Listing pharmaceuticals on the UK Drug Tariff: Managing the cost of healthcare

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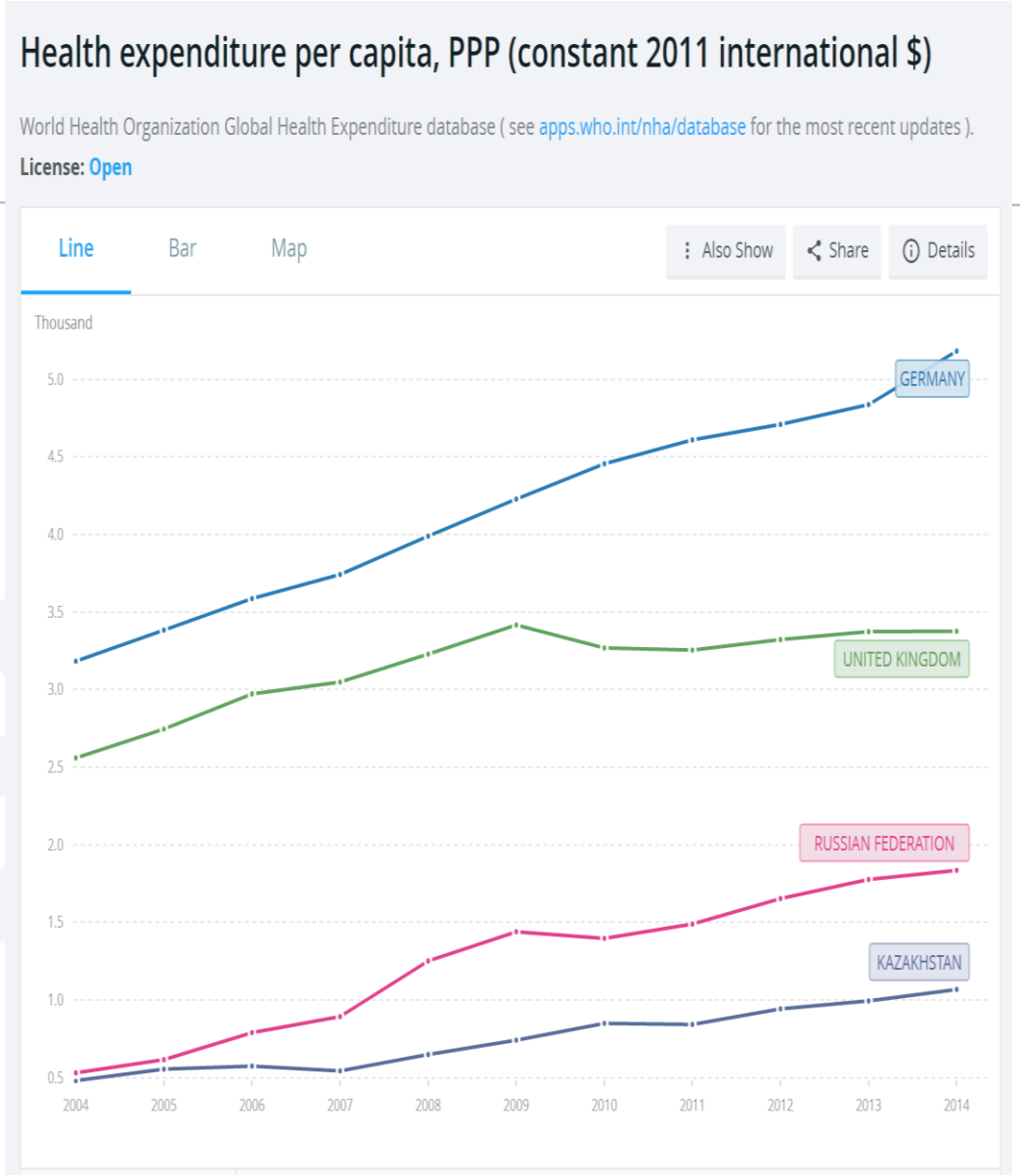
Presentation

- Rising cost of healthcare and medicines
- How to manage the costs
  - More effective use of medicines
  - Reducing errors, better treatments
  - Evidence-based knowledge resources
  - Barriers to using better information
- Knowledge solutions
- Restricting the use of expensive medicines with HTAs
- Negotiating better prices: the UK Drug Tariff

