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# Prescriptions: Costs and charges in the UK and Republic of Ireland

## 1. Introduction

This paper provides a brief overview of prescription costs and charges in Northern Ireland and compares this data with other jurisdictions in the UK and the Republic of Ireland (ROI). Private prescriptions are not considered in this paper.

## 2. The prescription revolution

Today, our society has an ever increasing reliance on prescription medications, and across the UK and the Republic of Ireland, millions of 'scripts' are written every week. Consultation with a doctor often leads to a prescription, either as a one-off treatment - to help prevent ill health in the future; or to manage long-term conditions and to enable people to sustain a good quality of life. Prescriptions are administered by appropriate healthcare practitioners, which include for example, hospital or community doctors, nurse prescribers, dentists and optometrists.<sup>1</sup> These prescriptions are dispensed through pharmacies in community and hospital settings.

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<sup>1</sup> NHS Choices Website. Who can write a prescription?  
<http://www.nhs.uk/chq/Pages/1629.aspx?CategoryID=68&> Website accessed 23.5.14

Doctors have specific clinical rights and responsibilities in terms of prescribing. Each Department of Health in the UK and ROI has its own set of guidelines in relation to prescribing, and there is a range of other literature available for healthcare professionals on safe prescribing practices.<sup>2</sup>

Despite the increase in the number of prescriptions being written annually, there have been many reports of waste; patients not remembering to cancel prescriptions that they do not need, and compliance issues whereby many patients forget or simply do not take their prescription medication. It has been argued that this is perpetuated in jurisdictions where prescriptions are available free of charge. Such circumstances are particularly costly for the NHS. Another issue is that many prescription medications that patients can buy over the counter cheaply, such as paracetamol for 50p, are costly for the NHS to prescribe as the script gets processed through a GP and a pharmacy.<sup>3</sup>

### 3. Charging Structures

Charging people for prescriptions is controversial. This section of the paper provides a brief overview of the charging structures for prescriptions across the UK and ROI. Across the UK, prescription charging is a devolved matter.

#### 3.1 England

The *National Health Service Act* (1946) set up the National Health Service (NHS). The underpinning principle of the NHS was that provision of care should be based on need and not ability to pay, and that it should be free at the point of use.<sup>4</sup> Nevertheless, legislation to enable the introduction of health charges was passed in 1949. In 1952, charges for prescriptions were first introduced<sup>5</sup> by the Conservative Government to help raise revenue and to address funding gaps. In 1965, these charges were abolished by the Labour Government led by Prime Minister Harold Wilson. But in 1968 they were controversially re-introduced, together with a system of exemptions. By the 1980's, prescription charges began to rise on a regular basis.

In 2006, the House of Commons Select Committee on Health published a report into NHS charges.<sup>6</sup> It suggested that prescription charges had not been introduced following any sort of detailed analysis of their likely consequences; that there were anomalies in the exemption system; and that the current system would need to change.<sup>7</sup> Despite this, prescription charges still remain in place.

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<sup>2</sup> See for example, General Medical Council (2013). Good practice in prescribing and managing medicines and devices. Available online at [http://www.gmc-uk.org/Prescribing\\_guidance.pdf\\_56002831.pdf](http://www.gmc-uk.org/Prescribing_guidance.pdf_56002831.pdf) Website accessed 23.5.14

<sup>3</sup> Wales Online website: Paracetamol prescriptions costing Welsh NHS up to £50m a year. Available online at <http://www.walesonline.co.uk/news/wales-news/paracetamol-prescriptions-costing-welsh-nhs-2047279> Website accessed 28.5.14

<sup>4</sup> National Health Service Act (1946); Section 1 (2).

<sup>5</sup> A prescription charge of 1 shilling per form was first introduced.

<sup>6</sup> House of Commons. Health Committee. NHS Charges. Third Report of Session 2005–06. Available at [www.publications.parliament.uk/pa/cm200506/cmselect/cmhealth/815/815-i.pdf](http://www.publications.parliament.uk/pa/cm200506/cmselect/cmhealth/815/815-i.pdf) Website accessed 29.5.14

<sup>7</sup> Ibid, p3.

At present, there is currently an NHS prescription charge of £8.05 per item in England.<sup>8</sup> It is estimated that the fees associated with prescriptions raise around £450 million in revenue for the English NHS each year<sup>9</sup> – far less than the billions that prescriptions actually cost the system.

A range of exemptions that enable people to obtain free prescriptions is still available in England, relating to age (for example those under 16, those 60 and over, those in full time education), those on certain benefits, as well as people with particular medical conditions (e.g. cancer, diabetes) and pregnancy. However, although the exemption charges have been criticised for being confusing and discriminatory, the vast majority – around 90% – of people in England do not have to pay for their prescriptions.<sup>10</sup> For those that have to pay, a prescription pre-payment certificate (one for 3 months and one for 12 months) are available to help save money if more than one item is required over several months.<sup>11</sup>

However, concerns about the year-on-year increase in costs associated with prescriptions have led to some organisations, such as the British Medical Association, to suggest that the current system in England is unfair and in need of reform.<sup>12</sup> Others suggest that those with long term conditions that pay for prescriptions are choosing to pay bills and feed their families over buying medication due to the costs involved.<sup>13</sup> This, it is argued, has a detrimental effect on their health and health outcomes, and inevitably can lead to longer term costs for the NHS.

To date, no further changes to the current prescription charges in England have been made.

