Minutes of the PHARMAC Consumer Advisory Committee (CAC) meeting
Wednesday 24 October 2012

The meeting was held at PHARMAC, 9th floor, 40 Mercer St, Wellington from 9.45 am.

Present:

Kate Russell	Chair
Anne Fitisemanu	Deputy Chair
Anna Mitchell	CAC member
Maurice Gianotti	CAC member
Moana Papa	CAC member
Jennie Michel	CAC member
Barbara Greer	CAC member
Shane Bradbrook	CAC member

Apologies:

Katerina Pihera	CAC member

In attendance:

Bryce Wigodsky	PHARMAC (CAC Secretariat)
Jude Urlich	PHARMAC (Management Team representative)

Steffan Crausaz, Dilky Rasiah, Kaye Wilson, Mary Chesterfield, Fiona Rutherford, Lisa Williams (PHARMAC staff) and David Graham (National Health Committee) attended for relevant items.

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1. Minutes of July 2012 meeting

The Chair reviewed the 12 July 2012 minutes. The Committee confirmed the minutes as true and accurate.

K Russell/B Greer

2. Chair's Report

There is not a great deal to report to this meeting in terms of what has occurred at Board level since we last met. Board meetings have become a lot shorter of late, which is, I think, a combination of a slightly lighter schedule of discussion items but also a determination on the part of the Board to get through more work in a shorter time frame. As at the last three meetings I have attended, I have not been asked for consumer input on any items and have stuck strictly to the observer role. In fact on two occasions it has been suggested that I not attend due to the light nature of the agenda.

I have received confirmation that our response to the OPP consult has been received and is being considered.

Bryce has asked us to comment on the Health Practitioners Competence Assurance Act. Clearly there is importance to have a consumer viewpoint on this as the Act does affect consumers but as stated in my email, I struggle to be able to give a clear answer when there are key facts that are not to hand in the paper provided. I will be interested to hear other member's views on this.

I have also received from Katerina confirmation as requested regarding the desire to have our Annual Plan align with Pharmac's strategic objectives. I do not consider that any further work is needed on this item as we are able to monitor our work for 'fit' with Pharmac's direction as we go and as work/ discussion arises. In fact, I doubt that Pharmac would ask us to comment on items where it did not see a clear fit and as much of our discussion is reactive in nature, to questions directly raised by Pharmac staff about specific work streams, I think we can be assured that this is happening as a matter of course.

I have recently attended (not in my CAC capacity but as the CEO of CFANZ) an RMI mini conference regarding future access to medicines at which Steffan spoke. I confess I felt the meeting was somewhat of a talkfest where no concrete discussion or resolutions resulted, but a consumer talk re Diabetes vis access to meds was a highlight of the day.

I am concerned about the tightening up of our meeting schedule to now be restricted to effectively a three-hour meeting (allowing for coffees/ lunch etc). This tight timing results in only 20 – 30 minutes allowed for many items where, in my opinion, robust discussion simply cannot be established.

I have been told by Pharmac staff that this relates to the Board's need to hold tighter and more effective meetings. However, I think we need to remind Pharmac that this group only meets a very few times a year and as such, our need to reconnect and take more time to discover each other's viewpoint on items upon which we are expected to give guidance should be allowed for in the meeting timing.

I do not consider the timeframe for this meeting to be sufficient and as an advisor I do not like to feel like I am being rushed to give ill-considered counsel. In fact, to do so, starts to smack a little of 'box ticking' – something I believe Pharmac must be wary of with all the good gains it has made in consumer confidence in recent years. Adding another couple of hours to our agenda, costs little more, but gives us some space to fully consider what we are being asked to develop an opinion on. Again, I would be interested to hear the opinions of others at this meeting.

Kate Russell

The Committee discussed members' concerns regarding the shortened length of recent meetings. The Committee commented it wants to ensure that meeting costs are maximised and that time is not wasted. Members noted that three hours of discussion was not sufficient, especially in cases where discussion papers were not able to be included in the meeting's packs and are handed out at the meeting.

Members expressed concerns that the public may begin to perceive the Committee as being used for "box ticking" by PHARMAC.

The Chair clarified for members that the CAC's role at PHARMAC Board meetings is that of observer. The Deputy Chair commented that the Board Chair is conscious of the CAC representative's role at the Board meeting as providing a consumer perspective and involves the CAC representative in discussions where appropriate.

3. Matters arising

The Committee continued its discussion of meeting lengths. PHARMAC staff clarified the agenda setting process – the CAC Secretariat seeks discussion items from PHARMAC staff and discusses with those staff how much time may be needed. PHARMAC staff clarified that when draft agendas are distributed to the Committee, members can provide their views on discussion items and times. Members noted this was the first time they have been informed that they can help set the

Committee's agendas. Members discussed the regular "Grapevine" session as being a good opportunity for open discussion for members to raise matters to be discussed and to focus on Action Point items carried forward.

