

2022 Pharmac Review recommendations and progress update – July 2025

Key

“Completed” - the action was completed as per the recommendation

“Closed” – the action is not progressed as it has been superseded, or the recommendation was not supported by the Government response.

Note: While an action may have been completed or closed, Pharmac continues to look for opportunities to enhance its processes and work.

Panel recommendation for the Minister of Health	Response and summarised description
Governance and accountability	
1. Change the Pae Ora (Healthy Futures) Bill that Pharmac’s best health outcomes objective includes securing equitable health outcomes for Māori and other populations.	Closed The Government did not amend Pharmac’s statutory objective as part of the Pae Ora (Healthy Futures) Act 2022 introduced in July 2022. However, the Minister of Health is currently reviewing the Act and there may be future changes.
2. Make explicit the expectation that in seeking the best health and equity outcomes, Pharmac must work collaboratively with Manatū Hauora, Health NZ, and the Māori Health Authority.	Completed Pharmac has to give effect to the health sector principles in the Pae Ora (Healthy Futures) Act 2022 which includes “collaborating with agencies and organisations to address the wider determinants of health”.
3. Ensure all health system guiding principles in the Bill apply to Pharmac.	Completed Pharmac has to give effect to the health sector principles in the Pae Ora (Healthy Futures Act 2022.
4. Amend Pharmac’s functions: a. Transfer responsible use of medicines to Health NZ and Māori Health Authority. b. Enhance its role as the lead advisory agency in security of supply for pharmaceuticals.	Closed 4a. The recommendation was not agreed by the Government in the 1 June 2022 Government response to the Pharmac review. 4b. Pharmac continues to manage medicines and medical devices supply issues working collaboratively with suppliers, the health sector and other government agencies.

Panel recommendation for the Minister of Health	Response and summarised description
5. Agree that the membership of the Consumer Advisory Committee should be appointed by the Minister.	Closed Section 71 of the Pae Ora (Healthy Futures) Act 2022 requires Pharmac to have Consumer Advisory Committee and that members are appointed by the Pharmac Board.
6. Direct Manatū Hauora to develop an updated medicines strategy in consultation with stakeholders (including Māori, Pasifika, disabled people) on its contents over the next 12 months.	Closed Reprioritised by the Associate Minister of Health
7. Require Pharmac to improve the transparency and accessibility of its systems, processes, resources, and communications to allow disabled people to participate and contribute on an equal basis.	Ongoing We have completed an internal evaluation to understand the current state of our systems, processes, resources, and communications for disabled people. Work is underway with Whaikaha, Disabled Peoples Organisation coalition, and other government agencies to develop a targeted work programme to share tools and guidance to improve processes and resources. This includes the provision of communications in alternate formats to improve participation for disabled people. While resource constraints have impeded progress, our intention remains to work across the sector and with consumer groups to progress this work.
8. Require Pharmac to ensure its contractual obligations do not preclude sharing of commercially sensitive information with key monitoring agencies such as Health NZ, the Māori Health Authority and the Treasury.	Completed Pharmac shares information with other agencies, such as the Ministry of Health, Health NZ, Treasury, and Audit NZ for the purposes of monitoring, audit, implementation, and collaboration. Pharmac negotiates with global pharmaceutical companies and our preference where possible is always for visible pricing. However confidential pricing is a common practice in the pharmaceutical industry globally and often involves complex pricing strategies such as rebates, volume discounts and bundling. In 2024 we worked with Medicines New Zealand to update the confidentiality clauses in Pharmac's contracts to ensure they meet the needs of both industry and Pharmac. The Pharmac Review considered Pharmac's pricing performance within our operating environment and conducted analysis on a comparison of list prices for the top 10 medications by prescription volume. The Review highlighted that New Zealand has significantly lower prices than the median for all medicines except paracetamol and salbutamol. More details about this analysis are included in the Final Pharmac Review report .

Panel recommendation for the Minister of Health	Response and summarised description
	<p>Following the June 2024 increase to the medicines budget, 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.</p>
<p>9. Direct Pharmac and other agencies in the health sector to review how the different operating approaches used in the COVID-19 response could be applied to business as usual, including working collaboratively and speedily, sharing data, and using streamlined processes.</p>	<p>Completed</p> <p>The Government Response to the Pharmac Review noted that a governance and accountability mechanism is required to ensure responsiveness and achieve best outcomes for immunisation across all health sector contributors.</p> <p>In July 2022, Cabinet agreed to transfer COVID-19 vaccine purchasing and portfolio management to Pharmac (this occurred from 1 July 2023). It was agreed that Pharmac would work collectively with other health agencies as part of the National Immunisation Programme. In November 2022 Cabinet agreed to a new governance mechanism for the immunisation system, consisting of the “Immunisation Oversight Board”, the “Immunisation Outcomes Collective” and the “National Immunisation Technical Advisory Group”.</p> <p>There is a memorandum of understanding in place that outlines the roles and responsibilities for vaccine purchasing and funding (including COVID-19) between the health sector agencies (Pharmac, the Ministry of Health, and Health New Zealand).</p>
Decision-making	
<p>10. Direct Pharmac to develop an integrated analytical framework for the assessment of pharmaceuticals that incorporates:</p> <ul style="list-style-type: none"> a) Enhanced cost-benefit analysis with strengthened distributional elements. b) Strengthened equity analysis in all its decision-making processes. c) Reviewing and revising the factors for consideration to ensure a proper analytical framework for their application, which can be demonstrated to make a material impact on the outcomes of funding decisions and advance the agency’s equity goals. 	<p>Partially completed</p> <p>Pharmac has a strategic priority to enhance its assessment and decision-making processes. Summary status as follows:</p> <ul style="list-style-type: none"> 10a. Completed Pharmac reviewed cost-benefit analysis/distributional analysis. 10b. Completed Equity is factored into assessment and decision-making. Ongoing work programme in effect to identify incremental improvements. 10c. Closed A review of factors for consideration has not been undertaken as it has been superseded by 2024/25 Letter of Expectations.

