

Ministerial power grab 'greatest threat' to NICE existence

By Jack Serle | 10 December 2025

Government wants the power to change the threshold at which a treatment is considered cost effective

This will enable it to direct NICE to make changes; currently this is up to the agency's board

Increasing the cost-effectiveness threshold is a key part of the UK's medicines pricing deal with the US

The government plans to take direct control of the cost effectiveness thresholds used by the National Institute of Health and Care Excellence are "the greatest threat yet to its existence," according to one of the agency's founding directors.

A consultation published this week set out the government's unprecedented plans that its own impact assessment says could "undermine the independence" of the standards setting organisation.

The government also wants to ensure ministerial instructions to NICE do not need to be consulted on first in a move that follows the decision to increase the price paid for new medicines by the NHS after pressure from US president Donald Trump's pharmaceutical sector.

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The price increase will, in part, be delivered by change in the threshold used by NICE to determine its cost-effectiveness. This has been set for the past 21 years at £20,000 to £30,000 per quality adjusted life year gained. The new deal means it will increase to between £25,000 to £35,000 per QALY gained.

Peter Littlejohns, emeritus professor of public health at King's College London, told *HSJ* the “announcement that the regulations will be changed to allow government to determine the threshold used in its cost-effectiveness analysis... is not about quality of care or improving public health”.

Instead, it is about supporting the life sciences sector and the broader economy, he said quoting from a statement made by the NICE CEO Dr Sam Roberts.



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Professor Littlejohns was the founding clinical and public health director at NICE from 1999 to 2012. He said: “The implications of this fundamental change to the relationship between government and NICE needs to be carefully worked through”.

He urged caution and a full assessment of the responses to the consultation, “which no doubt will be voluminous” because “the perceived short-term gain may fail to materialise and the long-term effects are detrimental to the NHS and public health.”

Powers to direct without consultation

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The government has always been able to direct NICE to make a change in the threshold. However, the arms-length body would be required by its rules to undertake a consultation on the move and could – if the evidence suggested it was unwise – decide to not change the threshold.

To avoid the possibility of this upsetting the deal, the government has launched a consultation on changing the regulations under which NICE operates. It proposes that ministers should have the power to set “the core cost-effectiveness threshold that NICE uses in the development of guidance, including technology appraisal and highly specialised technology evaluation recommendations”.

It also wants to “remove the requirement for NICE to consult on methods changes where these result from a ministerial direction”.

The consultation says ministers want to have control over “critical elements of UK medicines policy which either impact on delivery of wider government objectives or need to be determined taking into account factors wider than health cost-effectiveness”.

This move is expected to benefit business “by enabling decision on the cost-effectiveness threshold... to take into account wider economic and industrial policy factors, such as the economic impact of life sciences investment”.

The changes would fundamentally alter the foundation of the relationship between NICE and government for the first time since its creation in 1999.

Risks undermining independence

The implications of this are picked up in the impact assessment accompanying the consultation.

It states: “There is a risk that conferring direction-giving powers on ministers with respect to the way in which NICE develops guidance could be perceived to undermine NICE’s independence.”

It adds: “To mitigate this risk, the proposed direction-giving power would be very tightly defined, and ministers would remain unable to direct NICE as to the substance of its guidance, maintaining its independence in decision making.”

The impact assessment also warns that giving ministers this power could “create business uncertainty”. The threshold has been the same for more than 20 years and “provides a stable environment for company decision-making”.

“There is a risk that a power of direction-giving to ministers could create business uncertainty as enabling the threshold to change with frequency, making the UK a more unpredictable access market,” the impact

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assessment warned.

In mitigation, “it is anticipated changes to the NICE cost-effectiveness threshold will be very infrequent” states the IA.

Government hopes to have the amended regulations before parliament in time to come into force in March 2026.

The NHS and Treasury are still debating how the costs of the new deal – which some estimate as high as £3bn – will be met.

Source

Government consultation, impact assessment

Source Date

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