

Our Ref: 000434

To:

- **NHS England
Regional Directors**
- **All CCG Accountable
Officers and Clinical
Leaders**
- **All CCGs reimbursing
NHS providers for
adalimumab**

Matthew Swindells
NHS England and NHS Improvement
Operations and Information Directorate
Skipton House
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April 2019

Dear Colleague,

Re: Reference Prices for Adalimumab

Further to my correspondence of December 2018 (Gateway Ref: **08646**) in which I announced the outcome of the adalimumab procurement framework, I am writing to provide further information on the nationally set reference price for adalimumab. This came into effect from 1 April 2019 and is distinct from the interim arrangement which has been available to date.

The reference price is applicable to all patients being treated with adalimumab and is intended to support the uptake of the best value biologics for each regional group. It also ensures that patients are able to access a citrate-free product where clinically required and that providers are fully reimbursed for their costs.

Background

Setting a national reference price was identified as an appropriate incentive for NHS providers and CCGs within regions to use the best value biologics, whilst also providing transparency in pricing to reward those companies who priced most competitively. Setting a price helps to ensure that we act in accordance with the terms of the tender framework and award market access as specified.

An interim reference price for the 40mg strength adalimumab has been available from 1 December and was set at:

- a. £3,550.00 per patient a year (pro rata) including homecare costs for all CMU regional groups except South London; and
- b. £3,662.23 per patient a year (pro rata) including homecare costs for the CMU South London regional group only.

No interim reference price has been available for the 20mg strength adalimumab.

In my previous letter, I set out that NHS England would consult on a proposed change to *Local pricing rules: rules for high-cost drugs, devices and listed*

procedures (Rule 5) as contained within the National Tariff payment system. This would enable NHS England to set a reference price for adalimumab.

I also explained that NHS England was considering whether to consult on changes to the NHS Standard Contract, to take effect from 1 April 2019, under which providers would be required to purchase adalimumab from the relevant approved sub-regional supplier under the NHS England framework.

NHS England did consult on this change and the outcomes of both this, the NHS Standard Contract consultation, and the National Tariff consultation support the use of a reference price.

NHS England is therefore required to formally set the reference price applicable to adalimumab from 1 April 2019 and to inform Trusts that this is the agreed approach for Trusts to charge commissioners for adalimumab. It is our intention that the reference prices for FY2019/20 and applicable from 1 April 2019 will not differ from the interim price for 40mg.

Reference prices applicable for FY 2019-20 for use from 1 April 2019

From 1 April 2019, NHS England expects CCGs to require providers to use the adalimumab suppliers allocated to their regional group, at the corresponding supplier invoice price. Reference prices will be used to reimburse providers for adalimumab 20mg and 40mg from 1 April 2019 and replace any current pass-through payments.

A reference price for the 20mg and 40mg strength adalimumab has been set for the 2019/20 financial year at:

Strength	Reference price regional groups (except South London)	Reference price regional group South London
20mg dose	£1,775.00 per patient a year (pro rata) including homecare costs.	£1,775.00 per patient a year (pro rata) including homecare costs.
40mg dose	£3,550.00 per patient a year (pro rata) including homecare costs	£3,662.23 per patient a year (pro rata) including homecare costs.

Monitoring uptake of best value biologics

We continue to monitor best value biologics, including biosimilar, uptake patterns through a steering group which has been established for this purpose and to determine the strategy behind the next adalimumab framework tender once additional biosimilar companies come on stream later this year.

If you have any immediate questions or concerns relating to the above please contact NHS England's Medicines Policy Unit england.biosimilars@nhs.net

Yours sincerely,

Matthew Swindells

Matthew Swindells
Deputy Chief Executive
NHS England and NHS Improvement