

**STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

12<sup>th</sup> December, 2018

**Proposition No. P2018/91**

**AMENDMENT**

Proposed by: Deputy H.J.R. Soulsby

Seconded by: Deputy M.K. Le Clerc

**Requête**  
**Drug Funding**

To delete the propositions and substitute:

“EITHER:-

1)

- a) To direct the Committee *for* Health & Social Care and the Committee *for* Employment & Social Security to commission a wide ranging review of the funding of drugs, treatments and devices in accordance with the Terms of Reference attached under Rule 24(1) and to direct the Policy & Resources Committee to make funding available from the 2019 Budget Reserve. The review should consider, as a minimum, the implementation of a policy for the availability of all drugs, treatments and devices approved by NICE Technology Appraisals. The findings of the review should be published no later than the end of the second quarter of 2019.
- b) To direct the Policy & Resources Committee to present future funding options to meet any increase in expenditure arising from any changes recommended to existing drug and treatment funding policy from the review, and to report back to the States as part of the 2020 Budget.

**OR**

2)

- a) To make available, as soon as practically possible, drugs, treatments and devices recommended via NICE Technology Appraisals for Guernsey and Alderney patients, including end of life premium drugs.

- b) To establish a Guernsey and Alderney equivalent of the England Cancer Drug Fund, with the aim of making promising cancer drugs available to patients before fully approved for use in the NHS. Such Cancer Drug Fund to be established on an interim basis and to be reviewed before the end of 2021.
- c) To direct the Policy & Resources Committee to meet any additional costs arising from the introduction of 2) a) and 2) b), on an interim basis, as soon as practically possible; and
- d) To direct the Policy & Resources Committee to determine long-term future funding arrangements and to report back to the States as part of the 2020 Budget.”

### **Explanatory note**

This amendment asks the States to make a choice between two options in relation to the provision of drugs, treatments and devices.

The first option seeks to ensure that any changes to current policy are evidence-based and informed by a full review with independent, specialist healthcare public health input. In accordance with the principles of good governance, it also allows time for a range of future funding options to be prepared to ensure that the financial implications for the States of Guernsey are known when deciding if new drugs and treatments should be publicly funded.

The review will consider the equitable access to drugs, treatments and devices for all patients in Guernsey and Alderney regardless of where such treatment is being delivered (i.e. off-Island or on-Island). The Prayer of the Requête emphasises the needs of those patients who are referred to the UK for treatment and the drugs that are available to them on their return to the Islands, to the exclusion of those patients who remain on-Island for treatment.

Option 1 also asks the Policy & Resources Committee to prioritise the allocation of resources to expedite the review to enable the findings to be published no later than the end of the second quarter of 2019. It is anticipated that the cost of the specialist healthcare public health input required to carry out the review will not exceed £100,000. This timescale will provide sufficient time to enable the Budget of the States for 2020 to be informed by the review.

While the review is ongoing, the Committees will continue to apply their current policy, under which doctors may apply for any NICE-approved drug to be funded by the Committee *for* Health & Social Care or the Committee *for* Employment & Social Security (as applicable). The Committees commit to consider all applications extremely carefully and as quickly as possible.

The second option enables all drugs, treatments and devices supported by NICE Technology Appraisals to be made available and to introduce a Cancer Drugs Fund on an interim basis, to direct Policy & Resources to fund any additional costs needed for 2019 and consider future funding as part of the 2020 Budget. The additional cost relating to pharmaceuticals only is estimated to be not less than £4-5 million per annum.

# TERMS OF REFERENCE

---

## THE REVIEW OF DRUGS, TREATMENTS AND DEVICES

### Project Ambitions

The project ambitions are as follows:

- To review the principles and criteria that are used by the States of Guernsey to decide if new drugs and treatments should be publically funded and to suggest any changes that may be necessary to better support the relevant key aims of the Partnership of Purpose.
- To consider the cost and health impact expected to arise from any changes to the current approach.
- To produce a report outlining the findings of the review for consideration by the Committee for Health & Social Care (HSC).
- To outline a process for moving towards the presumptive funding of NICE Technology Appraisal-approved drugs and treatments.
- To use this report to inform a policy letter to be published no later than the end of Quarter 2 in 2019.

### Background

Resource allocation in health and care is a complex area of health care policy making, ensuring that resources are committed in a way which best meets locally identified health needs and priorities. The success of this requires various factors to be carefully balanced including the need to consider services available, the level and standards of such services, access and eligibility to such services, and their design and quality.

Current processes adopted with the Bailiwick of Guernsey have evolved as one way to fairly and responsibly manage the health budget, such processes are not without their challenges as they have inevitably resulted in some drugs and treatments being turned down and public understanding of the process is limited. The procedures are outlined in HSC Policy 1033 *“Priority setting in Health & Social Care”* and Policy G1002 *“Individual funding requests”*

In the UK, the National Institute for Health and Care Excellence (NICE) seeks to improve outcomes for people using the NHS and other public health and social care services by evidence-based guidelines, developing quality standards and performance metrics, and

providing a range of information services for commissioners and providers of health and care.

