APPENDIX ONE

PHARMAC
TE PĀTAKA WHAIORANGA

Quarter Three Performance Report
January to March 2025

Highlights for the Quarter Three 2024/5

- We have invested in 27 new treatments and 37 access widenings for implementation in 2024/25. This includes investments both related to, and not related to, the June 2024 budget uplift. These decisions are expected to benefit an estimated 79,000 patients in 2024/25.

- On 27 March, Pharmac opened consultation on a proposal to fund two brands of oestradiol patches from December 2025 - Estradot and Estradiol TDP Mylan.

- We continue to make progress on reviewing funding applications and proposals that are currently inactive. s 9(2)(ba)(ii) [redacted]

- Consultation on the comprehensive list of medical devices began in February. We are seeking feedback on the addition of items we have identified as being in use in hospitals, but not currently on the Schedule. This list would become the Schedule of devices providing transparency and aiding consistent use of medical devices in public hospitals.

- Work is underway on changes to our consideration of, and consultation on, potential brand changes that could occur through our annual tender process.

- This quarter we have experienced a significant increase in enquiries from the general public on a range of issues.

- Work continued to explore options for how our assessment and decision-making processes could take account of societal impacts. We engaged experts from the Netherlands, who are who are helping us test the wider costs and benefits associated with some specific medicines. A report was considered by the Board at its February 2025 meeting and advice provided to the Minister's office.

- Work continued on options for Budget 2025, and we await upcoming Cabinet decisions.

- s 9(2)(h) [redacted]

- The Consumer Engagement workshop report was considered by the Board at its February meeting and publicly released on 10 March.

- The Workplace Culture Report was considered by the Board its February meeting and the Board commissioned further work on priorities and an action plan.

- Two new Board members were appointed (Lucy Elwood and Anna Adams), and Talia Anderson-Town was reappointed.

- The Ministry of Health has completed and provided to Ministers the medical devices review. We continue to engage with Ministers and the Ministry of Health on next steps.

- From 1 March 2025, the Pharmaceutical Schedule will include approximately 178,000 contracted line items from over 140 suppliers. These contracts cover approximately $647 million of annual Health NZ hospital expenditure on medical devices.

- The Ombudsman report OIA timeliness obligations: Compliance and practice in Pharmaceutical Management Agency | Te Pātaka Whaioranga was released in March. The investigation into seven agencies was initiated by the Ombudsman in response to concerns about OIA timeliness. The report suggested 31 action items to help improve Pharmac's OIA systems and processes. We have partially implemented five, and fully implemented 17 action items. We reported to the Ombudsman at end of February. The report is available on the Ombudsman website.[1]

- A Briefing to the Incoming Minster (BIM) was provided to the new Minister of Health, Hon Simeon Brown and published on our website.[2]

Strategic Priority 1: Strategic management of the medicines budget

We are planning and managing our medicines budget (Combined Pharmaceutical Budget) over a medium-term horizon to achieve the best health outcomes and value for the public.

Medicines budget investments

Summary of medicines budget investment decisions to 28 February 2025

We have invested in 27 new treatments and 37 access widenings in 2024/25. Note that this includes investments both related to, and not related to, the June 2024 budget uplift.

Decision type	No. of pharmaceuticals	Estimated patients benefitting 2024/25	Estimated Gross spending 2024/25
Widened access[1]	37	36,994	$83,164,000
New listing[2]	27	42,137	$74,805,000
Total	**64**	**79,131**	**$157,969,000**

1 Changes in access criteria for existing funded medicines, making them more accessible and/or available for a wider patient population(s).

2 Any medicine not currently listed on the Pharmaceutical Schedule and any new presentations (eg tablet, infusion, injection) that represent a significant shift in treatment options for patients.

Improved access to funded cancer and non-cancer medicines

In response to Pharmac's June 2024 budget uplift, we have been progressing a significant number of investments. As at 27 March, enabled by this uplift, a total of 61 new/widened access medicines are at various stages in the funding process:

- consultation is open on proposals for three medicines (three cancer, 0 non-cancer).
- consultation has closed on proposals for eight medicines (two cancer, six non-cancer) for which Pharmac is now considering the feedback.
- decisions have been made on the funding of 50 medicines (27 cancer, 23 non-cancer).[3]

[1] Available at: https://www.ombudsman.parliament.nz/resources/oia-timeliness-pharmac-te-pataka-whaioranga
[2] Available at: https://www.pharmac.govt.nz/news-and-resources/publications/corporate-publications/briefings-to-the-incoming-minister
[3] Further details of the treatments progressed because of the 2024 budget uplift can be found here: https://pharmac.govt.nz/medicine-funding-and-supply/funding-cancer-medicines

We will be focused for the remainder of the 2024/25 year on delivering the remaining commitments the uplift was provided to support. These are treatments for melanoma and prostate cancer.

Funding Decision Highlights

Pharmac is funding six more medicines for cancers and one for antibiotic resistant infections. The following medicines will be funded from 1 April 2025:

- nivolumab (branded as Opdivo) and ipilimumab (branded as Yervoy) for clear cell kidney cancer that has spread
- axitinib (branded as Inlyta) for clear cell kidney cancer that has spread and worsened after trying other medicines
- sunitinib for kidney cancer that has spread at any point of treatment
- inotuzumab ozogamicin (branded as Besponsa) for a type of blood cancer called acute lymphoblastic
- leukaemia that has come back after prior treatment
- crizotinib (branded as Xalkori) for a type of advanced non-small cell lung cancer with an ROS1 mutation
- ceftazidime with avibactam (branded as Zavicefta) for antibiotic resistant infections.

