

The NHS prescription charge: soon just for England

Steve Chaplin MSc, MRPharmS



Figure 1. In England, the current prescription charge is £7.20; 89 per cent of prescription items are dispensed free, but only half of NHS users are exempt from the charge

In July 2006, the House of Commons Health Committee described the system of health charges in England as a mess.¹ They were introduced over 50 years ago to raise money and reduce demand but without considering the consequences. Data from several countries show that charging patients deters some from obtaining medicines,² and an economic analysis has concluded that every 10 per cent rise in the prescription charge reduces dispensing of chargeable prescriptions by 3.5 per cent.³

However, the Committee could not quantify the harmful effects of the prescription charge for lack of data and it recommended that the Government should determine public attitudes to the charge, its effect

on resource use and health, and the extent to which it may reduce frivolous demand for medicines.

The administrations in Scotland, Wales and Northern Ireland have all decided to abolish the prescription charge. Change is coming for England but it will be evolution, not revolution.

Prescription charges in the UK

The current prescription charge in England is £7.20 per item; prepayment certificates cost £28.25 for three months and £104 for 12 months.

Table 1 lists the current status of prescription charges in the UK, while exempt categories are listed in Table 2.

Prescription charges in Scotland, Wales and Northern Ireland, but not England, are in the process of being abolished. Steve Chaplin discusses the implications and the proposed changes to the exemption system in England.

Patients who are exempt pay for none of their prescriptions. It is not apparent from this list what distinguishes treatment for the conditions conferring exemption from the many others, such as asthma, cardiovascular disease and inflammatory bowel disease, for which patients pay for all their prescriptions. Patients' groups have long campaigned against the charge; Asthma UK in particular has surveyed its members to reveal that difficulty with payment is common and is affecting treatment (Table 3).

In addition, prescriptions for certain categories are free (*eg* contraceptives, treatment for sexually transmitted diseases or tuberculosis, treatment for mental health

continued on page 28

England ⁴	Scotland ⁵	Wales ⁶	Northern Ireland ⁷
£7.20 per item unless exempted	reduced from April 2008 and to be abolished by April 2011; currently £4 per item and £3 per item in 2010/11; exemptions apply	charge abolished in April 2007 for people in Wales registered with a Welsh (or an English) GP who get their prescriptions from a Welsh pharmacist	£3 per item until April 2010, when charge will be abolished; exemptions apply
raised £435 million in 2008	raised £45.4 million in 2003/04	£29.5 million foregone in 2008/09 ⁸	raised £11.3 million in 2006/07 ⁹

Table 1. Current prescription charges and income raised or foregone in the UK

disorders for certain patients). In England, 89 per cent of prescription items are dispensed free,⁴ but this disguises the fact that only half of NHS users are exempt from the charge.¹

What is the impact of abolishing the prescription charge?

The potential costs of abolition include the revenue foregone (see Table 1), an increase in GP consultations and a reduction in spending on other-the-counter (OTC) medicines currently costing less than the

charge; there may possibly be a saving in acute care from increased treatment in the community.

In Scotland, estimates of the likely increase in demand for prescriptions resulting from abolition ranged from 22 to 64 per cent, costing £17.5-£51.1 million annually.² In 2008/09, the price of a prepayment certificate was reduced by over 50 per cent and the prescription charge was cut to £5. The total volume of prescriptions increased by 4 per cent in the first six months of 2008/09 compared with the pre-

vious year, which was consistent with long-term trends. The number of nonexempt prescriptions increased by 3.3 per cent compared with a reduction of 0.3 per cent the previous year and sales of PPCs more than doubled.¹²

In Northern Ireland, the cost of abolition is estimated at £20-24 million (based on a 22 per cent increase in prescribing).⁹

The Welsh Assembly budgeted £32 million for the final phase of abolition in 2007 (to include lost revenue).² In 2004, after the charge was first reduced, prescribing volume increased by 4.1 per cent in 2006 vs 2005 and by 5.4 per cent in 2006/07.¹³ The corresponding figures for England were 4.4 and 5.9 per cent.¹⁴⁻¹⁶

Anecdotal evidence suggests Welsh community pharmacists may have noticed no change in demand after abolition.¹⁷ One study measured prescribing of non-sedating antihistamines in Wales before and after the first reduction in the prescription charge.¹⁸ There was no change in prescribing these drugs in south-east England during this period but prescriptions increased significantly more in Wales.

