



Royal  
Pharmaceutical  
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of Great Britain



# Prescription charges – a pharmacy perspective

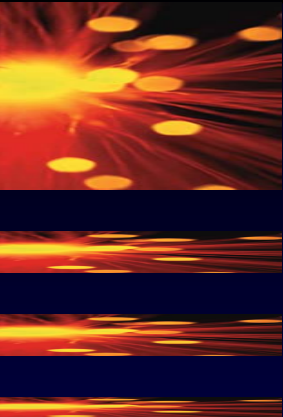
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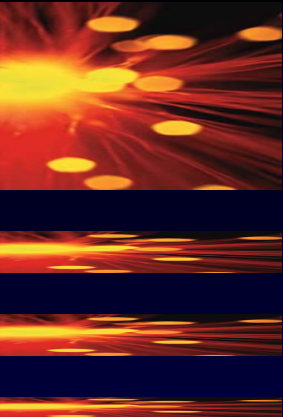
23 March 2009

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# The RPSGB

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- The Royal Pharmaceutical Society of Great Britain is the professional and regulatory body for pharmacists in England, Scotland and Wales
  - Pharmacy as a profession
  - Medicines and their use
  - [www.rpsgb.org](http://www.rpsgb.org)

# Medicines as an intervention

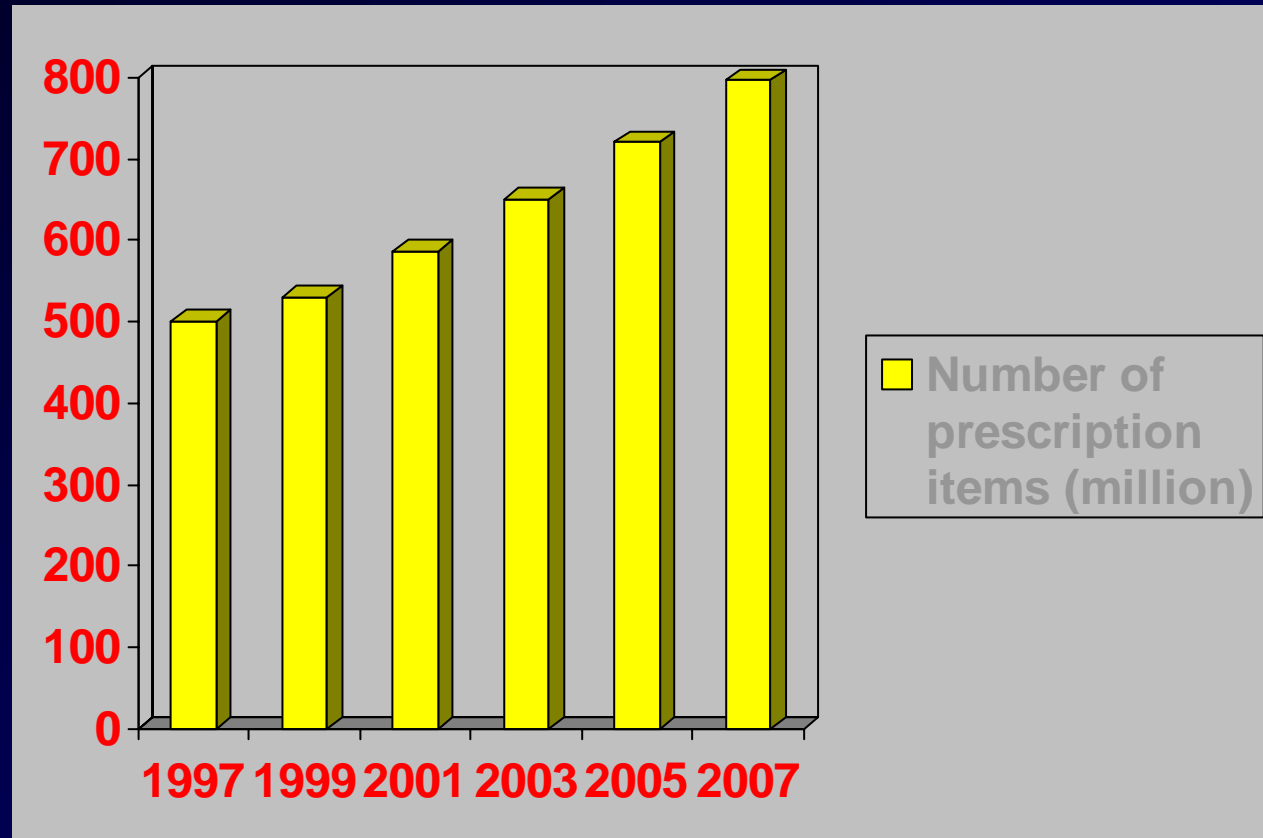
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- Medicines are the most common clinical intervention in the NHS
  - Medicines cost the NHS around £11 billion a year (NPC, 2008)
  - Medicines = 2<sup>nd</sup> largest item of NHS expenditure (largest = staff costs) (NPC, 2008)
  - Pharmacists are the experts on the uses and actions of medicines



