





United Kingdom

High-cost medicines

High-cost medicines	Generic policies
 The Pharmaceutical Price Regulation Scheme (PPRS) controls the prices of branded prescription medicines supplied to the NHS including high-cost/innovative medicines. Most medicines are automatically (100%) reimbursed on the NHS. The National Institute for Health and Clinical Excellence (NICE) makes recommendations on the clinical and cost-effectiveness of new medicines and treatments to the NHS (in England and Wales). No specific funding/reimbursement schemes for high-cost/innovative medicines but two special arrangements: Patient Access Schemes – proposals from pharmaceutical companies offering discounts or other arrangements to reduce the cost of a drug to the NHS without changing the formal NHS list price. PAS proposals can only be made in the context of a NICE appraisal. Cancer Drugs Fund - £200 million (€ 240 million) a year for 3 years from April 2011 to help patients get the medicines their doctors recommend. 	 INN prescribing in place – prescribers encouraged, but not obliged, to write prescriptions by their generic name for both clinical and cost reasons, when appropriate, recognizing that there are occasions when it is medically appropriate to prescribe the brand. Generic substitution is not allowed (out-patient sector). No generic price link to the originator - prices of generic medicines are set by the market. Generic manufacturers have freedom of pricing subject to a maximum of the reference product at the point of patent expiry. The Drug Tariff sets the reimbursement prices for generic medicines. Published at www.nhsbsa.nhs.uk/prescriptions No tendering in the out-patient sector. No reference price system. Information activities (e.g. to patients, prescribers, pharmacists) about generics. Generic share (England out-patient sector 2010). 82.7% of medicines reimbursed on the NHS are prescribed generically . 67.4% (by volume – no prescriptions) and 29.6% (by value – cost)) are prescribed and dispensed as
	generic.
Changes in the pharmaceutical system – end 2011/2012 - None.	Evaluations and studies on pharmaceutical policies Impact analysis of policies:
 Coalition government has agreed to honour the existing 5 year PPRS agreement which expires 31 December 2013. Measures under discussion or planned New value-based pricing system for branded medicines to be implemented on expiry of PPRS at the end of 2013. Information on the Goverment's proposals for value-based pricing is available from the Department of Health website. 	 The Pharmaceutical Price Regulation Scheme: Tenth Report to Parliament Background: A report on the operation and management of the scheme published by the Department of Health in December 2009. Available from the Department of Health website. Aim: To introduce greater transparency into the PPRS by publishing an annual report on the scheme. Key results/conclusions and implications: Information on the mechanism for regulating medicine prices in the
	UK. The Pharmaceutical Price Regulation Scheme: An OFT
	 market study Background: A report on the PPRS by the Office of Fair Trading published in February 2007. Available from the OFT website. Aim: To assess whether the PPRS is effective in meeting its high-level objectives or whether there is a case for reform. Key results: Recommendation that Government reform the PPRS, replacing current profit and price controls with a value-based approach to pricing. Conclusions and implications: OFT study informed the 2009 PPRS and a new value-based pricing system for branded medicines to be implemented on expiry of PPRS at the end of 2013. Interface management:
	The National Prescribing Centre, now part of NICE, produces resources to support commissioners (purchasers) in relation to prescribing and medicines management. Further information is available at <u>www.npc.co.uk</u>