Voluntary Pricing and Access Scheme (VPAS)

Cancer 52

Bringing medicines to *life*

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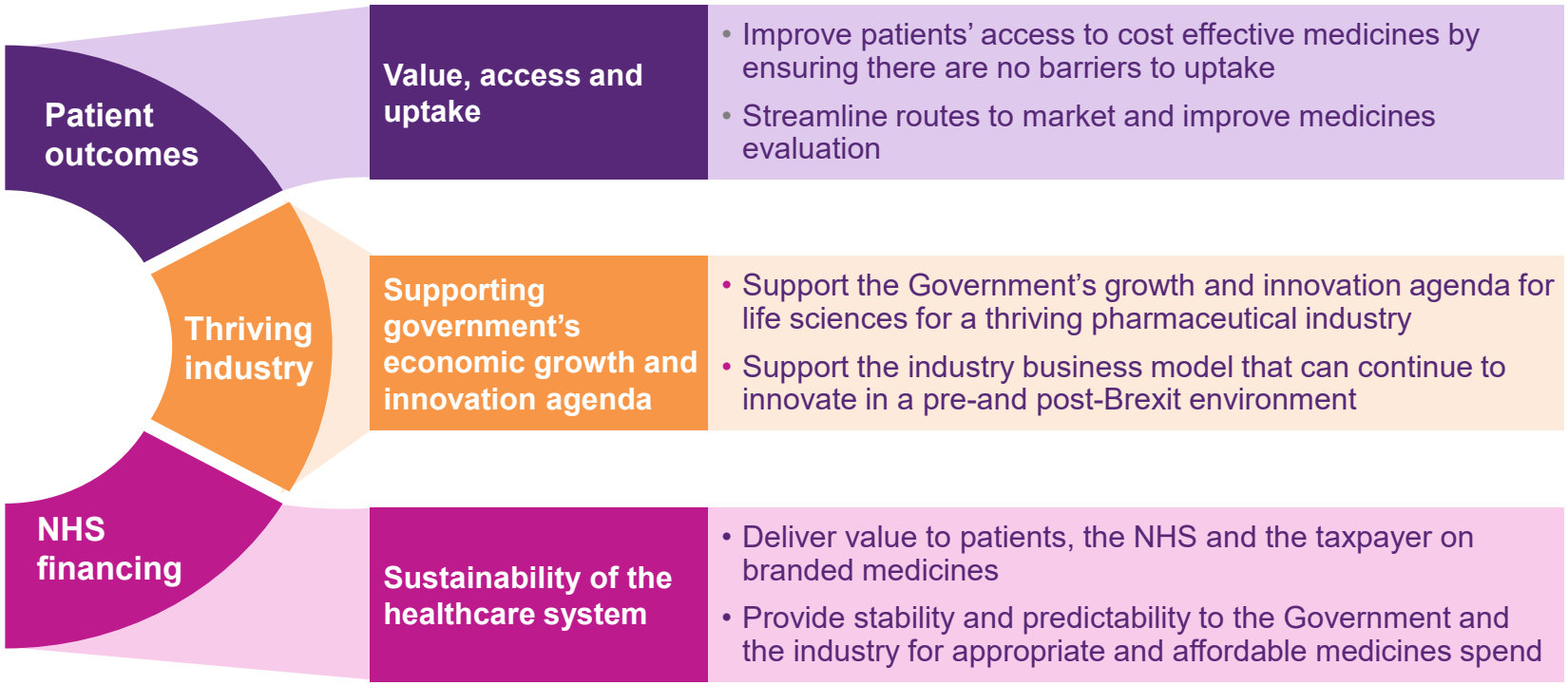
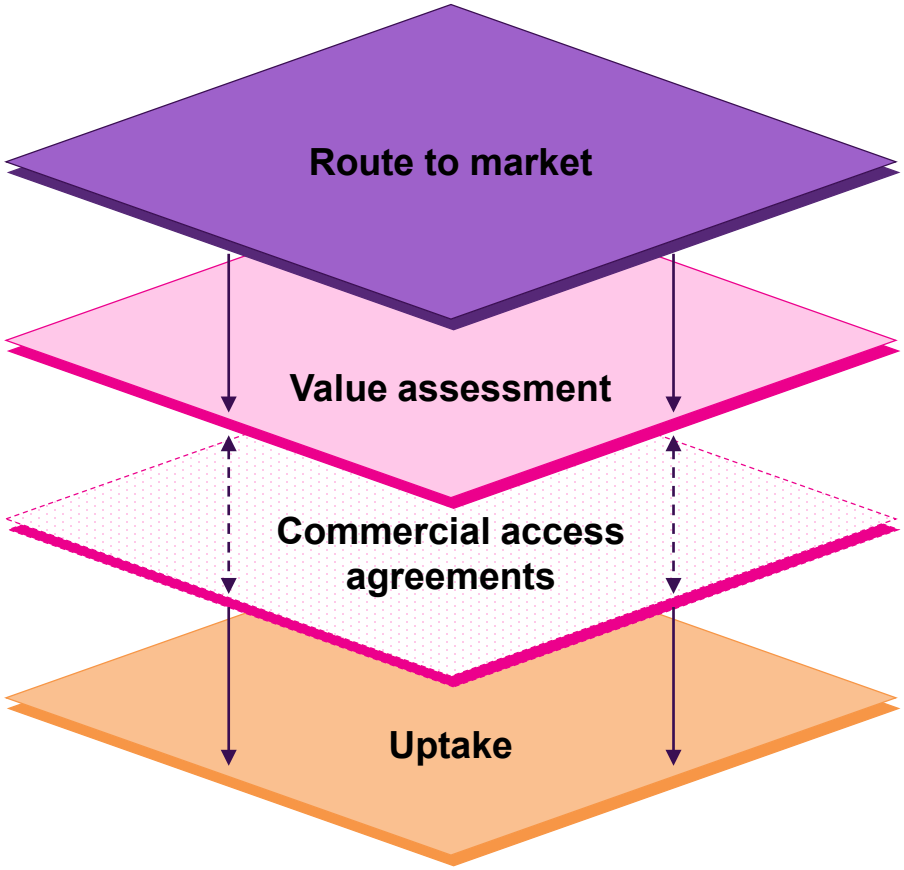
Ambition for the new scheme