We expect about 180 people with cancer and 30 people with antibiotic resistant infections to benefit from these medicines over the next year.

Pharmac is funding a new progestogen-only oral contraceptive pill called desogestrel (branded as Cerazette) for anyone who needs it from 1 April 2025. Desogestrel is a progestogen-only contraceptive pill. It helps prevents pregnancy when taken within a 12-hour window each day, which is a wider window than other funded progestogen-only pills.

People with liver, ovarian, and neuroendocrine cancers will have access to more medicines from 1 March 2025. We will fund:

- atezolizumab and bevacizumab for liver cancer that can’t be removed by surgery.
- bevacizumab for advanced ovarian cancer.
- lanreotide for neuroendocrine cancers, bowel blockages caused by cancer, and for a growth disorder called acromegaly.

These medicines will give people more treatment options and help them to live well for longer. We expect about 180 people will benefit from bevacizumab, atezolizumab, and lanreotide over the next year.”

Pharmac is widening access to a medicine called denosumab for people with osteoporosis. A higher dose of the medicine will also be funded for people with cancer who have high levels of calcium in their blood. Denosumab helps maintain bone strength, prevents fractures, and keeps blood calcium levels healthy. This is an injection they can give to themselves or can be given by a caregiver. They won’t need to see their health care professional for treatment.

Consultation

Pharmac is seeking feedback on:

- a proposal to fund two brands of oestradiol patches (Estradot, and Estradiol TDP Mylan) – giving New Zealanders greater flexibility in their choice of brand. The public consultation opened on 27 March and closed on 22 April.
- a proposal to fund a new, additional type of insulin for people with diabetes from 1 May 2025. The new medicine (branded as Ryzodeg) is a combination of two other medicines: insulin degludec (an ultra-long-acting insulin) and insulin aspart (a rapid-acting insulin). If the funding proposal is approved the medicine could benefit 13,000 people with diabetes in the first year, increasing to about 18,000 people after five years.

Working in partnership with Health New Zealand

Implementation of our funding decisions is supported by a cross-sector implementation group involving Pharmac, Health NZ, Ministry of Health and the Cancer Control Agency. This has worked well to support implementation of our decisions and we expect this enhanced collaboration to continue.

Implementation update

Our implementation activity supports changes to funded medicines and medical devices, helping to support healthcare professionals, consumers, and their whānau to manage changes to their medicines. Our work also includes reducing barriers to access funded medicines, collaborating with others across the health sector, and promoting the responsible, optimal and equitable use of medicines and medical devices.

During 2024/25 numerous supply issues have been supported, including oestradiol patches, methylphenidate extended-release products to treat attention deficit hyperactivity disorder (ADHD), together with work to support the listings of continuous glucose monitors (CGMs), insulin pumps, oestradiol gel, and lisdexamfetamine.

Our responsible use work has focused on incorporating responsible use activities into our core implementation processes and developing educational and promotional resources around chronic obstructive pulmonary disease (COPD).

We have supported several Schedule changes ensuring timely communication, educational resource development, and sector engagement and collaboration. This includes brand changes from the annual tender.

Enquiries

Enquiries continue to be a pressure point with an average number of enquires between 250 and 400 enquiries a month, many needing complex replies. Pressure has escalated in the last three months with:

- Managing approximately 250 extra oestradiol patch enquiries.
- Managing 970 extra emails asking for daratumumab to be funded in quarter three. We received a total of 1208 emails in February. We have developed a process for future bulk email petitions to mitigate impact.
- Managing emotionally distressed enquiries on medicines or products we are currently unable to fund or supply, including methylphenidate.

Increasing engaging with consumers

We have been steadily increasing our input from, and engagement with, consumers through our procurement processes, including through consumer participation in evaluation of procurement options and from Pharmac staff proactively reaching out to key groups during consultation. The Board will have seen this reflected in decision papers over the past year, for example the decision papers for continuous glucose monitors and bevacizumab.

These changes are important to ensure we can continue to effectively manage the medicines budget, given that this will necessarily require us to make changes to funded medicines to free up funds for new medicines. Retaining our 'social licence' through good engagement is critically important to this work.

Targeting population groups with the highest health need

The potential investments in progress that we expect to have an impact on the health outcomes for populations with the highest health needs are:

- COVID-19 treatments
- COVID-19 vaccines
- ADHD eligibility criteria changes
- Internal condoms and water-based lubricant
- Insulin delugdec/insulin aspart for insulin dependent type 2 diabetes(T2D).

Improving the annual tender consultation process

We are rethinking how we consider, and consult on, potential brand changes that could occur through our annual tender process. We will be using our advisors (eg Consumer Advisory Committee, Tender Clinical Advisory Committee and Specialist Advisory Committees) for more advice around our approach to this work, to understand who the impacted consumer groups could be for each potential brand change and to ensure we understand consumer feedback on brand changes.

s 9(2)(g)(i)

Based on the feedback we have received from notification of the oestradiol patches tender, we consider that reviewing the way we consult, and the resultant delay to decision-making and impact on the medicines budget, is an unavoidable opportunity cost to build trust and transparency, identify and address issues, and improve our approach to meaningful consumer engagement to ensure effective decision making in the context of a potential brand change.

Strategic Priority 2: Enhanced assessment and decision-making

We are improving our assessment and decision-making processes by increasing consumer input and participation; improving timeliness, efficiency and transparency; and updating our approaches to include wider fiscal impacts to whole of Government and how we consider societal impacts.

Considering societal impacts of our work

Pharmac commissioned four pilot societal perspective assessments from Erasmus University in the Netherlands, based on the Dutch Health Economic Guidelines. This followed a presentation by an Erasmus University faculty member on the societal perspective at the 2024 Valuing Life Summit.

