



## United Kingdom

Department of Health: Medicine, Pharmacy and Industry

### Pharmaceutical Price Regulation Scheme (PPRS) – 2009 Developments

- Measures to encourage the uptake of innovative medicines\*
- Patient Access Schemes to bring down the cost of medicines
- Flexible Pricing to allow companies to change a drug's price if new evidence or a new indication comes to light
- Generic Substitution, to allow pharmacists to dispense generics unless otherwise stated by the prescriber
- 3.9% price cuts between 2009 and 2014 with an additional 1.9% in 2010

### National Institute for Health and Clinical Excellence (NICE)\*

- NICE have introduced flexibilities when assessing treatments for end-of-life conditions to increase access to drugs that would otherwise be judged not cost-effective
- The *NHS Constitution*\* makes explicit the right of patients to drugs with positive NICE appraisals if approved by their clinician
- DH and NICE are exploring the scope for further improvements in the timeliness with which NICE guidance is published.

\* England only. NICE guidance selectively applies in Wales, Scotland and Northern Ireland under separate Service Level Agreements.

### Current pharmaceutical pricing and reimbursement system (as of 2/2009)

#### Pricing

- Freedom of Pricing for a new active substance at market entry
- This price is then controlled under the voluntary PPRS
- Pharmacy and wholesale mark-ups are left to the market

#### Reimbursement

- All drugs prescribed on the NHS are fully reimbursed
- There is a limited black list of drugs that doctors are not allowed to prescribe
- There is a flat rate prescription fee of £7.10 per prescribed item, with exemptions (e.g. on age or income grounds)
- 89% of items prescribed are exempt due to the age, income or condition of the patient, or because of the type of medicine
- Cancer and long-term conditions will soon be exempt