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<ul style="list-style-type: none"> d) More formal structure to consider the prioritisation of the options for investment list currently performed by Pharmac staff, with greater input from its advisory committees. e) More generally, role clarity at each step of the decision-making process, including what information should be taken into account when preparing material to support decision. 	<p>10d. Ongoing While Pharmac's specialist advisory committees do not currently participate in the prioritisation process, PTAC routinely reviews the Options for Investment List. Pharmac is considering enhancements to its assessment and decision-making processes as part of the upcoming Reset programme.</p> <p>10e. Completed We have documented processes in place across our assessment and decision-making processes and regularly review these. New expectations outlined in 2024/25 Letter of Expectations to "consider wider fiscal impacts to government of funding a medicine or medical device and to consider societal impacts" have also been integrated into the work programme.</p>
<p>11. Have stronger oversight by the board of pharmaceutical investment decision-making, with a focus on what is not funded alongside what is funded. This should include:</p> <ul style="list-style-type: none"> a) Ongoing quality assurance oversight of the investment decision-making process. b) Regular evaluations of the impact of investment decisions and assurance that the pharmaceutical schedule more generally is advancing Pharmac's objectives, including those of achieving equitable health outcomes. 	<p>Completed New Board Chair appointed in May 2024 and new Board members appointed in March 2025. Regular reports provided to the Board on medicines and medical devices transactions and decisions as well as quarterly prioritisation activity update reports. These reports have been strengthened to reflect Board requirements.</p>
Cancer medicines	
<p>12. Agree cancer pharmaceuticals should be considered like other pharmaceuticals. The emphasis needs to be on severity of disease, clinical alternatives and cost for benefit.</p>	<p>Closed Superseded by new Government expectations in the 2024 – 2027 Government Policy Statement on Health and Pharmac's 2024/25 Letter of Expectations.</p>
<p>13. Notes the review considered ring-fenced funding for cancer but believed that would lead to prioritising over other conditions.</p>	<p>Closed The recommendation was not agreed by the Government in the 1 June 2022 Government response to the Pharmac review.</p>

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<p>14. Direct Pharmac and Te Aho o Te Kahu to develop a partnership to enable closer integration with the cancer health sector, with a focus on ensuring equitable access to funded cancer medicines.</p>	<p>Completed</p> <p>Pharmac and the Cancer Control Agency (Te Aho o Te Kahu) signed a memorandum of understanding in 2023.</p> <p>The Government provided Pharmac funding of \$604 million over four years in June 2024 to progress funding of new and widened access to cancer and other medicines. We have funded an additional 33 cancer medicines to date.</p> <p>Implementation of Pharmac's funding decisions is supported by a cross-sector implementation group involving Pharmac, Health NZ, Ministry of Health, and the Cancer Control Agency.</p>

Panel recommendation for the Minister of Health	Response and summarised description
Rare Disorders	
<p>Direct Manatū Hauora to:</p> <p>15. Lead the development of a rare disorders strategy to coordinate efforts to address and improve the lives of people with rare disorders. This strategy will need to:</p> <ul style="list-style-type: none"> a) Agree an official New Zealand definition of rare disorder. b) Be a system view and based on a commitment to ensuring more equitable access to appropriate healthcare services from diagnosis through to treatment and other supports. c) Consider the challenge of funding medicines for rare disorders, taking into account the increasing scale of the problem and the impact that this will have on health services more generally. 	<p>Completed</p> <p>The Ministry of Health published the Aotearoa New Zealand Rare Disorders Strategy in July 2024. Pharmac is reviewing its Rare Disorders policy settings to align with the strategy and the agreed definition of a rare disorder. This work should be completed in July 2025.</p>