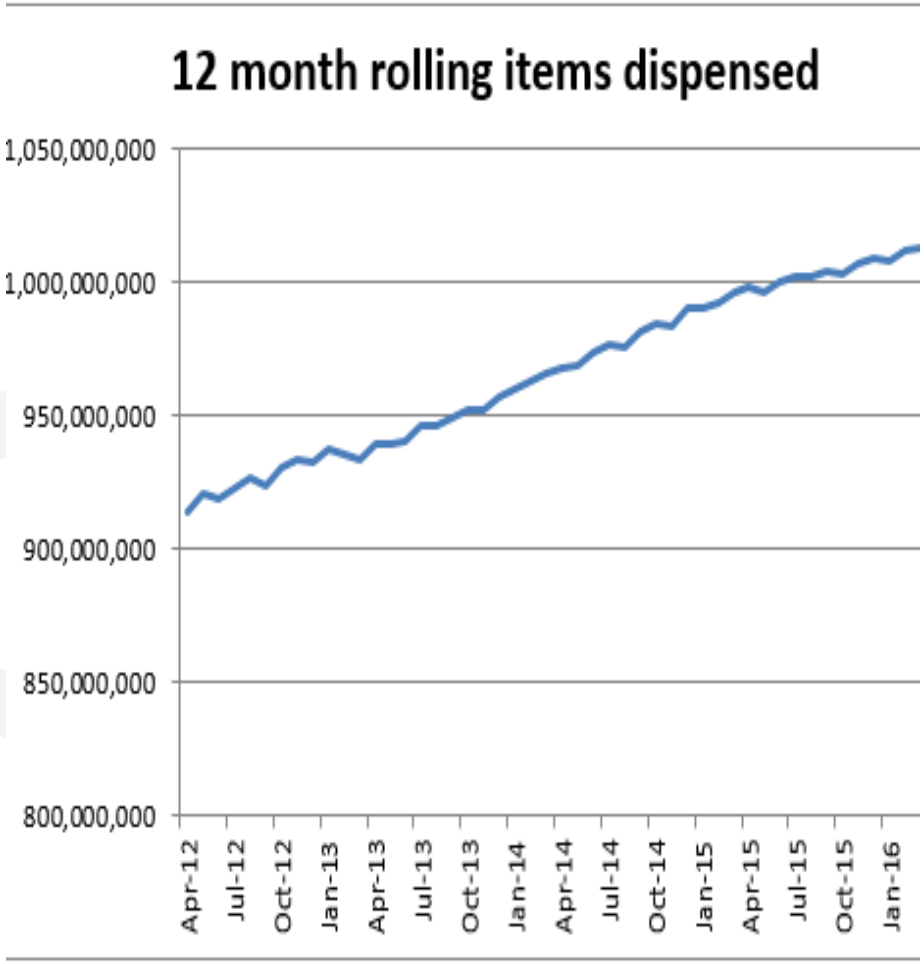
World Bank healthcare expenditure

- Constantly increasing
- KZ: more than doubled in a decade
- UK: big concerns, flat since 2010
- USA now exceeds 17% of GDP
- Pharmaceutical costs vary between 12% (UK) and 30% (Hungary) of health expenditure



