

Changes to NICE's cost effectiveness threshold: next steps

December 2025

NICE National Institute for
Health and Care Excellence®



Introduction and overview

Government support for the pharmaceutical sector includes changes to the NICE threshold

- Changes to **improve pharmaceutical operating environment** announced as part of US – UK economic prosperity deal and UK industrial strategy.
- Aims to **support the sector**, while **preserving patient access**.
- NICE approves 91% medicines that we evaluate (~70 a year). We estimate **3-5 additional approvals** per year due to changes.

NICE will deliver two commitments:

1. **Change to NICE's cost-effectiveness thresholds** used to develop Technology Appraisal (TA) guidance to £25,000 - £35,000.
2. Govt. support for NICE to **implement a new value set** used to value health related quality of life in health technology comparisons.

What is changing?



NICE's cost effectiveness threshold

Background

- NICE uses thresholds to decide which health technologies are cost-effective for use in NHS.
- Standard threshold will **change to £25,000 to £35,000 per QALY**.
- **Preserves patient access** and **emphasises NICE's role supporting innovation**.

Delivery

- Applies to NICE's Technology Appraisals (TA) guidance.
- NICE proposes new threshold applies across all NICE guidance (Digital, HealthTech, Guidelines). We await further detail from government.
- We are not aware of any proposals to change the thresholds used to evaluate Highly Specialised Technologies (HSTs) for ultra-rare diseases.
- **DHSC will consult on powers to direct NICE to enact this**, subject to regulation change, from April 2026.

What is changing?



New value set to quantify health states

Background

- A 'value set' allows us to **quantify health-related quality of life**, to help compare treatments.
- Converts patient-reported health states into numerical values.
- New value set will **better capture the views of the public today**, with more sensitive, cutting-edge methodology and replacing 1990s data underpinning current approach.

Delivery

- Value set being developed by asking **1,200 members of the public** to judge different health states.
- Following ongoing independent peer review of the value set and subsequent publication in 2026, we will **consult** on changes to the methods Manual.

Implementation and next steps

New threshold will be introduced following DHSC direction from April 2026

- DHSC plans to consult on powers to direct NICE to implement a new cost-effectiveness threshold.
- This requires a **targeted change to regulations**.
- Change **clarifies the status quo that Ministers are responsible for the medicines budget**, while NICE is responsible for methodology.
- Will not permit broader intervention in NICE methods or decisions.

NICE

Anticipated timeline (subject to consultation)

- **Dec 2025** – DHSC consult on proposed regulations change.
- **Early 2026** – In anticipation of regulations change, prior to March, NICE plan to conduct a short consultation on how the change will be implemented.
- **March 2026** – Regulation change gives DHSC power to direct NICE on threshold.
- **March 2026** – NICE directed to implement new threshold.
- **April 2026** – NICE methods Manual updated.

What does this mean for ongoing TAs?

For all new and ongoing TAs

- All topics will continue as planned. **Current threshold will apply until a direction by DHSC is received.** Subject to parliamentary process, a new threshold will apply from April at the earliest.
- **From point of a DHSC direction, new threshold will apply** regardless of when TA was initiated.
- Historic TA guidance will not routinely be revisited.

Ongoing TAs with scheduled committees *prior* to NICE implementing new threshold

In the period before DHSC direct NICE:

- i. If a topic is found cost-effective under the current threshold it will be recommended as usual.
- ii. If a topic is not found cost-effective using current thresholds **but where applying new thresholds could result in a positive recommendation:**
 - We will not publish a negative decision. **Publication of final draft guidance will be paused** until NICE can apply the new thresholds.
 - Once new threshold comes into force, the threshold will be increased by £5,000 automatically and will not require further committee discussion.
 - Publication processes and commercial discussions will then continue as usual.
- iii. If a topic is not found cost effective and would not be recommended even under a new threshold, the topic will proceed to negative recommendation as usual.

NICE will consult on new value set in 2026

- NICE welcomes support for implementing new value set for measuring health-related quality of life, using NICE's preferred "EQ-5D-5L" instrument.
- Will **best reflect how the public values different health states** in NICE evaluations.
- Developed using up-to-date UK preference data from 1,200 individuals and **state-of-the-art methodologies**.
- Delivery follows **NICE's standardised process** for modular Manual updates.

Delivery

1. **Academic peer review and publication (ongoing)**. To ensure quality, this step must be independent of NICE. Publication is likely to be between c. **Feb – May 2026**.
2. **Post publication (c. 16 weeks):**
 - **NICE consultation** on impact of value set. Exact timeframes depend on the nature of the consultation response.
 - **Integration into NICE's methods Manual**.

Next steps

- For those with questions:
 - Further information is available online: <https://indepth.nice.org.uk/changes-to-nices-cost-effectiveness-thresholds/index.html>
 - If not answered via the above, NICE stakeholders can contact: nice@nice.org.uk
- Stakeholders involved in ongoing medicines evaluations with questions regarding their NICE appraisal should direct questions to the relevant Associate Director or Principal Technical Adviser.
- NICE will continue to engage stakeholders throughout the implementation process outlined. We will also be discussing these plans at the upcoming NICE public Board meeting on 10th December.