

Scottish Medicines Consortium



'Cost of relevant comparators' in the Detailed Advice Document from the Scottish Medicines Consortium.

Frequently Asked Questions

Background

The Detailed Advice Document (DAD) from the Scottish Medicines Consortium (SMC) incorporates a section entitled 'Cost of relevant comparators.' The purpose of this section is to present Scottish National Health Service (NHS) direct acquisition costs for the product(s) under consideration in the context of those for competitor products at, as far as possible, equivalent doses

However it should be emphasised that SMC advice is based on clinical and cost effectiveness rather than acquisition costs or budget impact.

Scope

The purpose of this document is to answer questions which have arisen about how those costs in this section are derived. In this document, the term acquisition cost refers to the direct cost of the medicinal product to the NHS in Scotland, e.g. based on the manufacturer's list price or the drug tariff price. It does not include ancillary costs such as for administration devices (other than those which are included in the direct cost) or staff time during administration. Assessment of cost effectiveness and budget impact will take account of more complex financial information, including potential cost savings.

1. How are comparators chosen?

Reviewers will identify comparators considered to be clinically relevant to the NHS in Scotland. This is a 'snapshot' of the situation at the time of writing the DAD, and it may include products other than those identified by the submitting company. Information in the 'cost of relevant comparators' section is given for background only and does not influence SMC decision-making.

2. How are the comparative doses and costs determined?

Doses are based on licensed dose ranges but may also take account of recommended doses in the British National Formulary, doses used in comparative trials, etc. For each product they may be given as a range (e.g. maximum to minimum dose) or as a single dose (e.g. usual maintenance dose). The assessors will use their judgement to ensure that, as far as possible, the same criteria apply to all comparisons, e.g. where a maintenance dose is available for all comparators. However, the following disclaimer will be applied: 'Doses are shown for general comparison and do not imply therapeutic equivalence.'

Costs will be for continuous treatment for one year (52 weeks) with some exceptions, e.g. for treatment given in courses and for seasonal therapy. In those cases, the treatment period used for costing will be based on the assessor's clinical judgement and/or on expert advice.

The costing for each drug will be based on the product, formulation, strength and pack size which gives the lowest cost, provided that it represents a realistic choice for use in practice. This may be a generic product and, in general, the cost of more expensive products will not be given. However there may be exceptions e.g. for clinically relevant alternative formulations

Where appropriate, the text and/or table will give full details of the criteria used for costing and of any exceptions to those criteria.

3. What is the source of the prices used to calculate unit costs?

Whenever possible, SMC will use the same prices as are used in reimbursement for the dispensing of GP10 (primary care) prescriptions. These are drawn from the eVADIS database which is maintained within the NHS by National Services Scotland (NSS) and is used in the pricing of NHS prescriptions.

If prices are not available from this source, SMC reviewers will use the following sources in the following order: Chemist and Druggist price list or Monthly Index of Medical Specialities, the British National Formulary, manufacturer's current price lists, enquiry direct to the supplier.

4. In terms of the overall review process at what point is the final formal price obtained to go in to a review?

Costs reflect the most recent price update for the month during which documentation is prepared for the New Drugs Committee e.g. from the eVADIS extract for that month. Thus all costs are applicable at the time of writing, but may change at a later date.

5. What is eVADIS?

eVADIS is a relational Oracle database that holds information on all commonly prescribed (Primary Care) items in Scotland. It is maintained by a dedicated team within the NHS National Services Scotland. On the 5th working day of each month, eVADIS provides an extract of data (that relates to the previous month) to Practitioner Services Division (PSD) so that they can recompense all NHS contractors for dispensed items. This monthly data is also provided to the Primary Information Services (PIS) data warehouse for the purposes of prescribing analysis. On a quarterly basis (March, June, September & December), eVADIS provides an extract of data to the General Practice Prescribing System for Scotland (GPASS)) so that a Drug Dictionary can be created by GPASS.

6. How often is eVADIS updated, on what specific dates, and is it publicly accessible and, if so, how ?

eVADIS is maintained throughout each month so that an extract can be run on the 5th working day of the next month: e.g. the extract that is created on the fifth working day of September will relate to all items available for prescribing in August of that year. It is an internal resource and is not publicly accessible (but see below for generics). Costs in the DAD are based on prices taken from the file which is updated monthly for PSD & PIS data warehouse, not the quarterly eVADIS extract to GPASS.

7. What are the specific data sources used to populate eVADIS

For proprietary products, the price used is the manufacturer's list price. Staff within NSS regularly receive updated prices direct from manufacturers, from the Chemist and Druggist, and by scanning other sources to keep files up to date.

Generic prices for medicines included in Part 7 of the Scottish Drug Tariff are incorporated in the warehouse, and are generally updated quarterly (see `8' below). The method of price determination is negotiated between Scottish Executive Health Department and the Scottish Pharmaceutical General Council, on behalf of Scottish pharmacy contractors. Part 7 of the Scottish Drug Tariff is available on the ISD web-site www.isdscotland.org.

For generics other than those in Part 7, prices are set internally in NSS according to pre-defined pricing rules, designed to reflect a range of wholesaler's prices. The warehouse also

maintains prices for branded generics and generics from specific manufacturers to be used when these are specified on the prescription.

8. What are the "Scottish Pricing Rules" mentioned and are these publicly accessible?

The pricing rules are internal business rules used for prescription pricing. PPA in England works to a similar set of rules, which ensure that dispensing contractors are reimbursed fairly for NHS prescriptions dispensed within Scotland. The basis for the rules are set out in Part 1 of the Scottish Drug Tariff, which may be obtained on specific request to NSS, Scotland.

9. Does Category M apply to generic medicines in Scotland and is this taken account of on eVADIS?

Under agreement between the Scottish Executive and the Scottish Pharmaceutical General Council, Category M prices for England have also been applied to Part 7 from 1st April 2006. This arrangement is subject to review. These prices will be applied through eVADIS for prescriptions dispensed from this date. Category M prices will be updated on a quarterly basis. The current version of Part 7 can be found on www.isdscotland.org.

10. Are hospital contract prices or locally negotiated prices ever used for costing in SMC?

It is current policy for the cost comparisons in this section to be based on prices used for NHS reimbursement (which for proprietary products is the list price), and to obtain list prices for those products not covered by this e.g. hospital-only products. While SMC recognises that this may not reflect the costs being paid in practice for some products used in hospitals, it provides a more even comparison between products.

Assessment of cost effectiveness and resource implications may take account of contract or discounted prices as appropriate.