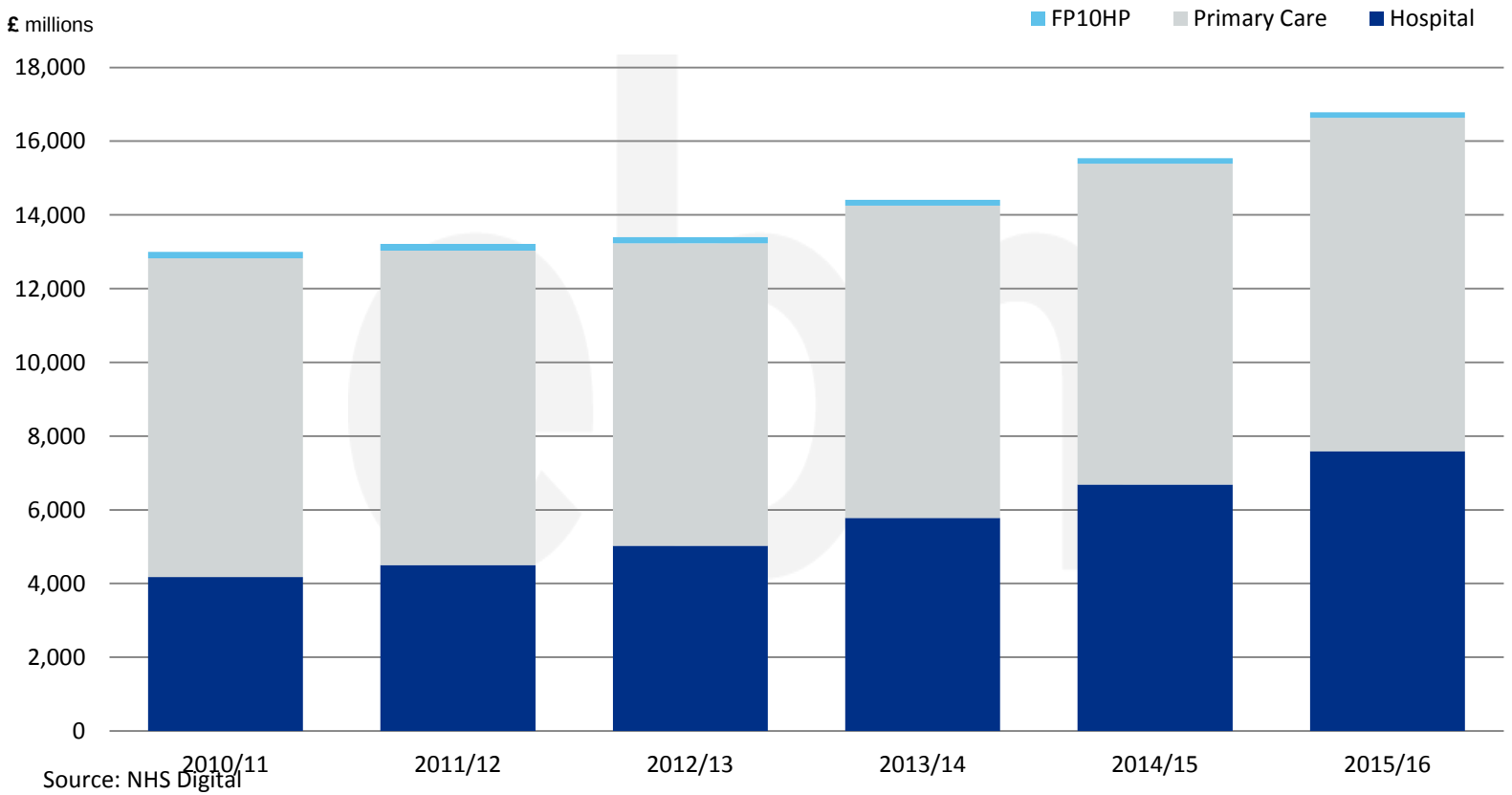
Managing the cost of medicines

- The disease burden (in the UK) increases every year as new medical treatments become available and the population grows older and more infirm
- More and more medicines are prescribed each year, in the UK up 1.89% in 2016 on the previous year
- The Government budget does not keep pace with the increase in demand (1.2% budget increase, with overall healthcare demand increasing at over 3%)
- Graph of number of items dispensed from Pharmaceutical Services Negotiating Committee (www.psnc.org.uk)



NHS England prescribing cost 2010-2016

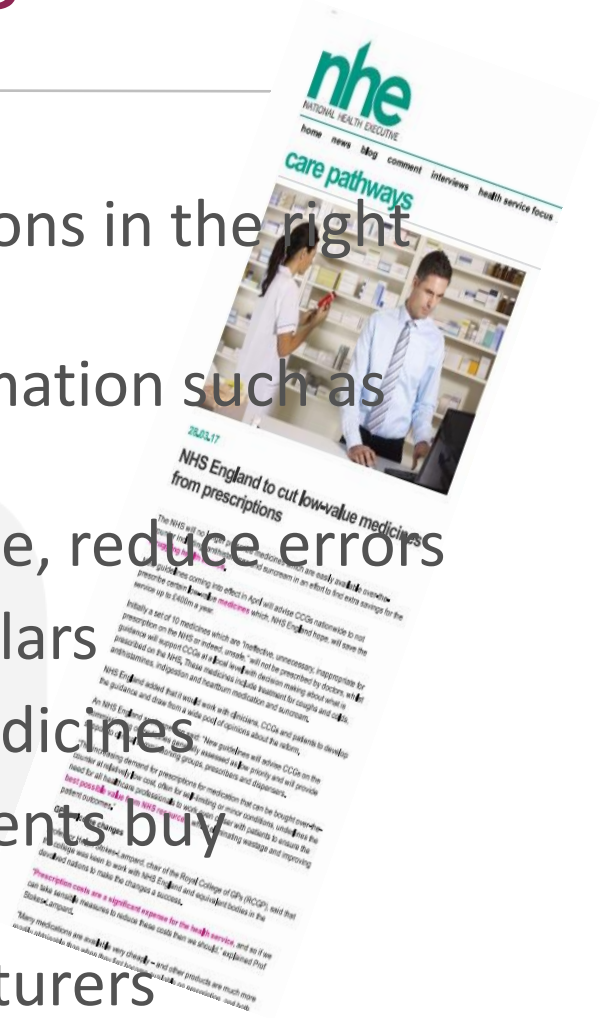
Figure 1: Estimated prescribing cost, 2010/11 to 2015/16