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# Rising prescription volume in England

source: NHS Information Centre, Prescriptions Dispensed in the Community 1997-2007 (published July 2008)



# Prescriptions volumes & charges - England

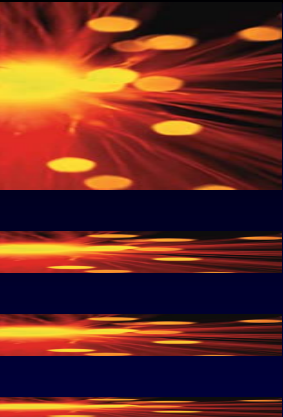
- 796 million prescription items were dispensed in 2007
- Increase of 5.9% on 2006 and 59.2% increase from 1997
- Prescription charge is currently £7.10
- On April 1, 2009 it will rise to £7.20
- 11.4% of items attracted prescription charges in 2007
- (88.6% of prescribed items were dispensed free)



# Problems with the current system of prescription charges & exemptions

- Widely perceived to be illogical and unfair
- Current medical exemptions date back to 1968 when many treatments now available for LTCs did not exist
- New conditions (e.g. AIDS) have emerged since
- Some people with low incomes pay charges while others with higher incomes (e.g. better-off pensioners, pregnant women) do not

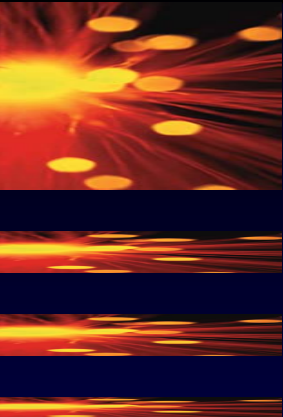
## Problems with current system cont./

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- Clear evidence that charges deter essential use of medicines in people with LTCs
  - Switching the medical exemptions around would still leave some people with LTCs disadvantaged
  - Charges are not the best way of reducing impact of unnecessary prescribing (use measures to control prescribing)

# Current exemption categories

- Are 60 or over
- Are under 16
- Are 16-18 and in full time education
- Are pregnant or have had a baby in the previous 12 months and have a valid exemption certificate
- Have a listed medical condition and have a valid exemption certificate
- Have a continuing physical disability which means you cannot go out without help from another person and have a valid exemption certificate
- Hold a valid war pension exemption certificate and the prescription is for your accepted disablement
- Are an NHS in-patient
- Or your partner receive income support, income based Jobseekers Allowance, income related Employment and Support Allowance, Pension Credit Guarantee Credit or you are named on, or are entitled to an NHS tax credit exemption certificate
- are a woman with a prescription for contraceptives.

