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Pharmacy and Medicines Management Sustainable Resource Committee

22 October 2024

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Community Pharmacy

Submission Content



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1. Recap on Sustainable Resources Committee (SRC) April 2024 Presentation
2. Primary Care Update
3. Secondary Care Update

Sustainable Resource Committee

April 2024 Recap



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Four strategic aims under pin directorate decision making :

- i. Best use of technology for automation, digitisation and data visualisation
- ii. Standardisation and centralisation across the Health Board; Integration between Primary and Secondary care
- iii. Advanced professional practice step change for all staff and pharmacists actively prescribing
- iv. Health literacy to support people with self-care

Recap Continued – Comparative Performance



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- Performance is measured against national indicators:
 - National Prescribing Indicators
 - Value and Sustainability Indicators
- Current position offers assurance that Pharmacy and Medicines Management have robust processes in place to implement initiatives and monitor performance against other Health Boards

Recap Continued – Challenges



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April 2024

- **Aseptics Facility** – financial pressure due to an ageing facility
 - Business Case for an interim facility to reduce outsourcing costs
 - Development of a new Aseptics Facility to reduce reliance on external suppliers and target high-cost/low-volume medicines.
 - Cost-reduction schemes for 2024/25, considering supply chain volatility

Aseptics Facility – Current Position



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- **Transforming Access to Medicines Service (TrAMs) is the long-term solution**
 - Funding is not confirmed, and the program is delayed (earliest for South-West Hub 2027/28)
 - Our specialist staffing is a real issue (Governance Team adding to Risk Register)
- **Health Board needs an interim solution**
 - A demountable unit in Withybush Hospital (WGH) - Business Plan is being worked up for Welsh Government (WG) – currently at tender phase)
 - Patient safety risk and a circa £1 million per year risk
- **Can we do more before then?**
 - Prudent use of current infrastructure – volume limited by external audit
 - Outsourcing of batch products with new procurement framework

Aseptics Facility – Current Position



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- Remains on Corporate Risk Register (Risk 1810)
- Business Case anticipated to be submitted to WG in January 2025
- Interim solution to allow bulk purchase of batch chemotherapy against new procurement framework which can be achieved by:
 - A large cold storage facility
 - Contract awarded to Darwin (Portakabin)
 - Expected to be available by December 2024
 - The new contract being used but limited by current cold storage capacity
- Will allow ~£250k annual cost savings to be made to cancer services/pathology directorates, and
- Will allow ~£230k cost avoidance to cancer services/pathology directorates by avoiding purchasing individual patient doses



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Primary Care Update

Focus on financial sustainability

Primary Care Prescribing



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The primary care prescribing (PARS) budget for 2024-25 of **£82.6m**.

Variability in volume of prescribing and impact of national drivers on drug pricing can have a significant impact on spend.

The forecast position is based on intelligence around drug pricing and volume (growth) of prescribing. At the start of the financial year, this was based on a cost-per-item of £7.56 and 1.05% growth in volume of prescribing.

Challenges

- Due to higher actual spend in May and June, the forecast was amended at M5 to reflect higher cost-per-item (£7.67) and increased growth of 2%. This will increase the year-end forecast from ~£2m.
- There are key therapeutic areas that are contributing to the overall position.
- Variation in the availability of products can have an impact on national drug prices.

Opportunities

- Pharmacy and Medicines Management's savings plan for 2024-25 is in place and delivering to mitigate cost pressures.
- Loss of exclusivity of Apixaban with price reduction of generic products key part of the run rate reduction savings plan for 2024-25.
- Loss of exclusivity of Rivaroxaban with price reduction of 87% from originator costs from September 2024 will reduce the expected cost-per-item within Q3 and Q4. This reduces the year-end forecast from projected £2m to £1.2m.

Primary Care Prescribing



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July Data:

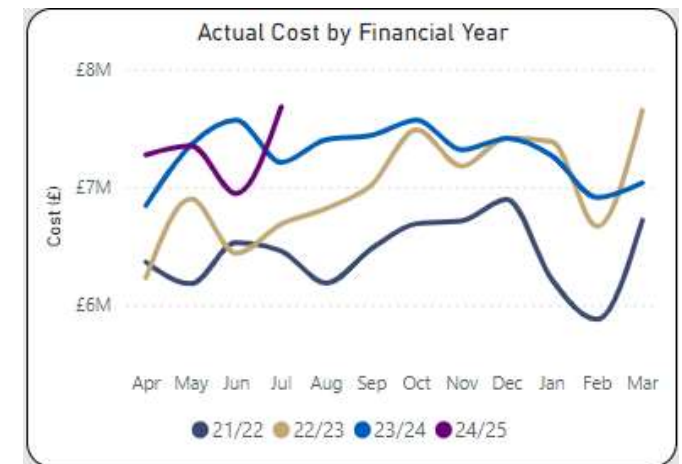
Data in table below shows the gross PAR (Prescribing Audit Report) spend and volume of prescribing.

Gross PAR includes all prescribing within primary care, which includes items personally administered medication (PADMs) purchased by a GP practice for administration within the practice (including vaccines) and items dispensed by a dispensing practice, which are costed to General Medical Services budget within Primary Care.

The net PAR (excluding the above) is what hits the Pharmacy and Medicines Management ledger.

	In-month position	Variance to 23-24	YTD position	YTD Variance to PY	% Variance YTD
Cost	£7,682,177	£472,111	£29,255,828	£272,509	0.94%
Items	938,991	53,672	3,647,830	79,743	2.23%

Primary care prescribing data 2-3 months behind due to a time-lag with the processing of prescription data from Prescribing Services.



