A BUDGET APART

The UK-US pharmaceutical deal and the NHS that pays for it

LONDON SCHOOL of HYGIENE &TROPICAL MEDICINE

GLOBAL HEALTH ECONOMICS CENTRE

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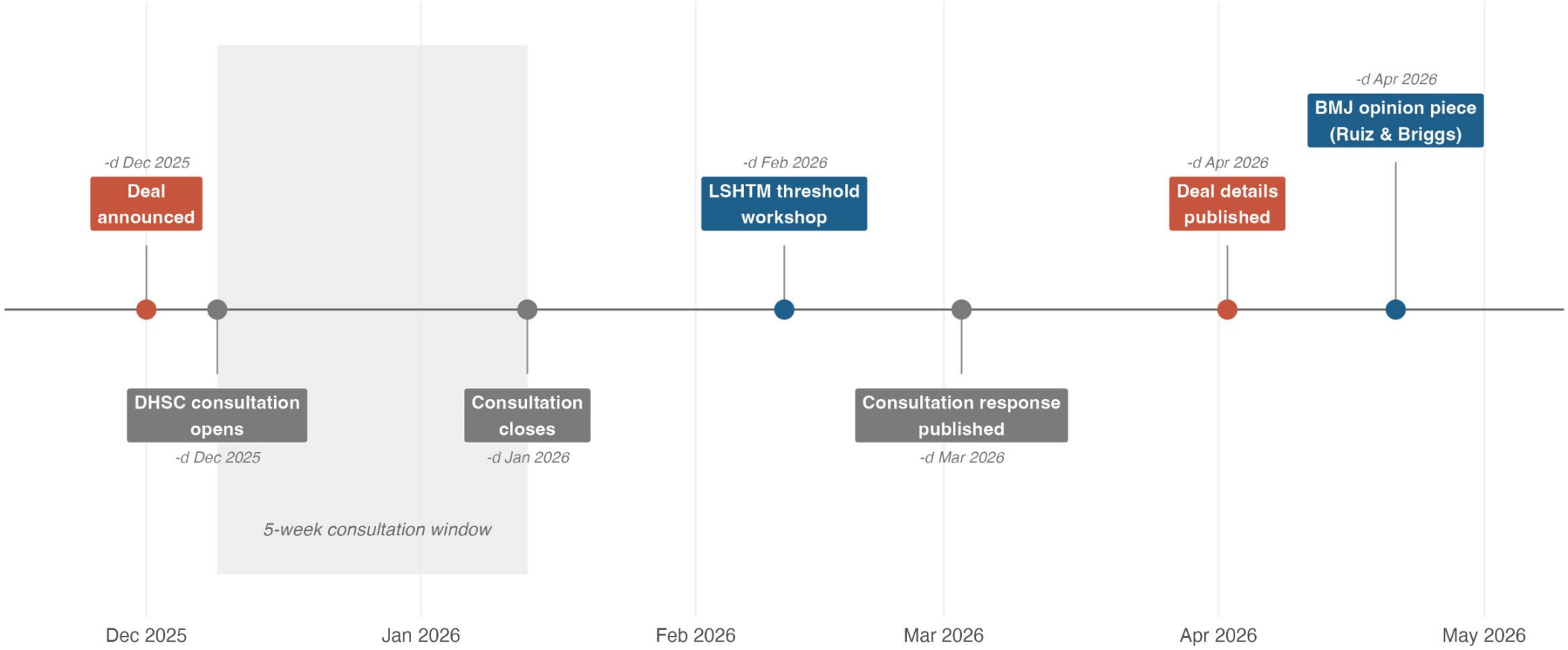
