

# Inside

50 DTB Select: 5 - May 2014

54 ▼ Nalmefene for alcohol dependence

57 Is there more to learn about cytochrome P450 enzymes?



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## Drug and Therapeutics Bulletin

THE INDEPENDENT REVIEW OF MEDICAL TREATMENT



### Taxing medicines

The NHS prescription charge has long been a contentious issue, and indeed contributed to the resignation of Aneurin Bevan in 1951. This charge has been abolished in Scotland, Wales and Northern Ireland, leaving patients in England alone in the UK in having to pay for their prescriptions, with no political will to change this anomaly. Why should patients in England be subject to this additional 'tax' on medicines, having already contributed to the NHS through general taxation?

There are many exemptions from the prescription charge, including age, pregnancy and some specific chronic conditions, such as diabetes, hypothyroidism and epilepsy. All NHS prescriptions are free for these groups, even those not related to their exempting condition. Many such exemptions appear illogical and unfair, adding to our belief that the prescription charge is a poorly conceived, manifestly unfair tax.<sup>1</sup> In 2012, around 90% of all medicines dispensed in the community attracted no fee, with the majority of them going to people aged 60 years and older. However, 80% of those aged 18–59 years pay for their prescriptions.<sup>2,3</sup> From April, the charge of £8.05 per prescription item is in stark comparison with the price of many commonly prescribed medicines that are off patent (e.g. £0.74 for 28 aspirin 75mg tablets, £1.26 for 28 atorvastatin 20mg tablets, £1.15 for 28 omeprazole 20mg capsules).<sup>4</sup> It is also worth reflecting on the cost of the bureaucracy needed to underpin the collection and checking of exemptions, and management of prepayment certification.

Alternative arrangements that have been proposed include a non-FP10 method of prescribing and dispensing for cheap drugs, with the patient

paying the cost price of the drug plus a reasonable dispensing fee to the pharmacist. Private prescriptions can be dispensed in this way, and so can be cheaper than an NHS prescription, though dispensing fees vary widely. Although this route of obtaining prescription medicines is often cheaper, it will inevitably lead to variation in charges levied and confusion for patients if it is not part of a national initiative.

A further surprising anomaly is that whilst FP10 and private prescriptions are exempt from value added tax (VAT), NHS Trusts pay 20% VAT on medicines dispensed from a hospital pharmacy. As a cost-saving measure, many hospitals discourage doctors in outpatient departments from prescribing medicines to patients sitting in front of them in their clinic. Instead, they are asked to write to the patient's GP recommending the prescription. The patient then has to contact, or see, their GP to obtain a prescription before taking it to a community pharmacist for dispensing. Clearly this is very inefficient and hardly patient-centered. It is time for an overhaul of VAT on prescription medicines to help prevent perverse prescribing decisions.

Over recent years there have been many calls from various quarters, including patient organisations, the Royal Pharmaceutical Society and the British Medical Association for a fundamental review of prescription charges.<sup>5</sup> Such charges are clearly outdated and iniquitous, and we believe it is time that politicians showed their commitment to a patient-centered NHS and abolish prescription charges in England.

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2. Department of Health, 2009. *Prescription charges review—implementing exemption from prescription charges for people with long term conditions* [online]. Available: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/213884/dh\\_116367.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213884/dh_116367.pdf) [Accessed 23 April 2014].

3. Health and Social Care Information Centre, 2013. *Prescriptions Dispensed in the Community, Statistics for England 2002-12* [online]. Available: <http://www.hscic.gov.uk/catalogue/PUB11291/pres-disp-com-eng-2002-12-rep.pdf> [Accessed 23 April 2014].

4. NHS Business Services Authority, 2014. *Drug tariff* [online]. Available: [http://www.ppa.org.uk/ppa/edt\\_intro.htm](http://www.ppa.org.uk/ppa/edt_intro.htm) [Accessed 23 April 2014].

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