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The future role of off-patent medicines in delivering integrated care

Opportunities and solutions for ICBs

Conclusio.

Introduction

The introduction of integrated care boards (ICBs) marked a pivotal shift in the architecture of England's health and care system. Established under the Health and Care Act 2022, ICBs were tasked with planning and commissioning services to meet the needs of local populations – bringing together NHS providers, local authorities, and voluntary sector partners under a unified framework. Their creation signalled a move away from competition towards collaboration, with a renewed focus on improving population health, preventing illness, and reducing health inequalities.

Since their inception, ICBs have had to navigate significant transformation. From post-pandemic recovery to embedding new models of care, they are increasingly central to delivering joined-up services and driving system-wide reform. As the policy landscape continues to evolve – with mounting pressures on workforce, funding, and accountability – ICBs must balance strategic oversight with local responsiveness.

Following the publication of the NHS 10 Year Plan, their mission as drivers of targeted, community-responsive healthcare has never been more critical. At the same time, ICBs themselves are undergoing structural change – likely consolidating from 42 to 26 bodies. The aim is to create fewer, larger organisations that can benefit from economies of scale. In this context, maximising resources, sharing best practice, and shifting to a strategic commissioning approach become even more essential.

Against this backdrop, Medicines UK – the trade body representing manufacturers of off-patent generic and biosimilar medicines, which fulfil 85% [1] of NHS patient prescriptions – convened a roundtable of ICB and sector leaders from across the country in partnership with Conclusio Limited. The objective was to explore the evolving healthcare landscape and better understand the future role of off-patent medicines in delivering integrated care.

We believe this to be a timely discussion, as the 10 Year Plan for England signalled that the National Institute for Health and Care Excellence (NICE) should focus on rolling updates of priority treatments to ensure cost-effective prescribing takes place. A single national formulary will also be established to reduce prescribing variation, once again, in the name of cost-effectiveness. So the policy direction is clear (if not the precise policies at the time of writing).

But we already have 81% generic prescribing and dispensing. UK biosimilars uptake is now among the highest in the world. So how can greater uptake of off-patent medicines help free up budgets and resources while supporting population health goals through improved access to essential treatments? This report summarises the key themes from those discussions and highlights priority areas for further dialogue and collaboration. It also outlines the role of optimising off-patent medicines in NHS care.

[1] Unbranded generics cover 81% of community pharmacy prescriptions; and of the 19% of branded prescriptions, around 40% are branded generics or biosimilars. https://www.nhsbsa.nhs.uk/statistical-collections/prescription-cost-analysis-england/prescription-cost-analysis-england-202425 - Additional Tables, Table A5; and IQVIA 2022 dispensing data.

Foreword – Mark Samuels

Local NHS systems face a difficult balancing act: meeting the urgent and chronic needs of patients while embedding prevention strategies that ease long-term pressures on services. This is unfolding amid a major reset and reorganisation of the ICB landscape – a moment of both challenge and opportunity.

Encouragingly, the NHS 10 Year Plan identifies a shift towards more community-delivered care and a stronger emphasis on prevention. ICBs are central to delivering this vision and ensuring its success. The ICB and wider NHS 'system' leaders we spoke to as part of this report described a rising tide of morbidity across the sector, underscoring the urgent need for transformation. They highlighted the growing cost of treating patients later in their pathway and the imperative to invest in early intervention and prevention.

Off-patent generics and biosimilars are a cornerstone of sustainable healthcare. They account for more than four out of five NHS prescriptions, save the system over £20 billion annually, and give the UK the lowest medicines prices in Europe. Crucially, they expand patient access, enabling earlier treatment and reducing long-term reliance on NHS services.

Despite clear recognition from central government and NHS England [1], the value of off-patent medicines is not always realised at local system level. If ICBs are to deliver on their prevention and access goals, they must be empowered to harness the full benefits of generics and biosimilars.
At the same time, demand patterns are shifting. Following trends in weight loss and ADHD treatments, we are seeing increased appetite for co-pay models and private prescriptions.