Further work on methods is needed before adopting a societal perspective, best achieved through updating Pharmac's health economic guidelines: Prescription for Pharmacoeconomic Analysis and collaboration with overseas agencies who are undertaking similar considerations.

Increasing our consumer focus and patient voice

We have continued to build and test our approach to incorporating consumer voices and experiences into our work. Pharmac staff have engaged with individual consumers or consumer groups about specific funding applications at different points of the process. This involves hearing their experiences and considering how their lived experiences can be shared with advisors as part of the assessment process.

Improving the timeliness and efficiency of our assessment and decision making

While we are aiming to improve the efficiency of our advice and assessment process, an immediate focus is on addressing the high backlog of applications. Additional resources have been brought in to work on the backlog of applications.

Reducing the backlog of applications and proposals

The current combined backlog (both applications and proposals) is 347. (Quarter two was 344.) During this period, priority has been given to progressing proposals following the June 2024 medicines budget funding uplift and working at pace to complete the societal impacts pilot. This occurred against a backdrop of the increasing volume (and increasing complexity) of applications and proposals received.

We have made a significant investment in assessment capacity so that we can eliminate the backlog within the next financial year.

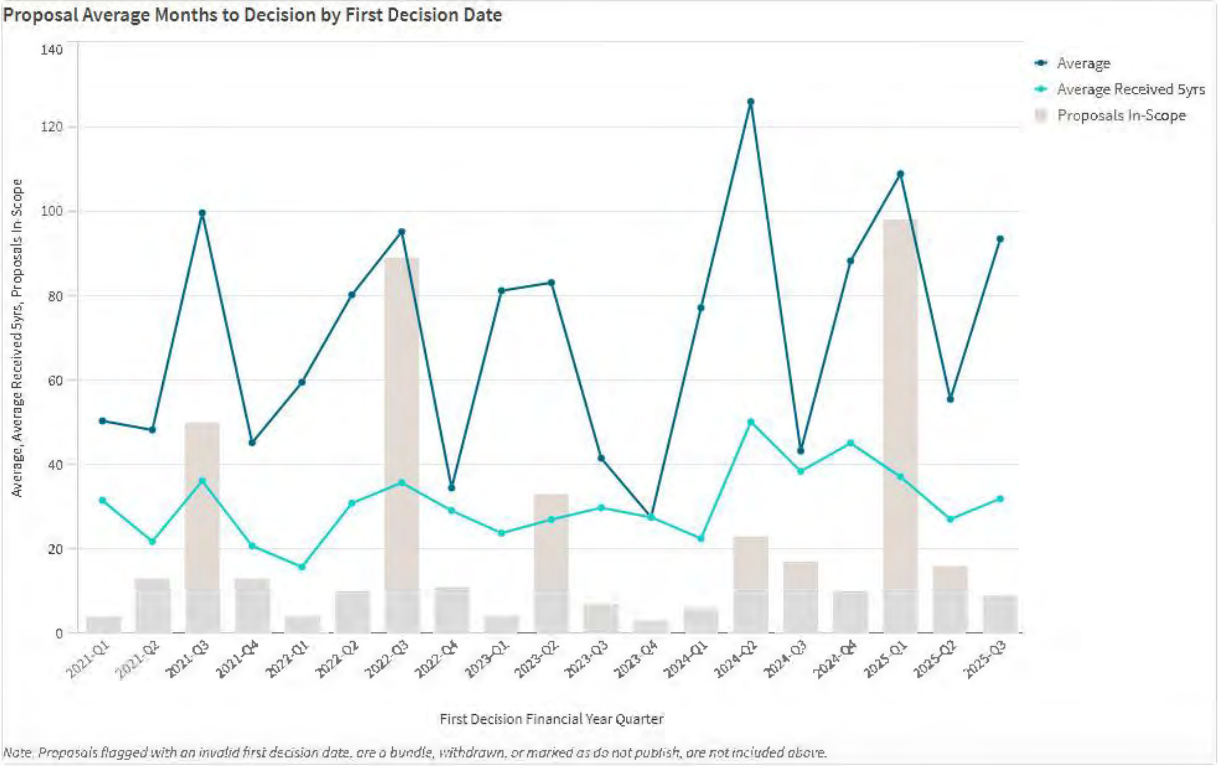
Timeliness of funding assessment

Timeliness of funding assessment (time to rank) is a measure of the time from date of receipt of an application to the date it is placed onto one of our priority lists – Options for Investment, Cost Neutral/Cost Saving or Recommended for Decline. It measures those aspects of the assessment and decision-making process that we have more control over. The blue line records the average time to rank of proposals received in the last five years and more closely reflects current performance. The grey bar in the chart represents the number of proposals ranked during the quarter. The average is 43.8 months. The average over five years is 31.1 months.

While the average may fluctuate, depending on which proposals are prioritised, we anticipate a reduction in the average as the backlog of applications awaiting ranking lessens and our processes become more efficient.

Time to Decision

In this quarter, decisions (to approve or decline funding) were made for 116 in scope proposals, taking an average of 101.2 months overall. The average for applications received in the last five years is 34.8 months. The decrease is due to the large number of positive funding decisions in the first two quarters of this financial year.



