



Department
of Health &
Social Care

*From Will Quince MP
Minister of State for Health and Secondary Care*

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The Rt Hon Sir George Howarth MP
By email to: george.howarth.mp@parliament.uk

October 2023

Dear Sir George,

Thank you for your correspondence of 18 September to the Secretary of State on behalf of a number of your constituents, about the pricing of medicines.

I am grateful to you for raising your constituents' concerns.

After staff costs, spending on medicines accounts for the second biggest proportion of the overall NHS budget. The UK has well-established systems for controlling costs and ensuring we get value for money for spending on medicines. The UK's system is seen as world-leading, and this is due in part to the role of the NHS as a single buyer providing access to the vast majority of the UK market. By virtue of this position, the NHS has significant power to control prices and spending, including through commercial negotiations on the price of individual products.

As you may be aware, branded medicine sales are controlled through the 2019 voluntary scheme for branded medicines pricing and access (VPAS). VPAS caps total sales of branded medicines to the NHS, with the cap growing by two per cent each year. Sales above the allowed level are paid back by scheme member companies to control growth and protect the NHS budget.

The 2019 VPAS is expected to generate around £7 billion in income for the NHS while also supporting access to, and uptake of, the most clinically and cost-effective medicines. Negotiations are ongoing to agree a new voluntary scheme that should continue to support patients, the economy and the affordability of medicines to the NHS.

All new medicines and significant licence extensions are assessed by the National Institute for Health and Care Excellence, the independent expert body that makes recommendations to the NHS on whether new medicines are clinically and cost effective. This ensures that new medicines represent value for money for the benefit of all NHS patients.

For unbranded generic medicines, the department relies on competition to keep prices down. This has led to some of the lowest prices in Europe and allows prices to react to the market. In an international market this ensures that when demand is high and supply is

low, prices in the UK can increase to help secure the availability of medicines for UK patients.

I hope this reply is helpful.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Will Quince', written in a cursive style.

**WILL QUINCE MP
MINISTER OF STATE**