Source: NHS Digital

Ways to manage the rising cost of medicines

- ✓Use correct medicines to treat conditions in the right way
- ✓Make good use of evidence and information such as KNF
- ✓Cut waste – improve patient adherence, reduce errors
- ✓Encourage use of generics and biosimilars
- ✓Only fund and use evidence-based medicines
- ✓Cut medicines off the funded list (patients buy themselves)
- ✓Negotiate better prices from manufacturers



Correct treatment requires good information

- The health system must provide a strong knowledge source to support doctors
- The knowledge source should be based on evidence and best practice
- Available to every doctor in hospitals, community, medical schools, government
- Locally produced national assessments and resources:
  - Health Technology Appraisals
  - Kazakhstan National Formulary (http://knf.kz)
  - Clinical Guidelines
- Subscriptions to leading evidence-based resources, for example:
  - ClinicalKey (http://www.clinicalkey.com)
  - Clinical Pharmacology powered by ClinicalKey (http://www.clinicalkey.com/pharmacology)
  - Trip database (www.tripdatabase.com)
  - Cochrane Library (www.cochranelibrary.com - consider establishing a partnership)
  - Access to a library of ebooks such as BNF, Stockley (via e.g. www.medhand.com)
- Free resources such as
  - PubMed
  - NICE Guidelines

Barriers to using evidence based resources

- Poor access to good quality relevant research
- Lack of timely research output
- Complexity of applying recommendations
- Lack of time, interest and motivation
- Lack of knowledge of HTA because of unsatisfactory dissemination

Solutions

- National knowledge base for healthcare
- Includes international sources
- Also includes well-published KZ resources: HTAs, guidelines, KNF
- Point of care knowledge resources
- Simple to use tools to aid decisions e.g. KNF