# Medical exemptions

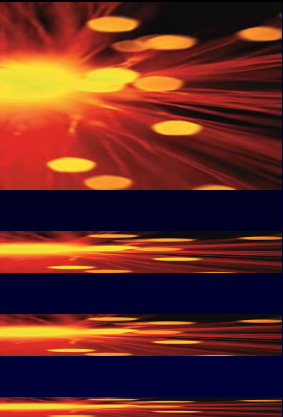
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- Permanent fistula
  - Hypoadrenalism (including Addison's disease)
  - Diabetes mellitus
  - Hypoparathyroidism
  - Myasthenia gravis
  - Myxoedema
  - Epilepsy
  - Continuing physical disability that prevents the patient from leaving his/her residence without the help of another person



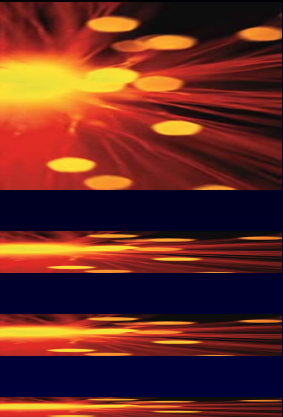
# RPSGB review on prescription charges

- In 2005 RPSGB published an international review on prescription charges – *Prescription charges – should they be abolished?* (<http://www.rpsgb.org/pdfs/prescriptcharges.pdf>)
- Cost sharing decreases use of prescription medicines by poor and chronically ill (Lexchin & Grootendorst, 2004)
- 2/3 of people with LTCs have difficulty paying prescription charges (NACAB, 2001)
- 750,000 people fail to make full use of prescription medicines due to cost (MORI, quoted in NACAB, 2001)
- Charges may also affect the decision to consult (Doran et al 2004)

# Impact of deterring essential use of medicines

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- Deterrence results in preventable morbidity giving rise to additional costs elsewhere in the system (e.g. preventable hospital admissions)
  - American study of mentally ill patients living in the community faced with a cap on reimbursable drug expenditure: increase in hospital admissions led to cost increases of 17 times the drug costs saved (Soumerai et al 1994)
  - Canadian study on impact of charges introduced in 1996 found that use of essential medicines decreased and hospital admissions rose (Tamblyn et al 2001)
  - Abolition should therefore result in savings elsewhere in the health system

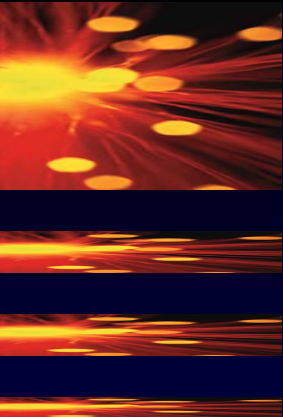
# RPSGB policy on prescription charges

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- There should be no financial barrier for patients to the use of prescribed medicines (long-held RPSGB policy)
  - Review findings implied either a move to abolition or major reform of the existing charging scheme with little/no deterrent effect to essential use of medicines
  - Abolition should be carefully planned & implemented (Italy – abrupt abolition destabilised GP & CP)
  - RPSGB called on government to review prescription charges and exemptions
  - And commission research on impact of charges on non-exempt people with LTCs

# Implications of charges for Government

- Government has two interests:
    - As financier (Treasury) - wants to collect revenue
      - In 2007-08 prescription charges raised ~£450m and cost £50m to administer
      - If exemptions ceased to be total, easy to raise equivalent income e.g. if all except very poor paid up to £100 p.a.
      - Abolition would reduce need for government audit and counter-fraud activity re. fraudulent exemption claims
    - As health policy maker (Dept of Health) - wants to improve health outcomes
- Both have an interest in the most efficient use of funds

# Impact on government cont./

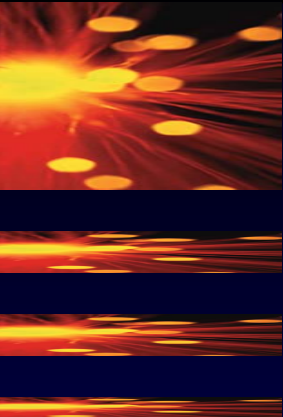
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- The least cost effective medicine is one that is not used properly or at all
  - 88.6% of prescriptions are dispensed free already
  - Cancer patients exempt from April 2009 for all their medication
  - If complete exemptions extended, current system would collapse as so few would pay

