How have NICE committees applied the new cost-effectiveness threshold of £25,000 to £35,000 per QALY?

HTA238

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INTRODUCTION

- From 1 April 2026, the National Institute for Health and Care Excellence (NICE) has raised its incremental cost effectiveness ratio (ICER) threshold from £20,000 - £30,000 to £25,000 - £35,000 per QALY[1]
- NICE's appraisal committees determine the ICER within, or below, this range that is considered cost-effective depending on the level of uncertainty in the economic case, where greater uncertainty will lower the ICER that is considered cost-effective
- According to NICE's process and methods guide, committees should accept greater uncertainty if the indication is rare or there is a particular unmet need[1]
- How committees are applying the new cost effectiveness threshold has not yet been well characterised

OBJECTIVES

1. Assess how the new £25,000 - £35,000 per QALY threshold range has been applied, and where within that range have ICERs been considered acceptable
2. Compare the distribution of acceptable ICERs with appraisals conducted under the previous £20,000–£30,000 per QALY range
3. Assess if the distribution varies across therapeutic area

METHODS

- On 20 August 2026 a targeted search was conducted of NICE technology appraisals (TAs) that had reached a positive, negative or optimised recommendation since 1st April 2026, when the new cost-effectiveness threshold range came into effect
- To provide a comparator period, TAs that received a positive, negative or optimised recommendation between January and December 2025, under the previous threshold, were searched
- For each appraisal, the committee's position on the acceptable ICER within the applicable threshold range was extracted
- TAs were excluded if they did not report the committee's position on an acceptable ICER or if the TA was terminated. Highly Specialised Technology (HST) assessments were also excluded

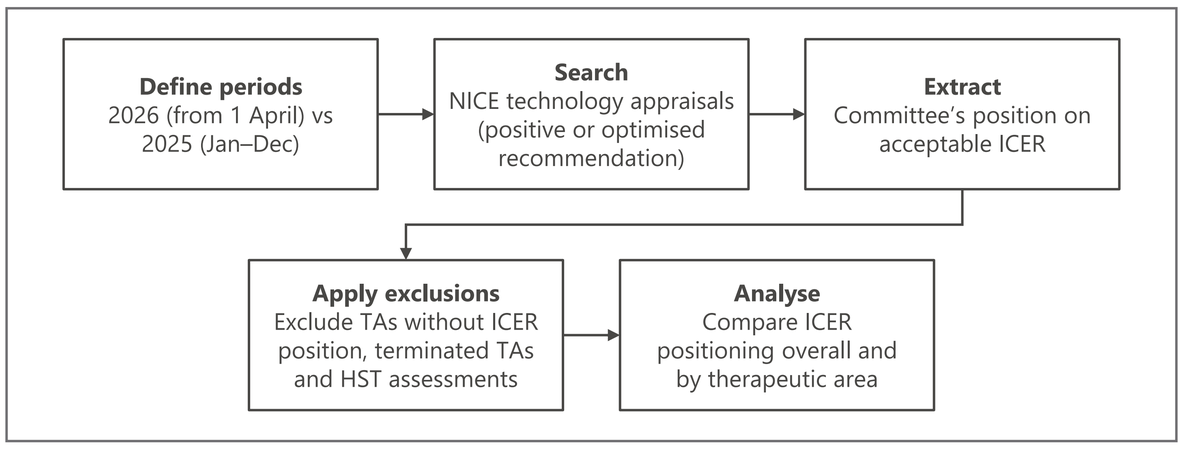


Figure 1: Overview of the research methodology

RESULTS

- Of the 88 TAs identified in 2025 under the previous threshold and 42 in 2026 under the new threshold, 41 and 22 TAs respectively met the inclusion criteria (Figure 2)[2]

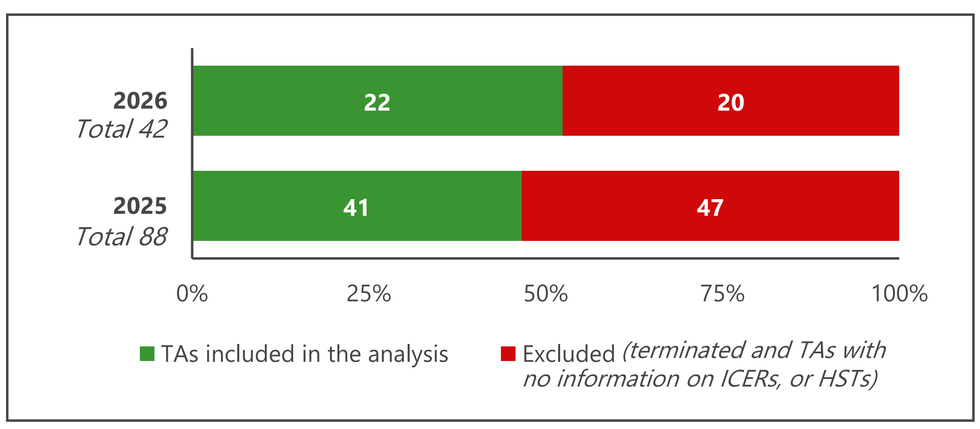


Figure 2: Number of NICE TAs identified in 2025 and 2026[2]

- Whilst the exact ICER that was accepted by the committee was confidential, the Final Draft Guidance for each TA indicates whether the final ICER was:
  - Below the CE threshold
  - At the lower end of the CE threshold
  - In the middle of the CE threshold
  - At the upper end of the CE threshold
- Overall ICER positioning was similar between both periods. The lower end accounted for 32% in both 2025 and 2026, and the upper end for 27% both years[2]
- Middle-range positioning decreased from 39% to 32%, while below-range observations increased from 2% to 9%[2]
- The results are further explored by therapeutic area, where Oncology / haematology represented the majority of approvals both in 2025 (29/41) and in 2026 (12/22) under the new threshold[2]

