

# Prescription reform

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# Key facts and figures

- £7.10 per item (£7.20 From April 09)
- £102.50 for 12 mth PPC (£104 from April 09)
- 796 million items dispensed in 2007
- Average of 15.6 prescriptions per person
- 89% of items delivered free BUT around 80% of patients aged 18-60 pay.
- Charges raise around £450 million (but admin costs around £50 million)

# Twofold problem

- Unfairness
  - Unequal load – some pay nothing , others over £100 (if spread equally on per capita basis would cost less than 10p per person per year.)
  - Sick pay more – correlation between health and poverty
  - Current exemptions impossible to justify
  - Free in Wales, abolition planned in Scotland and N Ireland
- Affordability –

# Affordability - CAB perspective

- 2,000 enquiries a year about prescription charges
- Key issue – difficulty in affording charges/ going without/penalty charges(5x amount owed)
- 2001 CAB report Unhealthy Charges. MORI research updated 2008 - 800,000 going without all or some of their prescriptions because of cost
- People on low incomes AND with long term health problems worst affected
- Key recommendation – strong case for abolition BUT priority must be to tackle affordability by increasing income threshold for free prescriptions.

# Government response

- 2004 free prescriptions level raised to IS +1/2 prescription charge (BUT have to claim under LIS)
- PPC purchase by direct debit to spread the cost
- No action in response to HSC 2006 report despite promised consultation until:
- Sept 08 Brown announcement - affordability agenda abandoned?

# CAB response to current review

- Concern that affordability ignored
- Extending LTC exemptions will
  - Be complex to administer
  - Be perceived as unfair
  - Fail to address affordability
- learn from Scottish experience – from LTC to abolition following consultation

# The case for abolition

- Free at the point of delivery
- Health and poverty links
- Fairness – sick pay most (cf funding via income tax)
- Cost effective? Health impact of not being able to afford to get prescriptions dispensed
- Once you take out the high users/payers (LTCs), is it economical to administer?
- Paid for by savings from move to generic prescribing (OFT 2007 market study identified £500 million potential savings from just some major drug categories)
- **BUT if abolition not acceptable then priority must be:**

# Extend exemption to main disability benefits

- Use receipt of ICB/ESA and DLA as proxy for LTC
  - Simple to administer, easy to implement
  - Makes sense to patients
  - Focuses help on those with LTC who are likely to be on a low income because unable to work (IB/ESA) and/or have disability/ caring needs(DLA)
- AND

# Reform PPC

- To help those with LTC not claiming disability benefits:
  - Halve the cost of PPC
  - Improve patient awareness of PPC by embedding take-up in prescription issuing/dispensing process
    - incentivise GPs/pharmacists to provide information and advice on claiming PPC
    - Set DH targets on PPC take up

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