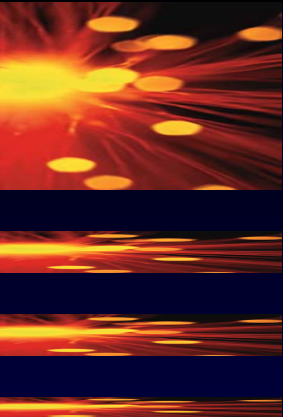


# Impact of abolition on community pharmacy role

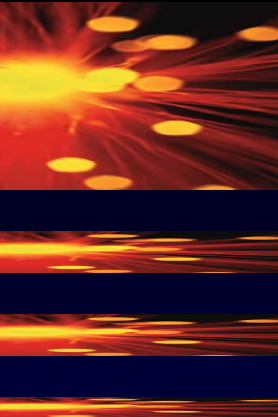
- End of 'tax collector' role (which many pharmacists dislike)
- Better relationships with patients:
  - Some patients think pharmacists keep the charges (legitimately)
  - Some patients think pharmacists responsible for increasing charges
  - End to disputes about whether patients are genuinely exempt

# Impact of abolition cont./

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- Reduced workload from collecting prescription charges and associated administration with reimbursement
  - Frees up more time for patient care → improved health outcomes
  - End of 'switching errors' (reimbursement claims)
  - Simpler staff training on prescription charges
  - Pharmacists often asked which medicines are essential (if patients can't afford all the charges) – invidious

- 
- **Reduced OTC sales**
    - UK OTC market = £2.3 billion p.a.
    - Potential impact of abolition on OTC sales and ‘counter prescribing’ workload if products prescribed instead of purchased

# Potential impacts on pharmacy cont./

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- Impact on pharmacy cash flow
  - Fears that reformed exemption scheme could be administrative nightmare
  - Impact on minor ailment schemes (MAS) (diverts minor ailments to CP; exempt patients can access OTC treatment free)
  - <http://www.rpsgb.org.uk/pdfs/bettmanminail.pdf>