Key financial and operating aspects of the new scheme

- Payment mechanism based on an **allowed rate of growth 2.0% each year**
- **Enhanced 'taper' for companies with sales between £5 million and £25 million – first £5 million of sales excluded from payments** for those companies.
- **Small companies <£5M excluded** from measured sales and therefore from payment.
- **New Active Substances (NAS) will be exempt from payment, for 36 months** on a rolling basis from date of licence, backdated to January 2018, to encourage launch soon after licensing.
- The scheme retains **freedom to set list pricing** on new active substances and subsequent line extensions.

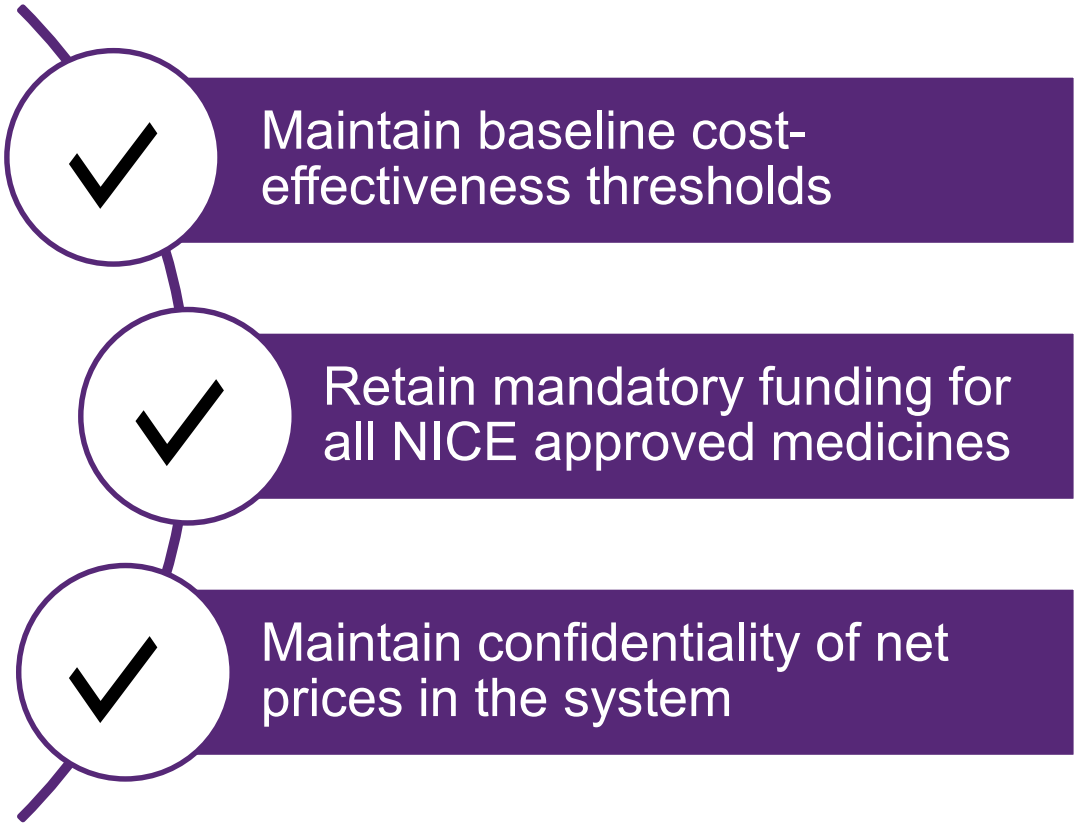
Shared aspiration to provide patients in the UK with access to the best possible care