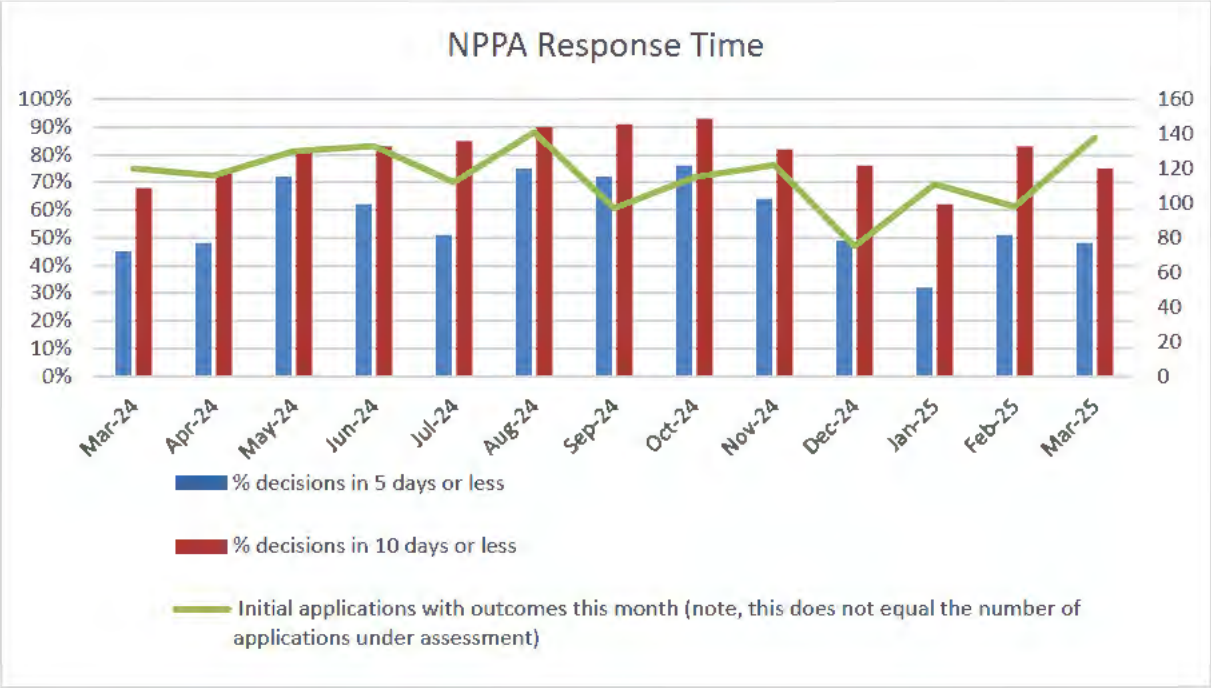
Notes

- Average = average time to decision for funding proposals decided on during the quarter, regardless of when the application was received.
- Average received 5 years = average time to decision for funding proposals decided on during the quarter, only for applications received in the previous 5 years.
- In-scope proposals are those for individual items where a decision has been made, recorded, and available for publishing at time of reporting.

Exceptional Circumstances

We have significantly reduced the backlog of applications awaiting an outcome. A large increase in applications in March saw the list of pending applications briefly return to above 100, however we have utilised new processes to rapidly return the list toward target range. This backlog had been present for a number of years and clearing it has allowed greater oversight of all active applications, reducing the risk of urgent applications being incorrectly triaged.

NPPA applications with an outcome with 10 working days has increased from 62% in January to 75% in March.

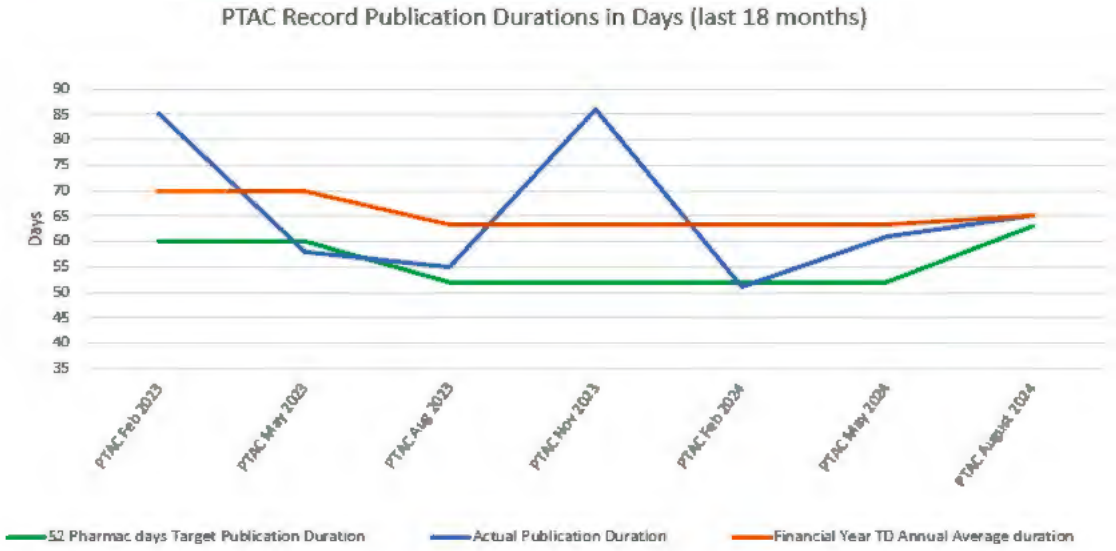


Improving the timeliness of our Decisions (Record Publications)