Monthly spend variation (Gross PAR) across financial years

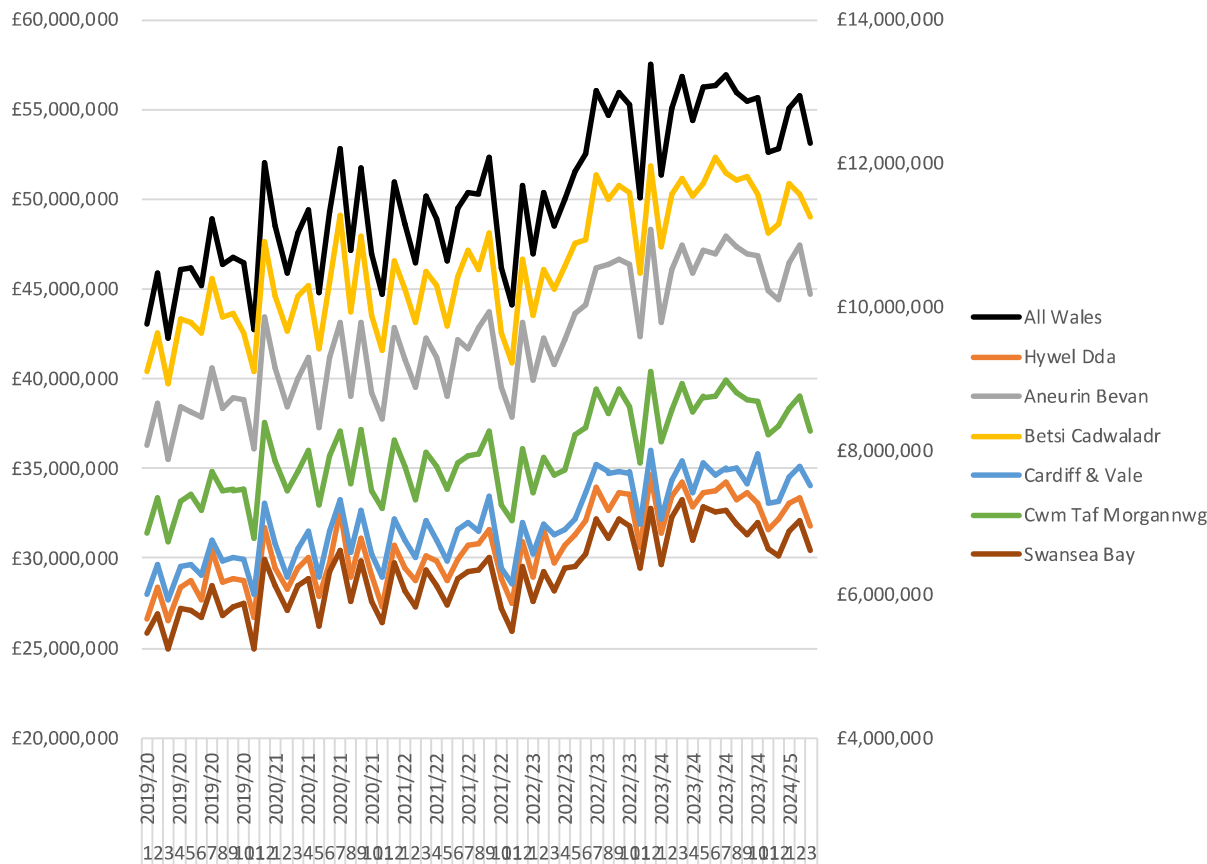
Primary Care Prescribing



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All Wales and HDdUHB actual spend per month



The graph shows the monthly trend of prescribing costs for each Health Board, and an All-Wales position since 2019-20.

This demonstrates:

- HDdUHB’s trend of prescribing is similar to the national position and all other Health Boards.
- National drivers on primary care prescribing has significant impact on the financial position, due to:
 - Growth in volume of prescribing in key therapeutic areas
 - Changes in drug prices



Identified cost drivers within primary care are within 5 main treatment areas, in line with evidence-based medicine:

- Direct Oral Anticoagulants (DOACs)
 - Apixaban, Rivaroxaban, Edoxaban and Dabigatran
- Sodium-Glucose Co-Transporter 2 (SGLT2) Inhibitors
 - Dapagliflozin, Empagliflozin and Canagliflozin
- Sacubitril and Valsartan (Entresto)
- Continuous Glucose Monitors
 - Freestyle Libre and DexCom
- Glucagon-like Peptide (GLP-1) agonists
 - Semaglutide, Liraglutide, Dulaglutide, Tirzepatide

DOACs



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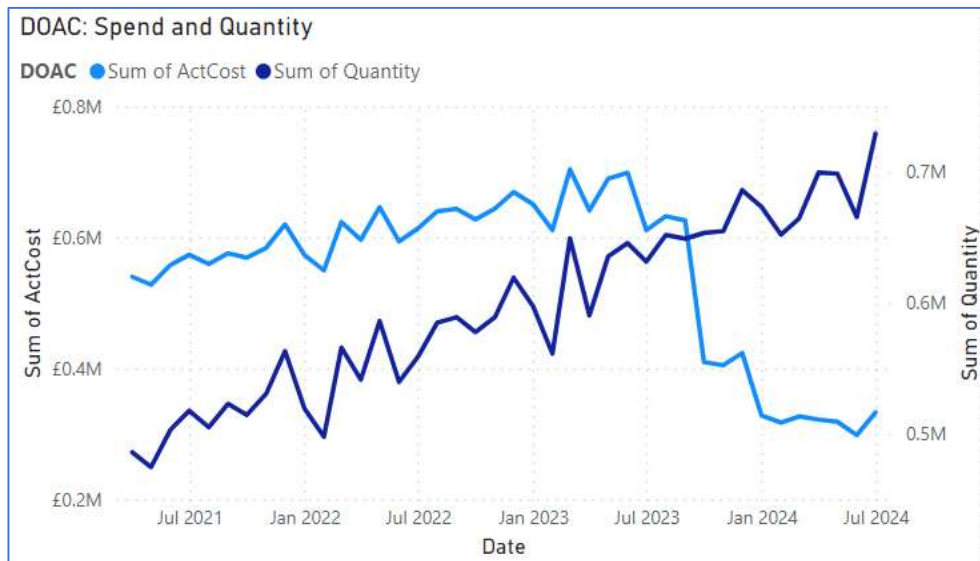
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Place in therapy:

- Prevention of stroke and systemic embolism for non-valvular atrial fibrillation (AF).
- Prevention and treatment of deep vein thrombosis (DVT) and pulmonary embolism (PE).
- Prevention of venous thromboembolism (VTE) after total hip replacement (THR) or total knee replacement (TKR.)

Value-Based Medicine

- Compared to traditional warfarin therapy, DOACs reduce the risk of major bleeding events, does not require frequent blood monitoring and have fewer food and drug interactions.
- Easier dosing regime (unlike warfarin) improves compliance for patients with fewer hospitalisations and lower complication rates.



2024-25

- Volume of prescribing continuous to grow as DOACs are now the first-line anticoagulant choice in HDdUHB.
- Reduction in spend (due to availability of generic products within the UK market) is a key component of the directorate's cost savings plan for 2024-25.
- The price reduction on Apixaban from September 2023, has reduced the spend by **£1.3m**.
- The price reduction for Rivaroxaban is expected from September 2024 with an estimated reduction in spend of **£730k**.

SGLT2 Inhibitors



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Place in therapy:

- Originally developed for management of type-2 diabetes.
- Benefits now expanded to management of heart failure and chronic kidney disease

Value-Based Medicine

- Significantly reduces hospitalisations, slows disease progression, reduced cardiovascular events and ultimately reduces cardiovascular deaths across all clinical areas.
- By addressing multiple co-morbidities like diabetes, heart failure and chronic kidney disease, SGLT2-inhibitors offer significant clinical benefits and long-term healthcare savings.



2024-25

- With expansion of licences, volume of prescribing continues and expected to continue across all the clinical areas.
- Forecasted growth for 2024-25: £1.2m

Sacubitril/Valsartan (Entresto)



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Place in therapy:

- Key therapy as one of the four pillars in the management of heart failure with reduced ejection fraction.

Value-Based Medicine

- Significantly reduces hospitalisations, mortality and the overall burden of heart failure in patients within reduced ejection fraction.
- Despite higher upfront costs (compared to ACE-inhibitors) its long-term benefits in reducing heart-failure complications and improved survival justifies its place in therapy.



