Opportunities for partnership working between the NHS and the pharmaceutical industry in the Department of Health’s innovation strategy

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The policy context

The NHS has always faced increasing demands: “a growing population with an extending lifespan; an increase in its own capability, fuelled by advances in knowledge, science and technology; and ever-increasing expectations from the public it serves”.

At the same time the NHS has not been content to stand still: it aspires to continuously improve quality, patient safety, health outcomes and the consistency of services between different providers and geographical areas. But after a decade of real-term growth in NHS funding, the economic climate and associated cuts in public spending mean these growing demands must be met within current real-term funding. Doing more of the same is not an option. The NHS has to do things differently, making much greater use of innovation to radically transform the way services are delivered. Innovation, in the view of Sir David Nicholson, chief executive of the NHS in England, “must become core business for the NHS”.

The innovation challenge

Innovation means an idea, service or product that is new to the NHS or applied in a fresh way, which significantly improves the quality of health and care. A further type of innovation – process improvement – also features prominently in the report. Innovation needs to be replicable across similar settings. It is not just about adding to existing interventions: reverse innovation is also important, ie decommissioning activities that have been superseded or proven to have no added value. Innovation has three stages: invention (a new idea), adoption (putting the idea into practice), and diffusion (widespread adoption).

A particular challenge for the NHS is ensuring that frontline organisations and staff spread and adopt innovative practices. The innovation initiative is focused on ensuring this happens.

The UK has been particularly slow, relative to other developed economies, in adopting innovative medical technologies. For example:

- Less than 2% of the 1.25 million people in the UK on long-term anticoagulation therapy (compared to the 30% of patients who could benefit) self-monitor their blood clotting time, saving regular visits to blood clinics
- The cytosponge, designed to collect samples from the oesophagus to test for throat cancer, can be used by GPs at a cost of £25, replacing the need for a £600

1 Innovation Health and Wealth p4
endoscopy, and offers early identification and therefore better outcomes with a potential increase of 80% in five-year survival rates for the 6,000 throat cancer cases each year.

The main barriers to widespread adoption of innovation in the NHS are seen as:

- Poor access to evidence, data and metrics
- Insufficient recognition and celebration of innovation and inventors
- Financial levers that do not reward innovators and may disincentivise adoption and diffusion
- Commissioners lacking the tools and capability to drive innovation
- The leadership culture required to support innovation is inconsistent or lacking
- Lack of effective innovation architecture.

Specific examples of barriers to innovation include:

- Local barriers to accessing NICE-recommended technologies, eg formulary processes that duplicate NICE assessments or challenge its appraisal recommendations. These processes should, rather, support timely, planned implementation of NICE recommendations
- Silo budgeting, especially where costs and savings fall to different budget holders.

Key themes of the innovation report

The innovation report has eight key themes:

1. Reduce variation and improve compliance with NICE guidance
2. More accessible evidence and information about new ideas
3. Improve diffusion and collaboration through strong cross-boundary networks
4. Reward and encourage innovation by aligning organisational, financial and personal incentives and investment
5. Use NHS procurement to improve quality and value
6. Create a shift in NHS culture: hard-wire innovation into education and training
7. Strengthen NHS leadership in innovation and set clearer innovation priorities
8. Identify and mandate adoption of high impact innovations.

Specific government actions and recommendations for the NHS are detailed under each of the eight themes (see Appendix 1).

Summary of responses to the Call for Evidence and Ideas\(^2\) for the innovation review

All of the 310 responses were “positive and supportive of the need for action to accelerate the spread of existing innovations”. Responses stressed that the spread of innovation can be blocked or diverted by a ... diverse range of factors from disincentives to cultural aversion. Incremental rather than disruptive innovation was emphasised. Innovation cannot “be commanded or simply incentivised”.

Forty-two per cent of the responses came from NHS organisations: NHS respondents felt that creating demand, procurement and funding mechanisms were less important than industry. Instead, they highlighted the innovation pathway as an important area for action. The analysis highlighted three major factors:

\(^2\) The Young Foundation (on behalf of the Department of Health). NHS chief executive’s Review of Innovation in the NHS. Summary of the responses to the Call for Evidence and Ideas. December 2011.
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1. The importance of horizontal knowledge exchange across organisational boundaries
2. The need to create more demand in the system, including using national financial levers
3. A strong wish for a single place for those involved in innovation to go to find good intelligence about how to implement new ideas.

