

# Health Act 1999

# **1999 CHAPTER 8**

### PART I

### THE NATIONAL HEALTH SERVICE

Control of prices of medicines and profits

# **Powers relating to voluntary schemes**

- (1) The powers conferred by this section may be exercised where there is in existence a scheme (referred to in this section and sections 34 and 35 as a voluntary scheme) made by the Secretary of State and the industry body for the purpose of—
  - (a) limiting the prices which may be charged by any manufacturer or supplier to whom the scheme relates for the supply of any health service medicines, or
  - (b) limiting the profits which may accrue to any manufacturer or supplier to whom the scheme relates in connection with the manufacture or supply of any health service medicines.
- (2) For the purposes of this section and sections 34 and 35, a voluntary scheme is to be treated as applying to a manufacturer or supplier to whom it relates if—
  - (a) he has consented to the scheme being so treated (and has not withdrawn that consent), and
  - (b) no notice is in force in his case under subsection (4).
- (3) For the purposes of this section a voluntary scheme has effect, in relation to a manufacturer or supplier to whom it applies, with any additions or modifications made by him and the Secretary of State.
- (4) If any acts or omissions of any manufacturer or supplier to whom a voluntary scheme applies (a "scheme member") have shown that, in the scheme member's case, the scheme is ineffective for either of the purposes mentioned in subsection (1), the Secretary of State may by a written notice given to the scheme member determine that the scheme is not to apply to him.

Status: This is the original version (as it was originally enacted).

- (5) A notice under subsection (4) must give the Secretary of State's reasons for giving the notice; and the Secretary of State may not give a notice under that subsection until he has given the scheme member an opportunity to make representations about the acts or omissions in question.
- (6) Consent under subsection (2)(a) must be given, or withdrawn, in the manner required by the Secretary of State.
- (7) The Secretary of State may after consultation with the industry body require any manufacturer or supplier to whom a voluntary scheme applies to—
  - (a) record and keep any information, and
  - (b) provide any information to the Secretary of State,

which the Secretary of State may require for the purpose of enabling the scheme to operate or facilitating its operation or for the purpose of giving full effect to any provision made under subsection (8).

- (8) The Secretary of State may—
  - (a) prohibit any manufacturer or supplier to whom a voluntary scheme applies from increasing any price charged by him for the supply of any health service medicine covered by the scheme without the approval of the Secretary of State, and
  - (b) provide for any amount representing any increase in contravention of that prohibition in the sums charged by that person for that medicine, so far as the increase is attributable to supplies to the health service, to be paid to the Secretary of State within a specified period.