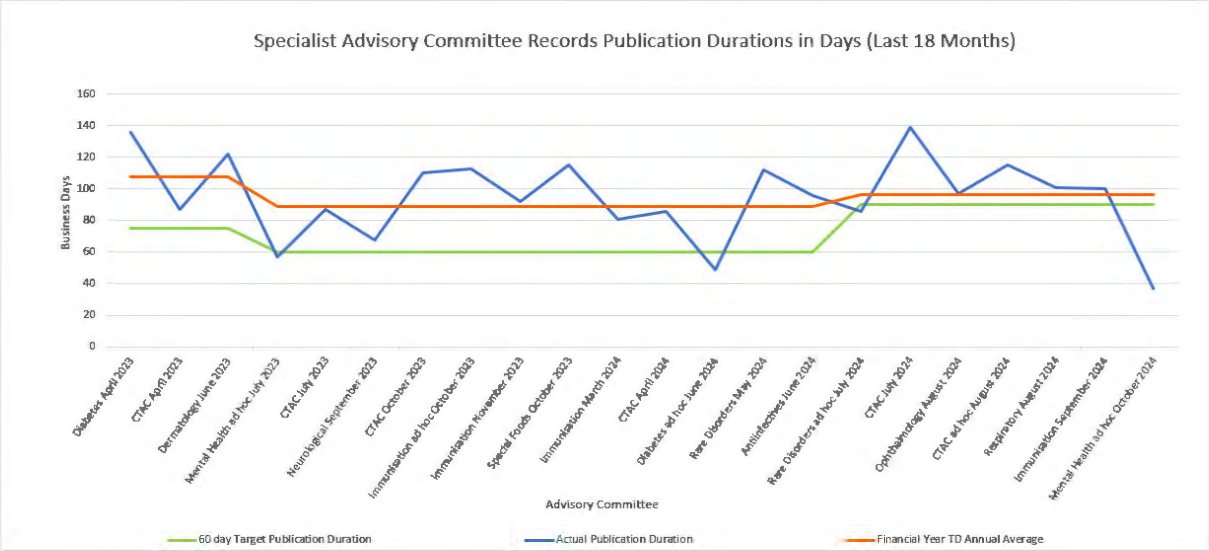
As part of improving the timeliness of our decision-making, we are aiming to improve how (and when) we publish our key committee decisions.

We have now filled additional roles responsible for preparing and finalising the records and we will release provisional summary recommendations at 30 days following each committee meeting, beginning with PTAC May 2025.

Timeliness of PTAC committee records published (18 months)



Timeliness of Specialist advisory committee records published (18 months)



Notes for graphs:

- *Graphs reflect the chronological order of meetings and meetings are not included until records are published.*

Strategic Priority Three: Strategic management of medical devices

We are developing and implementing an integrated approach to hospital medical devices so that we drive better value and more consistent and equitable access.

The new approach drives a new way of managing medical devices used or supplied in hospitals. As the contracts are finalised, Health NZ will be able to determine the mix of products that offers the best value, the priority populations who are best served, and where changes to usage may be required to achieve this.

Engagement

Consultation on the comprehensive list of medical devices began in February. We are seeking feedback on the addition of items we have identified as being in use in hospitals, but not currently on the Schedule. This list would become the Schedule of devices providing transparency and aiding consistent use of medical devices in public hospitals.

There were 3535 views of the website page for the Comprehensive List of Medical Devices during February and March, due to the consultation. We received 432 emails and 241 questions, mainly from suppliers, with a small number from Health NZ, professional healthcare organizations and consumers. A total of 162 consultation responses were received. Supplier engagement for finalizing agreements increased during the consultation period.

Interim medical device advisory group

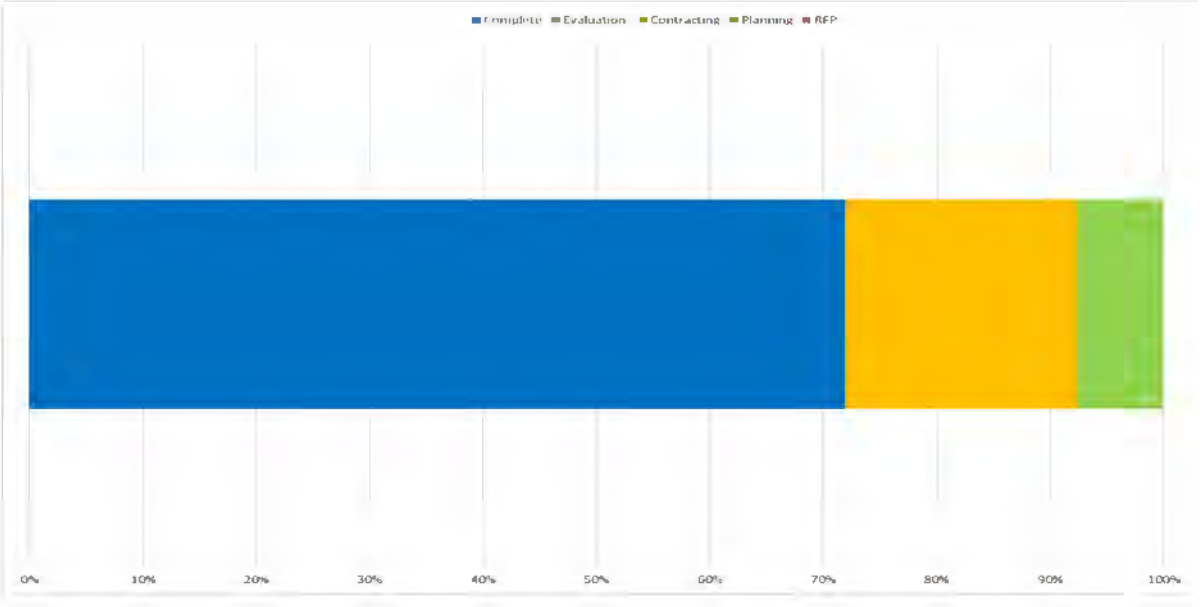
Pharmac has appointed six members to the interim Medical Devices Advisory Group (iMDAG) as part of the first round of recruitment. This group will provide advisory support to inform and develop evidence-based frameworks for medical device health technology assessments (HTAs) and other advice required by Pharmac.

