Financing & the NHS – Implications for HIV
Nikhil Premchand – Consultant Infectious Diseases
Disclosures

Recipient of 2013 UK & Ireland Gilead Fellowship Award
Unrestricted educational grant from Eumedica to attend ECCMID 2016
Time to get your cards out!

Where do you work?

Northern Ireland  Scotland

Wales  England

If none of the above, please put your hand up without holding a card.
The Financial Position
- focus on England
The Economy

International GDP growth, %

Canada | France | Germany | Italy | Japan | UK | US

Guardian graphic

Source: IMF

Source: http://www.theguardian.com/uk-news/2015/jul/08/uk-economy-six-summer-budget-graphs-you-need-to-see Accessed 09/03/16.
The Economy

Accessed 17/04/16.
Where the money goes – 2014 Budget

UK Healthcare spend

Accesssed 09/03/16
Outturn

- Personal Social Services grant to local authorities (allocated direct to local govt from 2011/12)
- 'Winter pressures' transfer to local authorities

Planned

- Learning disabilities and 'health reform' grants allocated direct to local government from 2013/14 onwards. Previously part of the NHS allocation (and subsumed in the black bars pre-2013/14)
- 'Integration transformation fund'
- Additional NHS transfer to social care
- DCLG\(^1\) capital (Disabled Facilities Grant)
- NHS Capital
- Carers' Breaks funding
- CCG\(^2\) reablement funding
- Existing transfer to social care

\(^1\) Department for Communities and Local Government
\(^2\) Clinical Commissioning Groups

Source: Kings Fund Website - [http://www.kingsfund.org.uk/blog/2013/10/what-are-we-spending-english-nhs](http://www.kingsfund.org.uk/blog/2013/10/what-are-we-spending-english-nhs)
Local Government Budget Cuts

Sources
http://www.bbc.co.uk/news/uk-politics-34790102 Accessed 09/03/16
UK Compared to other countries

Figure 1: Total health care spending (public and private) as a proportion of GDP

Sources:
  Accessed 09/03/16.
  Accessed 09/03/16.
- Bankruptcy: http://www.cnbc.com/id/100840148
  Accessed 09/03/16.
Where NHS money is spent:

Proportion on staff

Don’t forget inflation…

Figure 2.3: Real terms changes in gross earnings of public sector employed doctors and dentists, April each year, 2002 – 2014

Sources: Office for National Statistics (ONS) and Office of Manpower Economics’ analysis of ONS Annual Survey of Hours and Earnings’ microdata.

The figures used are gross annual pay of the median all employed doctors and dentists in the public sector (i.e. excluding independent contractor general medical practitioners and general dental practitioners).

Concepts to be aware of:

- Tariffs

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- Sexual health tariffs locally determined
- London has Integrated Sexual Health Tariff


• Market Forces Factor

2016-17 tariff - market forces factor (MFF)

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<th>Provider Code</th>
<th>Provider Name</th>
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<td>BARTS HEALTH NHS TRUST</td>
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<td>THE CHRISTIE NHS FOUNDATION TRUST</td>
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Weighting applied to activity payments including tariff and training payments to cover unavoidable costs


• **Pharmaceutical Price Regulation Scheme**
  
  • Voluntary agreement between pharmaceutical companies and DoH to “ensure that safe and effective medicines are available on reasonable terms to the NHS and in maintaining a strong, efficient and profitable pharmaceutical industry.”
  
  • 5 years from 01/01/14
  
  • Limit growth in NHS branded medicine spend
  
  • Complicated calculation basis


Further reading about PPRS: [http://www.abpi.org.uk/our-work/commercial/pprs/Pages/default.aspx](http://www.abpi.org.uk/our-work/commercial/pprs/Pages/default.aspx) Accessed 18/04/16
What you do?