Competitive markets help bring prices down to make private prescription treatments more affordable to patients as consumers. Pharmacies that have adapted are already seeing benefits – and this is a trend likely to accelerate [2]. Medicines play a vital role in societal health. Our shared agenda with ICBs should focus on increasing awareness and understanding of the opportunities ahead.

This paper marks the beginning of a sustained dialogue with ICB and wider NHS system colleagues to build a shared understanding, align on priorities, and unlock the full potential of off-patent medicines for local population health. Our initial roundtable identified a wide range of themes, and in this discussion paper we summarise the key insights. We also outline future savings potential – estimated at £77 million per ICB per annum over the next five years. Together, we can ensure that manufacturers and commissioners within ICBs work in partnership to maximise uptake of off-patent medicines and deliver better outcomes for patients and communities.

[1] https://assets.publishing.service.gov.uk/media/688c90a8e8ba9507fc1b090c/Life_Sciences_Sector_Plan.pdf
[2] Private medicines purchasing and dispensing increased by 81% from August 2024 to August 2025. Excluding weight loss medicines, growth is 14%; IQVIA, October 2025.

The role of off-patent medicines in NHS care

The NHS runs on off-patent medicines – whether chemical-based generics or biologically derived biosimilars. Around 85% of all prescription medicines taken by NHS patients are fulfilled by off-patent products.

It is a simple but highly effective system. Originator companies research and develop new medicines to meet unmet patient needs, satisfying rigorous regulatory requirements to ensure safety and efficacy. To incentivise innovation, these companies are granted exclusive patent periods during which they alone can market and sell these medicines to the NHS.

Once the patent period ends, competition enters the market. The NHS – as the payor – moves from negotiating with a single supplier to multiple suppliers, driving down prices as companies compete for market share. Generic and biosimilar competition saves the NHS £20 billion annually – equivalent to 10% [1] of England's entire NHS operating budget.

These market fundamentals give the UK the lowest average medicine prices in Europe and a high penetration of off-patent products.

The off-patent industry thrives on simplicity and efficiency, combining high volumes with low margins. Years of downward pricing pressure have stretched and globalised the supply chain, as manufacturers have sought efficiencies to remain viable. The average generic medicine costs the NHS under £4 – with most under £3 [2] – of which between one third and a half covers pharmacy and distribution margins.

Medicines in Primary Care: Key Statistics

- Around 1.2 billion presentations are dispensed annually by community pharmacies.
- The Drug Tariff includes approximately 3,250 presentations and over 14,000 individual licences.
- For the first time, generic prescribing and dispensing rates exceed 80% (currently 80.66%).
- The average reimbursement cost of an unbranded generic is £3.91, compared to £24.86 for a branded medicine.
- A 1% switch from branded to unbranded dispensing saves the NHS £251 million.

Doctors are trained to prescribe using the generic (INN) name, meaning generic markets typically form naturally after patent expiry. For certain conditions, specific pharmacist grades can prescribe from a government-approved list of treatments.

[1] Based on NHS England's planned 2024/25 expenditure of £186.8 billion, noted in *Spending Review 2025*: https://assets.publishing.service.gov.uk/media/68627094354985706f111adc/E03349913_HMT_Spending_Review_June_2025_TEXT_CS_Accessible__002_.pdf (page 48)
[2] Drug Tariff analysis by IQVIA, October 2025.

Pharmacies – whether independent or part of a chain – purchase medicines from manufacturers or wholesalers and are reimbursed monthly by the Department of Health & Social Care (DHSC). The reimbursement cost is charged to the prescribing area's ICB.

Reimbursement margins are higher for unbranded generics than for branded medicines (including branded generics, legacy originator brands, and patented products), incentivising pharmacies to choose the most affordable option. For branded medicines, reimbursement is typically at or near the acquisition cost.

Medicines in Secondary Care

The Medicines Procurement and Supply Chain (MPSC), part of NHS England and formerly the Commercial Medicines Unit, manages national and regional tenders for generic and biosimilar supply.

- Regional tenders for hospital-only medicines (often injectables) are held every eight months, with England divided into procurement regions.
- The MPSC aims for plurality of supply where possible, awarding staggered tenders to multiple suppliers for the same presentation.
- Suppliers must hold eight weeks of buffer stock for critical hospital-only medicines.
- National awards cover medicines used in hospitals but also available via community pharmacy.
- Transition tenders are used for newly off-patent generics. These are typically short-term (several months) to allow new entrants, before rolling into standard tender cycles.

