

News story: NHS to save £1 billion on its medicines bill in 2019

The NHS is expected to save around £930 million on its medicines bill across the UK under a new deal agreed with the pharmaceutical industry.

Patients will also have access to new medicines up to 6 months earlier.

The government and the Association of the British Pharmaceutical Industry (ABPI) have reached a final agreement in [the voluntary scheme for branded medicines pricing and access](#), which will begin on 1 January 2019 and last for 5 years.

In 2019, the following savings are predicted for the NHS medicines bill:

- England: £744 million
- Scotland: £93 million
- Wales: £56 million
- Northern Ireland: £37 million

The scheme is designed to keep growth in the branded medicine bill predictable and affordable by placing a 2% cap on the growth in sales of branded medicines to the NHS.

Pharmaceutical companies will repay the NHS for spending above the 2% cap.

Other measures to keep the cost of medicines affordable to the NHS include simplifying price controls, and faster and more flexible commercial discussions between the NHS and pharmaceutical companies.

The scheme will see the newest and best-value medicines made available to patients on the NHS more quickly through:

- earlier identification of the most promising medicines being developed
- earlier commercial discussions with industry
- faster assessments of the clinical and cost-effectiveness of new medicines by the National Institute for Health and Care Excellence (NICE)

The agreement is also designed to ensure the UK remains an attractive hub for the life sciences sector, part of [the government's Industrial Strategy](#).

Health Minister Lord O'Shaughnessy said:

The final deal is great news for patients and the NHS – the best and most affordable medicines will be available up to 6 months earlier and we will save almost a billion pounds next year which can be put back into other crucial services.

It is a vote of confidence in our world-leading life sciences sector and outlines our commitment to support small and medium-sized business to bring their innovative treatments to the NHS.

Mike Thompson, Chief Executive of the ABPI, said:

It's great that the full agreement is now confirmed – it is a commitment by the government and the NHS to work with us to support innovation for the benefit of patients. This means that people across the UK should see better and faster access to the most effective new medicines and vaccines.

Under the scheme the NHS will have absolute certainty that the sales of branded medicines will not grow by more than 2% in any of the next 5 years – or industry refunds the money. This is a significant contribution by pharmaceutical companies to support the NHS.