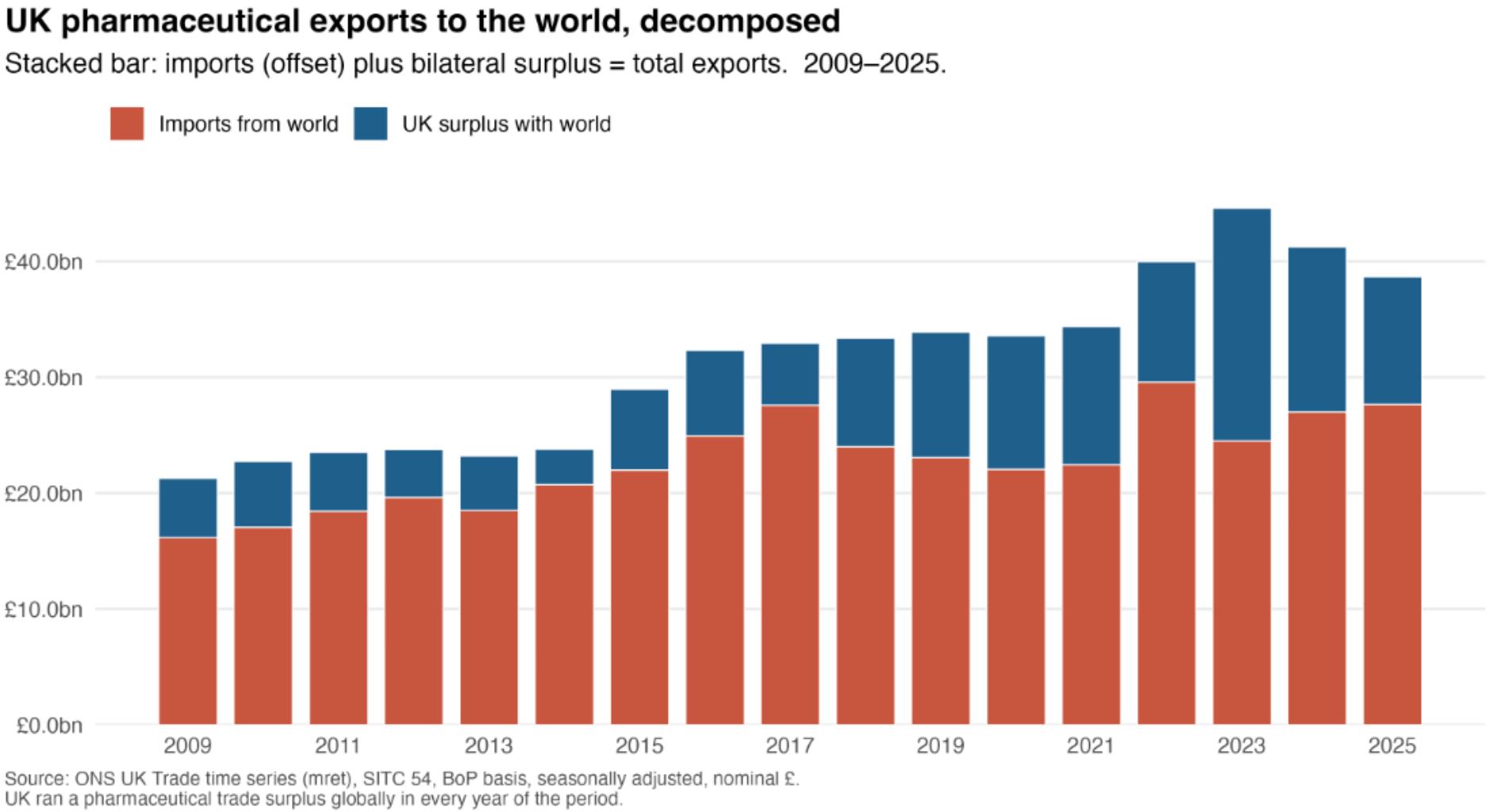
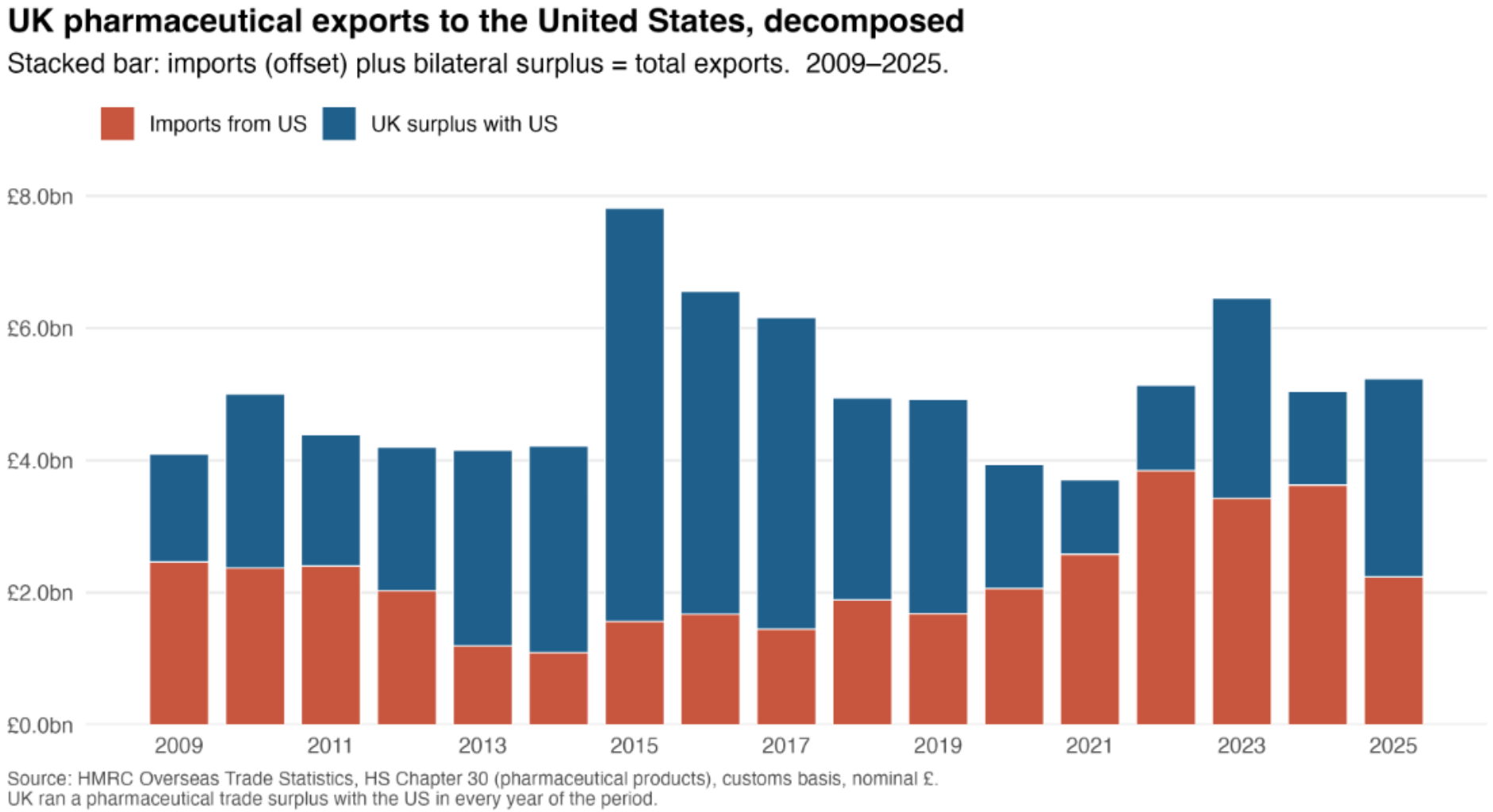
Five months from Deal to Details