NICE guidelines all have the status of 'guidance' in the NHS in England, and are adopted to varying extents according to local wants, needs and available budget. However, in 2012, in an attempt to tackle the 'postcode lottery' in health, it was made mandatory for health service commissioners in England to fund those drugs recommended via NICE Technology Appraisals (TAs).<sup>1</sup>

In England the funding of cancer drugs has recently been reviewed. The new Cancer Drug Fund (CDF) was established in 2016 and is the product of partnership working between NHS England, NICE, Public Health England, and the Department of Health and has been informed by further engagement with patient groups and industry. It is a managed access scheme to cancer drugs with the aim of making promising cancer drugs available to patients before they are fully approved for use in the NHS. The changes were introduced to the way in which cancer drugs are appraised and funded and are designed to:

- provide patients with faster access to the most promising new cancer treatments
- drive stronger value for money for taxpayers in drugs expenditure;
- offer those pharmaceutical companies that are willing to price their products responsibly, a new fast-track route to NHS funding for the best and most promising drugs via an accelerated NICE appraisal process and a new CDF managed access scheme.

As a result a modified appraisal process for cancer drugs was introduced on 1st April 2016 and now allows NICE to make one of three recommendations:

- Recommended for routine commissioning- 'yes';
- Not recommended for routine commissioning- 'no';
- Recommended for use within the CDF.

The new recommendation available to NICE - '*recommended for use within the CDF*' – can be used when NICE considers there to be plausible potential for a drug to satisfy the criteria for routine commissioning, but where there is significant remaining clinical uncertainty. This fund is managed centrally. At the end of the managed access period, NICE will re-appraise

---

<sup>1</sup> The technology appraisal processes are designed to produce recommendations in the form of NICE guidance, on the use of new and existing medicines, products and treatments in the NHS. An appraisal is based on a review of clinical and economic evaluation. Clinical evidence shows how well the technology works – the health benefits. The evidence includes the impact on the quality of life (for example, pain and disability), and the likely effects on mortality. Economic evaluation shows how well the technology works in relation to how much it costs the NHS and whether it represents value for money.

the drug with a view to deciding whether or not the drug can be recommended for routine commissioning.

In 2009 NICE issued supplementary advice to its Technology Appraisal Committees which set out how the Committee can recommend a treatment in relation to end of life care. This treatment is indicated for patients with a short life expectancy, usually less than 24 months where there is sufficient evidence to indicate that treatment offers an extension to life (more than 3 months). This resulted in an adjustment of the relevant cost effectiveness threshold (i.e. £20k-£30k per QALY<sup>2</sup> or up to £50k per QALY for end of life care drugs / indications). The concern of this policy is that NICE has given preferential treatment to those interventions that provide palliation at the end of life, so potentially displacing treatments with a greater health benefit.

The Committee for Health & Social Care's Partnership of Purpose policy letter was unanimously approved by the States of Deliberation in December 2017. This Policy Letter contained 22 wide ranging resolutions designed to support the transformation of health and care services physically, virtually and financially.

As part of the Partnership of Purpose, there was unanimous agreement by the Assembly to carry out a review of the funding of drugs and treatments. More details were provided in an HSC-led amendment to the Policy & Resources Plan in June 2018 which stated that:

*"the review of processes used to consider whether new drugs and medical treatments should be funded, as set out in Resolution 14 of Art XII, Billet d'Etat No XXIV of 2017 should:*

- *Assess the guiding principles which should underpin resource allocation in health and social care;*
- *Take into account the need to ensure that limited resources are used fairly and equitably, maximizing the value of care delivered to the population as a whole and the processes followed;*
- *Incorporate the experience of other jurisdictions, including guidance produced by the (UK's) National Institute of Health & Care Excellence;*
- *Consider whether a Guernsey and Alderney resident being treated in a UK tertiary centre should have access to all drugs and treatments normally available in that tertiary centre."*

---

<sup>2</sup> A measure of the state of health of a person or group in which the benefits, in terms of length of life, are adjusted to reflect the quality of life. One QALY is equal to 1 year of life in perfect health. QALYs are calculated by estimating the years of life remaining for a patient following a particular treatment or intervention and weighting each year with a quality-of-life score (on a 0 to 1 scale). It is often measured in terms of the person's ability to carry out the activities of daily life, and freedom from pain and mental disturbance.

The current policy direction for funding drugs and treatments in Guernsey and Alderney is set out in Art III, Billet d'Etat XIII of 2003 and the Committee's internal policy (G1033) is available online at [www.gov.gg/fundingprioritisation](http://www.gov.gg/fundingprioritisation). There is a separate policy and process for 'Individual Funding Requests' (G1002) – which are not the subject of this Requête, but will be in scope for the review – also available online.

In addition to HSC the Committee for Employment & Social Security (ESS) has a significant role in drug-funding decisions under the Health Service (Benefit) (Guernsey) Law, 1990. While HSC is responsible for determining which drugs should be funded for use within its premises, ESS is responsible for deciding which drugs should be funded in the community, at the subsidised prescription rate.

