



Llais y diwydiant fferylol yng Nghymru
The voice of the pharmaceutical industry in Wales

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ABPI Cymru Wales Industry Group Response to the National Assembly's Economic Development and Transport Committee's Policy Review of Economic Inactivity

The ABPI Cymru Wales Industry Group (WIG) of the Association of the British Pharmaceutical Industry (ABPI) is delighted to have this opportunity to respond to the consultation launched by the Economic Development and Transport Committee in the context of the Policy Review into Economic Inactivity.

Introduction

The Wales Industry Group consists of some 30-member companies with an interest in Wales, and was formed to provide a voice for the pharmaceutical industry in Wales.

WIG represents the ABPI and its member companies in addressing the distinctive, and diverging, health policy agenda in Wales, where the comparatively poor health and well-being of the population has created some very specific challenges. Its role is to engender a greater understanding of the pharmaceutical industry in Wales – to engage in dialogue with decision makers, health policy formers and health care providers and, through enhanced communication, to work effectively in partnership with stakeholders to improve the health and wellbeing of the people of Wales, and to encourage investment and employment opportunities.

Since its formation, WIG has enjoyed an excellent relationship with the Welsh Assembly Government (WAG) and politicians from all parties in the National Assembly for Wales. The Group is represented on the All Wales Medicine Strategy Group advisory body; and helped establish an NHS Wales Industry Forum to discuss issues of mutual interest; it has engaged with the Welsh Assembly Government (WAG) and patient groups in implementing Welsh National Service Frameworks; and has been consulted by WAG on other initiatives.

Ill-Health and Economic Inactivity

While it may seem odd for a group which is essentially concerned with the Welsh health agenda to respond to this consultation, in reality we believe that promoting health and well-being in Wales is fundamental to tackling the problem of inactivity which the paper *"Raising Levels of Economic Activity"* highlights. As that paper recognises (para. 12) long-term sickness is one of the main causes of economic inactivity, even if it is not alone able to explain why Wales has significantly higher inactivity rates than many other parts of the UK. (para. 20) If "health investment is also of instrumental importance in improving national economic performance"¹, nowhere ought this to be more true than in Wales.

¹ Rt, Hon Alan Milburn, LSE Health Annual Lecture, 8 March 2000

From the perspective of the pharmaceutical industry, policy makers have quite rightly been placing greater emphasis on the broader economic impact of medicines which the industry produces. Economic evaluations of new pharmaceutical products are now common. The guidelines on such evaluations produced by the joint UK Department of Health/Association of British Pharmaceutical Industry (ABPI) recommend that a societal perspective be taken, including the costs of time lost through illness which might be prevented or alleviated by the treatment in question. In England and Wales, where the advice given to the National Health Service (NHS) by the National Institute for Clinical Excellence (NICE) takes into account economic considerations, it is admissible for submissions to include productivity costs.

We believe, therefore, that one of the key factors in addressing economic inactivity must be to ensure that :

- individuals who are already suffering from long-terms illness which limits their capacity to work have access to the proven, cost effective medicines which can contain or alleviate the symptoms of their illness: we strongly welcome the pilot projects which are to be undertaken in Rhondda Cynon Taff and Bridgend and would welcome the opportunity to feed into them in any appropriate way
- all individuals should have access to preventative treatments which can help keep them healthy and prevent serious illness developing: a well-documented example is the targeted prescribing of statins, which are proven to have a significant effect in reducing the development of serious Coronary Heart Disease.

Health Policy and Inactivity

We recognise that the health policy agenda of the Welsh Assembly Government reflects, to a degree, the recognition of the importance of keeping people healthy rather than simply treating illness. “Improving Health in Wales”, the Government’s Primary Care Strategy emphasises the need to shift the emphasis from secondary to primary care, from treating ill-health to preventing it. One of the main recommendations of the recent ‘Review of Health and Social Care in Wales’ (the so called Wanless report), which has been accepted by the Welsh Assembly Government, was that “Services will need to be re-aligned to focus on prevention and early intervention”

We are however concerned that these sentiments are not always translated into practice in a consistent way across NHS Wales. In our experience, across the border in England, Ministers have been unafraid to accept that expenditure on medicines is bound to increase, if the ambition of identifying and treating patients early enough to prevent development into serious diseases is to be realised:

*“I said three years ago that more spending on medicines is, in my view, a good thing, not a bad thing. Provided of course that the extra money is spent effectively and gets good value. And over time I would expect to see the importance of medicines to the NHS continuing to grow. And in all likelihood drugs spending as a proportion of NHS spending will also continue to grow. Too much of the debate on health care today in my view is still focussed on the narrow terrain of hospital-based activity. changes in demography and the pattern of illness alongside scientific advance and technological breakthroughs are driving the NHS towards more health care being delivered in a non-hospital setting. ... The focus increasingly needs to be on prevention, not just treatment”.*²

² The Rt. Hon Alan Millburn, Secretary of State for Health, 3rd April 2003

Here in Wales, however, the increasing prescribing costs are often viewed as part of the problem and not part of the solution. It is with some concern that we highlight that the current level of growth in the use of branded medicines is 2.1% where the average growth across England, Wales and Scotland is 3.6%.

Some components of NHS Wales continue illogically to criticise the increasing “drugs bill” - which results not so much from price increases as from the increased volumes of medicines prescribed as individuals’ hidden or latent conditions are identified and treated in accordance with the Government standards, set out in National Service Frameworks and in order to achieve the Welsh Assembly Government’s new health gain targets. For example, the report of the Task and Finish Group on Prescribing in 2001 said that:

“The cost of primary care prescribing per capita of population in Wales has been substantially higher than in England (in recent years between 16 and 22%)... There is a need to ensure that the priority given to expenditure on drugs is equitable between areas and appropriate in the context of competing demands for health and social care priorities. There is a pressing need to ensure that the 20% premium represents good value for money on grounds of patient benefit, patient safety and equity of care for all”

whilst the recent report of the Auditor-General for Wales on “The Procurement of Primary Care Medicines” talked of the “*significance of primary care medicines expenditure and the need to press for better value for money*”. More seriously, the All Wales Medicines Strategy, in adopting a series of “high-level prescribing indicators” by which to evaluate the performance of Local Health Boards, has adopted an indicator which highlights the prescribing pattern of so-called “black triangle” drugs (new treatments) with an inherent threat that “*early adopters (meaning prescribers of new medicines) will be identified and reasons for this explored.*”

Along with the ring-fencing of the prescribing budget for Local Health Boards, such signals serve to reinforce, rather than to challenge, what has been a traditional conservatism on the part of prescribers in Wales to adopt new treatments, which may be much more effective in enabling individuals to lead a full and healthy life (including participating in the labour market). Even more seriously, they may undermine the message from the Welsh Assembly Government that priority should be given to identifying and treating illness before it becomes chronic.

From our point of view, it is essential that the National Assembly begins clearly to express the view that expenditure on medicines should be seen not only in terms of its costs to the NHS budget, but also in terms of its benefits in savings in primary and secondary care, and its contribution to economic well-being by keeping people well so that they can continue working. It is useful to remember that the current **annual** cost per head of prescriptions in Wales is £163 (2002) whilst the current cost of **one single day** in hospital for one patient has risen to £280 (2002-03)

We would hope, therefore that the Economic Development and Transport Committee would consider taking this into account in its Review.