2024-25

- Increase in volume of prescribing continues as patients are optimised on their heart failure medication, aligned to the heart failure services across HDdUHB.
- Forecasted growth for 2024-25: **£600k**

Continuous Glucose Monitors



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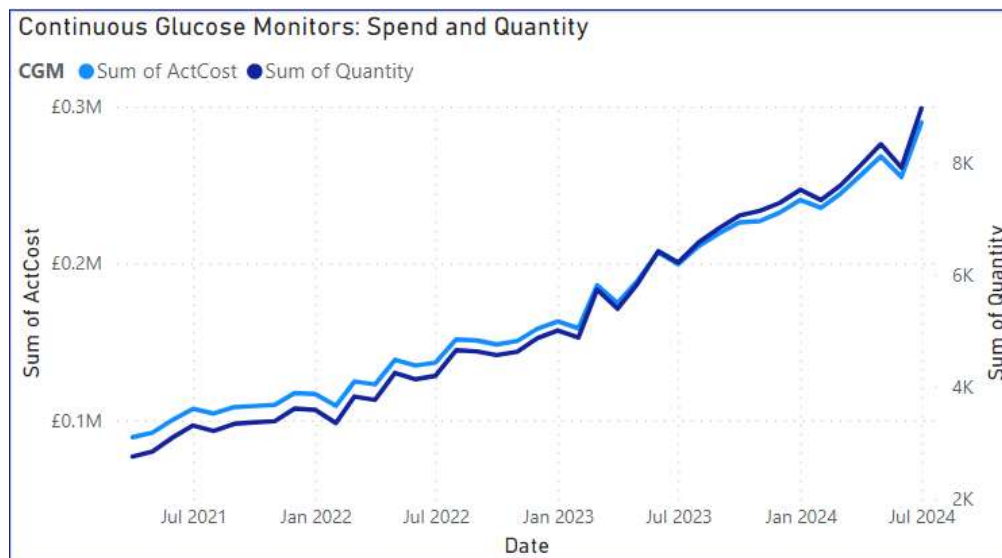
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Place in therapy:

- Monitoring of patients' blood sugars in-line with WG Health Technology Appraisal.

Value-Based Medicine

- Improves glycaemic (blood sugar) control, reduces complications and enhances quality of life for individuals with diabetes.
- Provides real-time glucose monitoring, leading to fewer hypoglycaemic and hyperglycaemic episodes, which decreases hospital admissions and emergency visits.



2024-25

- Expansion of patient eligibility will increase volume of prescribing.
- Forecasted growth for 2024-25: **£1.1m**

GLP-1 Agonists



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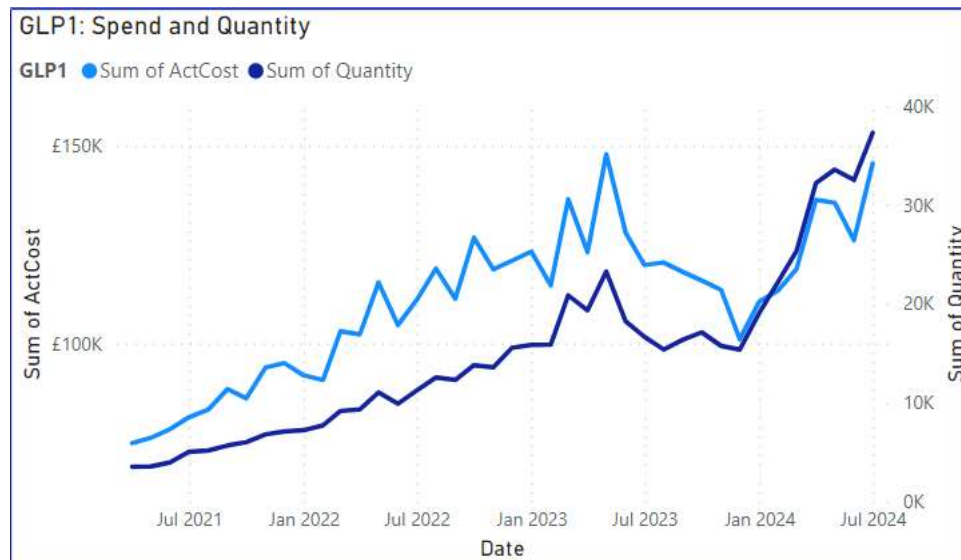
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Place in therapy:

- Management of diabetes and weight loss

Value-Based Medicine

- These drugs help improve blood sugar control, promote weight loss and reduced cardiovascular risks, leading to better patient outcomes and reduced long-term healthcare costs.



2024-25

- National shortage of this medication group has reduced the growth previously seen. With availability expected to improve into 2025, and with availability of new products (e.g. Tirzepatide) for weight management, costs are expected to rise again, but difficult to fully forecast the full-year impact.

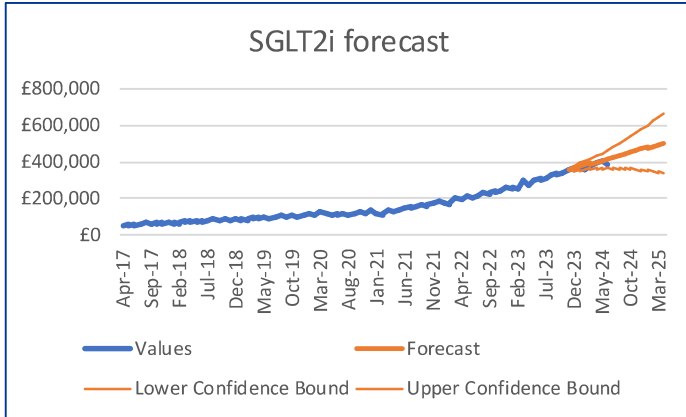
Cost Pressure Areas



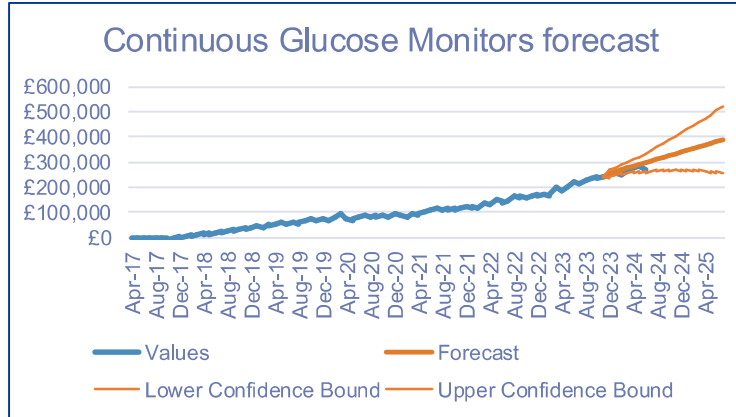
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SGLT2i forecast



Continuous Glucose Monitors forecast

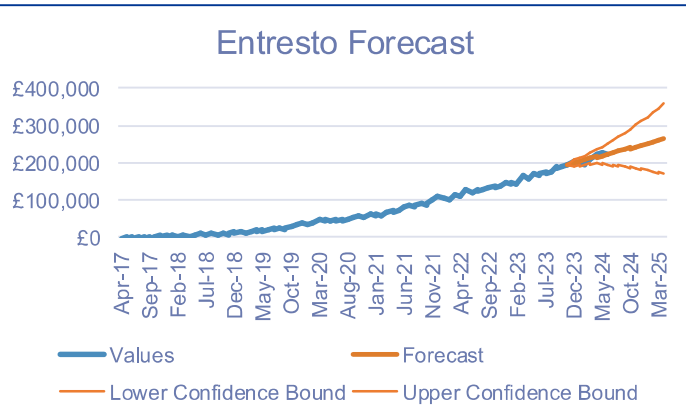


Three of the identified cost pressure areas are expected to continue to increase for 2024-45.

