

## NHS prescription charges

In 2009, *DTB* published an editorial calling for the abolition of the NHS prescription charge.<sup>1</sup> The article highlighted that from April 2011, England would be the only UK country that would tax patients for medicines through levying a prescription charge. In addition, it noted that the categorisation of medical and other exemptions is illogical and that the prescription charge is a poorly conceived, manifestly unfair tax. Of particular concern is the impact of the prescription charge on patients with chronic conditions that do not fall into the exemption categories. For many years the Prescription Charges Coalition, an alliance of more than 30 organisations concerned with the impact of prescription charges on people with long-term conditions, has campaigned to extend exemption from prescription charges to all those with long-term conditions.<sup>2</sup> A subsequent *DTB* editorial, published in 2014, discussed anomalies associated with the prescription charge, including the cost of administering the bureaucracy needed to underpin the collection and checking of exemptions, and management of pre-payment certification.<sup>3</sup> The editorial repeated the call for prescription charges to be abolished. Revisiting these themes, here we present an overview of the results of a survey conducted to explore the views of healthcare professionals on the NHS prescription charge.

### Background

Following the introduction of the NHS in 1948 there was a significant increase in the demand for healthcare and in particular pharmaceutical services. The government investigated various options to control expenditure on the use of medicines. Such measures included the preferential use of generic medicines

and a framework for evaluating the appropriateness of different classes of drugs.<sup>4</sup> Although legislation that provided for a charge for NHS prescriptions was passed in 1949, it wasn't until 1952 that a charge was introduced.<sup>5</sup> Initially, payment was for each prescription form issued but was later changed so that each item issued attracted a charge.<sup>4</sup> Exemptions from prescription charges were introduced from 1968 and apply to defined age groups, pregnant

women, women who have had a baby in the previous 12 months, and to people suffering from certain medical conditions. In addition, exemptions exist for people receiving some means-tested benefits, and financial help is also available for people with capital and income below a specified level.<sup>6</sup> The NHS regulations also allow for the provision of pre-payment certificates that make it cheaper for patients who have to pay for more than 3 items in 3 months or 12 items in 12 months.<sup>5,6</sup> Over the years commentators have expressed concerns over the impact of prescription charges and the arbitrary nature of the exemption categories.<sup>7,8</sup> The devolution of most aspects of health policy, including the prescription charge, means that it is possible for the different countries of the UK to have different policies relating to the charge.<sup>9</sup> Since 2011, England has been the only UK country still charging patients for NHS prescriptions.

## England

Medical exemption categories (see Box 1) have remained largely unchanged for almost 50 years with the exception of prescription charges for cancer patients, which were abolished on 1 April 2009.

### Box 1: Medical exemption criteria<sup>6</sup>

People with certain medical conditions can get all NHS prescriptions free if they have one of the conditions listed below and they hold a valid medical exemption certificate:

- a permanent fistula requiring continuous surgical dressing or requiring an appliance
- a form of hypoadrenalism for which specific substitution therapy is essential
- diabetes insipidus or other forms of hypopituitarism
- diabetes mellitus, except where treatment is by diet alone
- hypoparathyroidism
- myasthenia gravis
- myxoedema (that is, hypothyroidism requiring thyroid hormone replacement)
- epilepsy requiring continuous anti-convulsive therapy
- a continuing physical disability which means the person cannot go out without the help of another person

In addition, people who are undergoing treatment for cancer, including the effects of cancer, or the effects of current or previous cancer treatment, can get all NHS prescriptions free.

It is estimated that the gross revenue from NHS prescription charges was £400m in 2012 (but may have been as much as £700m) representing 0.4% (to 0.7%) of total NHS expenditure in England.<sup>10</sup> In 2013, over 90% of all prescription items were dispensed free of charge, with 64.2% dispensed free to patients claiming age exemption (59.5% to patients aged 60 years and over and 4.7% to patients aged under 16 years or 16–18 years and in full-time education).<sup>11</sup> In total, 5% of prescription items were dispensed to those who paid prescription charges and 4.3% to those who had a pre-payment certificate. However, it is thought that uptake of pre-payment certificates is relatively low.<sup>12</sup>

We do not have figures for the costs associated with administering prescription charges in England. A report prepared on behalf of the Department of Health, Social Services and Public Safety in Northern Ireland noted that administrative costs included:<sup>13</sup>

- fees paid to community pharmacists;
- administrative costs associated with pre-payment certificate sales and refunds;
- administrative costs related to the NHS low income scheme;
- validation of exemption checks.

