

Grŵp Iechyd a Gwasanaethau Cymdeithasol  
Dirprwy Brif Weithredwr Dros Dro, GIG Cymru

Health and Social Services Group  
Deputy Chief Executive, NHS Wales



Llywodraeth Cymru  
Welsh Government

Chief Executives – NHS Local Health Boards  
Velindre NHS Trust

Our Ref: SD/JM

13 January 2017

Dear Colleagues,

### Launch of the New Treatment Fund

The Cabinet Secretary for Health, Well-being and Sport announced on 10 January the establishment of the New Treatment Fund. This is a key commitment within the programme for Government – Taking Wales Forward.

The fund will make £80 million available over the life of this Assembly commencing this financial year, providing health boards with additional, annual funding of £16 million. £12 million, representing the first tranche of funding for 2016-17, will be made available immediately to health boards via the usual allocation formula. The remaining £4 million will be allocated on the same basis and released to health boards in February.

The fund will be ring-fenced to ensure it is used for the intended purpose of helping the NHS in Wales prepare sustainable plans for the introduction of new medicines.

The key changes being introduced with the establishment of the fund are:

- i. Health boards will be required to make new medicines recommended by the National Institute for Health and Care Excellence (NICE) and the All-Wales Medicines Strategy Group (AWMSG) available as quickly as reasonably practicable and certainly within two months of the recommendation;
- ii. Health boards will be expected to introduce new medicines recommended by NICE within two months of the first publication of the Final Appraisal Determination rather than waiting for the final Technology Appraisal Guidance which is published following the appeal period – providing access up to eight weeks earlier; and,
- iii. New cancer medicines recommended for an interim period by NICE will also be available in Wales within the same two month timeframe, provided the manufacturer offers NHS Wales the same or similar package, including price as NHS England. The All-Wales Drug Contracting Committee will need to negotiate similar agreements with the manufacturers. Health boards will be kept informed through Chief Pharmacists.



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A three month timescale for the introduction of new medicines is being retained as a long-stop date for use in genuinely exceptional circumstances where the scale of service planning to introduce the medicine will require longer than two months. Use of the three month long-stop date must be agreed in advance with Welsh Government. It will be carefully monitored.

In summary, the new shorter timescales apply to all new medicines recommended by the NICE and AWMSG. This includes new cancer medicines given an interim recommendation by NICE and medicines appraised under AWMSG's orphan medicine process and the NICE Highly Specialised Technology programme.

New Directions will be issued shortly to ring-fence the fund and introduce the new timescales; these will be accompanied by a Welsh Health Circular. In the interim, health boards are encouraged to comply with the spirit of the changes being introduced and utilise the additional £16 million being provided this year to assist in the implementation of the new timeframes.

The main objective of the new fund is to help support health boards to introduce new, recommended medicines faster and consistently across Wales. The current monitoring system for measuring health board compliance with medicine appraisal timescales is being strengthened. This will include a drill-down of patient numbers for a small number of specific medicines where the appraisal has identified the medicine represents a significant step forward in treatment. Work is underway to embed the new timescales in the NHS Wales Delivery Framework 2017-18.

The Cabinet Secretary for Health, Well-being and Sport will receive a quarterly update of progress by health boards starting with the quarter end 31 March 2017.

In 2017-18, we will consider the release of this funding prospectively to help with the necessary planning to introduce new medicines. This will be predicated on evidence of compliance with the new timeframes.

To help ensure NHS Wales achieves consistent, faster access to new medicines, health board Chief Pharmacists have already begun work to streamline and standardise the approaches taken in each health board to introduce new medicines. Health boards will need to be assured the systems and processes being used are efficient and effective and support compliance with the new timescales.

Infrastructure and capacity issues can be a factor in introducing new medicines. The New Treatment fund will help contribute to those pressures in conjunction with the additional finding of £200 million already announced for 2017-18. Health boards are expected to utilise the Integrated Medium Term planning process to build capacity and make infrastructure changes where necessary. Directors of Finance and Chief Pharmacists are working with AWMSG and the pharmaceutical industry to strengthen horizon scanning and financial forecasting to improve early planning to introduce new medicines.

The New Treatment Fund and the changes it brings to speed up access consistently to the newest medicines is a key pledge of Welsh Government and is an important step forward for NHS Wales. I hope you will all personally support the introduction of these changes and ensure they are implemented quickly for the benefit of your patient population.

The Cabinet Secretary has committed to reporting progress to the National Assembly for Wales on the operation of the new fund before the summer recess 2017.

Yours sincerely

A handwritten signature in black ink, appearing to be 'SD', written in a cursive style.

**Simon Dean**

Deputy Chief Executive, NHS Wales

**Cc:**

**Welsh Health Specialised Services Committee Managing Director**

**Local Health Board Medical Directors**

**Velindre NHS Trust Medical Director**