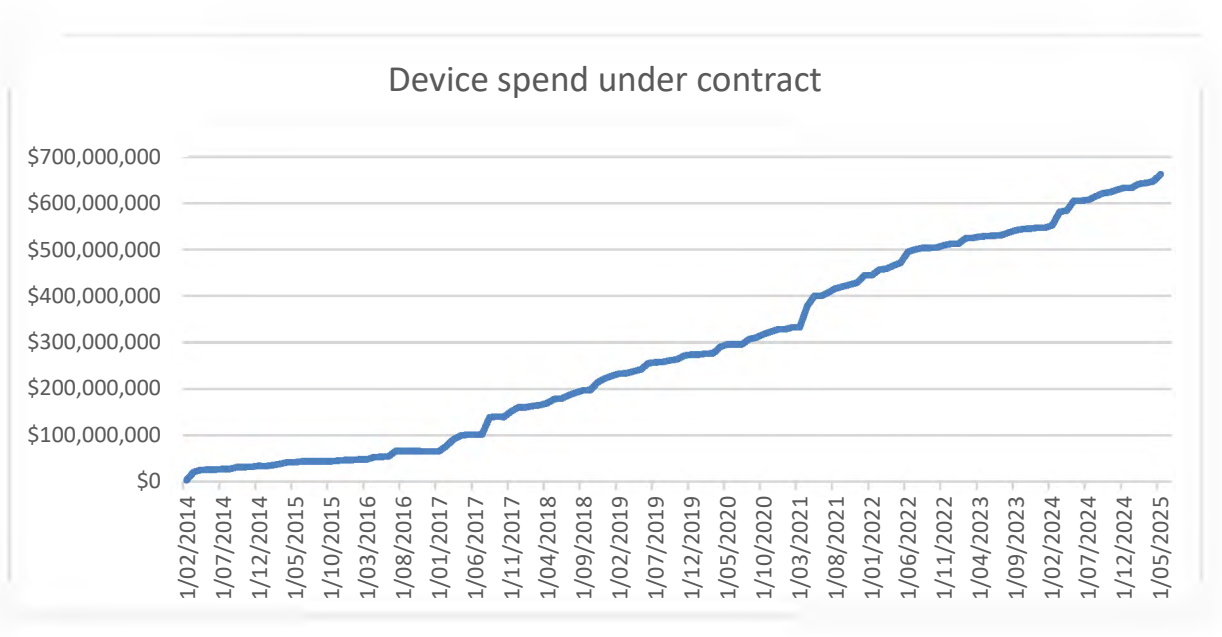
Review of Medical Devices

The Ministry of Health has commissioned a review of Medical Devices work programme. The review will look at the roles and responsibilities of the different agencies who work together across the health system to manage the use of medical devices. Consulting agency Martin Jenkins has been contracted to carry out this review. Advice from the Ministry of Health was provided to the Ministers in late February 2025. We continue to work with Ministers and the Ministry of Health on next steps.

Medical devices spend under agreement

Below is a chart presenting the amount of expenditure that is covered by the Schedule as a proportion of the estimated total on devices. We estimate that approximately 72 percent of devices spend is now under national contract. The second graph shows the growth in coverage over time.





The first Request for Proposals (RFP) following the Registration of Interest (ROI) for Personal Protective Equipment was released. The RFP covers the gowns, aprons and masks sub-categories and is limited to suppliers that met the preconditions set out in the ROI.

Organisational Priorities and Capability

Key highlights and/or progress undertaken in the quarter include:

Policy work

We continue to work with the Ministry of Health on their plan to modernise the regulation of medicines and medical devices by amending and replacing the Medicines Act 1981. This includes providing advice on prescribing lengths, prescribing unapproved medicines and the development of the new Medical Products Bill.

Data and digital strategy

The Board approved Pharmac's data and digital strategy in January 2025. The development of the strategy is the first step in moving towards the future. The strategy describes how optimising data and digital services can enhance delivery of Pharmac's strategic business intentions.

Step One – Development of the Data and Digital Strategy Implementation Plan

- The overall Data and Digital business case and implementation plan is on hold as work is commencing in Q4 on delivery of improved systems and tools for medicines (further detail below).

Step Two – Establishment of the following

- Process and Framework is underway and will go to the Senior Leadership Team for approval during Q4, to establish the cross functional Data Governance Group which may include external members to represent key parts of the sector and specialist professional knowledge. They will begin with new approaches to fit the Data and Digital approach for:
    - Māori Data Governance Approach
    - new Data and Document Classification Framework.

Step 3 - Delivery of the priority activity as laid out in the Strategy Roadmap and Target State.

Q4 will begin the delivery of three projects under the Data and Digital Strategy and they are:

1. ***Redevelopment of the Pharmaceutical Schedule*** - to allow us to manage a single Schedule across community pharmaceuticals, hospital medicines and medical devices,
2. ***Development of a new funding entitlements system*** - to manage both Special Authority and NPPA applications in a single place,
3. ***Development of new portals*** - to better support collaboration and engagement with stakeholders and to make it easier for suppliers to share data and update product information.

Step 4 – Deliver the 2024 – 2029 Roadmap

Through the delivery of the initiatives. Work has begun with staff from all Directorates on a working group to support AI proof of Concepts.