Trusts are not obligated to purchase through MPSC frameworks, though off-framework buying is rare and monitored by regional procurement pharmacists.

Contracted suppliers must fulfil 'reasonable' orders, though this term lacks a precise definition. If a supplier cannot deliver within 14 days, the trust may request an alternative product or compensation to cover the cost of replacement stock.

All suppliers to English tenders must submit a carbon reduction plan, with Scope 3 reporting expanding from 2027. Social value accounts for 10% of the award criteria weighting. The devolved nations operate similar systems with their own central purchasing bodies.

Looking ahead, the MPSC is transitioning to value-based procurement (VBP) in 2025/26. Under VBP, past performance (e.g. out-of-stocks, handbacks, terminations) will influence tender scoring. Strong performance will lower bids (for scoring purposes only), while poor performance will raise them. New suppliers with no performance history will not be penalised.

Future opportunities and what they mean for ICBs

NHS England has set clear goals for ICBs to: increase adoption of new generics and biosimilars for priority molecules to a minimum of 80% within 6–12 months, and to deliver at least five national medicines optimisation opportunities.

But beyond these immediate targets lies a much broader opportunity – one that could reshape medicines spend across the NHS over the next five years.

Analysis by Medicines UK shows that from 2026 to 2030, an average of 58 medicine patents will expire each year. The NHS currently spends around £1.5 billion annually on these medicines. Even if just 50% of potential savings are realised through genericisation – despite typical reductions of 70–90% – the compound savings by 2030 could reach **£10 billion.**

For each of the 26 ICBs, this equates to an average annual saving of **£77 million over the next five years.**

These future savings are in addition to the £20 billion already saved each year through off-patent competition.

This presents an immense opportunity for ICBs: to unlock critical efficiencies in medicines spend while expanding patient access to essential treatments.

By embracing generics and biosimilars as strategic levers for both financial sustainability and population health, ICBs can deliver real value to their communities while freeing up crucial resources to be deployed elsewhere.

Each ICB could save an additional £77 million annually over the next five years.

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Case study – dapagliflozin

The average cost of a generic medicine used to treat a patient for a month is currently less than £3 [1], nearly half of which is paid to wholesalers and pharmacies. Off-patent antibiotics are now 10% cheaper than they were in 2020 [2]. Generics account for less than 30% of the UK's medicines spend while also improving patient access to vital treatments. Yet the use of off-patent medicines must increase still further if we want to make actual population health gains, particularly for the preventative care we know this government wants, be that smoking, diabetes, heart failure or, in due course, weight loss.

Take dapagliflozin (marketed by AstraZeneca as Forxiga) as an example [3]. This was the most costly NHS primary care drug in 2024/25, costing £333 million, an increase of nearly £100 million from 2023/24 [4]. In mid-August, when generic companies overturned the patent in the courts, a generic market was formed. Now that generic alternatives can significantly lower costs and increase supply, NICE has consulted on widening their use as a first-line treatment for chronic heart failure [5] and diabetes [6]. This is because under patent protection, the dapagliflozin list price was £38 per pack; applying a typical generic selling price reduction of 90% for a large-volume molecule means that it is likely to be sold for around £4.

With generic competition, dapagliflozin's use will significantly grow, and from September 2026, it is likely that prescriptions will rise in number by 230% to treat 2.4 million people [7]. This is a strong example of how replacing end-of-patent medicines with generic ones can increase patient access significantly while still saving the NHS money. The same impact is likely to be true for the GLP-1 weight loss drugs in the next five years. Genuine preventative health is as much about using existing medicines earlier and more widely to transform healthcare pathways at scale as it is about funding new patent-protected treatments. In other words, if the government is going to spend more money on medicines, this spend needs to derive full value now by lowering NHS costs and keeping patients healthy, productive, and out of hospital.