In the wealthiest health boards, items increased by 14.3 per cent in the two years after October 2004 compared with 9.0 per cent in the preceding two years. There was a smaller, statistically nonsignificant

- under 16 years old
- aged 16, 17 or 18 and in full-time education
- 60 years of age or over
- income support or other financial benefits
- have an exemption certificate (medical, maternity, war pension and treatment for accepted disablement, prescription prepayment)
- medical exemptions are:
 - permanent fistula (eg caecostomy, colostomy, laryngotomy or ileostomy) requiring continuous surgical dressing or requiring an appliance
 - hypoadrenalism (eg Addison’s disease) for which specific substitution therapy is essential
 - diabetes insipidus and other forms of hypopituitarism
 - diabetes mellitus, except where treatment is by diet alone
 - hypoparathyroidism
 - myasthenia gravis
 - myxoedema (ie hypothyroidism requiring thyroid hormone replacement)
 - epilepsy requiring continuous anticonvulsive therapy
 - continuing physical disability preventing going out without the help of another person
 - undergoing treatment for cancer, including for the effects of cancer or the effects of previous or current cancer treatment

Table 2. Exemptions from the prescription charge in England, April 2009¹⁰

change in prescribing in the most deprived health boards (13.1 vs 9.5 per cent).

A review in England

In response to the Health Committee, the Government set up a review of NHS charges but would not consider abolishing them altogether because they are productive, raising a much-needed £1 billion.¹⁹ The prescription charge in England raises over £400 million (excluding income from dispensing doctors, which is kept by PCTs) and costs only £7 million to administer.¹

New proposals for England were announced in 2008. Prescription charges for people with cancer were to be abolished from April 2009. The DoH said: 'Patients undergoing treatment for cancer, including the effects of cancer or the effects of current or previous cancer treatment, are able to apply for a certificate that will give them exemption'.²⁰

This support for the exemptions system is surprising. The Health Committee was critical of the exemptions policy, saying it failed to discriminate between who could or could not afford to pay and, after no revisions for 30 years, it has many anomalies. The Scottish Health Committee was not convinced 'that an equitable charging scheme can be created by identifying exemption categories'.²¹ Nevertheless, it was a sign of the direction the Government intended to take.

A review by Professor Ian Gilmore, President of the Royal College of Physicians, is now considering 'how to define the range of long-term conditions that should be exempted from prescription charges and how exemption from charging can best be phased in'.²⁰ It is consulting with patients and their representatives, clinicians, the public, healthcare organisations and others, and the review is due to report this autumn.

- 35% of people with asthma say that an end to prescription charges for asthma medicines is the single thing that would most improve their asthma-related quality of life
- 51% of people with asthma say that they have to pay for their prescriptions for their asthma medicines. Of those:
 - 43% say they find it difficult to afford their prescriptions
 - 34% say that because of the cost, sometimes they have to choose not to get some of their prescriptions
 - respondents in socioeconomic categories D and E were 2.5 times more likely to report struggling to afford their prescriptions than people in categories A and B; moreover, they were almost 3 times more likely to say that they sometimes had to choose not to get all their prescription items because of the cost
- 82% say they think it is unfair that they should have to pay for their asthma medicines when people with other conditions get their medicines for free

Table 3. Asthma UK survey of views about the prescription charge¹¹

Summary

NHS charges were introduced to reduce demand and raise money. While the administrations in Scotland, Wales and Northern Ireland are abolishing the prescription charge, the NHS in England looks set to continue with a system that many believe is unjustifiable. In the autumn, the Government's review will propose new criteria for choosing which patients will pay for their treatment.