Forecasted growth is expected to be around £3m for this financial year.

These are included within the £1.2m forecast movement reported in M5.

Entresto Forecast



Drug Group	22-23 Spend	23-24 Spend	Cost Impact (23-24)	24-25 (forecast)	Cost Impact (forecast)
SGLT2i	£2,869,643	£4,086,508	£1,216,865	£5,374,967	£1,288,459
Entresto	£1,622,095	£2,250,768	£628,672	£2,853,925	£603,158
CGM	£1,933,694	£2,792,523	£858,829	£3,880,845	£1,088,322
Total	£6,425,432	£9,129,799	£2,704,366	£12,109,737	£2,979,939



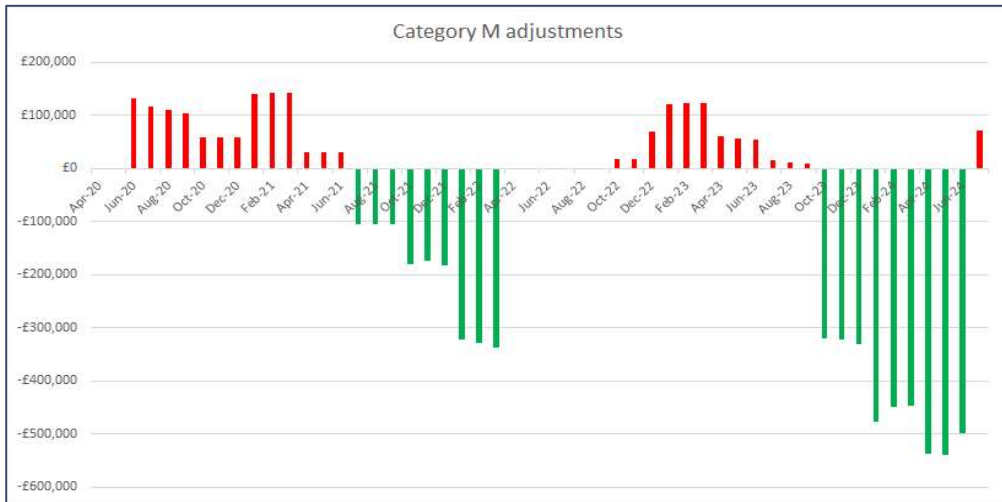
- Medicine prices are set by Department for Health and Social Care (DHSC).
- Due to price variability, these are reported each month within the Drug Tariff.
- Medicines are classified into 3 categories:
 - **Category A** – Drugs that are readily available as generics. Reimbursement price for each drug is calculated from a basket list of suppliers (main wholesalers and major generic suppliers).
 - **Category C** – Drugs not readily available as a generic. Price is based on a particular brand or supplier, and is classed as its "list price".
 - **Category M** – Drugs that are readily available as generics. Reimbursement price is calculated by DHSC based on information submitted by manufacturers.
- Category M prices are adjusted nationally by DHSC in response to market changes to ensure delivery of £800m profit margin for community pharmacies across the UK to maintain the sustainability of the service.
- Quarterly variation in Category M prices and potential impact on cost-per-item are used to update the forecast for year-end position.

Price Volatility



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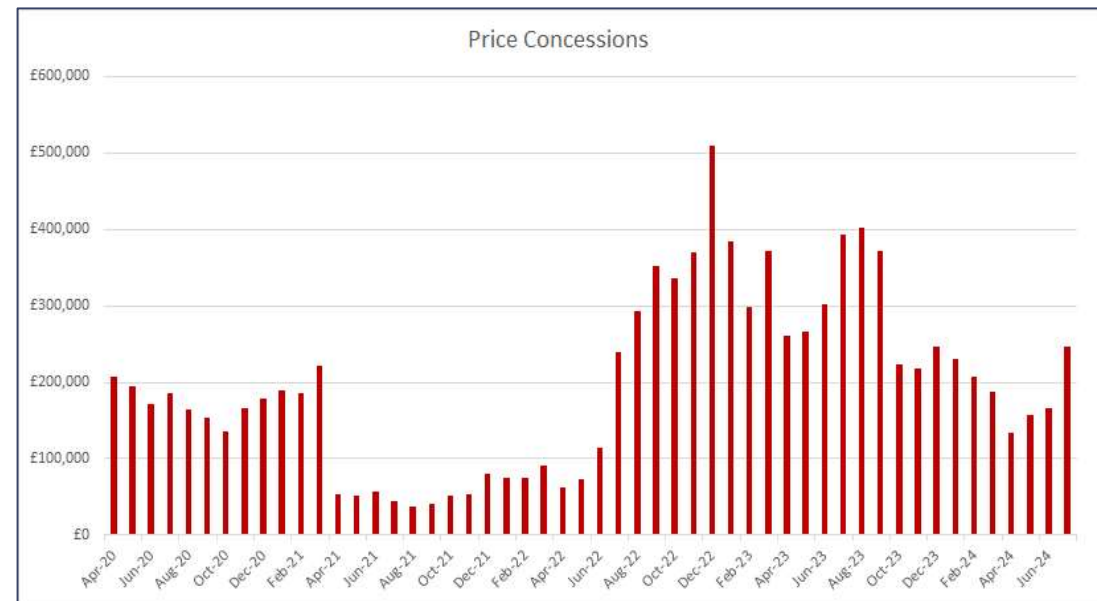
The graph to the left demonstrates the volatility and changes in Category M prices since April 2020 for HDdUHB.

2023-24 total price impact for Hywel Dda was a reduction in spend of **£2.1m**, mainly in relation to price reduction of apixaban from Q3 onwards.

2024-25 (YTD to M4) price impact is a **£1.5m** reduction in spend.

Medicines shortages is a significant pressure currently on the NHS – from a workload and financial perspective. Price concession or “No Cheaper Stock Obtainable” (NCSO) is a result of community pharmacies not being able to source the medication at or below the Drug Tariff price. This results in a price concession that’s attributed to **all** dispensed medication for that month.

Price concessions for 2023-24 for HDdUHB totalled **£3.1m**, with a YTD (to M4) for 2024-25 currently at **£713k**. This is expected to increase again in August and September 2024 due to a price concession on Apixaban products.





Mitigating Actions and Opportunities

- Growth in volume of prescribing within the key identified areas, in addition to the impact of the volatile national drug pricing market puts significant pressure on the primary care prescribing budget.
- To mitigate these pressures, the Pharmacy and Medicines Management team have identified a run rate reduction savings plan for 2024-25, which includes:
 - Price reduction on apixaban and rivaroxaban due to loss of exclusivity and availability of generic products
 - Promote cost-effective prescribing within primary care through targeted switches to more cost-effective options.
 - Promote deprescribing of medication in identified patients.
 - Review and ensure that all high-cost medication (including specials) are appropriately prescribed and supplied within primary care.