The analysis concluded: “In summary, there is a clear challenge to the NHS and partners to get more innovations spread at pace and at scale.” But there is a tension here with the government’s policy to decentralise and push decision-making to the front line: how can innovation be spread rapidly without considerable top-down action?

ABPI’s submission to the innovation review Call for Evidence and Ideas

ABPI focuses on two major areas of concern in its submission:

1. The pharmaceutical industry wants to see more consistent implementation of NICE guidance across the NHS (see theme 1 above). To achieve this, local value assessments (by PCTs, area prescribing committees or regional technology assessment groups), which may overturn or dilute NICE guidance, should be removed. NICE guidance should be made mandatory throughout the NHS. NICE-recommended medicines should automatically be included in NHS formularies. Compliance with NICE guidance should be monitored and firm action taken on non-compliance.

2. ABPI calls for “more systemic thinking ... driven by innovation. Medicines can offer significant value to the NHS by remodelling patient pathways, improving outcomes, and releasing NHS capacity”. For example, “oral chemotherapy agents can transform patient pathways and reduce demand on hospital-based chemotherapy clinics”, optimising medicines use, delivering care closer to home and providing a better experience for the patient. The higher cost of newer, more effective patented medicines may be offset by reduced in-patient and associated costs.

Implications for the relationship between the NHS and the pharmaceutical industry

The innovation report calls for radical change to the relationship between the NHS and industry: “We need an entirely new relationship with industry based on partnership, not just transactions.”

Actions in the innovation report to facilitate this new relationship include:

- An NHS and industry training and education programme to enable senior managers and clinicians to learn and train together with industry colleagues
- A new NHS and industry CEO network will encourage greater mutual understanding to promote the spread of new ideas and innovations.

3 The Young Foundation (on behalf of the Department of Health). NHS chief executive’s Review of Innovation in the NHS. Summary of the responses to the Call for Evidence and Ideas. December 2011
4 ABPI’s submission to the NHS chief executive’s Innovation Review: Call for Evidence and Ideas. Short version 14 September 2011
Case study: NHS Hertfordshire’s health bus

The Health Bus initiative was run by NHS Hertfordshire and supported by pharmaceutical company Pfizer Ltd. The aim was to bring a range of health screening services to local people, particularly targeting people who would not normally visit a healthcare professional, and are therefore more difficult to reach.

The campaign was a huge success with over 3000 public health interventions being held on the health bus. Hertfordshire Stop Smoking Service surpassed its campaign target, generating over 400 referrals into the service while another 400 smokers were signposted to their local provider. Two hundred and forty one lung age checks were also conducted with 20% of these being referred into primary care. Qualified nurses and health professionals also conducted 933 blood pressure tests and 850 BMI tests.

The example from NHS Hertfordshire is one of more than 30 joint working partnerships recently established between industry and the NHS. For the NHS, partnerships with industry have provided direct financial support and an infusion of business skills and expertise. For the companies, they have helped boost medicine sales, reduce costs and improve reputation.

Implementing Innovation, Health and Wealth

An implementation board has been set up to oversee delivery, chaired by Sir Ian Carruthers and reporting to the NHS chief executive. Cross-sector task and finish groups will lead delivery, each led by a board-level sponsor, with leading practitioners and experts drawn from the public, private, academic, scientific and NHS communities.

Dr David Colin-Thomé, former national clinical director for primary care, Department of Health described Innovation, Health and Wealth as: “A most necessary review given the often paucity and/or poor adoption of innovation in the NHS. The recommendations are a valid HQ response, will improve the response of the NHS but the top down approach may inhibit the cultural change necessary for a sustainable improvement. The local culture could be improved:

- If the NHS can be held transparently accountable and incentivised for outcomes set locally and nationally
- If clinicians are part of that accountable process
- Commissioners transform to a partnership relationship with providers with contracts focused on whole system outcome improvement.”