[1] IQVIA, August 2025.
[2] https://www.viatrispolicy.eu/en/about/securing-access-improving-lives
[3] Used to treat type 2 diabetes, chronic kidney disease, and heart failure.
[4] Prescription Cost Analysis data for England, 2024/25.
[5] https://www.nice.org.uk/news/articles/nice-draft-updated-guideline-to-increase-access-to-treatments-for-early-stage-chronic-heart-failure
[6] https://www.nice.org.uk/guidance/indevelopment/gid-ng10336/documents
[7] Based on NHS England demand estimates.

Medicines UK/ICB roundtable: key themes

The roundtable with ICB leaders convened by Medicines UK and Conclusio Limited identified several interconnected themes that reflect both the ambition and complexity of delivering integrated care at scale. These insights offer valuable direction for future collaboration between ICBs, the NHS, and industry partners.

1. Prevention and Holistic Care Management

Participants highlighted that medicines use is still evaluated in silos, with higher acquisition costs rarely reconciled against system-wide savings or improved patient outcomes. ICBs are beginning to receive targeted funding from central government to support local preventative approaches – opportunities that may not yet be visible to industry but are likely to emerge within new neighbourhood models of care given the focus on chronic and long-term conditions.

2. Implementing Neighbourhood Care

There was strong consensus that too much of the healthcare pathway still flows through doctors and clinicians, creating inefficiencies. A neighbourhood care model – including greater use of community pharmacy – offers a more effective triaging approach, enabling care to be delivered at the most appropriate and efficient level. This is especially important for scalable healthcare solutions that carry administrative demands. While funding incentives for GPs are helpful, participants stressed the need to rethink money flows that currently hinder efficient local delivery.

Neighbourhood health was seen as a potential vehicle for medicines optimisation, personalised care, and value-based prescribing – as well as a lever for improving adherence and local implementation of NICE guidance. Incentivising community pharmacy was discussed as a key enabler.

3. Aligning Financial Incentives with Administrative Realities

Roundtable participants emphasised the need to match financial incentives with the actual sites of service transformation. This could help overcome clinician inertia, particularly in relation to ICB-funded biosimilars. Mapping the potential savings from generics and biosimilars at the ICB level – and showing how these could be reinvested into neighbourhood health – was seen as a powerful tool for local engagement.

4. Industry Partnership and Value-Added Medicines

There was open debate about the scalability of incremental innovation and the durability of industry partnerships. Some questioned whether current models deliver long-term value. Suggestions included using tools like AI to support local teams with the administrative burden of switching treatments, and shifting commissioner focus from cost to value – especially in constrained financial environments.

To support this shift, participants recommended more emphasis on the wider health economic benefits of medicines, and the development of pilot programmes to generate real-world data. These could be used to demonstrate system gains to clinicians – particularly in secondary care, where specialist opinion often drives prescribing behaviour.

It was noted that NHS wholly owned subsidiaries may be well placed to drive innovation and system change and could offer a new route for industry engagement. More broadly, there remains uncertainty within the NHS around how best to engage with industry and build long-term partnerships. In this context, establishing a local dialogue between NHS systems and trade bodies like Medicines UK was welcomed as a way to support policy development and process thinking.

Looking ahead – proposals and solutions

Building on the roundtable discussions, several forward-looking solutions were proposed to help ICBs unlock greater value from medicines optimisation, innovation, and neighbourhood care.

1. Reinvesting Savings into Neighbourhood Health Teams

There was strong support for reinvesting a portion of medicines optimisation savings into multi-disciplinary neighbourhood health teams – including community pharmacies, which now have prescribing rights. Drawing inspiration from the Scottish model, participants suggested that pharmacies could be rewarded by retaining a share of these savings. This would help triage patients to the most appropriate local healthcare professional, improve efficiency, and free up clinical time for doctors and specialists. With more savings on the horizon from off-patent medicines, as stated earlier in the report, consideration should be given to how this can support neighbourhood health teams.

2. Supporting Value-Added Medicines and Innovation

Across both primary and secondary care, companies are developing value-added products that save healthcare professionals time, enable self-administration or community-based delivery, and offer environmental sustainability as well as patient safety benefits. While these innovations often come with higher acquisition costs, they can deliver improved health outcomes and system-wide efficiencies.

