Written evidence submitted by the British In Vitro Diagnostics Association (CSR0002)

The British In Vitro Diagnostics Association (BIVDA) welcomes the opportunity to provide written evidence to the House of Commons Health Committee Inquiry into the impact of the Comprehensive Spending Review on health and social care.

BIVDA is the UK trade association for manufacturers and suppliers of in vitro diagnostic (IVD) tests. We currently represent over 150 members from the IVD industry, ranging from British start-up companies to UK subsidiaries of multinational corporations. BIVDA member companies employ more than 8,000 people in the UK, with a total industry turnover of approximately £900 million.

Summary of Key Points

- BIVDA welcomed the announcement that the government will be investing up to £300 million per year on cancer diagnostics by 2020 to fund new equipment and additional staff capacity. However, we are keen to understand whether this will encompass molecular diagnostics.
- BIVDA welcomed the protection of the science budget but questions remain over the impact of the Global Challenges Fund.
- It is difficult to increase the uptake of point of care diagnostic tests when perverse incentives exist within the NHS system to prevent cost savings.
- We are concerned about the cuts to the budgets of the Department for Business, Innovation and Skills and the Department of Health and the impacts this may have on diagnostics and the wider life sciences sector.
- The Government needs to look at how NHS staff can be incentivised to act in the best interests of both the patient and NHS finances to reduce the need for such significant cost savings.

BIVDA’s Response

1. **The distribution of funding for health and social care across the spending review period**

   - BIVDA welcomed a number of the measures announced in the Autumn Statement and Spending Review. It was particularly encouraging to hear that the NHS was the Government’s “first priority”.

   - As the trade association for manufacturers and suppliers of in vitro diagnostic (IVD) tests, we were pleased to see the distribution of funding for increasing access to diagnostic tests. Specifically, the announcement that the NHS will be able to provide two million more diagnostic tests by 2020-21 was a positive development (Spending Review and Autumn Statement, page 31).

   - BIVDA also welcomed the announcement that up to £300 million a year by 2020 will be invested in new diagnostic equipment to allow patients to be diagnosed or give the all clear from cancer within four weeks (Spending Review and Autumn Statement, page 31).

   - However, we are keen to see further detail around these proposals as the term ‘diagnostics’ can capture a range of medical technologies and does not exclusively refer to in vitro diagnostics (IVDs).
5. BIVDA is working to increase access to innovative IVD tests which when used effectively, help to reduce hospital stays and support patients to look after their own health, resulting in a healthier and wealthier nation.

6. In the case of cancer, molecular diagnostics has a crucial role to play. As knowledge of the genetic and biochemical markers that sit behind diseases such as cancer improves, the number of medicines available that target specific patients groups is growing. Patient access to these treatments is reliant on the availability of appropriate molecular diagnostic tests which help to guide clinicians towards the right treatment for a patient while ensuring NHS resources are used effectively.

7. However, due to a fragmented commissioning system, access to these tests is varied. Uptake of molecular diagnostics has also been hindered by:
   - Confusion as to the extent to which molecular diagnostics will be funded under the Cancer Drugs Fund (CDF)
   - Uncertainty about the future of the CDF and how future reforms of the fund will affect access to IVDs
   - Financial pressures on NHS England’s specialised commissioning programme
   - Budget silos, with molecular diagnostics being funded from one budget and corresponding treatment being funded from another

8. **We are asking the Government to fund molecular diagnostics as part of their financial commitment to cancer diagnostics.**

9. In addition, to make the four week ambition a reality, BIVDA is also calling for:
   - A national framework for the commissioning of molecular diagnostics
   - Molecular diagnostics to be embedded at every stage of the cancer treatment pathway
   - Commissioning and policy decisions relating to the provision and access to molecular diagnostics to be joined up to ensure equal patient access
   - Molecular diagnostics to be used to enhance and support the NHS’s research and development capabilities
   - Decisions about which tests are made available on the NHS to be aligned with decisions about which treatments are available

10. The protection of the £4.7 billion science resource budget in real terms over the course of the Parliament was welcomed across the life sciences sector.

11. However, more detail is required about the £1.5billion portion of the existing science budget that has been reserved for the new ‘global challenges fund’ and the impacts this may have on other initiatives.

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*Achieving efficiency savings: their source, scale and impact*
12. BIVDA appreciates that efficiency savings need to be made, however we are concerned by the £2.4 billion worth of savings the Department for Business, Innovation and Skills must find in 2019-20.

13. We were also particularly concerned by the 25% cut to the Department of Health’s Whitehall budget and further information on what this might effect in practice would be welcome.

14. Such severe cuts are also hard to digest in a framework where NHS staff are sometimes perversely incentivised to make decisions which are not the most financially efficient option.

15. For example, BIVDA is calling for a greater uptake of point-of-care testing. At present, the prescribing of broad-spectrum antibiotics is necessary because it can often take days to culture a sample of bacteria and understand what it is and what drugs will treat it. IVDs such as point-of-care testing, are incorporating the latest genetic advancements and are reducing the time needed to identify thousands of bacterial strains to mere hours.

16. A point-of-care test is a diagnostic test that is quick and easy to perform and is used during a patient consultation or can be completed while the patient waits, allowing immediate diagnosis and treatment choice. This prevents the need for overprescribing and giving patients access to the right drugs at the right time. Other benefits include:
   - Better use of resources in the NHS by **reducing admissions**
   - **Reducing outpatient appointments** and saving **follow-up GP appointments**
   - There are also wider socio-economic benefits by **reducing time lost to work and education** and reducing worry for a patient and their family

17. An example of a point-of-care test is the C-reactive protein test. Other EU member states have **shown a significant reduction** (45% in the Netherlands for example) by the use of the C-reactive protein test before prescribing antibiotics in respiratory infection.

18. The Abingdon Emergency Multidisciplinary Unit (EMU) pilot also demonstrated the benefits of point of care diagnostics through a new model of community care. The purpose of the pilot was to facilitate the safe care of frail elderly patients with complex needs in a familiar and secure environment during an acute illness, but get them back home as quickly as was clinically appropriate.”

19. The use of point-of-care diagnostics contributed to the success of the pilot as it allowed patients to be diagnosed, treated and returned to their homes more rapidly. Other EMUs were established across the Oxfordshire region and figures showed that 85% of EMU patients go home on the same day compared with 75% of 85 year olds who stayed for a period of at least 10 days at the John Radcliffe Hospital.

20. However due to perverse incentives, NHS staff may not take advantage of such tests as the financial rewards in place can often incentivise behavior that is not in the best financial interests of the NHS.

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21. For example, an ambulance trust in the North East receives a £200 tariff for each patient taken to A&E but if they spend more time with them in the community and prevent an admission, they only receive £50.

22. With such practices in place, NHS staff are not incentivised to take action that could benefit both the NHS and its patients. They are therefore unlikely to invest in IVDs such as a point of care test, as it may lead to a drop in admissions and consequently, revenue.

23. The Government should examine how the NHS could end these practices and better incentivise its staff to operate in a way that considers the best outcome for both the patient and public finances.

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