



National Audit Office

Report

by the Comptroller
and Auditor General

Department of Health and NHS England

Investigation into the Cancer Drugs Fund

Key facts

£968m	74,380	48%
total cost of the Fund, October 2010 to March 2015	patients were approved to receive cancer drugs through the Fund, October 2010 to March 2015	overspend on the allocated budget for the Fund for 2014-15

- 39** cancer drugs that could treat 67 cancer conditions (indications) were available through the Fund in April 2015
- 19** cancer drug indications were removed from the Fund's national list in March 2015
- 51%** of patients supported by the Fund have received drugs previously appraised but not recommended by the National Institute for Health and Care Excellence
- 19%** of patients supported by the Fund were approved to access one drug, Avastin, between April 2013 and March 2015
- £416 million** total cost of the Fund in 2014-15

What this investigation is about

1 More than 1 in 3 people in England will now develop cancer in their lifetime. The most recent data indicate that in 2012 around 280,000 people were diagnosed with cancer and an estimated 133,000 died from cancer.

2 The government set up the Cancer Drugs Fund (the Fund) in October 2010 to improve access to cancer drugs that are not routinely available on the NHS. The Fund was initially expected to run until March 2014, with a total budget of £650 million. In 2013, the government extended the Fund until March 2016. The Fund now has a total lifetime budget of £1.27 billion.

3 The Fund is unique in that no other condition has a dedicated fund to provide access to drugs not routinely available on the NHS. During the work for our report on progress in improving cancer services and outcomes, published in January 2015, we identified a range of questions about the Fund.¹ These were about the rationale for the Fund and how it relates to mainstream NHS processes. We also heard concerns about the Fund's impact and whether it is sustainable in its current form. These issues were also covered by the Committee of Public Accounts report on cancer services and outcomes, published in March 2015.²

4 This investigation sets out the facts relating to the Fund to inform consideration of what it has achieved and the debate about its future beyond 2016. It covers:

- Why was the Fund set up?
- How does the Fund relate to routine NHS commissioning of cancer drugs?
- What impact has the Fund had on patients' access to cancer drugs?
- What impact has the Fund had on patient outcomes?
- How much has the Fund cost?
- What is the future of the Fund?

5 Our work was not designed to assess the value for money of the Fund. Our methods are set out in Appendix One.

¹ Comptroller and Auditor General, *Progress in improving cancer services and outcomes*, Session 2014-15, HC 949, National Audit Office, January 2015.

² HC Committee of Public Accounts, *Progress in improving cancer services and outcomes in England*, Forty-fifth Report of Session 2014-15, HC 894, March 2015.

Key findings

Why was the Fund set up?

6 The government set up the Cancer Drugs Fund (the Fund) in October 2010 to allow people access to cancer drugs that would not otherwise be routinely available on the NHS. A report in July 2010 had found that use of new cancer drugs in the UK was low compared with similar countries. There had also been campaigns by cancer charities to improve access to cancer drugs and individual cases regularly attracted media coverage. The Fund was intended as an interim measure, to run until March 2014, while a long-term pricing mechanism was worked out that would allow patients access to the drugs and treatments that their doctors thought would help them.

How does the Fund relate to routine NHS commissioning of cancer drugs?

7 The Fund provides access to a number of cancer drugs that have not been appraised by the National Institute for Health and Care Excellence (NICE), are still being appraised by NICE, or have not been recommended by NICE because they do not meet its clinical and/or cost-effectiveness thresholds. Since April 2013 the Fund has been managed by NHS England. It introduced a national list of drugs that would be available through the Fund. Nearly all approved applications are for drugs on the national list, although patients can also apply individually for drugs not on the list.

What impact has the Fund had on patient access to cancer drugs?

8 The Fund has improved access to cancer drugs not routinely available on the NHS. From October 2010 to March 2015, more than 74,000 patients were approved to receive drugs through the Fund.³ The Fund has become part of mainstream cancer services – in 2014-15, it supported almost 1 in 5 of the patients starting a new chemotherapy treatment. Data indicate that between 2009 and 2013 use of new cancer drugs (those launched in the previous 5 years) increased in the UK relative to the average in other comparable high-income countries, although it remained below this average.

³ All the patient numbers (and percentages) in this report refer to the number of patients approved to receive drugs through the Fund. These numbers may not represent the actual number of patients treated as some patients may not take up their treatment.

