When the Price Is Right: When, in Practice, Are Confidential Discounts Introduced in the NICE Process?

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Methods

- Using the NICE website, all TAs between October 2007 and August 2017 were reviewed, including those with a “not recommended” decision from NICE.1
- Each TA was allocated to one of four discount categories: initially submitted, initially submitted but changed during process, introduced after submission, no submission of a nationally available discount. This was dependent on the timing of the nationally available discount introduction.
- Where there was no mention of a PAS, simple discount, CAA, managed access arrangement or similar terminology found in NICE TA documents, it was assumed that the manufacturer had not submitted a nationally available discount for appraisal.
- A separate analysis was conducted to examine whether there was a temporal pattern in the introduction of nationally available discounts before and after January 2014, when the current Pharmaceutical Price Regulation Scheme (PPRS) came into effect.2

Results

- Between October 2007 and August 2017, 460 technologies were appraised by NICE, with 368/460 (80%) recommended. Of those recommended, 147/368 (40%) were contingent on a nationally available discount.
- The 169 recommended and not recommended TAs in which a nationally available discount was introduced, the form of the discount was a simple PAS in 129/169 (76%) and a complex PAS in 31/169 (18%). Other discounts, such as CAs, were present in 9/169 (5%) of appraisals.
- The proportion of technologies with positive recommendations was not notably different for those offering a simple versus a complex PAS (86% vs. 87%, respectively), whilst all technologies which included a CAA in their submission were recommended.
- The timing of the introduction of simple PASs is presented in Figure 1; of the simple PASs submitted, implicit price flexibility (i.e. changes to the offered price) during the appraisal was evident in 35% of technologies with a positive recommendation compared to 33% of technologies with a negative recommendation (Figure 1).
- Before 1 January 2014 (Figure 2A), a nationally available discount was only used in the minority of cases across both recommended (22% of cases) and not recommended (19%) technologies. In the period since 1 January 2014 (Figure 2B), use of a nationally available discount increased overall but to a greater degree in technologies ultimately receiving a positive recommendation from NICE (not recommended: 19% to 39%; recommended: 22% to 59%).
- In particular, there appears to have been a large increase in the proportion of manufacturers who initially submitted a nationally available discount (Figures 2A and 2B).
- In the period since 1 January 2014 (Figure 2B), the proportion of technologies with a positive recommendation where implicit price flexibility during the appraisal was revealed increased (from 20/186) to 40/182.

Conclusions

- Since the introduction of the current PPRS, the majority of technologies have offered a nationally available discount. The most common offer is a simple PAS at the time of submission; however, there is increasing evidence of implicit price flexibility during the appraisal process to achieve a positive recommendation.
- It may be preferable for a manufacturer to submit a simple PAS or other nationally available discount upfront. Once the submission has been appraised, there is more certainty of the likely outcome, and the PAS or discount can be adjusted if necessary.

References


Acknowledgements

The authors thank Charlotte Bright, Costello Medical, for graphic design assistance.