NHS Value and Sustainability



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Aims and Objectives

- Choose the best value product
- Minimise losses from local procurement
- Eliminate no or low-value prescribing

Y Grŵp Iechyd, Gofal Cymdeithasol a'r Blynyddoedd Cynnar
Health, Social Care & Early Years Group



Llywodraeth Cymru
Welsh Government

To: Chief Executives, Local Health Boards and Velindre University NHS Trust

Cc: Directors of Finance, Medical Directors, Chief Operating Officers, Directors of Primary Care and Chief Pharmacists, Local Health Boards and Velindre University NHS Trust

2 October 2024

Dear Colleague,

NHS Value and Sustainability – Priorities for reducing medicines expenditure

We wrote to you in March setting out the initial national priorities for reducing medicines expenditure and supporting improvements in value and sustainability in 2024/25. This letter updates those priorities and provides a consolidated list of the ten areas for action by health boards and NHS trusts in Wales in the remainder of this financial year.

The consolidated list is as follows:

1. Maximise the use of biosimilar medicines, including where possible preferential use of lowest acquisition cost biosimilars (carried over from 2023/24);
2. Ensure compliance with hospital contract pricing for abiraterone, apixaban, lanreotide, lenalidomide, teriflunomide, and sugammadex (carried over from 2023/24);
3. Minimise prescribing of medicines by brand where lower cost generics are available in primary care (carried over from 2023/24);
4. Increase the use of apixaban and rivaroxaban as a proportion of all direct acting oral anticoagulants in primary care (amended from 2023/24 to include rivaroxaban);
5. Stop the prescribing of medicines on a low value list including some over the counter medicines (carried over from 2023/24);
6. Reduce prescribing of bath and shower emollients (new for 2024/25);
7. Ensure use of lowest acquisition cost equivalent liothyronine preparations (new for 2024/25);
8. Ensure the prescribing of dry eye preparations in primary care is in accordance with local or national formularies (new for 2024/25);
9. Maximise adoption of biosimilar ustekinumab (new for 2024/25); and
10. Ensure compliance with hospital contract pricing for specified medicines with contracts awarded in 2024/25 – further details to follow (new for 2024/25)

The size of the opportunity presented by each priority will depend on each health board's use of the medicines in each priority area and current prescribing practice. Health boards should therefore determine the relative priority of these opportunities also taking account of the size of locally determined opportunities not included in this list.

Detailed information about each of these priorities is being made available to your Director of Pharmacy and NHS Chief Executives are asked to ensure delivery arrangements are in place to assure themselves new opportunities are realised as quickly as possible and to ensure continued progress against the previous recommendations.

A monthly summary performance report will be made available to support health boards to monitor progress against these priorities.

Further information and links to tools and resources which support health boards with implementation are provided in the attached annex.

If you have any queries relating to the content of this letter, please email Stephanie.Andrews002@gov.wales.

Yours sincerely

Alex Slade
Cyfarwyddwr o Gofal Sylfaenol, Iechyd Meddwl a
Blynyddoedd Cynnar
Director of Primary Care, Mental Health and
Early Years
Llywodraeth Cymru
Welsh Government

Suzanne Rankin
Prif Weithredwr
Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
Chief Executive
Cardiff and Vale University Health Board



Primary Care recommendations are:

- Brand-to-Generics
 - Stop prescribing medicines by brand in Primary Care where lower cost generics are available.
- Direct Oral Anticoagulant (DOAC) Agents
 - Preferential use of Apixaban or Rivaroxaban in Primary Care.
- Low-Value including Over-The-Counter (OTC)
 - Stop prescribing of medicines on low-value list including some over-the-counter medicines.
- Bath and Shower Emollients
 - Restrict prescribing of bath and shower emollients
- Liothyronine
 - Selection of lowest acquisition liothyronine preparations
- Dry Eyes
 - Selection of dry-eye preparations in accordance with local formularies

Value and Sustainability



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Below is the June All-Wales position per Health Board for the Primary Care recommendations.

	Aneurin Bevan	Betsi Cadwaladr	Cardiff and Vale	Cwm Taf Morgannwg	Hywel Dda	Powys	Swansea Bay	Velindre	Wales
Primary care generics	23.9%	10.6%	14.8%	8.7%	18.8%	12.7%	10.4%	N/A	14.2%
Apixaban	61.4%	51.6%	70.8%	55.9%	61.4%	58.8%	73.2%	92.1%	60.9%
Apixaban/Rivaroxaban	81.9%	66.4%	95.5%	88.7%	95.7%	79.7%	92.6%	97.4%	84.5%
Low value including OTC	17.5%	4.1%	-14.9%	19.4%	25.6%	7.1%	10.2%	N/A	10.4%
Bath emollients	3.7%	4.5%	-2.3%	3.6%	5.0%	-6.6%	1.9%	N/A	2.1%
Liothyronine	59.2%	41.7%	71.2%	40.5%	83.1%	84.6%	94.7%	N/A	63.8%
Dry eyes	87.99	85.53	89.14	84.46	85.25	85.45	82.20	N/A	85.94



Achieved (continuous monitoring to maintain)

- Apixaban and Rivaroxaban
 - The **61.4%** reflects the volume of prescribing of apixaban as a percentage of all DOAC prescribing. This does not reflect the percentage of generic Apixaban prescribing, of which HDdUHB is currently at **99.23%**.
Action: The medicines management team are identifying and working with practices with branded prescribing to ensure that all patients are prescribed generically to maximise any savings (where clinically appropriate).
 - 95.7% reflects Apixaban and Rivaroxaban's position as first-line choice DOACs within HDdUHB.
There are no imminent plans to switch patients on alternative DOACs (Edoxaban and Dabigatran), however the percentage is likely to increase as both Apixaban and Rivaroxaban continue to be recommended and prescribed for new initiations.
- Low-Value and OTC
 - HDdUHB are the lowest prescribing Health Board for products identified as low-value with some over-the-counter products (based on '*items per 1000 patients*' comparator).
 - Bath Emollients
 - HDdUHB are the lowest prescribing Health Board for bath emollients (based on '*items per 1000 patients*' comparator).

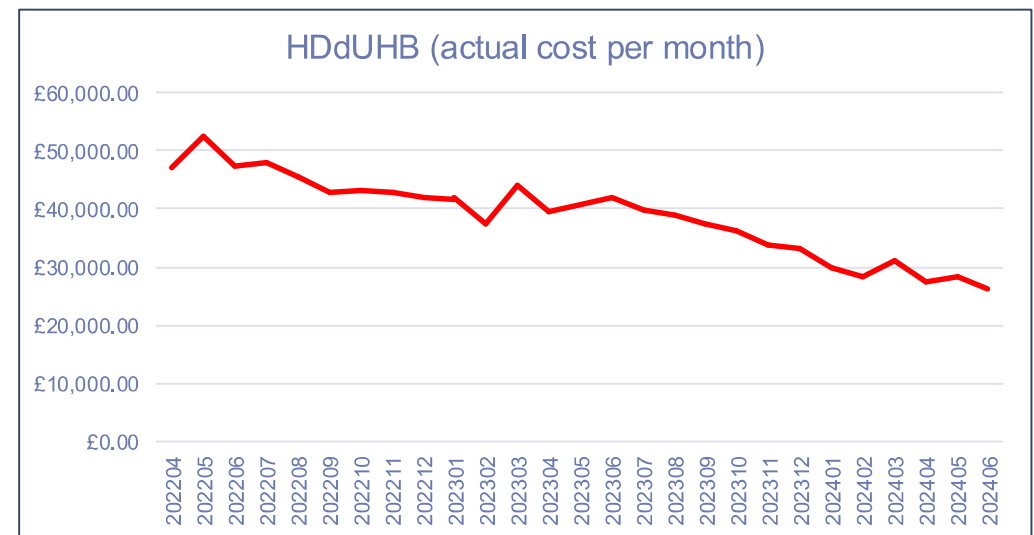


Mostly active with some remaining opportunities

- Brand-to-Generics

- £11,052 reduction (27.87%) in spend per month on a basket of identified branded products comparing when comparing July 24 data to April 23 reference point.
- Remaining opportunities is around £13k saving per month (at 100% switch of products).
- **Action:** Targeted switching within GP practices by the Pharmacy and Medicines Management team. Use of ScriptSwitch (prescribing decision support software) to switch products at the point of prescribing.

