

2014 Pharmaceutical Price Regulation Scheme (PPRS)

Aggregate Net Sales and Payment Information — 14 December 2015

TABLE 1 — Audited Annual PPRS Payment Sales Reports: Growth Calculation for Calendar Years 2013 to 2014

	Aggregate Net Sales Subject to Medicines Bill Growth Calculation (Measured Spend)
2013	£7,822M
2014	£8,293M

Table 1 Notes

Table 1 sets out aggregate information for calendar years 2013 and 2014 reported through 2014 PPRS members' audited annual PPRS Payment Sales Reports or best available information where the audited submissions have yet to be provided.

The information set out is the *Net sales subject to branded medicines bill growth calculation (Measured Spend)*¹.

The figures in Table 1 do not take into account the treatment of the Cancer Drugs Fund (CDF) in the growth calculation following the agreement reached on the CDF between the Department and the ABPI. The effect of this is that the excluded amounts are added to the Allowed Spend. The amounts (net of VAT) added to Allowed Spend following the CDF agreement is as follows:

Calendar year 2014 — £91M²

TABLE 2 — Unaudited PPRS Payment Sales Reports: Growth Calculation for 2013/2014 to 2014/2015

	Aggregate Net Sales Subject to Medicines Bill Growth Calculation (Measured Spend)
2013/2014	£8,039M
2014/2015	£8,111M

Table 2 Notes

Table 2 sets out aggregate information for the 2013/14 to 2014/15 growth calculation. This is derived from the unaudited quarterly PPRS Payment Sales Reports provided by members of the 2014 PPRS for the following periods:

<u>2013/2014 comprises</u>	<u>2014/2015 comprises</u>
2013 Q4	2014 Q4
2014 Q1	2015 Q1
2014 Q2	2015 Q2
2014 Q3	2015 Q3

The information set out is the *Net sales subject to branded medicines bill growth calculation (Measured Spend)*¹.

The figures in Table 2 do not take into account the treatment of the CDF in the growth calculation following the agreement reached on the CDF between the Department and the ABPI. The effect of this is that the excluded amounts are added to the Allowed Spend. The amounts (net of VAT) added to Allowed Spend following the CDF agreement is as follows:

12 months ending September 2015 — £85M²

Table 2 will be updated at each quarterly publication point to reflect the information available which will be used in the following annual growth calculation.

TABLE 3 — PPRS Payment Sales Reports: Net Sales Covered by the PPRS Payment and PPRS Payments Received by the Department of Health

	Aggregate Net Sales Covered by the PPRS Payment Column 1	Aggregate PPRS Payments Received by the Department of Health Column 2
2013	£7,896M	N/A
2014	£8,250M	£308M
2015 Q1	£2,004M	£208M
2015 Q2	£2,022M	£209M
2015 Q3	£1,988M	£202M

Table 3 Notes

Table 3, which is derived from audited annual PPRS Payment Sales Reports and unaudited quarterly PPRS Payment Sales Reports provided by members of the 2014 PPRS, sets out aggregate annual audited and unaudited quarterly information showing net sales covered by the PPRS Payment and PPRS Payments received by the Department for the following periods:

<u>Audited</u> 2013 2014	<u>Unaudited</u> 2015 Q1 2015 Q2 2015 Q3
--------------------------------	---

There are two columns of information:

Column 1 — *Net sales covered by the PPRS Payment³*;

Column 2 — *PPRS Payments received by the Department of Health for the respective quarters.*

General Notes

Note 1: The information in all three tables is that held on the Department of Health's PPRS Operations database at 14 December 2015.

Note 2: All three 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 6.24-6.30 and 6.37-6.40 of the PPRS.

Footnote 1: Measured spend is defined in paragraph 6.6 of the PPRS and means the spend which is controlled by the PPRS Payments mechanism. It includes sales of new products.

Footnote 2: The addition to the Allowed Spend follows the method set out in the revised addendum to the PPRS at <https://www.gov.uk/government/publications/pharmaceutical-price-regulation-scheme-2014>

Footnote 3: Sales covered by the PPRS Payment is defined at paragraph 6.7 of the PPRS. The percentage payment applies to these sales, which exclude sales of new products. Sales of new products are included in the calculation of the overall sum to be repaid across all member companies. However, products with a new active substance designation that were introduced after 31 December 2013 are excluded from the sales used to calculate the payment by each company.