UK trade surplus in pharmaceuticals | Global



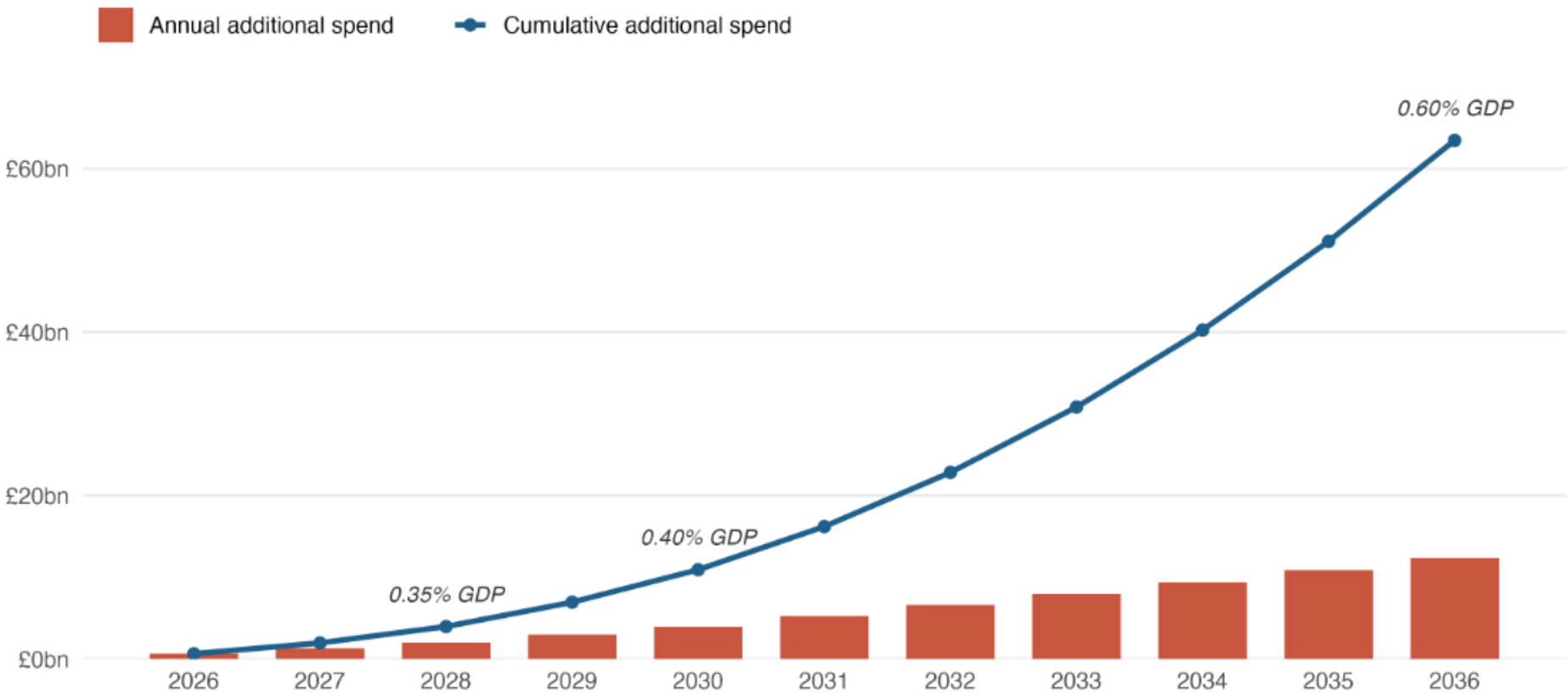
UK trade surplus in pharmaceuticals | with US



Cost of the deal

What the UK has committed to spend

Annual and cumulative additional UK NHS pharmaceutical spend implied by the deal's GDP-share commitments.