Other activity

- An ongoing reduction in carbon emissions. Pharmac has already reached our carbon emissions target for 2030.

People & capability strategy

The People and Capability Strategy was provisionally endorsed by the Senior Leadership Team in December 2024, subject to the findings and recommendations set out in the workplace culture review report.

The strategic objectives are set out under the following three pillars, with initiatives underway:

Leadership and Culture

- Pharmac's Chief Executive – Sarah Fitt, formally resigned on 28 March. She was Chief Executive for seven years.
- Pharmac leaders and organisational culture are aligned with our values and our public sector role and responsibilities.

- Our leadership and organisational culture enable teams to achieve Pharmac's strategic priorities.
- Our people leader capabilities and organisational culture support Pharmac to build and maintain highly effective teams.
- Our organisational culture is inclusive and supports Pharmac's diversity, equity and inclusion policies.
- We empower and develop leadership at all levels.

Workforce

- We have a workforce plan to address immediate and longer-term resource and capability requirements and address critical skills gaps.
- Our workforce is diverse and represents the communities we serve.
- Our terms and conditions, work environment, and organisational culture attracts and retains the workforce we need.
- We have clearly defined career pathways so employees can map out a pathway to support their career aspirations.
- We foster a workplace that values and promotes health, safety and wellbeing.

Employee Experience

- Our employees feel valued, recognised and respected.
- We recognise the aims and aspirations, employment requirements, and need for involvement of kaimahi Māori.
- Our employees have clear performance expectations and receive regular coaching and feedback.
- Our employees have professional development plans to support their growth and development.

Turnover

Our 12-month rolling average unplanned turnover at the end of Q3 was 18.5% which is a decrease from Q2 (20.1%). Of the 10 permanent staff leavers, 60% left to move overseas. Analysis of exit interviews shows the main reason for employees leaving in Q3 was to move overseas for job and economic reasons. The second most common reason was leaving to pursue other career opportunities. As Pharmac is a small and relatively flat organisation, employees are looking to external agencies to progress their careers.

Diversity, Equity, and Inclusion

The People and Capability team is working to update and publish our Kia Toipoto action plan in early Q4, which includes initiatives to increase the diversity of our workforce and to support an inclusive culture.

Reporting on staffing

As of 31 March 2025, Pharmac had 183 employees (160 permanent and 23 fixed term). The total FTE was 178.35, including three on parental leave and one on long term leave. There were no contractors engaged. 18 positions were vacant.

Our workforce

Below we have provided information about our current workforce and expert advice committees, compared with the previous year. This data is updated every six months - the next update will be July 2025.

Workforce

Ethnicity	23/24 Percentage	24/25 Percentage
European	87%	68%
Māori	9%	9%
Pacific peoples	1%	3%
Asian	12%	12%
Middle Eastern/Latin American/African (MELAA)	4%	3%
Other	6%	24%

Board/Committees
(No change for 2024/25 to date).

Proportion of Māori	22/23 Percentage	23/24 Percentage
Pharmac Board	33%	33%
PTAC & SAC	3%	3%
CAC	33%	33%
RUAC	12.5%	37%

- Māori Health Professional Body scholarships completed for 2024/25. A total of 31 award recipients this round.
- Kaituruki Māori, Board Chair and Director Advice and Assessment/CMO met with members of the Te Manawa Taki Iwi Māori Partnership Board collective. Whakawhanaungatanga had an initial discussion on how Pharmac and the collective might work together on Māori health equity, engagement with communities and medicines access for Māori. Future meetings are to be planned.

Appendix One: Progress against 2024/25 Letter of Expectations

Expectation	Source	Status	Comment
Organisational Culture and Collaboration			
Strengthen partnership work	LoE #1	On track	Independent Report from Consumer Engagement Workshops presented to the February Board meeting and published in March Wide range of activity underway as part of implementation of our Engagement Strategy. Budget 2025 proposal submitted.
Prioritise collaboration with sector	LoE #2	On track	A high level of engagement with the sector on medicines and medical continues (highlighted throughout report).
Report on Culture & Stakeholder Sentiment	LoE #3	On track	The Board receive regular quarterly reports on media sentiment. We participate in the annual public sector index survey. Culture review report received by Board and response under consideration.
Ensure Right Information is going to the Board	LoE #4	On track	Annual Board programme reviewed and agreed.
Role of Pharmac			
Review Pharmac statutory objectives	LoE #5	Started	Initial considerations underway. Await further advice from the Ministry of Health.
Clarify role delineation (assessment & decision-making)	LoE #6	Completed	
Role clarity (Medical Devices)	LoE #7	On track	Review provided to Ministers. Further information recently requested by Ministers.
Prepare Budget requests to support future investment	LoE #8	On track	Budget 2025 work underway.
Methods and processes (including SPE commitments for Assessment & Decision-making)			
Increase participation into decision-making (including consumers and those with lived experience)	LoE #9 SPE	On track	Activities include researching best practice, consumer workshops, recruitment for expert advisory groups, engagement strategy. Response to consumer workshops report under consideration.
Comply with Consumer Quality Safety Marker (CQSM) expectations	LoE #10	On track	March 2025 report submitted.
Report publicly (LoE# 9 & 10)	LoE #11	On track	Embedded into statutory reporting.