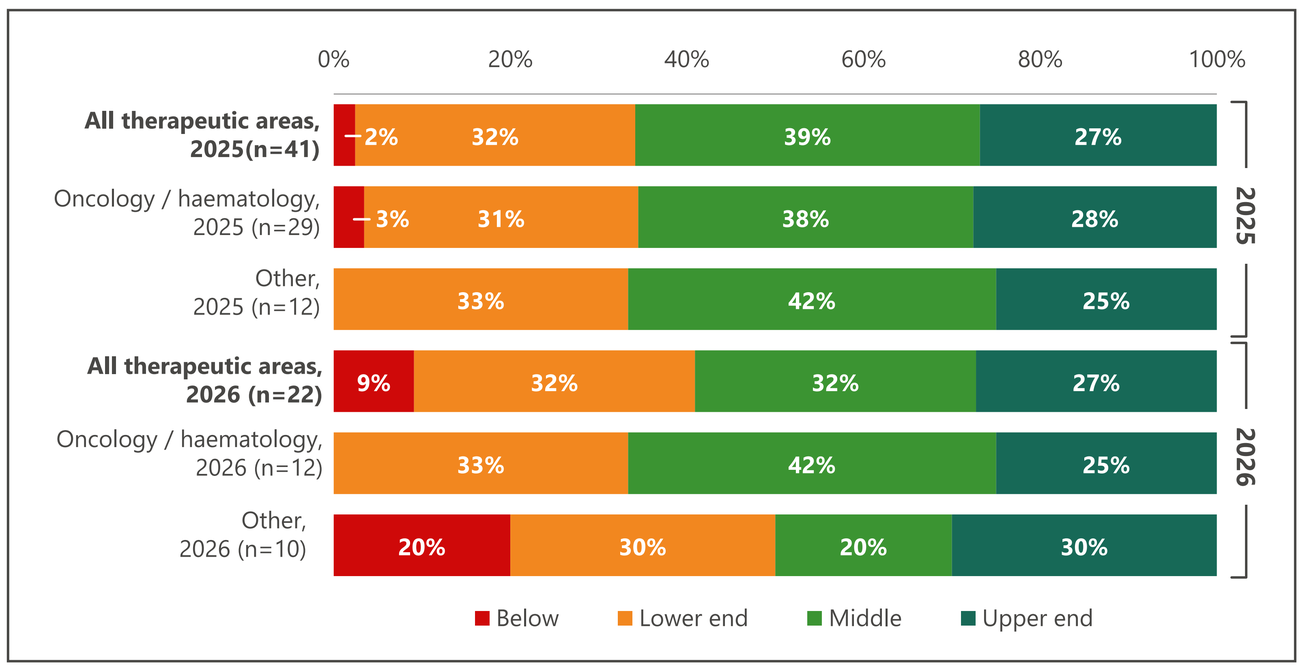


Figure 3: Comparison of the TA ICER outcomes from 2025 and so far in 2026 since the new cost effectiveness threshold came into force on the 1st April[2]

CONCLUSIONS

- Based on the appraisals conducted to date, NICE committees appear to be applying the new £25,000 to £35,000 threshold range in full
- Compared with appraisals under the previous threshold, the same proportion of TAs where the new-thresholds applied were positioned at the upper end, suggesting committees have not been hesitant to exceed the previous £30,000 upper limit, where justified, aligning with first-hand experience of new assessments
- However, in TAs of indications other than oncology / haematology, there are a greater number of acceptable ICERs below the £25,000 threshold, which may suggest that for some products / indications committees were more stringent with applying the higher CE thresholds
- As with the comparison of the total eligible TAs, those TAs in oncology / haematology also showed consistent application of the CE thresholds between 2025 and the new threshold period in 2026 (Figure 3)[2]
- Those TAs in indications other than oncology / haematology are responsible for the greatest differences between the application of the new and old CE thresholds[2]
- In the period of 2026 where the new thresholds have been applied, 9% of positive appraisals have been below the £25,000 to £35,000 per QALY cost effectiveness range.[2] This compared to none in all of 2025 among successful appraisals[2]
- The results of this analysis should be caveated in that there have only been a relatively small number of appraisals under the new thresholds, therefore, this analysis should be repeated once there are a full year of TAs where the £25,000 to £35,000 CE thresholds have been applied (Figure 2)

IMPLICATIONS

- The new threshold range is an upward calibration, rather than a change in how committees use different parts of the range
- For manufacturers, the upper end of the new £25,000 to £35,000 per QALY threshold should not be seen as unachievable
- In the period of 2026 where the new thresholds have been applied, a greater number of acceptable ICERs have been below these thresholds. Due to the short sample period this may be an artifact, although it should be tracked in future to understand whether it is a new trend

References: 1. National Institute for Health and Care Excellence. NICE technology appraisal and highly specialised technologies guidance: the manual [Internet]. London: National Institute for Health and Care Excellence; 2022 [updated 2026 Mar 31; cited 2026 Sep 25]. (NICE process and methods; PMG36). Available from: https://www.nice.org.uk/process/pmg36; 2. National Institute for Health and Care Excellence. Published guidance, NICE advice and quality standards [Internet]. London: National Institute for Health and Care Excellence; [Accessed 2026 Aug 20]. Available from: https://www.nice.org.uk/guidance/published?sp=on

Abbreviations: CE: Cost effectiveness; ICER: Incremental cost effectiveness ratio; NICE: National Institute for Health and Care Excellence; QALY: Quality adjusted life year; TA: Technology appraisal

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ISPOR Europe
8-11 November 2026
Vienna, Austria

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