ISPOR 7th Asia-Pacific Conference, September 2016

BARRIERS TO AND FACILITATORS OF THE USE OF HTA REPORTS BY POLICYMAKERS IN KAZAKHSTAN

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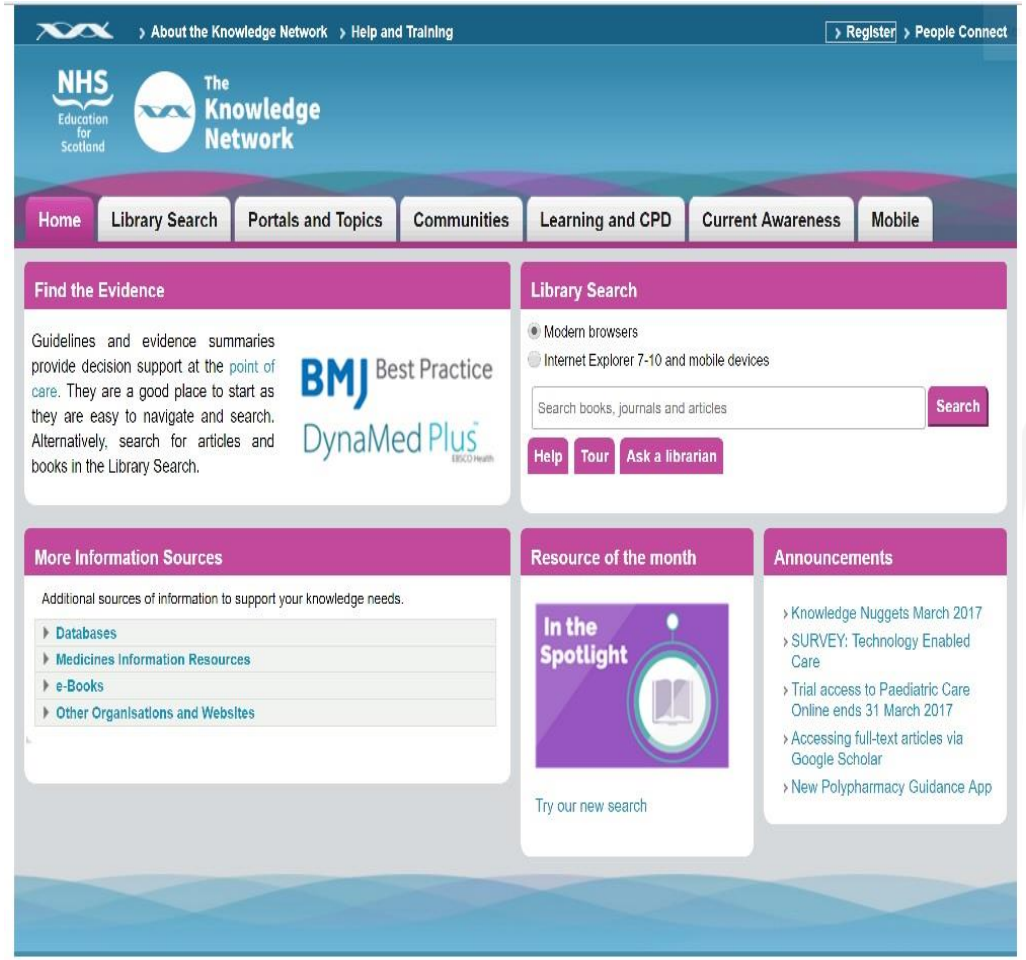
OBJECTIVES: In a time when an increasing amount information is available to health care professionals, the effective using of health technogies requires the development of strategies to facilitate the use of health technology assessment reports. Explore the knowledge and attitudes of policymakers in terms of the use results of HTA reports; identify the barriers and facilitators to their proper dissemination and implementation; identify the strategies and actions for improvement that contribute to minimising the impact of the barriers that have been detected. **METHODS:** We are conducted a survey in order to assess resources, knowledge and attitudinal barriers of policymakers working in MoHSD and provide a narrative review of all the relevant papers known to the author was conducted. **RESULTS:** The questionnaire was completed by 29 policymakers. The application of the recommendations in the HTA reports is considered to be easy by 47.8% of participants, while 34.5% considered this procedure to be difficult. Among the reasons behind the difficulty were: the complicated nature of practical application, the lack of time, little evidence with low-quality recommendations, disagreement, a lack of interest and motivation and the lack of knowledge of the HTA due to unsatisfactory dissemination. The most frequently reported barriers to evidence uptake were poor access to good quality relevant research, and lack of timely research output. The most frequently reported facilitators were collaboration between researchers and policymakers, and improved relationships and skills. There is an increasing amount of research into new models of knowledge transfer. **CONCLUSIONS:** Timely access to good quality and relevant research evidence, collaborations with policymakers and relationship- and skills-building with policymakers are reported to be the most important factors in influencing the use of evidence. Informed by the results of the survey, leading health authorities are making an effort to develop specially designed interventions to implement results of HTA reports, including an easily accessible online database.

Solutions



- Example of NHS Education Scotland
- Knowledge Network includes:
  - International resources
  - National information
  - Search functionality
  - Point of care resources