<p>Direct Pharmac to:</p> <p>16. Fully adopt the recommendations of the RFP pilot evaluation¹:</p> <ul style="list-style-type: none"> a) Pharmac's Rare Disorders Advisory Committee needs to meet frequently enough to undertake and/or consider horizon scanning. b) Pharmac needs to demonstrate it is acting on the recommendation to have in place more regular calls to suppliers seeking applications. <p>17. Support the chair of the Rare Disorders Advisory Committee to ensure the right expertise is invited to provide advice on applications where there is currently no member of the committee covering that specialism. This may mean involving experts from other countries.</p> <p>18. Involve the lived experience of patients with rare disorders in the decision-making process.</p> <p>19. Extend the role of the Rare Disorders Advisory Committee to monitor and review pharmaceuticals once funded, to gauge their efficacy. This could be achieved through the development of a register for funded medicines.</p> <p>20. Become more transparent about the decision on applications for rare disorders, including under exceptional circumstances.</p> <p>21. Formalise the discretion currently applied within the exceptional circumstances process to minimise barriers to access for rare disorders, including greater clinical oversight.</p>	<p>16a. Completed The Rare Disorders Specialist Advisory Committee meets annually with the last meeting held on 10 June 2025.</p> <p>16b. Completed Once a year Pharmac invites pharmaceutical suppliers to submit funding applications for medicines for rare disorders.</p> <p>17. Completed Pharmac's Rare Disorders Advisory Committee members' specialties currently include paediatric gastroenterology and hepatology, metabolic disorders, neurology, and genetics. Recruitment for additional expertise is planned for 2025. Where expert advice is required from other specialities Pharmac source this accordingly. For the 2025 meeting, additional experts were invited for specific agenda items to support discussions.</p> <p>18. Ongoing We have previously invited patients with lived experience to present at the Rare Disorders Specialist Advisory Committee. Listening to feedback and working closely with Rare Disorders New Zealand, for the 2025 meeting we sought patient lived experience in written and video formats to share with the Committee before the meeting. We also have a consumer representative as a member of the Committee.</p> <p>19. Not implemented The extension of the Rare Disorders to monitor and review pharmaceuticals once funded is not the intent or remit of any of Pharmac's Specialist Advisory Committees. Pharmac has broader work underway with other health entities to review the impact of some medicines once funded. The development of a register for funded medicines is a health-system wide initiative and would be best considered as part of a medicines strategy (refer to recommendation 6).</p> <p>20. Ongoing We publish records of all Specialist Advisory Committee meetings, including the Rare Disorders Specialist Advisory Committee. We also publish NPPA outcome data, including Exceptional Circumstances decisions, on our website. Work continues to improve the timeliness and transparency of our clinical meeting records.</p> <p>21. Ongoing Pharmac is considering a review of its Exceptional Circumstances Framework. This will be considered as part of our upcoming reset programme. We have increased the number of clinicians on our NPPA Advisory Panel from 5 to 15 to provide a broader level of clinical expertise.</p>
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Vaccines	
<ul style="list-style-type: none"> 22. Transition prioritisation of vaccines and their eligibility criteria to the newly established Interim Public Health Agency (PHA). 23. Direct the Interim PHA to consider equity as part of the processes they adopt. 24. Pharmac should continue to negotiate the price, supply and terms of conditions of supply, but should no longer decide which vaccines are listed on the schedule or the eligibility criteria. 25. Transition these new arrangements over a sufficient time period to enable the Interim PHA to establish the requisite capability. 26. Direct Manatū Hauora, the Interim PHA and Pharmac to revise the memorandum of understanding to reflect clear roles and functions, including the primacy of the Interim Public Health Agency in ensuring the vaccine schedule is up-to-date and relevant to the health needs of New Zealanders. 27. Allocate responsibility for overseeing the entire vaccine supply chain to Health NZ. 	<p>Closed</p> <p>The seven recommendations were not agreed by the Government in the 1 June 2022 Government response to the Pharmac review.</p> <p>New health sector wide arrangements in place from 2023 for the governance and management of vaccines in New Zealand.</p>

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Medical devices	
<p>29. Transfer cataloguing and contracting medical devices from Pharmac to Health NZ, which is better placed to manage procurement and supply chain for medical devices.</p> <p>30. This transition should happen at the speed Health NZ determines.</p> <p>31. Direct Pharmac to work with Health NZ to complete the work to design the health technology assessment process.</p> <p>32. Any ongoing role for Pharmac in medical devices (for example in technical evaluation or as a purchasing agent) is a matter for Health NZ to consider and agree with Pharmac.</p>	<p>Closed</p> <p>The four recommendations were not agreed by the Government in the 1 June 2022 Government response to the Pharmac review.</p> <p>Pharmac's 2024/25 Letter of Expectations included an action where the Associate Minister of Health indicated that he would like to work with the Board and the Ministry of Health on 'the role that Pharmac is playing in the value assessment and procurement of medical devices'.</p> <p>The Ministry of Health commissioned a review of the medical devices programme which will support the provision of advice to Ministers in late May 2025.</p>
Responsible Use	
<p>33. Agree Pharmac's role in optimising the use of medicines should focus on ensuring medicines are assessed with an equity approach and undertaking any agreed activities that follow on from the proposed medicines strategy and associated action plans.</p>	<p>Closed.</p> <p>Superseded by new Government expectations in the 2024 – 2027 Government Policy Statement on Health and Pharmac's 2024/25 Letter of Expectations.</p> <p>Also refer to action 6 on medicines strategy that has been referred to the Ministry of Health</p>