Response to NHS Chief Executive’s Open Call for Evidence and Ideas

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Response to the NHS Chief Executive Innovation Review

Call for evidence and ideas

Introduction

The American Pharmaceutical Group (APG) welcomes the opportunity to respond to the call for evidence.

The Group particularly welcomes the emphasis on the adoption and diffusion of innovation (as distinct from invention) as recognition of the need to improve NHS performance at these important stages in the pharmaceutical value chain.

Strong performance on adoption and diffusion can provide incentives to develop and launch new medicines. In turn, this can have positive effects on patient outcomes, economic growth and the efficiency of care. However, despite some of the lowest prices for branded medicines in Europe, the UK has relatively poor access to and uptake of innovative medicines.¹

The APG recognises the significant financial challenge the NHS faces; and believes that steps to improve the adoption and diffusion of innovative medicines can help the NHS meet the efficiency challenge while maintaining and improving patient outcomes. Member companies look forward to working with the review team to build the evidence base for the impact and economic assessments to demonstrate these benefits.

This short paper is intended to complement the ABPI submission and to present, where relevant, the APG’s unique perspective as a group of American companies operating in the UK.

APG support for the ABPI response

All seven APG member companies are ABPI members. Many have helped draft the ABPI’s response and the APG fully supports the priorities and recommendations in its response to the call for evidence, including the following specific recommendations (among others):

*Emphasis on partnership with industry:*

¹ Department of Health (2010), *Extent and causes of international variations in drug usage: a report for the Secretary of State for Health by Professor Sir Mike Richards CBE.*
• Working with the National Commissioning Board to redesign patient pathways to incorporate innovation.

Removing duplication of NICE approval at a local level:

• National communication: A joint national communication from the DH/NHS senior clinicians, NICE and head of NHS Confederation reinforcing the commitment to the NICE approval mechanism, and the mandatory funding direction for NICE-approved products, the rights of patients to NICE approved products and that there should be no further qualification, reinterpretation or modification of NICE guidelines at a local level.

• Patient appeal mechanism: The NHS Constitution enshrines the right for every patient to have access to a NICE-approved innovative medicine, and to be empowered with a right to choose. As a result, there should be a patient appeal mechanism when access to NICE-approved medicines is restricted sub-nationally. The detail of this would have to be explored further, but may involve the National Commissioning Board or Care Quality Commission for example.

• Removal of local barriers to innovation: APG member companies have concerns about the number of local or regional tenders for products that are deemed economical by NICE at their list price. These create additional hurdles for industry and patients and to this extent act as barriers to the adoption and diffusion of innovation in the NHS.

Strengthening the innovation culture within the NHS:

• Training: Introduction of a training module on the pharmaceutical industry (co-authored by the NHS and ABPI with potential input from the APG) covering the benefits of partnership working, to be introduced in the early curriculum of clinician training. This is an effective way to break down the silos between NHS and industry to help build trust.

• Job descriptions: Work with the NHS performance management mechanisms across all levels to ensure that accountability for innovation is included within individuals’ job descriptions, objectives and work plans.

Breaking down silo budgets and removing perverse incentives:

• Mandatory adherence to NICE guidance: The funding and implementation of NICE guidelines is mandatory and that there is central provision to deliver this.

• Strengthen the role of NICE implementation guidance: An upgraded NICE “implementation template”, including local budget impact assessments, to support the diffusion of technologies that are deemed clinically and cost-effective.

The APG’s perspective

Question 5: Do you have any further comments about accelerating the adoption and spread of innovation in healthcare?
The pharmaceutical sector is an important part of the UK’s industrial heritage, and APG member companies are at the forefront of developing the treatments that patients need. Our UK footprint covers investment in research, university and research collaborations, skills and manufacturing:

- We invest around £750 million in R&D annually.²
- We employ 13,000³ people in the UK, representing almost one-fifth of the 72,000⁴ people who work in the pharmaceutical industry in the UK.
- We are based at sites across the country in 11 research facilities and 6 manufacturing sites.⁵

The NHS needs to become a champion of innovation and a high user of new technologies as this will attract research, improve NHS outcomes and efficiency, and ultimately benefit patients. However, the APG is concerned about low levels of uptake in the UK⁶, as compared to Europe, and the impact this could have on future inward investment decisions.

With rising global competition for pharmaceutical investment action is necessary to ensure the UK maintains its current share. Accelerating the adoption and spread of innovation is an important step towards that end. However, policy to support the adoption and diffusion of innovation cannot be seen in isolation from wider health and industrial policies that also affect the UK operating environment.

The APG urges a joined-up approach to life sciences policy that recognises the inter-relation between the uptake of innovation, patient outcomes, inward investment decisions and economic growth. In particular, the system for pricing and reimbursement will be a key influencing factor on future investment decisions. Any new pricing scheme must deliver both access to and uptake of new medicines, and incentives to invest in innovations that can help meet NHS quality and efficiency objectives.

Building on the ABPI submission, the APG would emphasise two key priorities for the NHS Chief Executive Review Team:

1. **Investment in innovation must be seen as a route to improving NHS efficiency and outcomes.** The APG is concerned that the NHS efficiency drive could be interpreted at a local level as an excuse to cut budgets without considering the potential to save through investment in innovation.

   The Review Team should work closely with industry to develop an evidence base, including case studies, where use of innovative medicines helps to improve the

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³ APG data.
⁵ APG data.
⁶ Department of Health (2010), *Extent and causes of international variations in drug usage: a report for the Secretary of State for Health by Professor Sir Mike Richards CBE*. 

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quality and efficiency of care. APG member companies look forward to working with the Review Team to develop an evidence base to demonstrate these benefits.

2. **Health and industrial policy must be aligned to avoid unintended consequences.** To ensure a consistent approach, the cross-Departmental role of the Office for Life Sciences must be upheld with full buy-in from DH, BIS and HMT. The Review Team should also take note of industry submissions made to the consultation on value-based pricing and to the Healthcare and Life Science Growth Review. This includes:

   - swiftly delivering Growth Review plans to streamline clinical trials approvals and publish prescribing data; and
   - developing a single system for pricing and reimbursement that adopts a wide definition of innovation and focuses on improving access to and uptake of new medicines.

About the APG

The APG represents the US researched-based biopharmaceutical companies with a presence in the UK. The Group works to promote a greater understanding of the value of our member companies to people’s health and the UK economy. We seek a receptive environment for inward investment and appropriate access, uptake and use of innovative medicines by the NHS. The APG is a voice for its members’ corporate headquarters and seeks a two-way dialogue between HM Government and the US biopharmaceutical industry.

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