- **Streamlined single process, engaging companies** and primary NHS organisations and agencies early on in horizon scanning and topic selection/ routing
- **Evolved process and methods** which account for the characteristics of innovative products in the pipeline and uncertainty
- **Formalised, unified and confidential** commercial discussion resulting in more innovative CAAs where required and within agreed procurement guardrails
- **Consistent and rapid uptake of cost effective medicines** for all eligible patients

1. Upper quartile: ambition is for the UK to be in the upper quartile for new NICE recommended medicines, compared to the basket of countries from OECD.

Three key components for the duration of the scheme



Significant developments in value and access will see more flexible commercial options for products

UK PharmaScan / NHS Horizon Scanning

New medicines and indications

Topic selection & routing
Company engagement and greater dialogue with NICE / NHSE

NICE Guidance

STA | **FTA** | **HST**

Commercial Access Process
(if a commercial agreement is required)
Single process for commercial discussions with NHSE, NICE and company

CDF Retained

Commercial arrangements + data collection (non-cancer medicines)

Tailored uptake support for the most clinically and cost-effective medicines. UQ ambition for 5 categories

- ✓ Development of enhanced horizon scanning process
- ✓ Improved early engagement and planning
- ✓ NHSE account management approach

- ✓ All new medicines and significant indications will have an appropriate NICE appraisal, unless there is clear rationale for not doing so
- ✓ Alignment of oncology & non-oncology appraisal timings
- ✓ Mandatory funding for all NICE approved medicines

(Reduced need for reliance on NHSE spec comm process, RMOC evaluations or local assessments)

- ✓ Maintenance of the baseline CE threshold
- ✓ Changes in value assessment methods to be worked on through NICE TA and HST methods reviews in 2019/20

- ✓ Development of a clear process for integrated commercial discussions with NHSE and NICE

- ✓ Additional flexibility for confidential CAAs on the table, including some for dealing with indication based pricing

- ✓ Option to align devolved nations commercial arrangements
- ✓ Some clarity on tendering intentions and process

- ✓ Commitments to improve uptake

In addition, NHSE, NICE and Government has a much clearer understanding of the challenges that the current market access environment presents which we hope to take further forward in the LSC PMAP

There is a willingness from Government and NHSE to improve uptake for the most clinically and cost-effective medicines

Uptake commitments

- All parties **aspire to see greater uptake** of current and future innovative, cost-effective medicines which provide significant health gain
- **Upper quartile target** for the five highest health gain categories during the first half of the scheme
- Continued **development of the Innovation Scorecard and other uptake measurement tools** to provide a more comprehensive approach to tracking uptake
- NHSE will **proactively provide tailored implementation support** to ensure uptake of cost-effective medicines which provide the most significant health gain
- Continued discussions on the **development of the data infrastructure** to enable improved information collection and generation of RWE, including on an indication-specific basis where appropriate

What does this mean from a value and access perspective from January 2019 onwards?

- Existing processes remain in place, **no immediate changes**
- NICE increases capacity (2019/20) to facilitate all new medicines and significant indications having an appropriate appraisal – NICE individual TA charges introduced from **April 2019**
- Patient Access Schemes, BIT, CDF, MAA and CAA processes maintained as at present until further evolved as part of new NHSE commercial framework
- NHS England, working with NICE and ABPI, develop and publish **Commercial Framework**
  - Integrated NHSE / NICE process for commercial negotiations
  - Equivalent “simple discount” and published “complex PAS” arrangements
  - Enhanced commercial flexibilities (including **confidential “complex” arrangements**) where deemed appropriate
- NICE BIT Review; NICE TA/HST Methods Reviews 2019 / 2020

implementation of value, access and uptake commitments needs to start from January 2019

Voluntary Pricing and Access Scheme (VPAS) 2019 - 2023