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26th August 2014

Dear Simon,

Cancer Drugs Fund

The Cancer Drugs Fund (CDF) has had a positive impact on cancer treatment for patients in England by providing options for therapy that would otherwise have been unavailable on a routine basis. There are 2000 new patients currently gaining access to the CDF every month.

However, while the CDF currently funds drugs of good benefit to patients it also includes a minority drugs with much less clinical value. These offer at best a modest or no impact on survival, and uncertainty as to whether quality of life is improved or not. Furthermore the CDF has offered an alternative funding source on price terms which in some cases have represented poor value.

I am therefore writing as Clinical Chairman of the CDF (and as a practising oncologist) to propose our sustainable solution to these challenges, in a way which recognises the importance of bringing good value new cancer drugs to patients as soon as possible.

Our recommended solution for the CDF has an immediate and a medium term element.

Effective this year:

- 1. NHS England is asked to consider significantly increasing the size of the CDF from a budget of £200m to £280 m/year a 40% increase.
- 2. The CDF will establish a re-evaluation process which will assess the drugs of least clinical benefit and remove those which represent the lowest levels of such clinical benefit, The CDF will also incorporate into this re-evaluation system a confidential process which assesses the cost per patient in relation to the clinical benefit delivered. Drugs which are excessively priced would be potentially removed from the CDF unless the pharmaceutical company makes an appropriate adjustment.

Importantly, regardless of these measures three critical safeguards will remain: All patients currently in receipt of those medicines will continue to receive them. Future individual patients will have the opportunity to continue to access these medicines through individual funding requests. And CDF drugs which offer the only proven treatment for a particular cancer will not be subject to this re-evaluation process. The result will be to ensure patients continue to access worthwhile cancer medicines whilst also creating financial headroom for new medicines within the significantly expanded CDF funding allocation.

Effective subsequently:

3. We will develop options for ensuring greater alignment between CDF and NICE assessment processes, and a new "evaluation through commissioning" option to allow real-world assessment of important new cancer drugs.

I am confident that the above developments will ensure sustainability of the CDF, which will be fair both to patients and to all those companies that price their drugs in a responsible manner.

Yours sincerely

Professor Peter Clark MA MD FRCP

Chair Cancer Drug Fund

Chair NHS England Chemotherapy Clinical Reference Group Consultant Medical Oncologist (at Clatterbridge Cancer Centre, Merseyside)