The two Committees agree that there should be consistency in their decision-making processes, and have already consolidated two separate advisory committees (HSC's former Drugs & Therapeutics Committee and ESS's former Prescribing Benefit Advisory Committee) into a single body, responsible for advising both Committees on drug funding decisions. It must, however, be noted that one of these groups is currently governed by legislation which is due to be amended or repealed to ensure that there are no obstacles to alignment with a common policy direction.

## Scope of the Review

The scope of this review will consider the process by which drugs and treatments should be publically funded; the costs arising from any changes to the current approach; equity of access to care and the possible benefit to islanders' health of any such change. The review will consider the approach in other jurisdictions and will specifically consider the funding of cancer drugs and end of life care. The resulting report will consider possible future models for drug and treatment provision. The review will outline a process for moving towards the presumptive funding of NICE TA-approved drugs and treatments.

## Objectives of the Review

The objectives of the review are to:

- Consider the most effective and equitable system of drug, treatment and device availability that aligns with the relevant key aims of the Partnership of Purpose.
- Consider the guiding principles underpinning resource allocation and the ethical considerations surrounding the funding of new drugs and treatments locally.
- Provide an overview of the model for drug, treatment and device availability in other jurisdictions, most notably other small island jurisdictions (for example Jersey and the Isle of Man), as well as England, Wales and Scotland, and compare these to the current situation in Guernsey and Alderney.

- Specifically consider what NICE TA-approved drugs and treatments are and are not funded in Guernsey and Alderney and analyse the impact, both health and economic, using an example of a NICE TA-approved drug that is not currently funded.
- Outline a process for the move towards the presumptive funding of NICE TA-approved drugs and treatments.
- Specifically consider whether the Guernsey and Alderney should participate in, or create its own Cancer Drug Fund and consider the health and economic impact of this.
- Specifically consider the health and economic impact of funding for end of life care drugs / indications (i.e. a QALY of £50,000).
- Specifically consider equity of access to all NICE-approved drugs and treatments, irrespective of whether these were initiated in a UK tertiary referral centre or in Guernsey or Alderney.
- Obtain input from Primary and Secondary Care, as well as CareWatch.
- Produce a report evaluating current approach and options for the future provision of drugs and treatment locally.

### **Preparatory Work in Progress**

A workshop will be conducted with local politicians on the 11<sup>th</sup> December 2018, led by Dr Henrietta Ewart, Director of Public Health from the Isle of Man. The aim of this to provide information for local politicians on options for drug funding and approval.

A potential provider for the formal review has been identified and discussions are currently in progress.

An assessment of interdependencies with other related work streams is currently in progress.



## Timeframe

<p><b>Quarter 4 2018</b></p>	<p>Workshop with local politicians on the 11<sup>th</sup> December 2018 which will be facilitated by Dr Henrietta Ewart from the Isle of Man. This will include consideration and exploration of approaches in other jurisdictions.</p> <p>Commissioning of external provider of the review.</p>
<p><b>Quarter 1 2019</b></p>	<p>Review conducted to include an analysis of the local situation and an options appraisal for future provision. This should also include exploring the views of Primary and Secondary Care and CareWatch. To be completed by the external reviewer.</p> <p>Background information drafting for policy paper for the States of Deliberation. To be completed by Health &amp; Social Care.</p>
<p><b>Quarter 2 2019</b></p>	<p>May 2019: Results of the external review preview presented to the Committee for Health &amp; Social Care and circulated to key stakeholders. To be presented by external reviewer.</p> <p>By the end of June 2019: Publication of the results of the review</p>

## Related Workstreams

- Partnership of Purpose

## Key Stakeholders

- Committee for Health & Social Care
- Health & Social Care Services
- Committee for Employment & Social Security
- Primary Care, Medical Specialist Group
- Clinical Reference Group
- Policy & Resources Committee

## Next Steps

- Progress with workstreams outlined above in the time frame

## Open Issues / Risks

- Resource allocation continues to be available

## Link to Key Aims of the Partnership of Purpose

Prevention: supporting islanders to live healthier lives	Y
User-centred care: joined-up services, where people are valued, listened to, informed, respected and involved throughout their health and care journey	Y
Fair access to care: ensuring that low income is not a barrier to health, through proportionate funding processes based on identified needs	Y
Proportionate governance: ensuring clear boundaries exist between commissioning, provision and regulation	Y
Direct access to services: enabling people to self-refer to services where appropriate	
Effective community care: improving out-of-hospital services through the development of Community Hubs for health and wellbeing, supported by a Health and Care Campus at the PEH site delivering integrated secondary care and a Satellite Campus in Alderney	
Focus on quality: measuring and monitoring the impact of interventions on health outcomes, patient safety and patient experience	Y
A universal offering: giving islanders clarity about the range of services they can expect to receive, and the criteria for accessing them	
Partnership approach: recognising the value of public, private and third sector organisations, and ensuring people can access the right provider	
Empowered providers and integrated teams: supporting staff to work collaboratively across organisational boundaries, with a focus on outcomes	Y