Financial Year	Q1 spend	Q1 difference
2022-23	£146,872	-
2023-24	£122,420	-£24,451
2024-25	£82,302	-£40,118





Mostly active with some remaining opportunities

- Liothyronine
 - HDdUHB are currently at >80% use of the lowest cost Liothyronine products.
 - From July data, around £400 opportunity saving per month remaining.
 - **Action:** Targeted switching within GP practices by the Pharmacy and Medicines Management Team for remaining Liothyronine prescriptions.

- Dry-Eyes
 - The dry-eye treatment pathway has recently been approved within HDdUHB and work is underway within primary care to ensure that the most cost-effective product is prescribed.
 - We expect to see the percentage compliance to formulary increasing, with reduction in overall spend on products for dry-eyes.
 - **Action:** Targeted switching within GP practices by the Pharmacy and Medicines Management Team.



Audit Wales Report

- Report reviewed the process of prescribing and dispensing high-cost products.
- Highlights the risk of fraud and error when dispensing specials and expensive items (e.g. liquid preparations).
- Risk of fraud and error is probably low but may be opportunity for clinical review to reduce avoidable spend.

HDdUHB process to mitigate risk

- Clinical Pharmacists within Primary Care review prescribing data for practices, including high-cost products and specials.
- Work with clinicians in practice to identify suitable alternatives (e.g. products or formulations) or alternative methods of supply (e.g. hospital prescribing and dispensing due to more cost-effective prices).
- New dashboard developed by the All-Wales Therapeutics and Toxicology Centre (AWTTC) to include dispensing information at community pharmacy level to provide additional level of scrutiny and assurance.

Savings Plan Update



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Savings Scheme	Description	B-RAG	Year Plan (24-25)	Q1 Plan	Q1 Actual	Variance
ScriptSwitch	Use of Prescribing Decision Support software in general practice to generate cost effective switches and formulary compliance.		£300,000	£22,522	£30,969	(£8,447)
Housekeeping	Clinical and product switches to the most cost-effective medicine (including Value and Sustainability initiatives).		£100,000	£6,000	£11,588	(£5,588)
Low-Value for Prescribing	Review and minimise use of medicines identified on the Low-Value for Prescribing papers by AWTTTC.		£20,000	£886	£223	£663
Cost-effective inhalers	Optimisation of inhaler choice to the most cost-effective brand.		£100,000	£4,431	£16,024	(11,593)
Diabetes	Promote use of biosimilar insulin.		£100,000	£0	£0	£0
Dietetics – Homemade Nutritional Supplements	Reduce inappropriate prescribing of oral nutritional supplements within care homes through promoting use of homemade nutritional supplements.		£100,000	£4,431	£9,357	(£4,926)
Dietetics – Cow's Milk Protein Allergy (CMPA)	Reduce inappropriate prescribing of supplements for cow's milk protein allergy		£60,000	£2,659	£3,318	(£659)
National Prescribing Indicators (NPIs)	Reduction in prescribing to support national prescribing indicators within antimicrobial stewardship, analgesia and hypnotics and anxiolytics		£30,000	£1,329	£1,194	(£135)
Loss of Exclusivity – Apixaban	Loss of Exclusivity with generic products reducing the Drug Tariff price.		£1,300,000	£306,449	£354,096	(£48,096)
Loss of Exclusivity – Rivaroxaban	Loss of Exclusivity with generic products reducing the Drug Tariff price.		£730,000	£0	£0	£0
Total			£3,588,000	£384,431	£462,837	(£78,496)

Savings Plan Update



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Savings Scheme	B-RAG	Date RAG Changed	Comments
ScriptSwitch	Green	September 2024 (from Red to Green)	Changed to green following availability of prescribing data for Q1 in September.
Housekeeping	Green		
Low-Value for Prescribing	Green		
Cost-effective inhalers	Green		
Diabetes	Amber	September 2024 (from Red to Amber)	Work started in Q2 on biosimilar switching of insulin within primary care. Expected to see impact when prescribing data available and scheme change from amber to green.
Dietetics – Homemade Nutritional Supplements	Green	September 2024 (from Red to Green)	Changed to green following availability of prescribing data for Q1 in September.
Dietetics – Cow's Milk Protein Allergy (CMPA)	Green		
National Prescribing Indicators (NPIs)	Green		
Loss of Exclusivity – Apixaban	Amber	August 2024 (Red to Amber)	Remain as Amber as uncertainty around price changes for remainder of the year. Price concessions in place for August and September.
Loss of Exclusivity – Rivaroxaban	Red	August 2024 (Black to Red)	Remain as Red for Q2 until prescribing data available. Confirmed price reduction from September 2024. High confidence of achieving the target saving for the year.



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Secondary Care Update

Focus on financial sustainability

Secondary Care Drug Budget Position at Month 6



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	July	August	September	Year to Date
Budget	£5,769,980	£5,487,036	£5,476,529	£33,132,728
Actual	£5,982,019	£5,488,362	£5,704,409	£33,540,590
Variance	£212,039	£1,326	£227,880	£407,862

Based on current Year-to-Date position we forecast an end of year overspend on secondary care medicines. However, significant intervention with switching Ustekinumab to a biosimilar will mitigate this by a projected £588,720 part year affect with switching starting 1 October 2024 (accelerated switching – see later)

Overall Secondary Care Drugs Spend and Activity



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- Estimated spend is based on 6 months activity from pharmacy stock control system data
- High-cost drugs with relatively low volume biggest contributors to budget (65%)
- Driver of spend in drugs with the highest contribution
 - Increased volume (+46%) whilst costs decreased (-3%)

% contribution to total estimated spend 24/25	Total spend 23/24	Number of drug 24/25	Total estimated spend 24/25	Total estimated change in spending 23/24 to 24/25	Total estimated containers 24/25 issued	Average % change in item cost 23/24 to 24/25 (Estimated)	Average % change in item dispensing 23/24 to 24/25 (Estimated)
10%	£ 6,488,733	1502	£ 7,019,708	8.18%	693,702	8%	42%
25%	£ 16,919,045	133	£ 17,007,313	0.52%	656,059	12%	62%
65%	£ 38,780,791	49	£ 43,822,118	13.00%	165,936	-3%	46%
100%	£ 62,188,570	1684	£ 67,849,140	9.10%	1,515,697	8%	43%

- The decreased average drug cost reflects the positive work on procuring and switching drugs to reduced acquisition price alongside contract and loss of exclusivity

NHS Value and Sustainability



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Y Grŵp Iechyd, Gofal Cymdeithasol a'r Blynyddoedd Cynnar
Health, Social Care & Early Years Group



Llywodraeth Cymru
Welsh Government

To: Chief Executives, Local Health Boards and Velindre University NHS Trust

Cc: Directors of Finance, Medical Directors, Chief Operating Officers, Directors of Primary Care and Chief Pharmacists, Local Health Boards and Velindre University NHS Trust

2 October 2024

Dear Colleague,

NHS Value and Sustainability – Priorities for reducing medicines expenditure

We wrote to you in March setting out the initial national priorities for reducing medicines expenditure and supporting improvements in value and sustainability in 2024/25. This letter updates those priorities and provides a consolidated list of the ten areas for action by health boards and NHS trusts in Wales in the remainder of this financial year.