Staff clarified that CAC meeting lengths are not determined by the length of PHARMAC Board meetings, rather this was an example to illustrate similar actions taken in other PHARMAC work.

3A. Interests register

No interests relating specifically to items on the July meeting agenda were declared.

3B. Action points

The Committee reviewed and amended the action points.

The Committee moved Items Carried Forward 2 and 9 to Standing Items.

The Committee agreed to merge Items Carried Forward 3 and 5 together, and to amend Item 5 to reflect that the NZ Guidelines Group is no longer in operation.

The Committee agreed that Items Carried Forward 6, 7 and 10 are achieved.

The Committee noted its desire to have a representative from the Health Quality and Safety Commission present at the next CAC meeting. Members discussed the HQSC's new project on patient safety and its relevance to the Committee.

Members discussed and agreed to seek out connections with other government and private sector consumer advisory groups. Members noted that many District Health Boards have such groups. Members agreed to contact their local DHB consumer groups and request to observe their meetings. Members will also develop a short list of questions to ask these groups to gather information to help the CAC's work. Members will then present their perspectives of these meetings at a future CAC meeting.

Members discussed the perception among many decision boards that consumer advisory groups can become lobby groups that present barriers to decisions. One member noted she had been approached on this subject and asked about the CAC's relationship with the PHARMAC Board. She stated she noted that the CAC acts as an advisory to the Board and a conduit for reaching consumers, rather than a lobby group.

3C. Correspondence

The Committee noted correspondence to the Committee and the replies. PHARMAC's Correspondence Report was inadvertently left out of members' meeting packs, and provided separately later in the meeting.

3D. Grapevine

Due to time constraints, the Committee was unable to discuss Grapevine issues. Note the discussion of the Grapevine session in section 3 above.

4. The National Health Committee

David Graham from the National Health Committee (NHC) spoke with the CAC about the NHC. Mr Graham provided information on the background, establishment and functions of the NHC. He explained that the NHC is focused on assessing and prioritising new health technology, these being generally services and models of care rather than devices and pharmaceuticals. He stated the NHC aims to achieve national consistency and improved value for money.

Mr Graham and the CAC discussed some case examples of how the NHC approaches relevant issues.

Mr Graham noted the NHC needs to ensure it clearly explains to consumers the outcomes of different interventions to assure them that the right choices are made and that cost is not the sole consideration. He stated the NHC seeks to save money based on good health interventions and evidence.

A CAC member queried how the NHC can capture data on patients who are not currently involved in a particular service, but need to be. The member stated this is an issue for all sectors, not just NHC and health.

The CAC and Mr Graham discussed the role of consumer engagement in the NHC's work. Mr Graham stated the NHC is early in its work and consumer engagement has not yet been a focus, but it is a key aspect of its future work. The CAC recommended the NHC ensure it engages with the right group of consumers to get broader views included. Members noted that many mechanisms for accessing consumers are already in place that the NHC could take advantage of.

Mr Graham noted the NHC is considering establishing a system where people can engage when they are ready, not only when the NHC dictates that engagement should occur. CAC members noted the NHC could message its engagement on the basis of minimising waste rather than cost-reduction. Members also recommended the NHC use consumer representatives as pathways to engaging with the wider group of consumers rather than as a representative group of consumers.

CAC members suggested the NHC attempt to capture the whole cost of a condition, not just the cost of specific treatments. Members note this would include the ongoing costs to patients. Mr Graham replied that while the NHC has not yet looked at such factors, it was an interesting one possibly worth pursuing. The NHC has begun looking into similar work being done overseas that examines the range of potential health interventions across a disease state.

CAC members noted the Committee is available to continue providing feedback to the NHC as it develops its consumer engagement processes.

5. Session with the Chief Executive

The PHARMAC Chief Executive (CE) discussed PHARMAC's expanded role in managing medical devices with the Committee. The CE noted that PHARMAC is one player involved in one aspect of Health Benefits Ltd's Finance, Procurement and Supply Chain business case that DHBs have endorsed.

The CE noted that PHARMAC's current work involves looking at short-term procurement opportunities to bring about national consistency in patient access and to save DHBs' money, as well as developing the processes and systems for long term national management of medical devices. The CE noted that to do this, PHARMAC is building an internal team and undergoing recruitment and

operational design change to give effect to this new work. The CE suggested CAC members could begin considering the role of CAC in PHARMAC's medical devices management work.

The CE noted his attendance at the recent Health Sector Forum.

