



To:

Chief Executives, Local Health Boards and Velindre University NHS Trust

Cc:

Directors of Finance, Medical Directors, Chief Operating Officers, and Chief Pharmacists, Local Health Boards and Velindre University NHS Trust

6 October 2023

Dear Colleague,

### **NHS Value and Sustainability – Medicines**

Following the NHS Value and Sustainability Board meeting on 13 September, the letter describes a series of recommended actions to be progressed by health boards and NHS trusts, in order to reduce expenditure and help address the significant financial challenge faced by NHS Wales.

Medicines represent the second largest source of expenditure in the NHS. The combined cost of prescribing across primary and secondary care exceeds £1bn per annum. All NHS organisations have made significant efficiency gains in this area over a number of years and further opportunities have been identified to build on these gains, without impacting on the quality of care. The first tranche of opportunities are detailed in the annex to this letter.

In summary all health boards and Velindre University NHS Trust must ensure they are:

#### 1. Choosing the best value product every time

- Where a biological medicine is indicated, always initiating treatment with the lowest acquisition cost biosimilar medicine;
- Ensure all existing patients are prescribed the lowest acquisition cost biosimilar medicine including switching from brand originator and higher cost biosimilar medicines;
- Ensuring a complete switch to generic use for six priority products in secondary care; and
- Stopping branded prescribing in primary care where significantly lower cost generics are available.



## 2. Minimising losses from local procurement

- Ending outsourcing of the preparation of nivolumab, atezolizumab and rituximab in the commercial sector and purchasing all supplies from the NHS Wales Shared Services Partnership;
- Reviewing all off-contract procurement using the off-contract purchasing dashboard developed by NHS Wales Procurement and stopping all unjustified purchasing; and
- Identifying dedicated procurement and finance representatives to work with NHS Wales Procurement to ensure all recoverable costs associated with off-contract purchasing are recovered.

## 3. Eliminating no or low value prescribing

- Revisiting the areas previously identified as [low priority for prescribing](#) in Wales.

Work is being progressed by the All Wales Therapeutics and Toxicology Centre and the NHS Executive's financial planning and delivery function to measure progress against these opportunities. Progress will be reported at future meetings of the NHS Value and Sustainability Board and NHS Chief Executives must put in place delivery arrangements to assure themselves the opportunities presented in this letter are realised as quickly as possible.

If you have any queries relating to the content of this letter, please email [Stephanie.Andrews002@gov.wales](mailto:Stephanie.Andrews002@gov.wales).

Yours sincerely



**Alex Slade**

Cyfarwyddwr o Gofal Sylfaenol ac Iechyd Meddwl  
Director of Primary Care and Mental Health  
Llywodraeth Cymru  
Welsh Government



**Suzanne Rankin**

Prif Weithredwr  
Bwrdd Iechyd Prifysgol Caerdydd a'r Fro  
Chief Executive  
Cardiff and Vale University Health Board