The consolidated list is as follows:

1. Maximise the use of biosimilar medicines, including where possible preferential use of lowest acquisition cost biosimilars (carried over from 2023/24);
2. Ensure compliance with hospital contract pricing for abiraterone, apixaban, lanreotide, lenalidomide, teriflunomide, and sugammadex (carried over from 2023/24);
3. Minimise prescribing of medicines by brand where lower cost generics are available in primary care (carried over from 2023/24);
4. Increase the use of apixaban and rivaroxaban as a proportion of all direct acting oral anticoagulants in primary care (amended from 2023/24 to include rivaroxaban);
5. Stop the prescribing of medicines on a low value list including some over the counter medicines (carried over from 2023/24);
6. Reduce prescribing of bath and shower emollients (new for 2024/25);
7. Ensure use of lowest acquisition cost equivalent liothyronine preparations (new for 2024/25);
8. Ensure the prescribing of dry eye preparations in primary care is in accordance with local or national formularies (new for 2024/25);
9. Maximise adoption of biosimilar ustekinumab (new for 2024/25); and
10. Ensure compliance with hospital contract pricing for specified medicines with contracts awarded in 2024/25 – further details to follow (new for 2024/25)

The size of the opportunity presented by each priority will depend on each health board's use of the medicines in each priority area and current prescribing practice. Health boards should therefore determine the relative priority of these opportunities also taking account of the size of locally determined opportunities not included in this list.

Detailed information about each of these priorities is being made available to your Director of Pharmacy and NHS Chief Executives are asked to ensure delivery arrangements are in place to assure themselves new opportunities are realised as quickly as possible and to ensure continued progress against the previous recommendations.

A monthly summary performance report will be made available to support health boards to monitor progress against these priorities.

Further information and links to tools and resources which support health boards with implementation are provided in the attached annex.

If you have any queries relating to the content of this letter, please email Stephanie.Andrews002@gov.wales.

Yours sincerely

Alex Slade
Cyfarwyddwr o Gofal Sylfaenol, Iechyd Meddwl a
Blynyddoedd Cynnar
Director of Primary Care, Mental Health and
Early Years
Llywodraeth Cymru
Welsh Government

Suzanne Rankin
Prif Weithredwr
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Chief Executive
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Performance – Realising National Medicines Value Opportunities



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Value and Sustainability Board

18 September 2024

Aims and Objectives

- Choose the best value product
- Minimise losses from local procurement
- Eliminate no or low value prescribing

For Secondary Care

- Maximise biosimilar use of Adalimumab, Etanercept, Infliximab and Ranibizumab; including preferential use of lowest acquisition cost biosimilars;
- Switch to generic use of Abiraterone, Apixaban, Lanreotide, Lenalidomide, Teriflunomide, and Sugammadex in secondary care



GENERICS - A generic medicine contains the same quantity of active substance(s) as the proprietary medicine that originally received marketing authorisation (i.e. the reference medicine). However, the name of the medicine, its appearance (such as colour or shape) and its packaging can be different from those of the reference medicine. Generic medicines are, overall, much less expensive to the NHS. Their appropriate use instead of branded medicines delivers considerable cost savings.

BIOSIMILARS - A biosimilar medicine is a biological medicine which has been shown not to have any clinically meaningful differences from the originator medicine in terms of quality, safety and efficacy. Where the National Institute of Clinical Excellence (NICE) has already recommended the originator biological medicine, the same guidance will normally apply to a biosimilar of that originator. Biosimilars offer the same clinical effectiveness and safety as their reference products, but at substantially lower cost.



Achieved (continuous monitoring to maintain)

- Biosimilars
- Infliximab (99.4% biosimilar)
 - 2022/23 to Estimated FYE 2024/25 spend reduced 9% despite 13% increased activity (Items dispensed)
- Ranibizumab (100% biosimilar)
 - 2022/23 to Estimated FYE 2024/25 spend reduced by 40% with 3% decreased activity (Items dispensed)
- Adalimumab (97.8% biosimilar - acknowledging 2.2% of patients remain on the originator following a clinical decision to switch back via a non-formulary request process)
 - 2022/23 to estimated FYE 2024/25 spend reduced 35% despite 31% increased activity (Items dispensed)



Achieved (continuous monitoring to maintain)

- Generic
- Apixaban (100% generic)
 - 2022/23 to estimated FYE 2024/25 spend reduced 90% despite 25% increased activity (Items dispensed)
- HDdUHB purchases 100% generic product
 - HDdUHB purchases over-labelled (pre-labelled) generic Apixaban for use in Emergency Departments outside normal working hours.
 - The over-labelled product will have directions for use and an area for the patients' name and date of dispensing to be recorded.
 - The 'over-labelled' generic Apixaban is purchased from a licensed manufacturing unit and is slightly more expensive.
 - The Heatmap is not sensitive enough to recognise this as the generic product.
 - The safest and most appropriate method of over-labelling of medicines is under Good Manufacturing Practice in a Medicines and Healthcare Products Regulatory Agency (MHRA) licensed Pharmacy Specials manufacturing unit



Achieved (continuous monitoring to maintain)

- Generic (continued)
- Abiraterone (100%)
 - 2022/23 to Estimated FYE 2024/25 spend reduced 58% despite 465% increased activity (Items dispensed) –
 - Activity increase secondary to favourable costs vs alternative and new indications
- Lenalidomide (100%)
 - 2022/23 to Estimated FYE 2024/25 spend reduced 97% despite 20% increased activity (Items dispensed)
- Sugammadex (100%)
 - 2022/23 to Estimated FYE 2024/25 spend reduced 90% despite 66% increased activity (Items dispensed)



Mostly active with some remaining opportunities

Biosimilars

- Etanercept (88.6%)
 - Costs increased by 6% with 6% increased activity (Items dispensed)
- Biosimilar brought to market approximately 9 years ago (one of the first biosimilars)
 - Very little switching experience at the time
 - Legacy of 26 patients on originator, Enbrel.
 - 17 patients have had conscious clinical intent to remain on the originator via 'non-formulary' requests.
 - Rheumatology specialist nurse has started to review remaining 9 patients with a plan to switch these patients to the lowest acquisition cost biosimilar unless there is clinical justification to remain on the originator.