The CE updated the Committee on the changes to funding arrangements for diabetes management products. He noted PHARMAC is currently implementing the changes, but that most patients on a funded blood glucose test meter do not need to change anything at this time. The CE noted PHARMAC is soon beginning its patient information events, called "Meet Your Meter", to occur in a number of different locations across New Zealand. PHARMAC staff added that PHARMAC is working with an event management company to develop Meet Your Meter events specific to Māori and Pacific peoples.

CAC members noted PHARMAC could also hold its Meet Your Meter events at high volume places such as malls and local markets.

The CE noted that, due to technical issues, PHARMAC decided to change the newly funded insulin pump from the Animas 2020 to the Animas Vibe. The CE noted this proves beneficial as the Animas Vibe insulin pump is a newer model with increased functionality which, although the functionality is not funded at the present time, is likely to be considered by our clinical advisers in the future.

A Committee member enquired about PHARMAC's work on developing a Preferred Medicines List (PML) for hospital medicines and enabling discretion to depart from this list for DHBs. The CE replied that there will be some form of discretionary or exceptions process for the PML, though this has not yet been developed. He added that staff are also currently working to add some low-cost and/or low-volume medicines to the Schedule and PML, where these have previously been difficult to fund due to availability.

6. High cost/complex medicines distribution changes

PHARMAC staff discussed with the Committee proposed changes to the distribution arrangements of some high cost/complex medicines for some patients. Staff summarised the current process of PHARMAC distributing these medicines directly to consumers upon funding approval, and PHARMAC's continued support for these patients after they receive their medicine.

Staff noted that historically, these treatments were among the most expensive funded by PHARMAC, and PHARMAC determined it was more cost-effective to distribute them directly rather than via community pharmacy. Over time, these treatments became less expensive, either the actual cost and/or the cost relative to other medicines, and it is proposed to transfer dispensing of these from PHARMAC to community pharmacies as per the usual process for most patients.

The Committee queried the ability of patients affected by these changes to go to their local pharmacy for these medicines, noting this is also a potential issue for many other patients already. Staff noted many of these patients are likely to also be prescribed a number of other medicines that they need to go to a pharmacy to receive.

Members queried issues with the storage of the medicines currently distributed directly, such as requirements for refrigeration.

PHARMAC staff noted that the wider pharmacy sector has not yet been consulted, but that early discussions with some pharmacy sector groups have not yet raised any significant issues or concerns with the proposal.

Staff noted PHARMAC and pharmacies would also need to manage the introduction of co-payments for these medicines as under the current model none are being applied.

CAC members stated that communications with patients on these proposed changes should remain at a personal level as PHARMAC already has a close relationship with these patients. Members noted PHARMAC can be honest that the changes are meant to save money for the sector, but that PHARMAC should also explain the history, illustrate anomalies and explain the benefits of changes and the global costs for all patients. It was suggested that a question and answer sheet could be provided and telephone calls made to the patients.

Staff clarified that implementation of any changes would be staged over a period of time and would only occur after consultation and a decision had been made.

Members noted consideration needs to be given to rural patients who may not have easy access to their local pharmacy. Staff noted the Pharmaceutical Schedule rules allow certain patients with difficulty accessing pharmacies to be eligible to receive their medicines in larger amounts to avoid more frequent pharmacy visits. The Committee suggested staff explain this option to patients when communicating any changes.

CAC members noted that some of the patients who may be affected by the proposed changes may experience psychological difficulties with the changes and loss of personal communications with PHARMAC. Members suggested PHARMAC strongly encourage patients to work closely with their pharmacists to receive the same support.

Members suggested PHARMAC focus first on assisting the more vulnerable patients with the proposed change. For many patients, a personal letter may be sufficient to explain proposed changes; but for those with higher needs a direct telephone call may be helpful. Members suggested PHARMAC remain available to these patients during and after any changes for support. One member cautioned that boundaries would need to be drawn, however, to ensure these patients do not become dependent on PHARMAC support, but rather begin looking to their pharmacists more frequently.

Members recommended PHARMAC work closely with clinic advisors and/or nurses in these patients' localities to help communicate and prepare for any changes.

Staff noted the new Long Term Conditions service could be useful for many of these patients and their pharmacists.

A Committee member noted it was important for PHARMAC to involve a patient's whānau to assist with any changes, particularly relating to ensuring compliance.

7. Establishing PHARMAC's role in medical devices

PHARMAC staff spoke to the Committee about PHARMAC's expanded role in managing medical devices. Staff noted that this work builds on previous work given to PHARMAC over time. Staff discussed the components of establishing work in this space, including recruitment, the immediate projects, timelines and goals.