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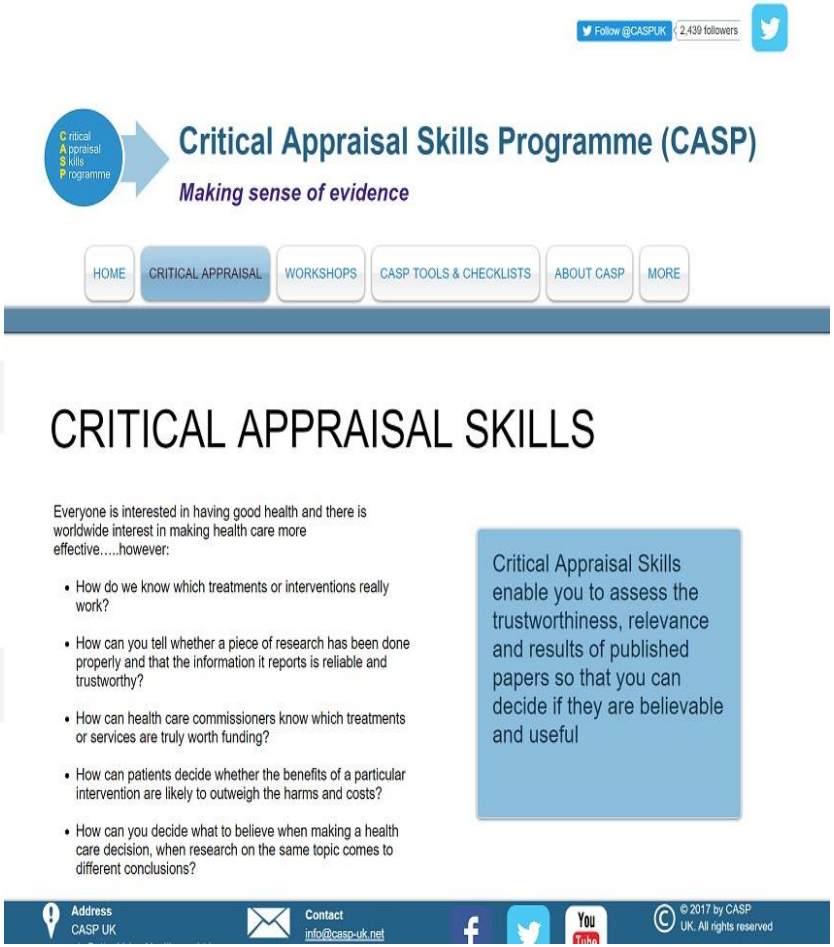
Lead with answers.

Являясь более значимой, чем просто передовой поисковой системой, ClinicalKey поддерживает принятие клинических решений и способствует повышению уровня знаний и практических возможностей лечащего врача:

- **Влияние на лечение пациента** посредством получения подробных ответов, основанных на доказательствах, приводимых во всемирно известных научных изданиях базы Elsevier.
- **Оптимизация времени лечащего врача** со Smart Search - передовые технологии поиска, обеспечивающие быстрый отклик на актуальные клинические вопросы.
- **Лёгкий доступ к авторитетному контенту** на местах принятия клинических решений в доступном, мобильном дизайне.
- **Согласованность действий всех специалистов** при лечении пациента на основе актуальной информации о лекарственных средствах, данных лабораторных исследований и практических руководств.
- **Повышение качества лечения**, на основе современной, научно-

Clinical Appraisal Training

- Example of CASP
- Train trainers in critical appraisal
- Three day workshop
- Designed for:



Role of NICE in UK to restrict use of medicines

- Before NICE consideration, all medicines are given marketing authorisation only after the Medicines and Healthcare products Regulatory Agency (MHRA) has examined them and decided:
  - The medicine provides some benefit for those who take it,
  - It is acceptably safe (advantages outweigh disadvantages), and
  - side effects are acceptable
- National Institute for Health and Care Excellence (NICE) in UK:
  - Aim to drive and enable excellence across health and social care
  - Produces HTAs, guidelines, pathways, standards, evidence products
  - Commissions BNF, BNF for Children, Clinical Knowledge Summaries

NICE may rule a drug is not cost effective

NICE National Institute for Health and Care Excellence

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28 March 2017

NICE says pancreatic cancer drug is not cost effective for routine NHS use

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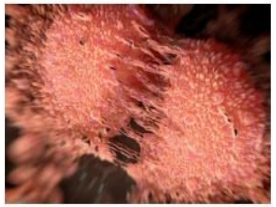
NICE says that a drug for metastatic pancreatic cancer is not beneficial enough to justify its high cost for routine NHS use



Pegylated liposomal irinotecan is used for treating metastatic pancreatic cancer that has progressed after being treated by a different therapy.

Nearly 10,000 people are diagnosed with pancreatic cancer each year in the UK, and life expectancy after diagnosis is between 2 and 6 months.

The committee found that the health-related benefits were very similar to existing treatment but the costs were much higher.

The committee recognised the need for new treatments in this area, and understood the importance of improving and extending lives for those who are diagnosed with this condition.