- Consultant
- Industry/Other
- Student
- Trainee (Foundation – ST7)
NHS Provider Finances

NHS Provider Finances

Figure 1: NHS provider organisations financial position: 2009/10 to Q2 2015/16

Source: http://qmr.kingsfund.org.uk/2016/18/overview Accessed 09/03/16.
Hospital activity 2009/10 to 2014/15

Figure 2: Annual trends in hospital activity and overall NHS funding: 2009/10 to 2014/15

Source: http://qmr.kingsfund.org.uk/2016/18/overview  Accessed 09/03/16.
NHS drug spending rises by 8% to £15.5bn in England


Global cost of Harvoni

$84,000
(Canada)

£39,000
(UK)

48,000€
(France)

$94,500
(US)

$1,200
(Egypt)

$900
(India)

$80,000
(Australia)

Accessed 13/04/16.
Figure 2: People seen for HIV care by age group over time; 2005-2014

Source:
Consultant number increase

1.2 million
Full-time equivalent NHS staff in England

Figure 2.9: Total earnings ranges of consultants and equivalent grades, 2015, compared with the national pay distribution and other professional groups, full-time\(^1\)

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<tr>
<th>Group</th>
<th>lower quartile</th>
<th>median</th>
<th>upper quartile</th>
<th>90th percentile</th>
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<td>Associate specialist(^1)</td>
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<td>Legal (Con. min)(^2)</td>
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<td>Tax and accounting (Con. min)</td>
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<td>Salaried GMP(^3)</td>
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<td>Providing-performer GDP(^3)</td>
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<td>Performer GDP(^3)</td>
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</table>

Sources: The Office for National Statistics, Health and Social Care Information Centre, NHS Employers and Hay Group.

1 Figures for hospital medical grades relate to total earnings in the year ending September 2015, by headcount.
2 A range is not always available for these groups at this salary level. A ‘notional’ range of £1,500 is used in order to illustrate the median.
3 Estimated incomes (before tax) for 2013-14 for all (both full-time and part-time) general medical practitioners and general dental practitioners (the latest available data).

Do you think doctors are worth what they’re paid?

Yes, of course!  
Absolutely not

Not sure…

Don’t care
Figure 1: Public service healthcare output, inputs and productivity indices and growth rates, 1995 to 2013

United Kingdom

Figure 5

Trends in labour productivity since 1995

Index 1995=100

Source: Office for National Statistics

Source: Figure 1 http://www.ons.gov.uk/ons/dcp171766_427045.pdf Accessed 09/03/16
What is your Unique Selling Point (USP)?
Financial constraints will continue
Enhanced self-care for patients with long term conditions
New models of care needed

Accessed 04/03/15.
Other challenges

• Public expectations
• Worsening performance – February 2016
  • 4 hour A&E target worst month since 2004 (87.8%)
  • 18 week target missed for third month in a row
  • Cancer treatment commencement missed for 21st of 22 months
• Staff morale
• Junior doctor strikes
  • Fallout for next generation
• New consultant contract
• New AfC contract

The Scottish Picture – 2014/15

What does this mean for HIV?
What changes have you had to make to your service?

- None at all
- Reduced staff numbers
- Rationalised investigations
- Changed opening hours
The HIV Commissioning Landscape (1)
Where do commissioning responsibilities lie?

Local authorities
- HIV testing including population screening in primary care
- Partner notification
- Sexual health services
- HIV social care
- Sexual aspect of psychosexual services

Clinical Commissioning Groups
- HIV testing in CCG-commissioned services or part of abortion services
- Non sexual aspects of psychosexual health services

NHS England
- HIV services for adults and children, and cost of antiretroviral treatment
- Antenatal screening
- All sexual health services in secure and detained settings
- Sexual assault referral centres

Slide courtesy of James Palmer, NHSE; shown at Spring BHIVA 2015
PbR and HARS

- Tariff for care – exact amount to be decided
- Patients categorised by level of complexity / input needed
- Level determined by HARS return – PHE algorithm determines categorisation
- High quality data is key
The Pathway

Category 1
≈10%
Newly diagnosed or Newly onto ART

Category 2
≈ 80%
Stable

Category 3
≈10%
Medically Complex

Access
Other perspectives

‘I think stable patients, which is probably 50-70% of most cohorts, are pretty simple after one year. Loads of that care can be very remotely delivered... They need to get a blood test somewhere, someone needs to review the result, someone needs to communicate that to them and they need to get their resupply of meds. That can all happen without coming to hospital... [However] I think there is reluctance amongst clinicians to lose their cohort because it is easy and satisfying work to do. Turkeys don’t vote for Christmas do they?’