## Wales

Prescription charges in Wales were abolished on 1 April 2007.<sup>5</sup> Individuals are entitled to free prescriptions if they are registered with a Welsh GP and receive a prescription from a pharmacy in Wales. Patients who live in Wales but are registered with a GP in England due to the proximity of their address

to the border are issued with an entitlement card that allows them to be issued with free prescriptions at a Welsh pharmacy if they present the card and the English prescription.

In addition, Welsh patients who are registered with Welsh GPs and regularly receive treatment within English NHS Trusts, or out-of-hours services based in England can apply for a refund of prescription charges.<sup>5,14</sup>

## Scotland

Prescription charges in Scotland were gradually reduced from 2007 and abolished on 1 April 2011.<sup>5</sup> Patients do not have to pay for NHS prescriptions if they present a Scottish prescription at a pharmacy in Scotland; present an English prescription, with a valid entitlement card, at a pharmacy in Scotland; or present an English prescription form at a pharmacy in Scotland and they qualify under exemption arrangements detailed in the NHS (Free Prescriptions and Charges for Drugs and Appliances) (Scotland) Regulations 2011.<sup>5,15</sup>

## Northern Ireland

All prescriptions dispensed in Northern Ireland were made free of charge in April 2010.<sup>5</sup> Prescriptions from other UK countries are also dispensed free of charge at Northern Ireland pharmacies.<sup>5,16</sup>

On 17 February 2015, the Northern Ireland government announced its intention to hold a public consultation on the reintroduction of prescription charges to establish and maintain a fund for specialist medicines in Northern Ireland.<sup>17</sup> Proposed options include a return to the previous arrangements for prescription charges with a review of exemption criteria and the introduction of a universal charge (e.g. £0.30, £0.50 or £1.00 per prescription item) without any provision for exemption.<sup>18</sup>

## Impact of charges

A review of prescription charges in North America, western Europe and Australasia noted that co-payment systems for medication are complex and vary considerably from country to country.<sup>19</sup> However, there is limited evidence on the impact of prescription charges on health outcomes or uptake of medicines. Much of it is drawn from international comparisons of different systems of charges and co-payments. A report prepared by the World Health Organization noted that the effect of prescription charges or co-payments differs between different groups of patients.<sup>20</sup> Implementation of full coverage of free prescriptions appears to be associated with a greater increase in the use of medicines by those with lower health status.<sup>20</sup> Other reviewers have suggested that prescription charges or co-payments reduce uptake of medicines in proportion to the size of the payment. Although the impact can decrease use of less essential drugs it can also reduce the use of essential drugs. There is some evidence that patients who were newly diagnosed were more likely to give up their medication as a result of the cost of charges.<sup>21</sup>

An online survey of the impact of NHS prescription charges carried out by the Prescription Charges Coalition attracted 3,478 responses. Although this was not a representative sample there was a normal distribution across all age groups and a wide range of long-term conditions were represented.<sup>12</sup> The survey reported that around 35% of respondents who pay for each prescription have not collected at least one item due to the cost, with three quarters of this group reporting that their health got worse as a result. One in ten respondents said that they ended up in hospital as a direct consequence of not taking their medication.

## Impact of removing prescription charges

Three years after the abolition of prescription charges in Wales, the Welsh government published a report on the impact of the changes.<sup>22</sup> It sought to address concerns that the introduction of free prescriptions would result in a rise in the number of medicines prescribed and that there would be an increase in the supply of over-the-counter medicines being prescribed to better-off people. The analysis suggested that there had been no

\* <http://www.legislation.gov.uk/ssi/2011/55/regulation/4/made>

noticeable increase in the number or cost of prescriptions dispensed as a result of the change. In addition, there had been no impact on sales of over-the-counter medicines in Wales compared to any of the other countries or regions studied.

The report also noted that free prescriptions eliminated the bureaucracy required to manage the system by removing the need for pharmacists to establish the exemption status of patients. Although the size of this benefit is not known, the Finance Committee of the National Assembly for Wales estimated in 2003 that the cost of counter-fraud activities, which included payments to pharmacists for point-of-dispensing eligibility checks, was £0.83 million.<sup>22</sup>

## Review of prescription charges in England

A review of prescription charges in England was commissioned in response to the 2006 Health Select Committee report on NHS charges.<sup>23</sup> The Government made a commitment to reviewing the system and carrying out a consultation on the options for change on a cost neutral basis. The Prescription Charges Review report was published in May 2010.<sup>23</sup> Rather than adding new categories of chronic conditions, the report recommended the introduction of a broad definition of a long-term health condition based on duration (at least 6 months) and the need for some form of continuing management. The report also recommended that a patient's eligibility against this new criteria should be determined by their GP (supported by an appropriate member of staff who has some clinical responsibility for patients with long-term conditions) and that the period of exemption (whether initial or a renewal) should be reduced to 3 years. The recommendations of this report have not been implemented.