References

1. House of Commons Health Committee. *NHS charges. Third report of session 2005-06. Volume 1*. London: The Stationery Office. July 2006. www.publications.parliament.uk/pa/cm200506/cmselect/cmhealth/815/815-i.pdf.
2. SPICe Briefing. *Abolition of NHS prescriptions charge bill*. 05/33. June 2005. www.scottish.parliament.uk/business/research/briefings-05/SB05-33.pdf.
3. Hitiris T. Prescription charges in the United Kingdom: a critical review. *University of York Discussion Papers in Economics*. No. 2000/04. www.york.ac.uk/depts/econ/documents/dp/0004.pdf.
4. Department of Health. *Changes to prescription, dental charges and optical vouchers*. March 2009. www.dh.gov.uk/en/News/Recentstories/DH_095817.
5. Scottish Government. *News release*.

Reduced prescription charges. April 2009. www.scotland.gov.uk/News/Releases/2009/04/01084205.

6. Health of Wales Information Service. *NHS prescription charges. How much do I pay for NHS Prescriptions?* www.wales.nhs.uk/page.cfm?pid=9586.

7. Northern Ireland Executive. *Prescription charges reduced to £3 from January*. December 2008. www.northernireland.gov.uk/news/news-dhssps/news-dhssps-december-2008/news-dhssps-301208-prescription-charges-reduced.htm.

8. Welsh Assembly Government. *Disclosure log 2071*. February 2009. <http://wales.gov.uk/publications/accesinfo/disclosurelogs/disclosures2000-2099/disclog2071/?lang=en>.

9. Department of Health, Social Services and Public Safety. *Prescription charges in Northern Ireland: a cost and benefit review*. December 2007. www.dhssp-sni.gov.uk/prescription_charges_review_report_2007.pdf.

10. NHS. *HC11 – help with NHS costs. Effective from April 2009*. April 2009. www.nhsbsa.nhs.uk/HealthCosts/Documents/HealthCosts/HC11.pdf.

11. Asthma UK. *Prescription charges in England*. April 2009. www.asthma.org.uk/search_clicks.rm?id=775&destinationtype=2&instanceid=297023.

12. Scottish Government. *Prescription reduction impact*. www.scotland.gov.uk/Topics/Health/NHS-Scotland/Health-Costs/Charges.

13. Statistical Directorate. *Prescriptions*

dispensed in the community in Wales, 2000-2007. March 2008. www.statswales.wales.gov.uk/tableviewer/document.aspx?FileId=1515.

14. Health and Social Care Information Centre. *Prescription cost analysis. England 2005*. www.ic.nhs.uk/default.asp?sID=1172577414129&sPublicationID=1174918332442&sDocID=3866.

15. Information Centre. *Prescription cost analysis. England 2006*. www.ic.nhs.uk/default.asp?sID=1172577414129&sPublicationID=1176975919703&sDoc

ID=3874.

16. Information Centre. *Prescription cost analysis. England 2007*. www.ic.nhs.uk/default.asp?sID=1172577414129&sPublicationID=1206971516809&sDocID=3884.

17. Anon. *Pharm J* 2007;279:378.

18. Dhippayom T, *et al*. *Health Policy* 2008;87:309-15.

19. *Government response to the Health Committee's report on NHS charges*. October 2006. www.official-documents.gov.uk/document/cm69/6922/6922.pdf.

20. Department of Health. *Prescription*

charges for people with cancer and those with long term conditions. www.dh.gov.uk/en/Healthcare/Medicinespharmacyandindustry/Reviewofprescriptioncharges/index.htm.

21. Health Committee Report. *Abolition of NHS prescription charges (Scotland) bill. First report, 2006. Summary of conclusions and recommendations*. www.scottish.parliament.uk/business/committees/health/reports-06/her06-01-00.htm.

Steve Chaplin is a pharmacist who specialises in writing on therapeutics