Expectation	Source	Status	Comment
Explore new assessment approach (fiscal and societal impacts)	LoE #12 SPE	On track	We are exploring international approaches to health assessment that adopted a wider societal impacts approach. We have now received expert feedback to help inform our future approach. Engaged experts from the Netherlands to test the wider costs and benefits associated with a number of medicines.
Publish agendas/minutes in a timely fashion	LoE #13	Not on track	Agenda and minutes are published currently. Current focus is on addressing the backlog and inactive applications. An improvement programme is yet to commence for publishing agendas and advice records. This work is resource dependent.
Publicly report on timeliness	LoE #14	On track	Embedded into statutory performance reporting and publicly reported.
Improve timeliness of assessment & decision-making	SPE	On track	Work on backlog, inactive applications, NPPA processes, and streamlining front-end (rapid) assessment processes.
Increase transparency of assessment & decision-making	SPE	Started	Online information is improving (including trackers) with plain language explanations increasing.
Harness innovation in the use of the medicines budget	SPE	Started	Societal impacts work underway. Budget 2025 bid in progress.
Strategic Management of Medicines and Devices (SPE commitments)			
Work with Health New Zealand to increase access to cancer treatments and other medicines	SPE	On track	Progress tracked and reported via online (web tracker). We are working closely with Health NZ, the Cancer Control Agency and Ministry of Health to plan implementation.
Promote sustainability of our current portfolio of funded medicines	SPE	On hold	Approach has been developed. Plans to test the approach are currently on hold due to available resource focused on funding new medicines from the June 2024 budget uplift as fast as possible.
Update and develop our commercial approach	SPE	On hold	Focus has been on supporting new investments.
Improve reimbursement arrangements for medicines	SPE	On hold	Planning underway to improve reimbursement arrangements for medicines used in hospitals.
Comprehensive list of medical devices that hospitals are using	SPE	On track	Consultation on proposed additions to the Pharmaceutical Schedule based on Health Sector Catalogue information in February.
A category management approach for hospital medical devices	SPE	Started	Ongoing engagement with Health NZ on category management roles. Work begun on category plans in several areas including dialysis, and some surgical devices. Renal dialysis advisory group being established to support this work.

Expectation	Source	Status	Comment
A national assessment process for hospital medical devices	SPE	Started	Under development – with An Interim Medical Device Advisory Group (IMDAG) established. Two assessment process pilots completed. Work with HNZ on service design and processes being planned.
New IT system to support our medical devices work.	SPE	On hold	Proposal developed – Board agreed to defer pending Ministry of Health review of medical devices.
Health System Priorities			
Give effect to the Government Policy Statement on Health	LoE #15	Completed	Alignment captured in SPE and captured in refresh of the SOI.
Support Government priorities & targets	LoE #16	On track	Commitments captured refreshed in SOI. SPE 2025/26 under development.
Work with Health NZ on Health Plan	LoE #17	Delayed	Delayed by Health NZ.
Work with Ministry of Health on rare disorders	LoE#18	On hold	Rare Disorders Strategy published. Awaiting implementation plan/approach from Ministry of Health/Health NZ.
Accountability			
Complete 2024/25 Statement of Performance Expectations	LoE #19	Completed	2024/25 SPE completed. Published on website.
Refresh Statement of Intent (SOI)	LoE #20	Completed	SOI 2024/25 – 2027/28 published in December.
Progress Pharmac review actions	LoE #21	Started	Embedded into statutory performance reporting.

Appendix Two: Summary of performance measures

No	Performance measure	2023/24 result	Q3 result 2024/25
1	Increase in the number of New Zealanders receiving funded medicines. (A)[4]	4.1 million New Zealanders	Result calculated at year end
2	Increase in the number of new medicines funded. (A)	12 new treatments funded	27
3	Access is widened to an increased number of medicines that are already funded. (A)	16 access widenings	37
4	Increase the estimated number of New Zealanders benefitting from new medicines funded. (A)	19,851 additional New Zealanders received new medicines	Q2 = 79,074 additional New Zealanders received new medicines Q3 estimate for 24/25 is total of 79,131
5	A reduction in the average time to assess and rank new applications. (A)	Average is 54 months Average over 5 years is 23.7 months	Average is 33.5 months Average over 5 years is 22.8 months
6	A reduction in average time to publish PTAC and sub-committee records (SAC). (A)	PTAC = 63 days SAC = 90 days	Targets for 24/25 are PTAC: less than 70 days (14 weeks). Advisory panels: less than 108 days (22 weeks)
7	Average time from funding application to decision date.	38.6 months average for applications received in last 5 years	Average of applications received for last 5 years at end of Q3= 27.4 months
8	Percentage of decisions Named Patient Pharmaceutical Applications made within 10 working days.	68%	Q1 90% Q2 76% Q3 75%
9	The number (volume) and range (mix) of medicines have increased over time within budget.	In 2023/24 and 2022/23 volume and mix went up relative to the cost.	Result calculated at year end
10	An increase in Māori trust and confidence (external survey)	Advocates 11% (23/24) Critics 2023/24 = 31%	Result available at year end
11	Increased public trust in Pharmac (external survey)	2023 = 59 2024 = 60	Result available at year end
12	Assessment of consumer engagement (based on the Consumer Quality Safety Marker (CQSM) self-assessment)	Self-reported scores Engagement: 3 Responsiveness: 2 Experience: 2	Self-reported scores Engagement: 3 Responsiveness: 2 Experience: 2
13	A comprehensive list of medical devices on the Pharmaceutical Schedule by 30 June 2025	New measure	Consultation on which products we propose to add to ensure the list has been released and responses received

[4] (A) = Appropriation measure

No	Performance measure	2023/24 result	Q3 result 2024/25
14	Manage expenditure on hospital medical devices under Pharmac contract to within 1.5% of budget for the year. (New measure)	New measure	Price variance agreed for implementation in Q3 increases this to 0.5%. On track to be well within target. Variance is expected to fluctuate during the year due to commercial activity and price volatility