



National Health Service Act 2006

2006 CHAPTER 41

PART 13

MISCELLANEOUS

Price of medical supplies

263 Statutory schemes

- (1) The Secretary of State may, after consultation with the industry body [^{F1}and any other person the Secretary of State thinks appropriate], make a scheme (referred to in this section and section 264 as a statutory scheme) [^{F2}one or more of the following purposes] —
- (a) limiting the prices which may be charged by any manufacturer or supplier for the supply of any health service medicines, ^{F3}...
 - (b) limiting the profits which may accrue to any manufacturer or supplier in connection with the manufacture or supply of any health service medicines,
 - [^{F4}(c) providing for any manufacturer or supplier of any health service medicines to pay to the Secretary of State an amount calculated by reference to sales or estimated sales of those medicines (whether on the basis of net prices, average selling prices or otherwise).]

[^{F5}(1A) Consultation about the proposed exercise of a power under subsection (1) must include consultation about the following—

- (a) the economic consequences for the life sciences industry in the United Kingdom;
- (b) the consequences for the economy of the United Kingdom;
- (c) the consequences for patients to whom any health service medicines are to be supplied and for other health service patients.]

(2) A statutory scheme may, in particular, make any provision mentioned in subsections [^{F6}(4)] to (6).

^{F7}(3)

Changes to legislation: National Health Service Act 2006, Section 263 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (4) The scheme may provide for any amount representing sums charged by any manufacturer or supplier to whom the scheme applies, in excess of the limits determined under the scheme, for health service medicines covered by the scheme to be paid by that person to the Secretary of State within a specified period.
- (5) The scheme may provide for any amount representing the profits, in excess of the limits determined under the scheme, accruing to any manufacturer or supplier to whom the scheme applies in connection with the manufacture or supply of health service medicines covered by the scheme to be paid by that person to the Secretary of State within a specified period.
- [^{F8}(5A) The scheme may provide for any amount payable in accordance with the scheme by any manufacturer or supplier to whom the scheme applies to be paid to the Secretary of State within a specified period.]
- (6) The scheme may—
- (a) prohibit any manufacturer or supplier to whom the scheme applies from increasing, without the approval of the Secretary of State, any price charged by him for the supply of any health service medicine covered by the scheme, 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.
- [^{F9}(7) If at any time a health service medicine is covered by a voluntary scheme applying to its manufacturer or supplier, the powers conferred by this section may not be exercised at that time in relation to that manufacturer or supplier as regards that medicine.]
- [^{F10}(8) Subsection (7) does not affect any liability of a person to pay amounts to the Secretary of State arising during a period when a health service medicine was covered by a statutory scheme applying to the person or the taking of any action in relation to any such liability.]

Textual Amendments

- F1** Words in s. 263(1) inserted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(2)(a), 12(3); S.I. 2017/809, reg. 2(d)
- F2** Words in s. 263(1) substituted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(2)(b), 12(3); S.I. 2017/809, reg. 2(d)
- F3** Word in s. 263(1) omitted (7.8.2017) by virtue of Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(2)(c), 12(3); S.I. 2017/809, reg. 2(d)
- F4** S. 263(1)(c) inserted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(2)(d), 12(3); S.I. 2017/809, reg. 2(d)
- F5** S. 263(1A) inserted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(3), 12(3); S.I. 2017/809, reg. 2(d)
- F6** Word in s. 263(2) substituted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 10(5)(a), 12(3); S.I. 2017/809, reg. 2(h) (with reg. 3)
- F7** S. 263(3) omitted (7.8.2017) by virtue of Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 10(5)(b), 12(3); S.I. 2017/809, reg. 2(h) (with reg. 3)
- F8** S. 263(5A) inserted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(4), 12(3); S.I. 2017/809, reg. 2(d)
- F9** S. 263(7) substituted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), ss. 5(5), 12(3); S.I. 2017/809, reg. 2(d)

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F10 S. 263(8) inserted (7.8.2017) by Health Service Medical Supplies (Costs) Act 2017 (c. 23), **ss. 5(6), 12(3)**; S.I. 2017/809, reg. 2(d)

