Scrutiny of the Draft Budget 2012-13 and Spending Review 2011

ABPI Scotland

ABPI Scotland represents innovative research-based biopharmaceutical companies, both large and small, who are leading an exciting new era of biosciences in the UK.

Our industry is a major contributor to the economy of the UK, providing over ten thousand jobs in Scotland and bringing life-saving and life-enhancing medicines to patients. Our members supply 90 per cent of all medicines used by the NHS, and are researching and developing 90 per cent of the current medicines pipeline. This will ensure that the UK remains at the forefront of helping patients prevent and overcome diseases.

Summary

ABPI Scotland is encouraged by the bold language used by the Scottish Government in both the draft budget and the Strategic Spending Review (SSR). We agree that NHS Scotland has to spend money in a more concentrated way.

The focus on preventing health problems through earlier intervention is something that ABPI Scotland has been campaigning for; but we would go further and say that that treatment should be earlier and better.

The examples we have given around diabetes care and the prescribing of statins in our evidence show how improving patient outcomes often goes hand in hand with saving NHSScotland money. It also shows how this can be achieved by spending better and earlier.

Our example of medicines wastage demonstrates an area of inefficiency, the kind of which we believe the Scottish Government needs to address to make its plans a reality.

And lastly, we have highlighted the recent report from Audit Scotland that questions NHS Scotland’s reluctance to use new technology. This demonstrates how NHS Scotland’s default position of a presumption against new technology and treatments is in itself inefficiency and a major barrier to achieving the Scottish Government’s aim of world leading care, efficiency and innovation.

As the Committee discusses the SSR, three facts are worth bearing in mind:

- All modern medicines prescribed routinely within NHSScotland have proved themselves to be clinically and cost effective under scrutiny from the Scottish Medicines Consortium using a health technology assessment process that other countries have followed;
• Spending on medicines is the only area of NHSScotland’s activities that undergoes routine health technology appraisal in this way;
• NHSScotland will save at least £500 million in its medicines costs in the coming three years as well-used medicines, including statins, go off-patent and are replaced by generic similar products.

Preventative Spending and Efficiencies and Reallocation

ABPI Scotland supports the focus on preventative spending, and believes that this is one the best ways that NHS Scotland can evolve. We think that it must evolve if it is to remain in a position to continue to deliver care that is free at the point of need, in the face of clear demographic and cost pressures. Without such a change in mindset, facing these challenges will be far more difficult.

We have included preventative spending and efficiency and reallocation together because we feel that they are inextricably linked. The evidence we have included in this submission points to the need for preventative spend. Therefore by not reallocating money to treating patients more quickly, and by not treating with the very best medicines available as soon as possible, NHS Scotland will not be using its budget on the most efficient way.

A good example of both the challenge facing NHS Scotland and the potential benefits of preventative spending is in diabetes care. This condition, and the treatment of it, shows exactly why NHSScotland must see reallocation as an efficiency saving. That by treating better and earlier, money is saved later-on because patients enjoy better outcomes.

In 2008 ABPI Scotland commissioned a report from the economic consultancy NERA, which looked at the growing burden of diabetes in Scotland. It found that as incidence of the disease increases – the number of Scots with the condition could double by 2025 – greater use of medicines to manage the condition more effectively can help to reduce the cost by improving outcomes. This is based on the major advances that have occurred in the diagnosis and monitoring of blood-glucose levels, improving the opportunities for earlier treatment and allowing the disease to be far more tightly managed than previously.

The evidence of the NERA report is that earlier intervention and tighter management of the condition are both cost-effective approaches. The outlay for the improved service could potentially be completely off-set by the better outcomes and savings delivered elsewhere. For example, it is estimated that tight management of Type-2 diabetes could have saved 42,000 hospital bed days in 2005.

The example included below on the use of statins in older people deemed at risk of cardio-vascular disease (CVD) and stroke, shows how use can reduce adverse events occurring. This kind of spend to save is, we believe, the kind of efficiency and reallocation that NHS Scotland should pursue.
Another area of inefficiency is medicines wastage. A King’s Fund report (*Evaluation of the Scale, Causes and Costs of Waste Medicines, 2010*) highlights the problems of medicines wastage and misuse at a UK level. The report conservatively estimates that approximately £1 out of every £25 spent on primary care and community pharmaceutical and allied products is wasted; representing 0.3 per cent of total NHS spend in England.

