

Media Release

Embargoed until 00:01 on 19th February 2015

Media Information: David Garner +44 (0) 1904 322153

Approval of new drugs by NICE is doing more harm than good

The NHS is paying too much for new drugs

Research by health economists at the University of York has, for the first time, estimated the effects of changes in NHS expenditure on the health of all NHS patients.

This research has found that the 'threshold' used by the National Institute for Health and Care Excellence (NICE) when gauging the cost-effectiveness of new drugs is too high. This means that the approval of new drugs is doing more harm than good to NHS patients overall and the NHS is paying too much for new drugs.

Currently NICE uses a threshold of £30,000 per Quality Adjusted Life Year (QALY is a widely used measure of health that combines length and quality of life) to gauge whether the health benefits offered by a new drug are greater than the health likely to be lost because the additional resources required are not available to offer effective treatments to other NHS patients. The research found that this threshold is too high because £13,000 of NHS resources adds one QALY to the lives of NHS patients.

This means that more harm is being done to other NHS patients when NICE approves more costly drugs. For example, the approval of a new drug that costs the NHS an additional £10 million each year would offer benefits of 333 QALYs (at the current NICE threshold). This research shows it would also lead to the loss of 773 QALYs for other NHS patients with increased mortality in cancer, circulatory, respiratory or gastro-intestinal diseases and reduced quality of life in neurological diseases and mental health (a net loss of 440 QALY for every £10m of additional NHS costs).

This research shows that the NHS is currently paying too much for new drugs because the amount the NHS can afford to pay for the benefits that new drugs offer is lower than previously thought. It also indicates the scale of the harm that has been done to other NHS patients of devoting £280m of NHS resources to the Cancer Drugs Fund in 2014/15 (a loss of 21,645 QALYs).

Co-author Professor Karl Claxton said:

"The increasing pressure to approve new drugs more quickly at prices that are too high will only increase the harm done to NHS patients overall. The political pressure to support a multinational pharmaceutical sector cannot justify the real harm that has and will continue to be done to NHS patients."

Co-author Professor Mark Sculpher added:

“The research demonstrates that the threshold to gauge cost-effectiveness and how much the NHS can afford to pay for benefits offered by new drugs is a scientific question that can be informed by evidence and analysis.”

ENDS

Notes to Editors:

- The research was funded by the National Institute of Health Research (NIHR) and Medical Research Council to establish methods that can estimate the NICE cost-effectiveness threshold using routinely available data.
- The final peer reviewed report will be published in the NIHR’s Health Technology Assessment monograph series. Methods for the estimation of the NICE cost effectiveness threshold. Claxton K, Martin S, Soares M, Rice N, Spackman E, Hinde S, Devlin N, Smith PC, Sculpher M. Health Technology Assessment. Available on the NIHR Journals Library website (<http://www.journalslibrary.nihr.ac.uk/hta>) from the 19th of February 2015.
- More details about this research including web casts and a calculator ‘how much and what type health is lost’ can be found at <http://www.york.ac.uk/che/research/teehta/thresholds/>
- More information on the Centre for Health Economics at the University of York at <http://www.york.ac.uk/che/>
- Follow CHE on Twitter at <https://twitter.com/CHEyork>