> After reviewing further evidence and comparisons of existing treatments, it is disappointing that the treatment did not provide enough extra benefit for patients to justify its higher cost
>
> Professor Carole Longson, Director of the Centre for Health Technology Evaluation at NICE

Related Resources

Read the final appraisal determination documents here

NICE appraisals: coping with costs

https://www.nice.org.uk/news/feature/changes-to-nice-drug-appraisals-what-you-need-to-know

- NICE recognizes its recommendations can cost NHS tens of millions a year, so has proposed a “Budget impact test” to help NHS
- NICE and NHS England are proposing two measures:
  - Negotiating directly with the supplier to reduce the budget impact of a new treatment, and if that does not achieve agreement:
  - Phasing the cost of introducing the new treatment over a longer period than 90 days
  - NHS England will need to set how the phasing would work, informed by clinical advice, and the plans for reaching full implementation (usually within three years)
  - Special arrangements with more generous budget rules are in place for very rare conditions

Hospital drug prices

- Procurement happens at a local level
- Hospitals use the Drug Tariff as the basis for negotiation
- Suppliers compete for the best price
- Generics are used wherever possible

Negotiating prices in the community: the Drug Tariff

- Stakeholders negotiate to decide prices of drugs in the community.
- This negotiation and prices agreed are recorded in the Drug Tariff.
- Department of Health decides on prices of medicines in negotiation with drug manufacturers and wholesalers: https://www.gov.uk/government/organisations/department-of-health
- Representing the pharmacies is the Pharmaceutical Services Negotiating Committee (PSNC www.psnc.org.uk)
- NHS Prescription Services www.nhsbsa.nhs.uk/PrescriptionServices.aspx manages

What is the UK Drug Tariff?

The Drug Tariff outlines:

- The rules to follow when dispensing
- The value of the fees and allowances you will be paid for services
- The drug and appliance prices you will be paid for dispensing them

NHS Prescription Services produces the Drug Tariff on a monthly basis on behalf of the Department of Health. It is supplied primarily to pharmacists and doctors surgeries.

NHS Prescription Services

- NHS Prescription Services calculate how much pharmacists and others who dispense should be paid as reimbursement and remuneration for medicines and medical devices dispensed to patients from NHS prescription forms
- Over four million prescription items are processed every working day and payments amount to more than £9 billion a year.
- NHS Prescription Services also provide information services to 25,000 prescribers and managing organisations within the NHS in England, making available five years worth of prescribing, financial and drug information. This helps the NHS and the Department of Health to determine the most cost

Drug Tariff Part VIIIA

- Part VIIIA gives the basic prices for generic drugs. This Part is further divided into categories:
- **Category A** includes popular generics, which are widely available. The price is based on a weighted average of the List Prices from two wholesalers and two generic manufacturers.
- **Category C** items are based on a particular brand or manufacturer.
- **Category M** includes drugs that are readily available, where the Department of Health calculates the reimbursement price based on information submitted by manufacturers.
- Part VIIIB covers special and unlicensed

Part XVIII – restricted drugs

- Part XVIIIA Drugs and other substances not to be ordered under a general medical services contract. Commonly known as the **Black List**. Doctors prescribing and pharmacists dispensing blacklisted products can face disciplinary action. This list includes:
  - Expensive items
  - Medicines which are not to be used within the NHS i.e. have dubious clinical evidence
  - Duplicated products
- Part XVIIIB Drugs and other substances that may be ordered only in certain circumstances. Doctors must annotate the prescription *SLS*. This list gives:
  - The specific patient group to whom the drug may be prescribed (e.g. infants born prematurely; vegans)
  - The purpose (e.g. clobazam for epilepsy)

Conclusion

- Medicine budgets are under pressure because of increasing costs of new medicines, advances in treatment, and increases in demand
- Budgets can be controlled by:
  - Using medicines correctly and cost effectively
  - Doctors consulting evidence before prescribing
  - Cutting waste and non-adherence
  - Not funding medicines that don't work
  - Generic prescribing
  - Negotiating better prices
- In the UK all doctors use evidence-based information
- The Drug Tariff:
  - contains negotiated prices for medicines in the community, constantly updated
  - Prices are agreed by industry, pharmacies and government
  - The Tariff also excludes a list of medicines (Black List)
  - Hospital procurement uses the Drug Tariff as the basis for negotiation