



10 DOWNING STREET

From the Private Secretary

18 February 1985

Limited List of Drugs

The Prime Minister has seen your Secretary of State's letter of 15 February to the Lord President. Subject to agreement with the Treasury on the expenditure implications of the wider list, she is content with the revised proposals and that a statement should be made later this week. She is content also that the list should be revised periodically, that an exceptions procedure be discussed with the profession and that dispensing doctors should be allowed to provide black listed products privately. The Prime Minister hopes that the statement will avoid or at least limit any assurance to the drug industry that there will be no further extension of the limited list.

I am copying this letter to Janet Lewis-Jones (Lord President's Office), John Graham (Scottish Office), Colin Jones (Welsh Office), Jim Daniell (Northern Ireland Office), David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), Richard Broadbent (Chief Secretary's Office) and Richard Hatfield (Cabinet Office).

Andrew Turnbull

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From the Secretary of State for Social Services

The Rt Hon Viscount Whitelaw CH MC MP
Lord President of the Council
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Yes Willie.

February 15 1985.

LIMITED LIST OF DRUGS

I am writing to let you know that I intend, subject to your and colleagues' views, to announce next week my final decisions on the limited list of drugs for NHS use on which consultations finished at the end of January.

Although we have experienced an active public campaign against the limited list proposal by the BMA and the pharmaceutical industry over the last few months, I think we have reached a satisfactory position as a result of the consultations. The key element in this was to ensure that the final list was professionally credible - that is, that it would enable all clinical needs to be met. To achieve this my Chief Medical Officer called together a group of eminent independent experts to advise him. The list of drugs they have proposed is longer than the provisional list we consulted on - about 100 medicines compared with 30. But it achieves a well-founded balance between meeting genuine criticisms of the original list and securing economies. I am certain we must be seen to have accepted this independent professional advice in its entirety. This inevitably means that the savings which we will achieve are smaller than originally envisaged although - at £75 million on a UK basis - still much greater than could have been achieved by the alternatives proposed by critics of the scheme. The savings should also rise by up to £20 million over the next 2-3 years. I have written separately to the Chief Secretary about this.

There are three other points which I will have to meet in my statement. First, it is clearly essential that we should have a continuing system for reviewing the content of the list so that drugs can be taken off or put on the list over time. I intend to announce my acceptance of that in principle and invite the professions to discuss the composition of the committee with me.

Secondly, I shall adopt a similar approach to the question of an appeals mechanism for individual cases, that is a system which would enable patients to be given drugs no longer available in very

exceptional circumstances. (It is quite clear from discussions with colleagues that we have to be ready to meet for instance the case of an elderly patient who cannot adjust to a change of drug.) However I shall not go as far as fully to accept the case for having such a mechanism. The problem is that it will be impossible to have an effective policing arrangement in place by 1 April. If we allowed any interim period during which the only control was by self-regulation it would become impossible to introduce tighter controls later; there would then be no reason for the profession to accept any policing system we proposed. I intend, therefore, to affirm our view that the revised limited list is sufficient for all needs but to announce my willingness to discuss with the profession the need for and nature of an exceptional case procedure if they wish. I believe that this approach, together with my stance on a system for reviewing the list itself, will place the onus on the profession rather than the Government to enter into constructive discussions, which they have so far avoided. I am, of course, content for negotiations to take place separately in Scotland and for arrangements to be introduced earlier there if, as is likely, they can be settled more quickly.

Third, I agree with George Younger and Nick Edwards that we must enable dispensing doctors to provide black-listed products privately even though they are not available on the NHS. This has been a particular issue for them although it also arises in rural areas of England. There is, of course, a danger that dispensing doctors could exploit their position to sell black-listed drugs to their patients but that is, in my view, outweighed by the danger of creating a further row with the doctors and undermining our claim that all drugs will continue to be available either on private prescription or over the counter, if patients want them.

I believe that, by accepting the fuller revised list proposed by our professional advisers, we will disarm many of our critics. By also dealing with the other key issues as indicated above, I am sure we can carry our colleagues and much of the profession with us.

I think it important to make my announcement by an oral statement as soon as possible - preferably next Wednesday - in order to ensure that the Regulations can be debated before the scheme comes into effect on 1 April. The full limited list (of some 100 medicines), and the 'black list' (of some 2000 medicines) which formally has to be defined in Regulations, will be available at the time of my announcement. I will then have to allow a short period for consultation with the professions about the substance of the Regulations (not the list itself) because they involve changes in general practitioners' and pharmacists' contracts. I would aim to introduce the Regulations formally on 1 March with a view to having them debated as soon as possible thereafter.

I am copying this letter to the Prime Minister, George Younger, Nick Edwards, Douglas Hurd, John Biffen, John Wakeham and Peter Rees.

Yours ever,

NORMAN FOWLER