Item Number: 11

NHS VALE OF YORK CLINICAL COMMISSIONING GROUP **GOVERNING BODY MEETING**	NHS Vale of York Clinical Commissioning Group

Meeting Date: 5 September 2013

Report Sponsor:	**Report Author:**
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1. Title of Paper: Medicines Commissioning

2. Strategic Objectives supported by this paper

1. Improve healthcare outcomes	Yes
2. Reduce health inequalities	No
3. Improve the quality and safety of commissioned services	Yes
4. Improve efficiency	Yes
5. Achieve financial balance	Yes

3. Executive Summary

This paper outlines the current medicines commissioning processes and proposals to modify these for the benefits of patient care.

4. Evidence Base

Not applicable

5. Risks relating to proposals in this paper

There are financial risks for the CCG and potential clinical risk for patients if medicines commissioning processes are not robust. The CCG needs to ensure that decision making associated with the commissioning of medicines is well defined and can be justified in cost and clinical effectiveness terms. The CCG needs to comply with NICE guidance associated with medicines. These processes need to be transparent to patients and other healthcare providers.

6. Summary of any finance / resource implications

Not applicable

7. Any statutory / regulatory / legal / NHS Constitution implications

If the CCG does not comply with these requirements then there is the potential for legal challenge relating to lack of compliance with NICE. Under existing terms of service, GPs technically have freedom of prescribing: robust medicines commissioning underpinned by shared aims of achieving the best for the local population within existing resources is necessary to seek maximum engagement of prescribers with commissioning decisions.

8. Equality Impact Assessment

Not applicable

9. Any related work with stakeholders or communications plan

The CCG will need to share its proposals for modifying drug commissioning processes with the acute trust and plans to do this via the hospital's Drugs and Therapeutics Committee.

10. Recommendations / Action Required

The Governing Body is asked to consider and note the contents of the report.

11. Assurance

The CCG Governing Body will ratify decisions made by local medicines commissioning groups.

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Medicines Commissioning

1. Introduction

There is a renewed focus on medicines commissioning processes as a result of NHS organisational changes and following the issuing of guidance from NICE regarding local formulary decision making.

2. Background

2.1 Medicines Commissioning

2.1.1 Prior to the establishment of the CCG, North Yorkshire and York Primary Care Trust (PCT) had a defined process for the commissioning of medicines. A North Yorkshire wide committee (Treatment Advisory Group, TAG) reviewed and made decisions regarding new medicines. In addition, local acute trusts have held their own regular drug and therapeutics committee meetings where discussions and decisions have been made about new drugs in conjunction with colleagues from the Primary Care Trust. The Drugs and Therapeutics Committee has been the decision making body for new drugs being added to the formulary with responsibility being delegated to commissioner representatives. This process is efficient for implementing NICE decisions on new drugs where commissioners are obliged to make the drugs available within 90 days. However many new drugs that clinicians feel patients would benefit from are not subject to NICE decisions from the time they are available to prescribe.

2.1.2 The mechanisms described above have been the way commissioners and providers have enabled new drugs be prescribed. A joint clinical discussion with agreement to allow onto the formulary (or not) should help improve health outcomes. New drugs are either regarded as cost effective or not. Drugs have also been removed from the formulary by the same processes where new evidence has revealed they are not cost effective. This helps the CCG ensure financial balance and minimise waste. Agreeing to new drugs helps improve the quality and safety of healthcare locally where they are used appropriately, in accordance with commissioning decisions. Improving quality, safety and healthcare outcomes should help achieve financial balance. The financial impact of adding new drugs to the formulary is however variable and has not been always been detailed. Clearly costs go beyond those of the actual drug if treatment pathways are altered by their use.

2.1.3 These processes have continued since April and are now undergoing review to ensure they continue to be fit for purpose in the new NHS. The central TAG process now covers North Yorkshire and the Humber and makes recommendations to CCGs regarding whether or not new drugs should be commissioned. The final decision regarding whether or not a medicine is commissioned sits with the CCG. To date recommendations from the Treatment Advisory Group have been made within the Vale of York CCG Business Committee or Governing Body but they have not been made with full knowledge of the likely cost impact, a vital requirement for any CCG. This has meant key strategic aims of improving efficiency and achieving financial balance have not been fully addressed. This needs to be remedied.

