

MINUTES OF THE PHARMACEUTICAL MANAGEMENT AGENCY (PHARMAC)

BOARD MEETING MARCH 2020

The meeting was held by videoconference, starting at 8 43am with the following attendees:

Board members

Steve Maharey	Chair
Jan White	Deputy Chair
Ross Lawrenson	Board Member
Nicole Anderson	Board Member
Claudia Wyss	Board Member

PHARMAC staff in attendance

Sarah Fitt	Chief Executive
Lizzy Cohen	Board Secretary

This meeting was limited to Board members, Chief Executive and Board Secretary due to the impacts of COVID-19 and conducted by videoconference

1. Directors' Only Discussion

1.1 Glossary of Terms

1.2 Board Actions

1.3 Board Annual Agenda

1.4 Update on Board Reporting and Record of Board Meetings

noted that engagement with the Board has resulted in a number of proposals to improve the strategic positioning of Board papers, streamline reporting and increase transparency of how the recommendations are formulated and minuted;

agreed in principle, subject to further work with staff to implement the templates, the proposed revisions to Board paper templates;

noted if the Board agree in principle to the proposed revisions, staff will implement the revised templates for the May 2020 Board meeting;

agreed to proposed changes in how the recommendations are formulated and minuted, to ensure recommendations are self-contained;

agreed with the proposal to move to Diligent BoardBooks;

noted that staff intend to look at the Qlik tool to aid in reporting to the Board; and

noted that the proposed changes are in line with other agencies reporting

Claudia Wyss and Ross Lawrenson

(carried)

2. Apologies

David Lui, Observer, CAC Chair
Mark Weatherall, Observer, PTAC Chair
Peter Bramley, Observer, DHB Representative

3. Record of Previous Board and Committee Meetings

3.1 Minutes of February 2020 Board Meetings

resolved to adopt the minutes of the February 2020 meeting as being a true and correct record.

Ross Lawrenson and Nicole Anderson **(carried)**

3.2 Minutes of February Audit and Forecast Committee Meeting

noted the minutes of the February 2020 Audit and Forecast Committee meeting.

Jan White and Steve Maharey **(carried)**

3.3 Audit and Forecast Committee recommendations

noted the verbal update from the Committee Chair

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

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; and

noted a verbal update on the impacts of COVID-19 on staff and PHARMAC operations

8. Key Items

8.1 Risk Report and Register

noted the updated risk register; and

noted added risks re COVID 19 and noted 3 supply chain risks on the register.

8.2 PHARMAC Business Continuity Planning for COVID-19

noted the contents of this paper;

noted that COVID 19 is being run as organisational management rather than a BCP critical incident; and

noted Chief Executive's verbal update on the impacts of COVID 19 on the organisation in the Chief Executives Report.

8.3 Risk in the Supply Chain Update

noted the contents of this paper; and

noted that an update report will be provided to the Board at the September 2020 Board meeting.

8.4 Organisational Development and HR Update

noted the contents of this paper;

noted that this paper is an overview of the work included in the People and Capability Strategy which is scheduled to come to the Board in May 2020; and

noted there will be a delay in the PHARMAC values refresh work due to constraints of facilitating workshops with staff with the current working from home arrangements.

9. Schedule and Funding

9.1 Medical Devices Transaction and Investment Report

noted the contents of this paper; and

noted that there is uncertainty with the impacts of COVID-19 and how this will impact work programme scheduling

9.2 Pharmaceutical Expenditure and Transaction Report

noted the contents of this paper; and

noted that the Chief Executive has identified this as an immediate concern which is fast changing with impact of COVID 19

10. Strategic Planning and Policy

10.1 Draft Statement of Intent 2020/21 – 2023/24 and Draft Statement of Performance Expectations 2020/21

noted the Minister of Health directed PHARMAC to refresh its Statement of Intent in his 2019/20 Annual Letter of Expectations;

noted PHARMAC's draft accountability documents:

- Statement of Intent 2020/21 – 2023/24 (refer to Appendix One);
- Statement of Performance Expectations 2020/21 (refer to Appendix Two)

noted that the draft Statement of Intent and draft Statement of Performance Expectations have been reviewed by the Ministry of Health, Audit NZ and Bell Gully, with material feedback incorporated;

noted that both the draft Statement of Intent and draft Statement of Performance Expectations reflect PHARMAC's proposed new performance framework, (found at the back of the draft Statement of Intent);

noted that the draft Statement of Performance Expectations contains forecast financial information based on PHARMAC's operating budget, which was considered by the Audit and Forecast Committee on 27 March 2020;

noted following feedback from the Board, the draft Statement of Intent and draft Statement of Performance Expectations will be provided to the Minister of Health in early April for feedback;

noted the final draft Statement of Intent and final draft Statement of Performance Expectations will be brought back to the Board for approval at its May 2020 meeting; and

noted that following Board approval at its May 2020 meeting, the Statement of Intent and Statement of Performance Expectations will be presented to the House of Representatives by 30 June 2020.

10.2 Medicine Access Equity Monitoring and Outcomes Framework Implementation Update

noted the first baseline report for Medicine Access Equity based on newly developed methodology by PHARMAC;

noted the next steps of how we plan to use the new methodology for measuring Medicine Access Equity;

noted the other aspects of PHARMAC's Access Equity work programme and its links with the new methodology developed; and

noted that the next phase was to engage with the sector using this discussion document, which will prove to be challenging with the impacts of COVID-19, however there is plenty of work that can be progressed internally eg the methodology.

10.3 Te Whaioranga Māori Capability

noted the Te Whaioranga priority originally named “Cultural Intelligence” has been updated to “Building capability and removing bias”; and

noted the approach and timing to establish a Māori capability programme at PHARMAC.

11. Regular Reports and Noting Papers

11.1 Confidential and Legally Privileged Legal Report

noted the legal report.

11.2 Legislative Compliance Report for Period from 1 August 2019 to 31 January 2020

noted the legislative compliance survey ;

11.3 Communications Report

noted the content of the Communications Report covering January 2020

11.4 Summary of Decisions Made Under Delegated Authority February 2020

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. Interest Articles

13. General Business

The Board thanked staff for their work particularly with the challenges associated with COVID 19. The Board requested continued updates on impacts of COVID-19.

Date of Next Meeting

The date for the next Board meeting is set for Friday 29 May 2020 in Wellington, commencing with the Directors Only from 9 00am, and attendees and relevant staff from 9 30am

The meeting closed at 11.21am.