9 Around half of the cancer drugs accessed through the Fund have previously been appraised but not recommended by NICE. 51% of the patients supported between April 2013 and March 2015 accessed drugs that were appraised by NICE but not recommended for routine NHS commissioning because they did not meet its clinical and/or cost-effectiveness thresholds. The remaining patients accessed drugs that were in the process of being appraised, or had not been appraised, by NICE.

10 A small number of drugs account for most of the patients supported by the Fund. Although more than 40 cancer drugs were available through the Fund at some point during 2013-14 and 2014-15, the 10 most common drugs accounted for 71% of the patients supported by the Fund and one drug (Avastin) that can treat a range of cancer conditions (indications) accounted for almost one fifth of patients.

11 Geographic variations in access to drugs through the Fund have reduced since 2013. Between October 2010 and March 2013, the Fund was managed regionally by the 10 strategic health authorities, which had different access arrangements. Since April 2013, when NHS England introduced a national list of available drugs, variations in access across England have reduced.

What impact has the Fund had on patient outcomes?

12 Data on patient outcomes to evaluate the impact of the Fund are not available. The Department of Health (the Department) recognised the importance of outcomes data when it set up the Fund. However, hospital trusts were not mandated to submit data to the national chemotherapy dataset until April 2014 and there are still significant gaps in the data. The dataset has not been able to distinguish treatments paid for by the Fund from those paid for through routine NHS commissioning but, in July 2015, NHS England and Public Health England established a data-sharing agreement, which should enable the outcomes of patients supported by the Fund to be tracked. In addition, the data submitted by trusts are not complete; for example, in 2014-15 only 7% of records had an outcome summary.

How much has the Fund cost?

13 The total cost of the Fund from October 2010 to March 2015 was £968 million – slightly above the allocated budget (Figure 1 overleaf). In the early years of the Fund, the 10 strategic health authorities, on behalf of the Department, underspent the available budget by 28% in total. Taking 2013-14 and 2014-15 together, however, NHS England overspent the allocated budget for the Fund by 35%. The overspend meant that less money was available for other services.

Figure 1
Cost of the Cancer Drugs Fund

	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Cost (£m)	38	108	175	231	416	968
Budget (£m)	50	200	200	200	280	930
Cost as a percentage of allocated budget (%)	77	54	88	115	148	104

Notes

- 1 Costs are rounded to the nearest £ million.
- 2 Data for 2010-11 represent in-year funding provided by the Department of Health in October 2010.

Source: National Audit Office analysis of Department of Health data and NHS England data

14 In the two years to March 2015, the cost of the Fund rose by £241 million – an increase of 138%. More than half of this increase was accounted for by an increase in the average cost per patient and the remainder by an increase in the number of patients supported by the Fund. In 2014-15, the average cost per patient was £16,700, although the cost ranged from less than £10,000 to more than £100,000.

15 NHS England has taken action to control the rapid growth in the cost of the Fund, including removing drugs on the grounds of cost for the first time.

In March 2015, NHS England removed a number of drugs from the national list following a review of clinical effectiveness and cost. From the outset, a mechanism was in place to remove drugs from the Fund in order to control costs, but this was the first time that either the Department or NHS England had used this mechanism. NHS England also secured discounts from some pharmaceutical companies. It estimated that these actions would generate savings of £80 million in the projected cost of the Fund in 2015-16, but actual savings are likely to be lower. In July 2015, NHS England forecast that the cost of the Fund would be £70 million over budget in 2015-16, and in September 2015 it announced that it was proposing to remove more drugs from the national list.

What is the future of the Fund?

16 All parties agree that the Fund is not sustainable in its current form and NHS England is developing proposals for reform. The Fund was intended as a temporary measure until the government put in place a new pricing system when the existing Pharmaceutical Price Regulation Scheme expired in 2013. However, no new pricing mechanism has been introduced. In July 2015, NHS England proposed that the Fund should become a ‘managed access’ fund that would pay for promising new drugs for a set period before NICE decides whether the drugs should be recommended for routine commissioning. The implication of NHS England’s proposals is that the Fund would no longer support the provision of drugs that have been appraised but not recommended by NICE. NHS England plans to consult on its proposals in autumn 2015, with the aim of implementing the new arrangements from April 2016.