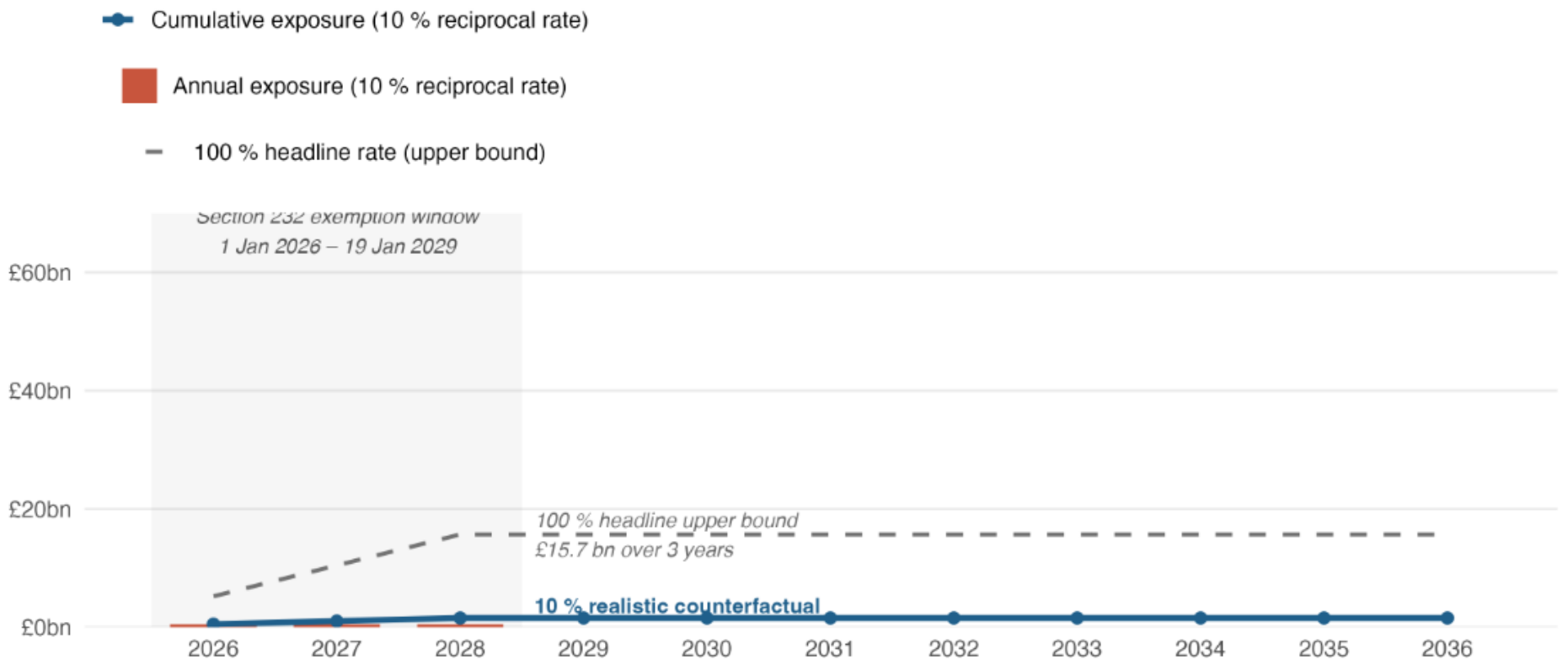


Source: HM Government / DSIT, Arrangement on pharmaceutical pricing (2 April 2026); UK GDP base £3,037.6 bn (ONS, 2024-25); OBR real growth 1.5 %.
Baseline held constant at 0.30 % of 2024-25 GDP (£9.11 bn). Trajectory linearly interpolated between published milestones (0.35 % by 2028, 0.40 % by 2030, 0.60 % by 2036).

What the deal protects

What the deal was realistically protecting against

Tariff exposure for UK pharma exports to the US during the Section 232 exemption window.