To accelerate uptake, participants called for better mechanisms to promote these off-patent products to the NHS. Current diffusion pathways are too slow, and NICE is not always the right route for later-lifecycle innovation. There is a need for more agile, fit-for-purpose channels to evaluate and endorse products that align with NHS priorities – particularly those that support prevention, personalisation, and community care.

3. Enhancing Visibility Through the Single National Formulary

The single national formulary was identified as a potential lever to improve visibility and access to value-added medicines. Roundtable participants asked how it could be used more meaningfully to inform local ICBs and trusts – helping to overcome the barrier of higher upfront costs by highlighting broader patient and system benefits. This would support more strategic investment decisions in line with the NHS 10 Year Plan.

Next steps

As the representative voice of the industry behind four out of every five NHS prescription medicines – and the driver of financial headroom that enables local NHS systems to manage their budgets – Medicines UK is committed to working with ICBs on areas of mutual benefit.

We propose the following next steps for further collaboration:

1. Deepen Mutual Understanding

Foster dialogue between NHS suppliers, commissioners, and clinicians to better appreciate the diverse perspectives across the system – from procurement to patient care.

2. Co-create a Health Economic Model

Partner with financial leaders to develop a shared framework that captures both the transactional and transformational value of off-patent medicines that have been the subject of post-patent innovation to increase compliance, reduce waste, or drive some other patient, system, or societal benefit.

3. Refine and Expand Proposals

Work with ICBs to add detail to the ideas outlined in this report and explore additional opportunities for joint action.

4. Improve How Value is Communicated

Collaborate on ways to present the holistic benefits of medicines – including patient outcomes, system efficiencies, and sustainability – in formats that resonate with local decision-makers.

5. Share and Align Useful Data

Identify insights and appropriate forms of data held by Medicines UK and ICBs that could be shared, interpreted, and used to support better decision-making across the system.

At Medicines UK, we see this as the beginning of a sustained partnership – one that aligns national ambition with local delivery, and industry innovation with NHS priorities. We look forward to further collaboration with ICB colleagues to continue a shared agenda for the benefit of local population health.

Roundtable attendees

The themes covered in this report are based on a roundtable event convened in London in September 2025.

The following individuals were in attendance:

- Mark Samuels, CEO, Medicines UK
- Robert Russell-Pavier, Economics and Public Policy Director, Medicines UK
- Jeremy Durrant, Communications and External Engagement Director, Medicines UK
- Paul Burden, UK Vice President Rx for STADA Thornton & Ross
- Nick Ettery, Vice President UK&I at ADVANZ PHARMA
- Anil Makwana, Senior Brand & National NHS Liaison Manager, Aspire Pharma
- Kristine Oberte, Country Head UK, Dr. Reddy's
- James Humphreys, Director, Government Affairs and Policy, Teva
- Dr Alex Ward, GP, National Clinical Peer Ambassador and Vice Chair, Wessex LMC
- Dr Matt Prendergast, GP, GP partners member, Hampshire and IOW ICB
- Dr Tim Cooper, GP and Medical Director, Suvera Limited
- Andrew Lane, Community Pharmacist, Chair of Gloucestershire Local Pharmaceutical Committee (LPC) and former Chair, National Pharmacy Association
- Raj Matharu, Chair, South East London LPC
- Dr Philip Woodland, Consultant Gastroenterologist, Barts Health NHS Trust
- Professor Ash Soni, Former President, Royal College of Pharmacy, ICB Board member, Sussex ICB, and Board member, Oxford University Hospitals NHS Foundation Trust
- Alice Inch, Life Sciences Lead, NHS Confederation
- Josh McKie, Lead Pharmacist for Biosimilars and Biologics, Hampshire Hospitals NHS Foundation Trust
- Dharmesh Patel, Ophthalmologist and Clinical Director, Primary Eyecare Services
- James Roach, on behalf of Conclusio Limited
- Sarah Jackson Frame, on behalf of Conclusio Limited

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Medicines UK represents the interests of UK-based manufacturers and suppliers of generic and biosimilar medicines. We promote the development and understanding of this vital sector, which supplies four out of five NHS prescription medicines.
Find out more at
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