A recent investigation by the Scottish Conservative Party highlighted that 13 out of 14 NHS Boards in Scotland are unable to put a cost on how much medicines wastage is costing them. ABPI Scotland would be keen to support any initiative to assess the true level of medicines wastage.

**Preventative Spending and Older People**

ABPI Scotland supports preventative screening, early interventions and treatment. There is evidence that shows, while the cost at the outset may be greater, this approach delivers improved outcomes and longer-term savings. And given the well-known demographic challenges facing NHSScotland, a “spend to save” approach is vital. The provision of a Change Fund for NHS Boards will enable the necessary steps to be taken which will improve the level of care given to elderly people, particularly in the field of cardiovascular prevention and treatment.

A good example of spending to save is the PROSPER study (The Prospective Study of Pravastatin in the Elderly at Risk), published in *The Lancet* in 2002. This study demonstrated the positive effects on the mortality rates in elderly people affected by CVD.

The PROSPER study was carried out to determine whether or not pravastatin could have a primary and secondary role in reducing incidences of CVD or stroke in older patients with either pre-existing vascular disease, or who were deemed high risk.

The PROSPER study was a randomised, double-blind, placebo-controlled trial designed to test the benefits of pravastatin in a selection of men and women at a high risk of CVD and stroke. Three European centres, Glasgow, Cork and Leiden collaborated in the project.

The findings of the PROSPER study showed that:

- Pravastatin lowered LDL cholesterol concentrations by one third;
- it reduced the incidence of coronary death compared to placebo;
- it reduced the risk of coronary heart disease (CHD) death and non-fatal myocardial infarction and;
- while stroke risk was unaffected, the risk of transient ischaemic attack (TIA) was reduced.

The study also found that new cancer diagnoses were more frequent on pravastatin compared to the placebo.
It is important to note that the incorporation of these findings in a meta-analysis of all pravastatin and all statin trials showed no overall increase in risk, mortality from coronary disease fell in the pravastatin group and it was established that pravastatin has no significant effect on cognitive function or disability.

Studies such as PROSPER provide the kind of robust evidence that the Scottish Government says it will prioritise as it drives NHSScotland towards greater efficiency and productivity. This one example shows that by extending the provision of medicines to other ‘at risk’ groups, better outcomes can be achieved both for patients and for NHSScotland.

This example could lead to a reduction in the need for hospitalisation and nursing home care. This in turn could result in a reduction of hospital waiting times and allow patients to stay out of hospital.

The PROSPER study also shows that being innovative in our approach to treatment can simply mean being more creative in how we use existing treatments, and does not always have to mean pioneering new treatments. Pravastatin, for example, is off-patent and costs less than more modern alternatives.

Further examples of the value of preventative spend for older people can be found in the economic analysis for the Reshaping Care for the Elderly Programme (*Prevention of ill health in older people – an economic analysis*, March 2011).

This report models three areas of care and how potential health improvement interventions might affect them, and their cost, in the future. The three areas looked at were chronic obstructive pulmonary disease (COPD), stroke and osteoporosis.

The modelling outlined in this report shows that with the exception of obesity management for stroke prevention and vitamin D management for the prevention of osteoporotic fractures, all of the health improvement programmes studied will more than pay for themselves, even using high cost assumptions.

Such reports provide the evidence to support the view that innovating and intervening earlier can prevent poor health later on, improve health outcomes and make NHS Scotland more efficient.

**eHealth**

ABPI Scotland is committed to seeing new innovation used to benefit patients – be it cutting-edge new medicines or technologies that allow better health outcomes for people. Better outcomes for patients mean long-term savings for NHSScotland.
eHealth is just such an advance, with the potential to streamline NHSScotland and improve the patient experience as well as patient outcomes. It has the potential to negate geography as a factor in patient care, something that in Scotland can be very important, and we would argue is an important part of the solution to making NHSScotland more efficient.

As Audit Scotland have demonstrated in their recent report (A review of telehealth in Scotland, October 13th 2011), NHSScotland does not always adopt new treatments or technologies as quickly as it might.

The adoption of innovations is an area that we would hope the Health & Sport Committee would scrutinise, including the slow uptake of new medicines in NHSScotland compared with other parts of Europe and new initiatives for delivering better care, such as eHealth and telehealth.

ABPI Scotland
18 October 2011