

The integrated care board perspective

Why does VPAS matter?

- Paying more for everyday, often preventative treatments at ICB level, leading to greater financial pressures and reduced access to population health medicines.
- Having to manage more shortages stemming from fewer suppliers, diverting precious NHS and pharmacy contractor staff time as well as costing more money to find alternatives.

Before looking at both these connected risks and their consequences, it should be noted that the NHS representatives in the task and finish groups highlighted that ICB leaders are either largely unaware of VPAS or have little understanding or working knowledge of the scheme. ICB leaders are also unsure about the level of understanding held by NHSE regional leaders. Moreover, there is a lack of communication between the centre (where the decision on VPAS is made) and ICB level – where the direct impact on medicine cost pressures and supply issues will be most acutely experienced.

At a national level, anecdotal evidence suggests that VPAS is not wholly understood. In a recent visit to one ICB, a DHSC official asked how much VPAS was saving in that particular area. In reality, VPAS does not directly benefit the taxpayer via investment in local healthcare systems. Rather, the VPAS revenue goes back to the Treasury to cover public sector expenditure. Funds may be recycled back into healthcare expenditure, but it may not cover medicine cost increases due to a rising VPAS rebate rate, as suggested by the OHE and LSE modelling commissioned by BGMA. As such, there is limited recognition and understanding of the issues caused by VPAS at ICB level, which could be exacerbated if the status quo is broadly maintained for the next five years, and these issues may therefore may not have been a feature in the negotiations and discussions.



An overspend of **£37m** on medicines would potentially turn the efficiency savings identified by ICBs into a cost pressure, placing at risk achieving a balanced budget.



Celltrion, the biosimilar manufacturer of the off-patent breast cancer drug Herxuma, has signalled a cessation of supply should VPAS continue unchanged”