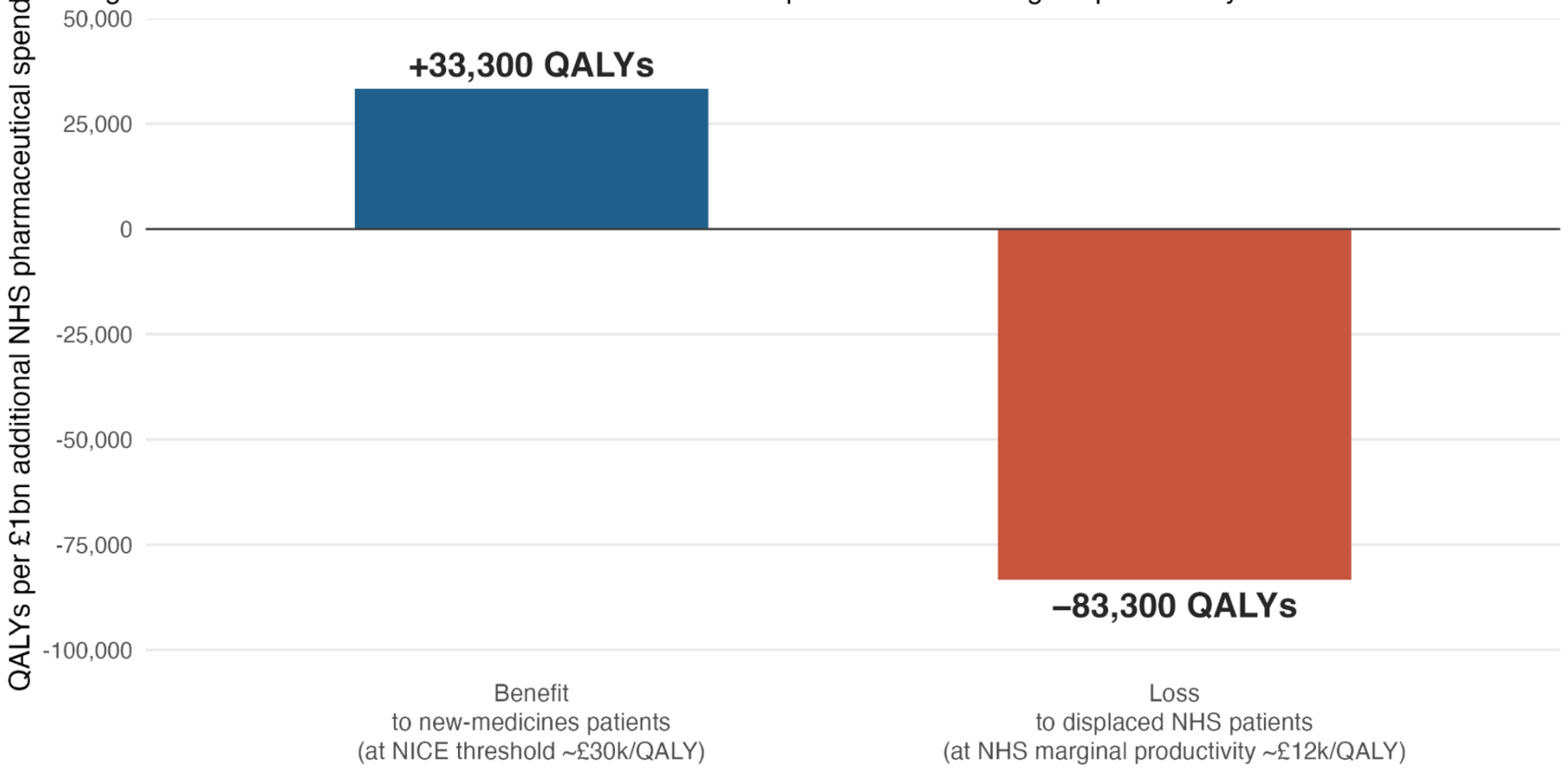


Source: HMRC Overseas Trade Statistics, HS Chapter 30 (UK exports to US, 2025); White House proclamation, 2 April 2026; UK–US Economic Prosperity Deal, 1 December 2025
Primary scenario: 10 % reciprocal rate (UK position under the May 2025 General Terms of the Economic Prosperity Deal). Upper bound: 100 % Section 232 headline rate (default
Both assume full pass-through to UK exporters and no demand response; realistic exposure is lower than either figure.

Displacement costs of avoiding tariffs

Each £1bn of additional NHS pharmaceutical spend displaces more QALYs than it buys

QALYs gained from new medicines at threshold vs QALYs displaced at NHS marginal productivity.

