Pharmaceutical Policies in European Countries: Recent Experiences in England

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Background
- Control of the pharmaceutical budget is not an end in itself
- Correct policy may be to increase or reduce the use of particular drugs according to the circumstances
- There is no national pharmaceutical budget
- Local pharmaceutical budgets may be created for management reasons

NHS Pharmaceutical Policy Objectives
- Cost-effective use of pharmaceuticals
- Equal access to cost-effective treatment (end post-code prescribing)
- Minimise payments for recommended cost-effective drugs, e.g. use generics when available

Main Policy Instruments
- Pharmaceutical Price Regulation Scheme
- National Institute for Health and Clinical Excellence (NICE)
- Fixed budgets for Commissioners (e.g. PCTs)
- PbR tariff for acute care

Pharmaceuticals as % of total NHS cost

Total NHS Cost (£billion)
Pricing and Reimbursement Process

Company sets drug price at launch

New product introduced

Commissioners conduct cost-effectiveness test of product

NICE tests cost-effectiveness against the threshold

Prescribers follow NICE guidance

NICE Recommendations

- Since 2000 the NICE Appraisals programme has produced 326 recommendations:
  - Not recommended: 40
  - Recommended: 92
  - Restricted: 194

Metrics Working Group Report

- Joint body between DH and industry set up as part of PPRS
- Study of positive NICE guidance to compare expected and actual use of pharmaceuticals
- In 12 case studies: use was greater than predicted in 7 and less than predicted in 5
  - Excess range: 20% to 640%
  - Deficit range: 10% to 70%

Future Issues

- Value-based pricing
- Risk sharing agreements
- Innovation passports
- Changes to evaluation methods e.g. for end-of-life treatments