



Department  
of Health &  
Social Care

# **2014 Pharmaceutical Price Regulation Scheme (PPRS) and The Branded Health Service Medicines (Costs) Regulations 2018**

**Aggregate net sales and payment information — August  
2018**

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# Aggregate Net Sales and Payment Information — 22 August 2018

## TABLE 1 — Audited annual PPRS Payment Sales Reports: measured spend in growth calculation by calendar year

Aggregate Net Sales Subject to Medicines Bill Growth Calculation (Measured Spend)

|      | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
|------|-----------|-----------|-----------|-----------|
| 2013 | £7,834M   |           |           |           |
| 2014 | £8,329M   | £8,095M   |           |           |
| 2015 |           | £8,136M   | £8,282M   |           |
| 2016 |           |           | £8,545M   | £8,543M   |
| 2017 |           |           |           | £9,030M   |

### Table 1 notes

1. Table 1 sets out aggregate information for calendar years 2013, 2014, 2015, 2016 and 2017 reported through 2014 PPRS members' audited annual PPRS Payment Sales Reports or best available information where the audited submissions have yet to be provided.
2. The information set out is the net sales subject to branded medicines bill growth calculation (measured spend).
3. 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.

Each column of the table contains a separate basket of companies for each growth calculation, which are dependent on the members of the scheme included in the growth calculation and ensuring that the same companies are in both the numerator and the denominator of the respective calculations.

The figures in all parts of 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 amount (net of VAT) added to Allowed Spend following the CDF agreement is:

- Calendar year 2014 — £ 91M
- Calendar year 2015 — £107M
- Calendar year 2016 — £ 35M

The addition to the allowed spend follows the method set out in the revised [addendum to the PPRS](#) . The figures for 2014, 2015 and 2016 are final. The figures for other years will depend on the latest information on CDF spend.

## **TABLE 2 — Unaudited PPRS payment sales reports: measured spend in growth calculation for 2016/2017 to 2017/2018**

| <b>Financial Year</b> | <b>Aggregate net sales subject to medicines bill growth calculation (measured spend)</b> |
|-----------------------|--|
| 2016/2017             | £6,612M  |
| 2017/2018             | £6,899M  |

### Table 2 notes

1. Table 2 sets out aggregate information for the 2016/17 to 2017/18. The 2014 PPRS does not provide for a growth calculation for Measured Spend during the last year of the scheme. The figures provided at Table 2 are, therefore, only illustrative. They have been derived from the unaudited quarterly PPRS Payment Sales Reports provided by members of the 2014 PPRS for the following periods:

| 2016/2017 comprises | 2017/2018 comprises |
|---------------------|---------------------|
| 2016 Q4             | 2017 Q4             |
| 2017 Q1             | 2018 Q1             |
| 2017 Q2             | 2018 Q2             |

2. The information set out is the Net sales subject to branded medicines bill growth calculation (measured spend).
3. 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.

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.

Note: The addition to the allowed spend follows the method set out in the revised [addendum to the PPRS](#). The figures for 2014, 2015 and 2016 are final. The figures for other years will depend on the latest information on CDF spend.

## TABLE 3 — PPRS payment sales reports: net sales covered by the PPRS payment and resulting PPRS payments

| Period  | Aggregate net sales covered by the PPRS payment<br>Column 1 | Resulting aggregate PPRS payments<br>Column 2 |
|---------|---|---|
| 2013    | £7,901M   | N/A   |
| 2014    | £8,340M   | £311M   |
| 2015    | £8,173M   | £846M   |
| 2016    | £8,060M   | £628M   |
| 2017 Q1 | £2,013M   | £96M  |
| 2017 Q2 | £2,037M   | £97M  |
| 2017 Q3 | £2,050M   | £97M  |
| 2017 Q4 | £2,098M   | £99M  |

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|---------|---------|-------|
| 2018 Q1 | £2,000M | £156M |
| 2018 Q2 | £2,011M | £157M |

Table 3 notes

1. 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 the resulting PPRS Payments for the following periods:

| <b>Audited</b> | <b>Unaudited</b> |
|----------------|------------------|
| 2013           | 2017 Q1          |
| 2014           | 2017 Q2          |
| 2015           | 2017 Q3          |
| 2016           | 2017 Q4          |
|                | 2018 Q1          |
|                | 2018 Q2          |

There are two columns of information:

Column 1 — Aggregate net sales covered by the PPRS payment;

Column 2 — Resulting aggregate PPRS payments due for the respective periods.

Note: 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 which were introduced after 31 December 2013 are excluded from the sales used to calculate the payment by each company.

Note: Sales covered by the PPRS payment will include sales from submissions that companies have made in accordance with the rules for companies joining the PPRS payment mechanism after September 2014.

## TABLE 4 — Statutory scheme sales reports: net sales covered by the statutory scheme payment and resulting payments

| Period       | Aggregate net sales covered by the statutory scheme payment<br>Column 1 | Resulting aggregate statutory scheme payment<br>Column 2 |
|--------------|---|--|
| Apr-Jun 2018 | £36M  | £3M  |

### Table 4 notes

1. Table 4 is derived from the first quarter's unaudited statutory scheme sales reports. It sets out aggregate annual audited and unaudited quarterly information showing net sales covered by the statutory scheme payment and the resulting payments.

# General notes

Note 1: The information in all tables is that held on the Department of Health's PPRS operations database at 22 August 2018.

Note 2: 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 6.24-6.30 and 6.37-6.40 of the PPRS. The statutory scheme audit requirements are set out at paragraph 23 of the Regulations.

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