HDdUHB Performance



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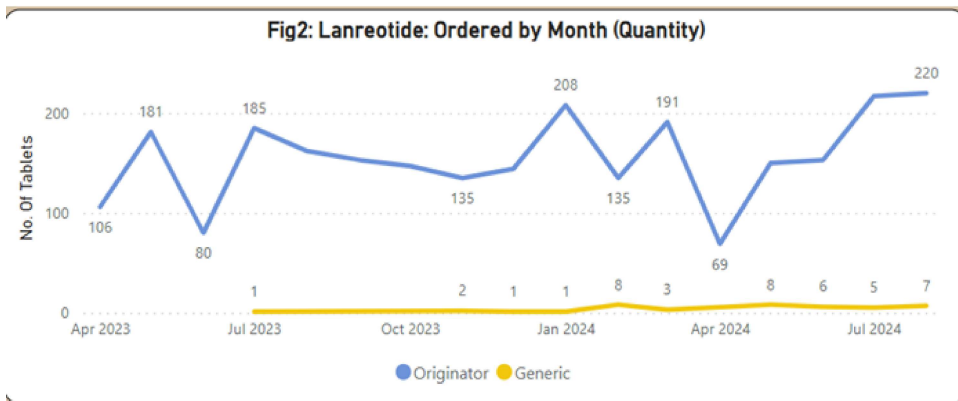
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Mostly active with some remaining opportunities

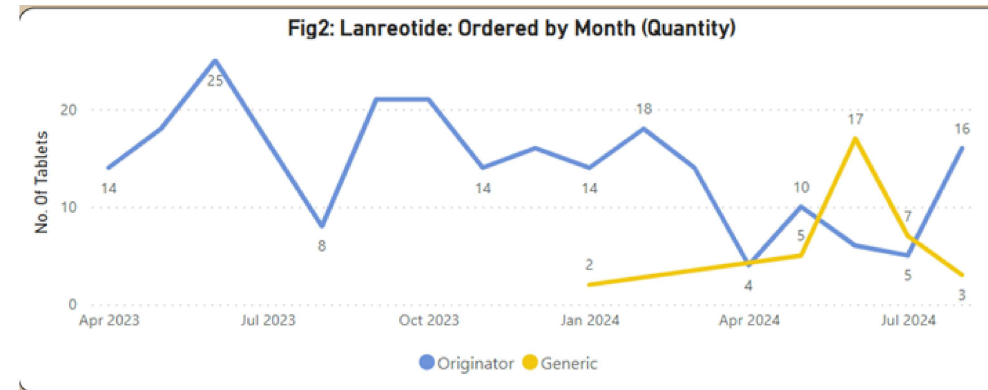
Generic

- Lanreotide
 - The generic product has had sporadic availability since contract change in October 2023
 - The generic product is purchased when available

All-Wales (minus HDdUHB)



HDdUHB



Planned Preparedness for Opportunity Go Live



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Ustekinumab Originator to Biosimilar switch Go Live (1 October 2024)

- With the quickest transition (over 2 months) the model assumes a switch rate of 50% month 1, 70% month 2, and 90% month 3 -6 (prudently we have assumed not all patients will respond well to the switch to biosimilar)

FY24-25 (6 Month effect) Saving opportunity		
Switch Over 6 months	Switch Over 3 months	Switch Over 2 months
(Recommended by Medicines Value Unit)		Accelerated (dependant on supply chain)
£ 226,775	£ 502,582	£ 588,720
Additional Saving for accelerated switch compared to recommended	£ 275,807	£ 361,945
Saving for FY25-26	£ 1,323,875	

Planned Preparedness for Opportunity Go Live



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- Pharmacy and Medicines Management working collaboratively with Directorates
 - Planned Care - Dermatology and Rheumatology
 - Unscheduled Care – Gastroenterology
- Focus efforts allowing an accelerated switching target to realise maximum benefit during the remainder of the financial year.

Future Opportunities



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- The vision going forward includes:
 - Reviewing **year-on-year drug expenditure**.
 - Establishing yearly **volume growth** in terms of patient numbers.
 - Mapping contract changes such as **patent expiries**, biologic switches, **national contract tenders** and **directing lowest drug acquisition costs**
 - Mapping potential **new drug spend**, linking horizon scanning with **AWTTC** for **NICE/All Wales Medicines Strategy Group (AWMSG)** assessments.
 - Developing a formal **high-cost drug group** to assess the cost impacts of new drugs.
 - Implementation of the **Blueteq Software** to provide assurance of prescribing of high-cost drugs within clinical guidelines (e.g. NICE, AWMSG)
- Collaboration with Directorates:
 - **Work closely with Directorates** to assess the impact of service changes such as new clinics or increased staffing.
 - **Consider waiting lists**, particularly the impact of reducing waiting lists and the associated cost increases.
 - **Review clinical prescribing pathways** for savings opportunities where appropriate

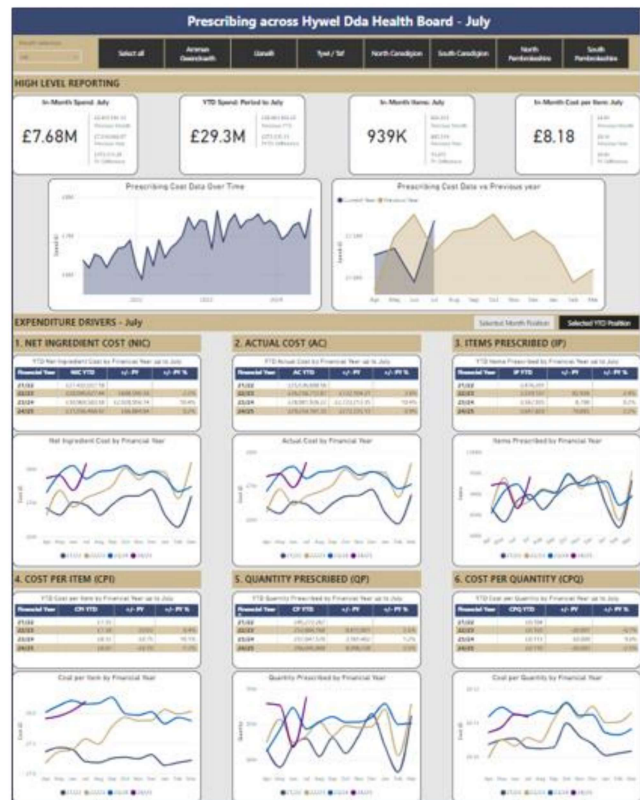
Future Opportunities



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Local business intelligence with new dashboard developments



Secondary Care drug dashboard to allow business intelligence of drug usage to budget holders and clinicians.

Primary Care drug dashboard to allow comparison of cluster and practice variation of prescribing data.



- Volume of prescribing is growing within evidence-based and value-based healthcare areas (medication offsetting more costly alternative interventions).
 - Volatility of drug prices due to national market forces can have significant impact on spend.
 - Pharmacy and Medicines Management Team across primary and secondary care proactively focussed on the delivery of the Value and Sustainability measures and continue to review and implement cost-effective prescribing initiatives to mitigate these drivers.
-
- **THE COMMITTEE IS ASKED TO CONSIDER CONTENT OF THE REPORT**



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