What does a ‘no deal Brexit’ really mean for the health sector?

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With Brexit fast approaching, Caroline White asks what contingency plans are in place for medical supply chains, staffing and health sector funding.

Healthcare leaders have given the UK Government’s first tranche of plans for maintaining business as usual in the event of a ‘no deal’ Brexit next March, a somewhat mixed reception.

BMA Council Chair, Dr Chaand Nagpaul described the six (out of 25) papers released so far, which relate to health, as “too little, too late” and “proof” that the impact of a hard Brexit on the sector “hasn’t received the attention it deserves”.

Niall Dickson, Co-chair of the Brexit Health Alliance, a consortium of leading medical/healthcare bodies, is pleased that the Government has at least accepted the need for contingency planning.

“The reality is: we are moving into uncharted territory, but it’s now been acknowledged that it’s possible to prepare,” says Dickson. “I’m more hopeful now… that we won’t fall off a cliff in relation to healthcare.”

Brexit will affect many areas of health, including public health and health and safety legislation, as well as the mutual recognition of professional qualifications, access to services, and data sharing. Exactly how, is yet to be determined.

For Dr Alexandra von Westernhagen, an EU consultant in public law and commercial health at DAC Beachcroft, some of the key areas are the drugs and medical devices supply chain, staffing, and research funding and collaboration for life sciences.

Impact on research

If a transition period up to 31 December 2020 were part of the withdrawal agreement, “that would help us in the short term with all three areas. But looking beyond that timescale, it will really depend on what is agreed,” says von Westernhagen.

“If, for example, there is no free movement of people, it will be less attractive for researchers to come to the UK. In addition, around three quarters of UK researchers currently spend time abroad. Research is inherently international.”

The EU also provides one of the largest research platforms in the world thanks, in no small part, to Horizon 2020, a research and innovation funding programme, totalling €80 billion over seven years (2014-20).

European Commission data shows that UK universities and other organisations topped the league table of beneficiaries in the first three years of the scheme, with over 7,500 projects.

“It would be a huge risk for both the UK and the EU if the UK were to lose its research pre-eminence,” says von Westernhagen.

“If the UK isn’t part of EU programmes such as Horizon 2020 and the Innovative Medicines Initiative, it will affect what research can be undertaken and who can do it,” she warns, although she floats the mooted possibility that if the UK becomes a tax haven, when no longer bound by EU rules, it might attract investment from elsewhere, including for research.

Mike Thompson, Chief Executive of pharma trade body, the Association of the British Pharmaceutical Industry, points out that China and the US are poised to take advantage of Brexit.

“There’s no doubt, from an industry perspective, that Europe, as a whole, is a much more attractive place to invest if the UK remains part of the research network,” says Thompson. “And the sharing of ideas makes the most sense, so we hope that when negotiations come to a head over the next few months, people will recognise that.”

Supply chains

Thompson is confident, however, that despite “the biggest peacetime challenge the industry has ever faced,” companies are doing their utmost to secure supply lines if Britain leaves the EU with no deal.

All companies hold buffer stocks, but the Government has asked them to ensure that these will cover six weeks, he explains.

“It’s not just about the products, but the ingredients and components, because lots of these cross many borders. One company is revalidating 15,000 supply lines.”

What’s more, certain drugs, such as insulin, vaccines, and ‘biologics’ require cold chain storage (two to eight degrees),

while some of the newer types of drugs have a short shelf-life — 11 days in one case. “That’s where the focus is now,” says Thompson.

“Companies are used to airlifting supplies where necessary, and while there are no absolute guarantees, I don’t think anyone should be concerned,” he adds.

However, stockpiling medicines is expensive: it has already resulted in higher prices for some generic drugs.

Over the longer term, it’s not clear whether a separate regulatory system for the UK would lengthen the time it takes for products to reach patients, or whether the extra red tape might prompt pharma companies to avoid the UK.
Staff can’t be stockpiled, however, and health and social care relies on EU nationals who make up 5% of both workforces – 20% in London and the South East.

“A lot of trusts have already found it difficult to recruit EU nationals, and there’s no domestic supply to fill those gaps,” particularly where nurses are concerned, explains DAC Beachcroft Partner and employment law specialist, Udara Ranasinghe.

“Trusts are looking at innovative ways of supporting [nurses] – helping them study and providing extended work experience. But all this depends on attracting them in the first place.”

And that, Ranasinghe says, depends not just on clarity over the legal status of EU nationals, but also “how attractive the UK is and how safe people feel about coming over here.” The immigration rhetoric around Brexit hasn’t helped, he suggests.

But should they still want to work in the UK, the Royal College of Physicians has calculated that NHS trusts might have to stump up millions in immigration and visa renewal costs to employ EU staff after Brexit.

Technology may yet offer some solutions, ventures Ranasinghe, although it won’t be cheap and will take time. “We’re only at the start of that process, and staff shortages may act as a catalyst to this development, and encourage different and better ways of dealing with healthcare needs.”

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