2.1.4 Medicines that are not commissioned by the CCG should not be prescribed by GPs or be recommended for GP prescribing by hospital doctors. There is a weakness in the medicines commissioning process at present allowing the opportunity for secondary care consultants to circumvent the commissioning process by asking GPs directly to prescribe a non-commissioned drug and the GP agreeing to do so (either by choice or lack of awareness of the commissioning decision). In the current contract with York Hospital Foundation Trust there is a penalty applied when consultants ask GPs to prescribe 'red' hospital only drugs. This does not apply to non-commissioned drugs.

2.1.5 The CCG has already put a significant amount of effort into engaging with GPs to understand drug commissioning processes and decisions and encourage their adherence to local commissioning decisions. It should be noted that technically under their terms of service GPs can decide whether or not to comply with local decisions or to a local formulary. GPs have a contractual right to prescribe anything.

2.1.6 There are also conflicts of interest within prescribing nationally, from dispensing practices and increasing numbers of doctors who have a financial interest in pharmacies. Historically, and currently, specific finance driven deals in both dispensing practices and practice owned pharmacies may have influenced which drugs have been prescribed. Generally however local GPs prescribing has been regarded as very good, ie clinically appropriate and with amongst the lowest weighted cost per capita. Practices have demonstrated a readiness to audit and change prescribing habits based on advice from the PCT and now CCG's medicines management team. In the last two financial years the prescribing budgets were marginally underspent.

2.1.7 An easy to remember generic email address was set up in 2012 to readily enable GPs to check the commissioned status of specific drugs when they are unsure. The address is monitored by a team of CSU pharmacists who have received over 250 queries from local GPs since its inception and many of these have led to a different outcome to that which might have occurred without the ready access to advice.

2.1.8 In order to strengthen the medicines commissioning process, the CCG needs to ensure that it reflects various characteristics such as:

1. Recommendations are made to CCGs based on a robust evaluation of a drug, led by an impartial (CSU) medicines management team with public health support and advice where appropriate from specialists
2. A process to ensure NICE Technology Appraisal decisions are implemented within 90 days
3. CCGs make decisions in collaboration with secondary care via a transparent process that take into account cost effectiveness;
4. The place of a new drug within the formulary is determined
5. Patients can understand the rational for the decisions made;
6. The process promotes the most efficient use of resources for the local population
7. The CCG is aware of the likely financial impact of agreeing to commission new drugs.

2.2 Formulary Development

There was no formal formulary in existence in NHS North Yorkshire and York. Some practices did have and continue to use their own formularies. The acute trust has had a formulary to determine its medicines usage for many years: many of the drugs included were based on commissioning decisions made at the local drug and therapeutics committee. Also the formulary included many drugs that were mainly for hospital use only and hence it was not wholly appropriate for use in primary care. Since the CCG's early development it has sought to create a combined hospital and primary care formulary. A key purpose of this has been to limit the range of medicines available to both primary and secondary care to enable both clinicians and patients to become familiar with the drugs available, for drugs to be added to the formulary and therefore prescribed, after a balanced consideration of cost effectiveness rather than individual clinician's preference.

3. Current Position

3.1 Local medicines commissioning decision making processes are under review: this is to ensure that they continue to be fit for purpose and reflect the new commissioning arrangements in place in the new NHS and are streamlined and efficient.

3.2 The local hospital formulary is being adapted for use in primary care. It is now a joint hospital and primary care formulary and can be located on the web: http://www.yorkandscarboroughformulary.nhs.uk/. The detail of much of the formulary is secondary care based at present given there has not been a primary care formulary.

3.3 Work is ongoing to review and populate less well developed chapters of the formulary. GPs are now being encouraged to access the formulary and use it as a tool to guide their routine practice.

3.4 Further work will take place to implement and embed the new formulary electronically into GP practice systems.

4. Recommendation

4.1 Medicines Commissioning

The Governing Body is asked to note the above and to expect shortly a paper detailing the proposed new processes for medicines decision making. The Governing Body will be asked to formally approve any proposed changes.

4.2 Drug Formulary

The Governing Body is asked to note the development of a combined primary and secondary care formulary. The formulary will continue to be updated and maintained by the medicines management team. Prescribing data will be analysed for adherence to the formulary and will be shared with prescribers and the CCG.