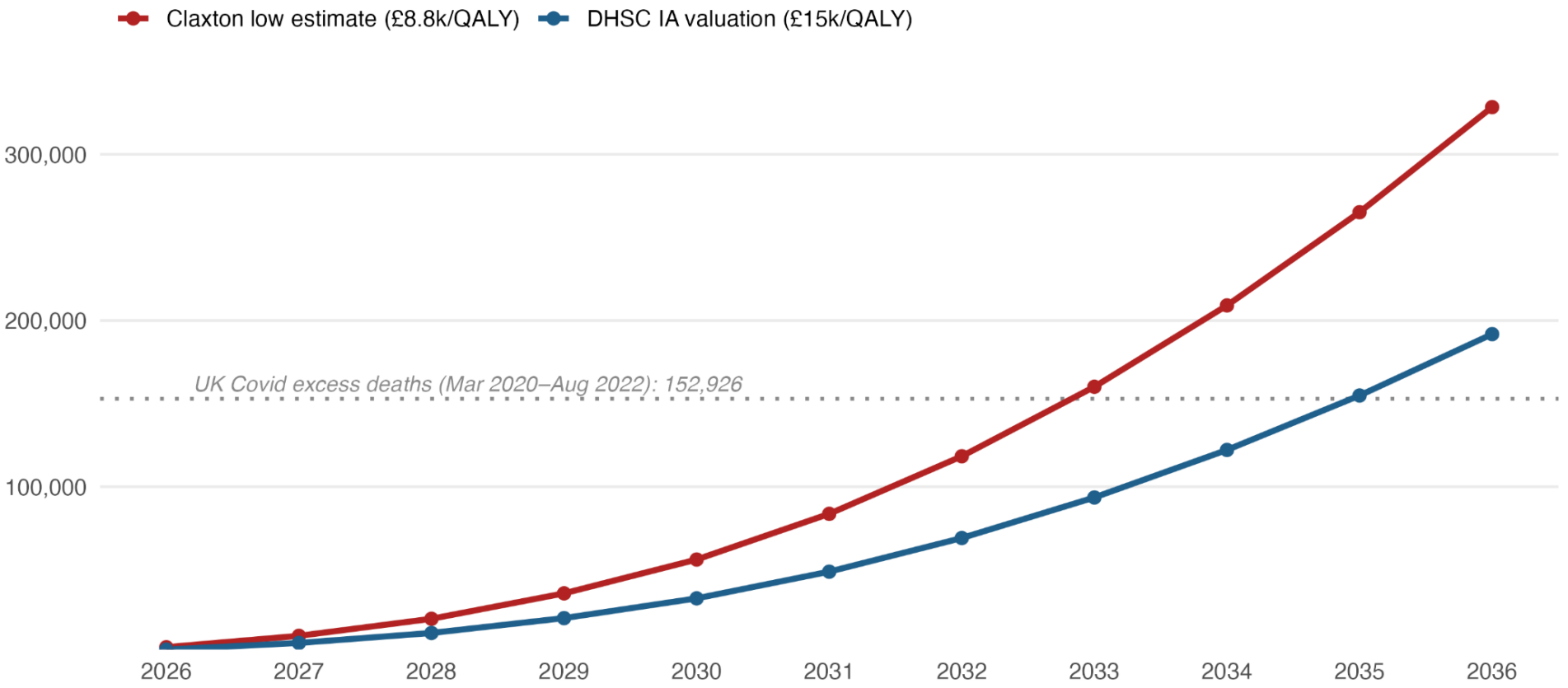


Benefit calculated at midpoint of the new NICE threshold range (~£30,000 per QALY). Loss calculated at NHS marginal productivity (~£12,000 per QALY; Martin, Claxton, Lomas &
Net population health loss per £1bn additional NHS pharmaceutical spend: ~50,000 QALYs.

Benchmarking the cost against COVID

Excess deaths implied by the deal exceed UK Covid excess by 2036

Cumulative excess deaths from displaced NHS care, 2026–2036, two alternative valuations of NHS marginal productivity.



Source: Claxton and colleagues, Costings and Mortality Model, University of York (April 2026). GDP-share commitments from HM Government / DSIT (2 April 2026); UK GDP base
Excess deaths = displaced QALYs / 22.3 QALYs-per-death. Arithmetic mapping of QALY displacement, not a predictive mortality model.

The honest alternative

OPINION

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Cite this as: *BMJ* 2026;393:s755
http://doi.org/10.1136/bmj.s755
Published: 21 April 2026

A budget apart: the case for ringfencing medicines in the UK

If the government wants to pay more for medicines as part of its trade policy it should fund that choice explicitly, say **Francis Ruiz** and **Andrew Briggs**

Francis Ruiz, Andrew Briggs

The £20,000 - - £30,000 Question

The £25,000 - - £35,000 Answer

After NICE's Threshold Rise

Policy Pantomime

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