## DTB survey

The survey was commissioned by DTB using an independent research agency. The agency employed a postal methodology to conduct a quantitative survey of healthcare professionals working in primary care. A one-sided A4 questionnaire was sent with a personalised cover letter from the research company to the sample population with a pre-paid reply envelope.

Three groups were included in the survey population:

- GPs (partners and salaried)
- Community pharmacists
- Practice nurses (including nurse prescribers)

## Sample

The sample for each of these groups was obtained from an independent provider of mailing lists and was drawn to be representative by region. Only those working in England were included in the sample. Letters were sent to 1,800 healthcare professionals working in primary care at the beginning of December 2014. A total of 416 replies (23% response rate) were received by the survey close date (see Table 1).

Only 60 (14%) responders said that they routinely saw patients who are entitled to free prescriptions because they live in Wales and Scotland.

## Questions

The survey included a number of statements to which respondents could 'strongly agree', 'agree somewhat', 'disagree somewhat' or 'strongly disagree' (see Box 2).

## Comment

The survey on healthcare professionals' attitudes towards NHS prescription charges has obvious limitations that must be taken into account when considering the results. However, it indicates a general dissatisfaction with the existing arrangements. Of particular note is the desire to extend exemption criteria to cover all chronic conditions. Although healthcare professionals believe that charges stop some patients from requesting medicines, they also have concerns that removing the charge would lead to increased demand. Respondents also thought that patients who pay NHS prescription charges are less likely to waste their medicines. However, there is little evidence to suggest that abolishing prescription charges leads to increased demand, or that paying a prescription charge leads to greater adherence.

**Table 1: Survey responders**

	Total	GPs	Pharmacists	Nurses
Surveys sent	1800	700	700	400
Surveys completed	416 (23%)	148 (21%)	175 (25%)	93 (23%)
South	116 (28%)	48 (32%)	44 (25%)	24 (26%)
London	49 (12%)	16 (11%)	22 (13%)	11 (12%)
Midlands	126 (30%)	45 (30%)	51 (29%)	30 (32%)
North	124 (30%)	38 (26%)	58 (33%)	28 (30%)

## Box 2: Survey questions

The current medical exemption criteria for NHS prescription charges in England are appropriate

NHS prescription charges deter some patients from requesting or 'cashing' prescriptions

NHS prescription charge exemptions should be extended to cover all chronic conditions

NHS prescription charges make prescribers more likely to provide a longer prescription duration to patients who have to pay the fee

Patients who pay NHS prescription charges are less likely to waste their medicines than those who don't pay

There should be a lower flat-rate charge for all prescriptions with no exemptions

To what extent do you agree that abolishing prescription charges would lead to increased demand for prescriptions?

Administering NHS prescription charges takes too much of health professionals' time

The survey also asked whether NHS prescription charges should be 'increased', 'left as they are', 'decreased' or 'abolished'

## Summary of results

Full details are available on the DTB website (<http://dtb.bmj.com>).

The results of the survey showed that only 36% of respondents thought that the current medical exemption criteria for NHS prescription charges in England are appropriate, with the majority (66%) believing that exemption criteria should be extended to cover all chronic conditions. Sixty-three per cent agreed with the comment that there should be a lower flat rate charge for all prescriptions with no exemptions.

Eighty-eight per cent of respondents think that NHS prescription charges deter some patients from requesting or 'cashing' prescriptions. However, 76% thought that abolishing prescription charges would lead to increased demand for prescriptions and 84% believe that patients who pay NHS prescription charges are less likely to waste their medicines than those who don't pay. Almost three-quarters (74%) thought that NHS prescription charges make prescribers more likely to provide a longer prescription duration to patients who have to pay the fee.

Overall, 70% of healthcare professionals were in favour of changing the current arrangements for prescription charges with 5% advocating an increase in prescription charges and 17% wanting them to be abolished.

The survey reinforces the ongoing tension between access to healthcare and the role of the prescription charge as a mechanism to limit demand and raise money. However, as the current arrangement for prescription charges has already established the principle that exempts some patients who have long-term conditions, there seems to be no justification for requiring others who have different long-term conditions to bear the cost on behalf of society.

The current arrangements for charging for NHS prescriptions in England are outdated, illogical and unfair. We believe that the system of exemptions from such charges is in urgent need of reform.

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