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6 Jack A, Business and NHS explore closer links, Financial Times, 19 June 2011

[http://www.ft.com/cms/s/0/59c9e384-9aac-11e0-bab2-00144feab49a.html#axzz1qE8lnrYrmal](http://www.ft.com/cms/s/0/59c9e384-9aac-11e0-bab2-00144feab49a.html#axzz1qE8lnrYrmal)

7 David Colin-Thomé, personal communication, 13 January 2012 (www.dctconsultingltd.co.uk)
Conclusions

1. The need for greater innovation in the NHS is underlined by recent Department of Health announcements that substantial efficiency savings will be needed continually, not just until 2014 when the Nicholson challenge to find £20bn of savings ends. Managers will need to find up to £50bn of efficiencies by the end of the decade, and the NHS will have to eke out substantial year-on-year savings for “as far ahead as we can see”, according to David Flory, NHS director-general of finance, performance and operations.\(^8\)

2. The QIPP (quality, innovation, productivity and prevention) programme implemented to secure the first £20bn of efficiency savings defines the following as characteristics of a sustainable health system:

- Care closer to home
- Earlier intervention
- Fewer acute beds
- More standardisation
- Empowered patients
- Reduced unit costs.\(^9\)

This could provide a useful framework for comparing and prioritising innovations for further investment, ie how do alternative candidates for investment score on these dimensions? Investment could cover development work to bring an innovation to readiness for implementation, the costs of piloting or, later on, wider adoption.

3. The climate for partnership between the NHS and industry is also changing:

- In the Health and Social Care Bill 2011 the coalition government has created a framework for increasing private sector involvement in the NHS
- The creation of three new sets of commissioners (clinical commissioning groups, local offices of the NHS Commissioning Board, and local authority health and wellbeing boards) presents numerous opportunities for building new collaborative relationships with the pharmaceutical industry and setting up joint initiatives to improve the efficiency, health outcomes and patient experience of health services
- There is greater recognition that medicines should be seen as an investment rather than a line of expenditure to be minimised, or cut wherever possible. Medicines optimisation is the key to achieving the best value from investment in medicines.
- The pharmaceutical industry is developing a broader focus on the entire medicines value chain, including medicines use.\(^10\)

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\(^8\) Neville S and Gainsbury S, No let-up in NHS savings drive, warns finance chief, Financial Times, 27 March 2012
\(^9\) http://www.chks.co.uk/assets/files/Presentations/Risk%20Forum/How_implementing_QIPP_will_improve_patient_safety.pdf
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**Recommendations**

The implementation board and task and finish groups set up to implement the innovation report will set the overall framework for implementation. Other actions the NHS could consider include the following:

1. Partnership working requires trust, and joint work on specific projects is a good way of building trust and dispelling old prejudices. Primary Care Commissioning (PCC) recently produced a briefing on better joint working between the NHS and the pharmaceutical industry (see further reading below).

2. Identify and build on examples of successful industry/NHS partnerships

3. Identify the core features of existing examples of innovation partnerships which could be more widely adopted:
   a. Work with pharmaceutical industry partners on local implementation

4. Work with industry to create a web portal where innovations can be shared and discussed
   a. Identify and build on successful private sector examples of such tools
   b. Vary implementation of innovations according to local circumstances. This portal could be an important tool in overcoming ‘not invented here’ syndrome
   c. As innovations are spread, information could be added to the portal on how they have been adapted for use in particular locations. Additional benefits could be identified and new ways of overcoming obstacles or saving unnecessary costs described.

5. Focus on the importance of medicines optimisation in contributing to longer-term value-for-money and improved health outcomes, rather than short-term cost minimisation in the prescribing and use of medicines.

**Further reading**


**Contact**

Marion Todd
marion.todd@pcc.nhs.uk
07500 102 330

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11 Innovation, health and wealth, p17
12 Eg Pulse, [Managers block NICE approval of warfarin alternative over cost](http://www.pulsetoday.co.uk/newsarticle-content/-/article_display_list/13480305/managers-block-nice-approval-of-warfarin-alternative-over-cost), 21 February