# Staged abolition in Scotland and Wales

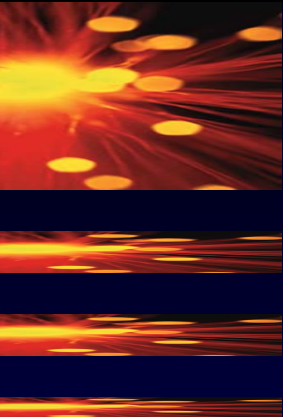
- **Scotland**

- 2007 - £6.85
- 2008-09 - £5
- 2009-10 - £4
- 2010-11 - £3
- By 2011 - zero

- **Wales**

- 2001 - £6
- 2004 - £5
- 2005 - £4
- 2006 - £3
- 2007 – zero

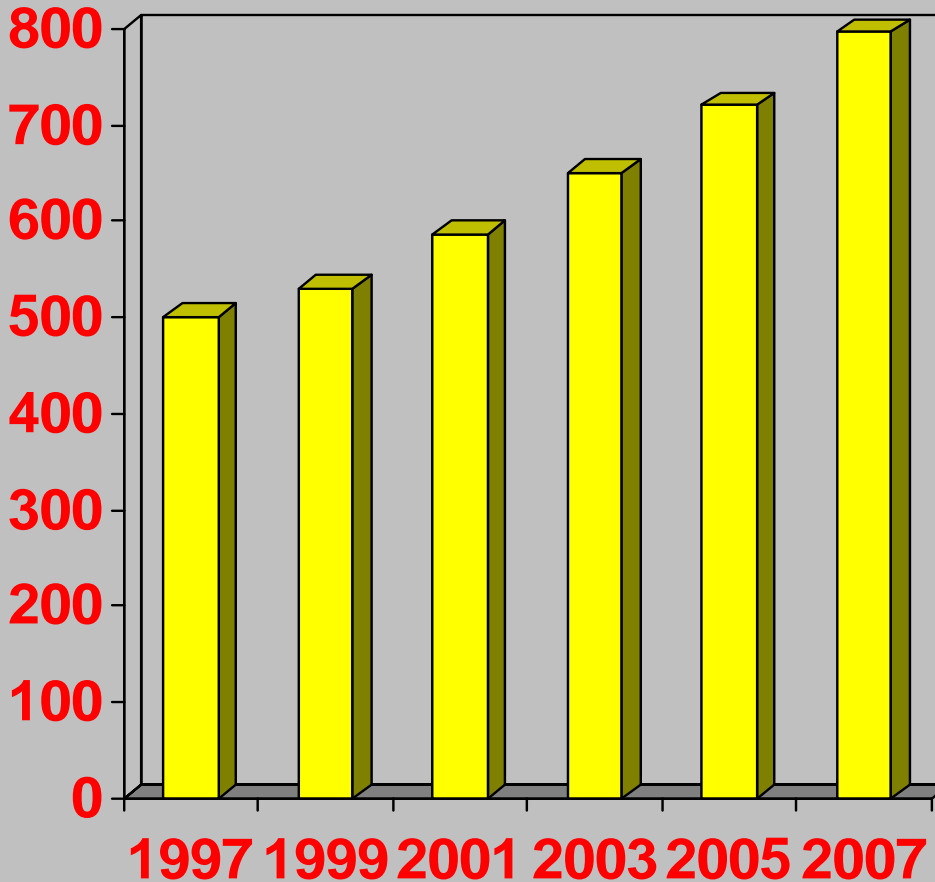
# Impact of abolition in Scotland

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- GPs in Scotland - responsibility not to prescribe differently when charges abolished
  - Feared upsurge in OTCs being provided on the NHS has not happened  
([www.theherald.co.uk/misc/print.php?artid=2485067](http://www.theherald.co.uk/misc/print.php?artid=2485067))
  - Impact on minor ailment schemes has not been assessed (one of 4 core services provided by all CPs)
  - No. of prepayment certificates has doubled



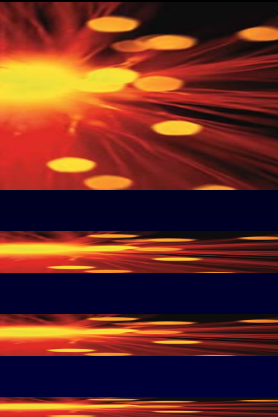
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# Number of pre-payment certificates purchased in Scotland has doubled

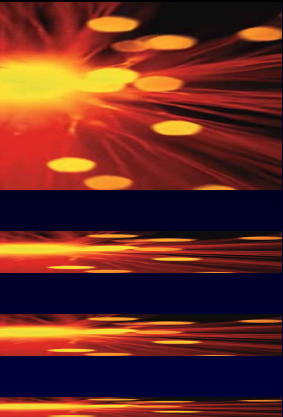


■ Number of  
prescription  
items (million)

# Impact of abolition in Wales

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- Prescription items rose by 2.9 million (5%) in the first year
  - Anecdotally ‘there was...an initial blip when free prescriptions came in but then it settled down’
  - Numbers of prescriptions per person are similar in England and Wales (OHE, 2009)
  - Welsh experience to date doesn’t show an increase in the volume of prescriptions (PSNC view)
  - Limited impact on prescription numbers (NPA view)

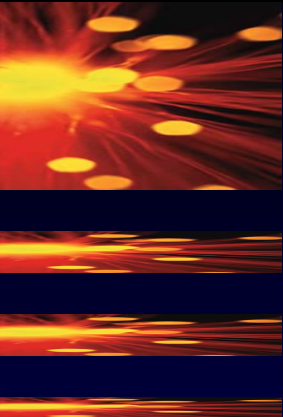
# Research on impact of abolition in Wales

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- Wales PREscription Fee Exemption Research Study (PREFERS)
  - Began 2006
  - Funded by the Wales Office for Research and Development in Health and Social Care
  - Publication due shortly

## Aims:

- Assess impact of abolition
- Does abolition enhance access to medicines?

# Concluding remarks

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- Findings of evaluation in Wales and Scotland re. impact of abolition will be important
  - Particularly re. access to medicines and impacts on health
  - So far, indications are that a staged approach has avoided major negative impacts