HIV Consultant comment in “Commissioning London’s HIV Services”; CIVITAS 2011
Specialised Commissioning Budget

Table 2: Commissioning stream allocations

<table>
<thead>
<tr>
<th>Summary outputs</th>
<th>15/16 Adjusted allocation</th>
<th>16/17 proposed allocation</th>
<th>Budget growth</th>
<th>17/18 proposed allocation</th>
<th>Budget growth</th>
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<td>Total</td>
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<td>105,836</td>
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<td>109,193</td>
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<td>111,675</td>
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<td>114,775</td>
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<td>118,875</td>
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- Budget set for next 5 years across Specialised Commissioning
- Savings from within
- Major challenges from other areas (HCV, CF)

Could you save more money in your service?

Yes, of course!  
Absolutely not

Not sure…  
Don’t care
Evidence base to deliver greater value

BHIVA guidelines for the routine investigation and monitoring of adult HIV-1-infected individuals
Patent Expiry dates: 2015-2029

11 years (2015-2026) when many drugs are available as individual generics, but co-formulated versions are still on patent

2015: ZDV, 3TC, NVP, EFV, RTV – already generic

2016: ABC, LPV/r
2017: TDF, ATV/r, DRV/r

2019: ABC/3TC (Kivexa)
2021: ETR
2024: TDF/FTC (Truvada)
2025: Raltegravir

2026: TDF/3TC/EFV (Atripla), TDF/FTC/RPV (Complera),
2029: ABC/3TC/DTG (Triumeq), TAF/FTC/ELV/c

Slide courtesy of Andrew Hill  Ref: Medecins Sans Frontieres 2014: Untangling the web of ARV price reductions
# How much could generic HIV drugs cost?

## UK prices per person-year: £ Sterling

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<th>Drug</th>
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<th>-30% (Discount)</th>
<th>-80% (Generic)</th>
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<td>£2016</td>
<td>£403</td>
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Predicted annual NHS costs of ARVs, 2015-2019

Option 1, patented: total cost of ARVs 2015-2019 = £2.41 billion
Option 2, generics: total cost of ARVs 2015-2019 = £1.16 billion
Potential saving = £1.25 billion
Devolved nations

Scotland:
• Scottish Medicines Consortium approve drugs
• No decision yet on PrEP, can be used in individual cases

Wales:
• New drugs approved by All Wales Medicines Strategy Group (all ARV approved to date)
• Generally implements NICE guidance
• PrEP still being considered

Northern Ireland:
Buyers Clubs

Source: http://www.iwantprepnow.co.uk/ Accessed 13/04/16

£44/month
Cure Hepatitis C with Sofosbuvir Ledipasvir Daclatasvir

Important information for Australian Hep C sufferers

On March 1st 2016, the Hep C medication became available on the Pharmaceutical Benefits Scheme (PBS). The medications available are:

- sofosbuvir + ledipasvir (Harvoni®)
- sofosbuvir (Sovaldi®)
- daclatasvir (Daklinza®)
- ribavirin (Ibavir®)

To start your treatment today visit gp2u.com.au/fixhepc

USD 1600 for 12 weeks of generic Sofosbuvir/Ledipasvir

Low-cost generic direct-acting antiviral treatment for Hepatitis C is equivalent to branded formulations

April 16, 2016

New data indicate that generics are a feasible alternative to support access to direct-acting antiviral treatment for Hepatitis C (HCV) sufferers

Summary

- Money is tight and will remain so
- No challenge is insurmountable, however the solutions may not always be palatable!
- Clinicians need to know costs and involve patients in the discussions about saving
- Need to deliver (much) more value and consider switching patients to generics
- Possibly need to be able to influence spend on issues such as PrEP if significant savings made elsewhere
Acknowledgements

- Birju Bartoli
- Andrew Freedman
- Andrew Hill
- Clifford Leen
- NHS England Commissioners
Any Questions?