Commencement Information

I1 S. 263 in force at 7.8.2017 immediately after 1999 c. 8, s. 35 comes into force by S.I. 2017/810, **art. 2(b)**

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 3B(1)(aa) inserted by [2022 c. 31 Sch. 3 para. 2\(b\)](#)
- s. 3B(1)(za) inserted by [2022 c. 31 Sch. 3 para. 2\(a\)](#)
- s. 13G(4) words omitted by virtue of 2012 c. 7, Sch. 14 para. 4A (as inserted) by [2014 c. 23 s. 120\(18\)\(a\)](#)
- s. 35(3A)(3B) inserted by [2012 c. 7 s. 159\(4\)](#)
- s. 35(3A) words substituted by [2022 c. 31 Sch. 5 para. 12\(4\)](#) (This amendment not applied to legislation.gov.uk. The insertion of s. 35(3A) by 2012 c. 7 s.159(4) not yet in force.)
- s. 40(4)-(4B) substituted for s. 40(4) by [2012 c. 7 Sch. 14 para. 5](#)
- s. 42(1A) inserted by [2012 c. 7 Sch. 14 para. 6](#)
- s. 65F(2A)-(2F) inserted by [2012 c. 7 Sch. 14 para. 15\(4\)](#) (This amendment is itself amended before it comes into force by 2014 c. 23, ss. 85(15), 120(18)(b)(c), 127(1); S.I. 2014/1714, art. 3(2)(b)(c))
- s. 65H(10A) inserted by [2012 c. 7 Sch. 14 para. 17\(4\)](#)
- s. 65H(10A) omitted by [2022 c. 31 Sch. 8 para. 7\(7\)](#) (This amendment not applied to legislation.gov.uk. 2012 c. 7 Sch. 14 revoked at 1.7.2022 by 2022 c. 31, s. 186(6), Sch. 7 para. 13 before the insertion of s. 65H(10A) could come into effect.)
- s. 82A-83A and cross-heading substituted for s. 83 and cross-heading by [2022 c. 31 Sch. 3 para. 3](#)
- s. 84(4)-(4B) substituted for s. 84(4) by [2022 c. 31 Sch. 3 para. 4\(4\)](#)
- s. 92(5A) inserted by [2022 c. 31 Sch. 3 para. 9\(4\)](#)
- s. 94(3)(ca)(cb) substituted for s. 94(3)(ca) by [2022 c. 31 Sch. 3 para. 11\(3\)](#)
- s. 98A98B substituted for s. 98A by [2022 c. 31 Sch. 3 para. 14](#)
- s. 98BC-99B and cross-heading substituted for s. 99 and cross-heading by [2022 c. 31 Sch. 3 para. 15](#)
- s. 100(3A)(3B) inserted by [2022 c. 31 Sch. 3 para. 16\(4\)](#)
- s. 109(3)(ca)(cb) substituted for s. 109(3)(ca) by [2022 c. 31 Sch. 3 para. 23\(3\)](#)
- s. 112(1)(za) inserted by [2022 c. 31 Sch. 3 para. 24\(2\)\(b\)](#)
- s. 114A114B substituted for s. 114A by [2022 c. 31 Sch. 3 para. 26](#)
- s. 114C and cross-heading inserted by [2022 c. 31 Sch. 3 para. 27](#)
- s. 116A116B and cross-heading inserted by [2022 c. 31 Sch. 3 para. 30](#)
- s. 117(4)(4A) substituted for s. 117(4) by [2022 c. 31 Sch. 3 para. 31\(4\)](#)
- s. 125A125B substituted for s. 125A by [2022 c. 31 Sch. 3 para. 39](#)
- s. 223C(1)(c)(d) inserted by [2022 c. 31 s. 28](#)
- s. 223LA inserted by [2022 c. 31 s. 30\(3\)](#)
- Sch. 15 para. 4(1)(b) and word omitted by [2012 c. 7 Sch. 14 para. 39\(3\)](#)