

Horizon scanning and financial forecasting



AWTTC

All Wales Therapeutics
& Toxicology Centre

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Implementation of NICE/AWMSG advice

- Often seen as a considerable challenge to health boards
- Health boards have a fixed budget, with new medicines generally seen as an additional cost pressure
- The focus tends to be patient centred rather than based on population outcome
- If a new medicine realises savings through service improvement, this is difficult to reconcile
 - The way in which budgets are allocated
 - The inability to monitor and therefore evaluate impact



Why is horizon scanning important?

- For health boards it could help to facilitate implementation of NICE/AWMSG advice
- Implementation is often considered in the 3 months post ratification
- Earlier consideration of the medicine costs and requirements for service delivery could allow more effective planning and uptake of new medicines
- For AWTTTC it facilitates timely appraisal of new medicines



AWTTC activities

- Horizon scanning
- Financial forecasting



Horizon scanning

'the systematic examination of potential threats, opportunities and likely future developments, including (but not restricted to) those at the margins of current thinking and planning.'

- Information from UK PharmaScan and other resources
- Identify new medicines in development
- Used to inform the appraisal process



Financial forecasting

- Collate data from budget impact section of AWMSG ASAR documents
- Produce a rolling quarterly report
- Report reviewed by a forecasting group consisting of health board and welsh government pharmacy and finance representatives
- Individual members feedback to relevant colleagues



What are the limitations?

- Horizon scanning allows early identification of new medicines, however:
 - Cost data is difficult to obtain
 - Patient numbers are difficult to predict
 - The licensed and appraised indications may be different
 - The medicine may not be recommended by NICE/AWMSG
- Financial forecasting uses data from the appraisal process
 - Cost estimates are more robust, but less timely



Moving forward?

- Develop medium to long-term financial planning
 - Pipeline (identify clinical priorities)
 - During drug development (medium term cost estimates)
 - Prior to marketing authorisation being granted (short term cost estimates)
- Aim to improve intelligence around probable costs and patient cohorts with a focus on
 - Potential high cost medicines
 - Medicines which offer a new way of treating an illness
 - Medicines which will require a review of service delivery
- Greater engagement between the NHS and industry



Thank you



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