funding.

11.4 Expenditure Report

noted the contents of this paper.

11.5 Risk Report and Register

noted the updated risk register.

11.6 Summary of Decisions Made Under Delegated Authority – February 2019

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

12. Committee Reports - Nil

13. Interest Articles

14. General Business

Date of Next Meeting

The date for the next Board meeting is set for Friday 31 May 2019 in Wellington, commencing with the Directors only from 9.30am, and attendees and relevant staff from 10.00am.

The meeting closed at 1.00pm.