



Department
of Health &
Social Care

The 2019 Voluntary Scheme for Branded Medicines Pricing and Access: Payment Percentage for 2020

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Summary

1. The payment percentage in 2020 is set at 5.9%, based on growth in total Measured Sales between January to September 2019 (Quarters 1 to 3) and January to September 2018 of 1.11% as well as other updates in line with Annexes 4 and 5 of the 2019 Voluntary Scheme documents.

Measured Sales growth rates

2. The 2018 to 2019 growth rate of Measured Sales for the 2019 Voluntary Scheme (i.e. a comparison of their respective Measured Sales) is calculated from sales in the 2019 Voluntary Scheme, the statutory scheme and Parallel Imports.
3. In accordance with Annex 4 paragraph 31 of the 2019 Voluntary Scheme, the growth rates for setting the 2020 Payment Percentage are based on sales made between January to September 2019 (Quarters 1 to 3) and January to September 2018. First, we calculate growth rates across each component of Measured Sales as shown in Table 1.

Table 1: Scheme level Measured Sales included in the 2019 growth rate calculation

	2019 Voluntary Scheme	Statutory Scheme	Parallel Imports
Q1 2018 to Q3 2018	£6,578m	£1,224m	£438m
Q1 2019 to Q3 2019	£6,653m	£1,253m	£425m
Growth Rate %	1.14%	2.44%	-2.84%
	(LOVSGR%1a)	(LOSSGR%1a)	(LOPIGR%1a)

4. These growth rates are then applied to the latest outturn 2018 sales returns at scheme level, to produce provisional 2019 sales figures. These are then summed to arrive at the growth rate for total Measured Sales, which can be seen in Table 2 below.

Table 2: Scheme level and Total Measured Sales and 2019 Total Growth Rate

	2019 Voluntary Scheme	Statutory Scheme	Parallel Imports	Total Measured Sales	% Growth in Total Measured Sales
Latest outturn 2018	£8,867m (LOVS0a)	£1,643m (LOSS0a)	£599m (LOPI0a)	£11,109m (LOT0a)	-
Provisional 2019	£8,968m (LOVS1a) +1.14%	£1,683m (LOSS1a) +2.44%	£582m (LOPI1a) -2.84%	£11,233m (LOT0a)	1.11%

5. Table 2 above shows that the total Measured Sales growth rate between provisional 2019 sales and latest outturn 2018 sales is 1.11%. These growth rates are used, along with other data outlined in Annex 4 and 5 of the 2019 Voluntary Scheme, to calculate the Payment Percentage for 2020.

Adjusted forecasts and payment profile

6. The table below sets out for each year of the scheme to 2021, the adjusted forecasts and profile of payment percentages following first outturn of scheme data in November 2019.

Table 3: adjusted forecasts and profile Payment Percentage

	2019	2020	2021
Growth rate of total Measured Sales	1.11%	-	-
Adjusted forecast of the growth rate of total Measured Sales	-	4.05%	5.08%
NAS and MSE sales as a share of Voluntary Scheme Measured Sales	2.44% (LOFEX%1a)	-	-
Adjusted forecast NAS and MSE	-	4.76%	6.29%

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sales as a share of Voluntary Scheme Measured Sales		(FaEX%2a)	
Annual Payment Percentage	9.6% (P%1)	5.9% (P%2)	-
Estimated future annual Payment Percentage	-	-	9.0%

7. Table 3 above shows the adjusted forecast growth rate of Measured Sales to 2021 and revised forecast NAS (New Active Substance) and MSE (Medium Sized Company exempted) sales as a share of Voluntary Scheme Measured Sales.

8. These have contributed to a payment percentage in 2020 of 5.9%.

General notes

Note 1: The information in all tables is that held on the Department of Health and Social Care's database at 18 November 2019.

Note 2: Totals may not sum due to rounding.

Note 3: All tables are subject to future correction where errors are discovered or where audited data replaces best available data and will be updated at each quarterly publication point to reflect the latest available information. The audit and reconciliation arrangements are set out in paragraphs 4.26-4.31 of the 2019 Voluntary Scheme. The statutory scheme audit requirements are set out at paragraph 23 of the Regulations.

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