Medicines policy in the NHS in England: where are we today?

Helen McKenna & Leo Ewbank

August 2018
Why talk about medicines today?
Money is tight

Annual percentage change in Department of Health budget (TDEL) based on 17/18 prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage increase</th>
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<tbody>
<tr>
<td>2010/11</td>
<td>0.2%</td>
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<tr>
<td>2011/12</td>
<td>1.0%</td>
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<tr>
<td>2012/13</td>
<td>0.2%</td>
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<tr>
<td>2013/14</td>
<td>2.6%</td>
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<td>2014/15</td>
<td>1.7%</td>
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<td>2015/16</td>
<td>2.8%</td>
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<td>2016/17</td>
<td>0.6%</td>
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<tr>
<td>2017/18</td>
<td>1.8%</td>
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Long-run average (3.7 per cent)
Controversial choices are attracting media attention

One in five new drugs could be rationed on the NHS

NHS 'abandoning' thousands by rationing hepatitis C drugs

NHS England to cut low-value medicines from prescriptions
Objectives of medicines policy
Three big goals in medicines policy

- Patient access
- Long-term innovation
- Affordability to the NHS
From workbench to patient: the medicines process
(Simplified) development and approval process in England

- Development
- Regulation
- NHS decision to fund
- Local commissioning and adoption
How much does the NHS spend on medicines?
Estimated NHS medicines spending

- Hospital prescribing dispensed in hospital pharmacy (HPAI)
- Hospital prescribing dispensed in the community (FP10HP)
- Primary care prescribing (FP10)

Estimated prescribing costs (£ billions)

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How to explain rising spending?

Medicines spending

- Price
- Volume
- Product mix
Policies the NHS uses to control medicines use
Three key levers

Medicines policy

- Pricing
- Availability
- Influencing prescriber behaviour
Where are we today?
In a way, facing the same choices

Patient access

Long-term innovation ↔ Affordability to the NHS
Looking ahead
Some things we know and some things we don’t

**Things we know**
- Growing, ageing population
- Some new money for the NHS (but several competing priorities)
- Likely new PPRS agreement
- Some scope for further generic use in primary care
- Opportunity to deploy more biosimilars

**Things we don’t**
- Impact of previously announced measures
- Which new products reach the market (e.g., treatments for Alzheimer’s)
- Price differential and uptake of biosimilars
- Industry readiness to negotiate
- Impact of Brexit
If you’re interested in more detail
Thank you

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www.kingsfund.org.uk
How does that compare with other advanced health systems? (in 2015 or nearest year)