Committee members noted that consideration should be given to the flow-on effects of PHARMAC's work to the use of devices in the private health sector.

Staff discussed the nature of PHARMAC's role in managing medical devices as a sub-set of the Finance, Procurement and Supply Chain business case affecting DHB activities being implemented by Health Benefits Ltd.

Staff noted that a current project is determining how to get clinical input into assessing medical devices. Staff noted that towards the end of November, PHARMAC will issue a consultation document seeking views on the framework and processes for obtaining clinician advice. Staff stated that consultation on different components of PHARMAC's devices management establishment work will be spaced out over time so as not to overburden the sector.

PHARMAC staff stated that benefits of this work would be national consistency in medical devices management, increased savings and transparency in decision making. Staff noted that the focus on different devices categories will be spread out over time. Staff also noted that there would be the ability for local variations, where appropriate, and exceptions.

The Committee enquired as to whether there will be a PTAC-equivalent group for advising PHARMAC on medical devices. Members suggested PHARMAC could develop a clinician peer group to champion PHARMAC's work and the changes underway. Staff noted that PHARMAC has identified the need to develop a system, including obtaining clinical advice, that provides the public with confidence in PHARMAC, but that the form this system takes is currently up for discussion.

PHARMAC staff noted that, regarding consumer engagement in this work, it was very early in the process and PHARMAC is still identifying relevant groups/individuals. Staff noted that PHARMAC is keen to continue receiving CAC feedback throughout this process.

Committee members expressed concern over aggressive marketing and lobbying that device suppliers and clinicians could undertake. Members cautioned PHARMAC to be prepared for this.

The Committee and PHARMAC staff undertook to discuss this work as a regular CAC agenda item. One member noted this was a good opportunity to examine the Committee's purpose, provides an opportunity for new business and help PHARMAC further.

8. OPP: Phase 2 consultation

PHARMAC staff discussed PHARMAC's upcoming second phase of consultation on PHARMAC's review of its Operating Policies and Procedures (OPP). Staff summarised the need to balance this consultation with other PHARMAC work and consultations so as not to overburden stakeholders.

Discussing the branding of the OPP, Committee members noted that the term "guide" (or similar) was more outward facing and perhaps more appropriate for PHARMAC's OPP.

One member suggested PHARMAC develop its OPP as two slightly different versions – one for external use and one for internal use. The member noted the internal-use OPP could specifically note a particular OPP section's relevance to PHARMAC staff's daily work and refer to other relevant manuals for staff. The Committee noted the need to balance an easy-to-understand OPP with enough specific detail for PHARMAC staff to find useful.

The Committee suggested the OPP could be structured based on the questions that would likely be asked by users. PHARMAC staff noted that PHARMAC is considering a web-based OPP that would provide faster access for users to specific sections of more relevance to them.

The Committee suggested including information about generic medicines and funded brand switches in the OPP.

The Committee suggested that the listing of PHARMAC's decision criteria in the OPP included under the assessment and evaluation sections.

The Committee suggested placing a discussion on engagement earlier in the OPP as it is an important function of PHARMAC's work.

The Committee suggested including a description of how the pharmaceuticals budget is determined and that this be presented early in the OPP.

9. Ministry of Health's HPCA Act review

PHARMAC staff sought the Committee's feedback to help inform PHARMAC's response to the Ministry of Health's current review of the Health Practitioner's Competence Assurance (HPCA) Act. Staff provided a brief description of the Responsible Authority (RA) system established by the Act to monitor health professional practice.

Committee members noted that most health consumers likely would not approach a RA with a complaint, but rather the Health and Disability Commissioner.

PHARMAC staff and the Committee discussed the use of the term "layperson" in the HPCA for non-clinical members of RA and complaints boards. Members noted the legislation should clarify whether "layperson" is intended to be a health consumer or another professional, such as a lawyer or accountant. Members stated it is important that RA boards include a patient or consumer representative who is closely related and knowledgeable about the issue at hand. The Committee noted it is important to fully consider the benefits and risks of including such consumer representatives and how they are chosen. Members noted that a health professional appearing before a RA board must have confidence that the consumer representative is capable for that role.

One member noted that the HPCA Act is intended to protect both patients and health professionals. The member noted that everyone who works with a patient or health consumer should be covered in one legislation.

Other items

PHARMAC staff noted that PHARMAC has been asked to provide feedback to the Ministry of Health on its current review of the medicines legislation. Staff undertook to circulate information about this to the Committee to receive its views to help inform PHARMAC's feedback to the Ministry.

Noting papers

Noted:

Access and Optimal Use update
Summary of new investments
Update on PHARMAC's website refresh
PHARMAC's Pacific Responsiveness Strategy update