### 3.2 Wales

In 2007, Wales was the first government within the UK to abolish prescription charges.<sup>14</sup> These charges were gradually reduced. For example, by October 2004, charges for a single item fell to £5, by April 2005 to £4, and by April 2006, to £3.<sup>15</sup> The Welsh Assembly allocated annual budgetary increases to its Health and Social Care

<sup>8</sup> Gov.uk website. NHS charges from April 2014. Available online at:

<https://www.gov.uk/government/news/nhs-charges-from-april-2014> Website accessed 23.5.14

<sup>9</sup> House of Commons Written Answers (7.5.14): Prescriptions: Fees and charges. Available online at

<http://www.publications.parliament.uk/pa/cm/201314/cmhansrd/cm140507/text/140507w0004.htm> Website accessed 28.5.14

<sup>10</sup> Gov.uk website. NHS charges from April 2013 announced. Available online at:

<https://www.gov.uk/government/news/nhs-charges-from-april-2013-announced> Website accessed 27.5.14

<sup>11</sup> NHS Choices Website. Get help with prescription costs. Available online at:

<http://www.nhs.uk/nhsengland/Healthcosts/pages/Prescriptioncosts.aspx> Website accessed 30.5.14.

<sup>12</sup> British Medical Association website. Increase for NHS prescription charges - 1 April 2014 Available online at:

<http://bma.org.uk/practical-support-at-work/gp-practices/prescribing> Website accessed 23.5.14

<sup>13</sup> Prescription charges coalition (March 2013) Paying the Price: Prescription charges and people with long term conditions. Available online at:

[http://www.prescriptionchargescoalition.org.uk/uploads/1/2/7/5/12754304/paying\\_the\\_price\\_report.pdf](http://www.prescriptionchargescoalition.org.uk/uploads/1/2/7/5/12754304/paying_the_price_report.pdf)

<sup>14</sup> Welsh Government website. Free prescriptions in Wales. Available online at:

<http://wales.gov.uk/topics/health/nhswales/about/healthinformation/prescriptions/?lang=en> Website accessed 30.5.14

<sup>15</sup> DHSSPS (2007) Prescription Charges in Northern Ireland: A cost and benefit review. Available online at:

[http://www.dhsspsni.gov.uk/prescription\\_charges\\_review\\_report\\_2007.pdf](http://www.dhsspsni.gov.uk/prescription_charges_review_report_2007.pdf) p16. Website accessed 29.5.14

Department, in order that NHS Wales did not have to absorb the loss of prescription income.

Today, a high number of prescriptions are issued each year in Wales; more so than any other jurisdiction within the UK. The number of prescription drugs issued (around 75 million in 2012) was 52% higher than in 2002.

Today, people in Wales can access free prescriptions if they:

- Are registered with a Welsh GP and receive prescriptions from a pharmacist in Wales.
- Live in Wales, but are registered with a GP in England (due to the proximity of their address to the border) and are issued with 'entitlement cards'.
- Are Welsh patients who, although registered with Welsh GPs, regularly receive treatment within English NHS Trusts, or out-of-hours services based in England. They are charged for prescriptions at Welsh pharmacies, as they do not qualify for an entitlement card. However, they can apply for a refund by submitting a claim by letter along with a receipt.<sup>16</sup>

The high number of prescriptions currently issued has led to substantial costs for the Welsh health service.<sup>17</sup> This has prompted a number of debates on the subject of re-introducing prescription charges, but no change to the free prescription system has been introduced to date.

### 3.3 Scotland

In 2006, the Scottish Executive (under Labour) undertook a review of prescription charges.<sup>18</sup> From 2008, the Scottish Government, led by the Scottish National Party, fulfilled on its manifesto pledge to reduce and phase out prescription charges, as had been the case in Wales. Charges were finally abolished in 2011 with Nicola Sturgeon, the Scottish Health Minister at the time, claiming it was “a tax on ill health”.<sup>19</sup> The charges per item were phased out as follows:

- 2008-09 cost £5 per item
- 2009-10 cost £4 per item
- 2010-11 cost £3 per item

<sup>16</sup> Ibid

<sup>17</sup> The Telegraph (August 2013) Wales is the prescription capital of Britain. Available online at: <http://www.telegraph.co.uk/health/healthnews/10245473/Wales-is-prescription-capital-of-Britain.html> Website accessed 23.5.14

<sup>18</sup> The Scottish Government (2006): Review of NHS Prescription Charges and Exemption Arrangements in Scotland: Consultation. Available online at: <http://www.scotland.gov.uk/Publications/2006/01/30125542/0> Website accessed 29.5.14

<sup>19</sup> Onmedica website (2007) Scotland abolishes prescription charges. Available online at: <http://www.onmedica.com/NewsArticle.aspx?id=ec448c85-fb1c-4486-b430-dc0e8f9b257a> Website accessed 30.5.14.

- April 2011 – free of charge

At present, patients in Scotland are entitled to free prescriptions if:

- They are registered with a Scottish GP and receive the prescription from a Scottish pharmacy, and
- They have an English GP and an entitlement card, and they receive their prescriptions from a Scottish pharmacy<sup>20</sup>

Currently the NHS in Scotland spends almost £1.4 billion per year on medicines, of which, almost £1 billion (70%) is spent in general practice.<sup>21</sup>

### 3.4 Northern Ireland

In 2007, there was a debate in the Northern Ireland Assembly entitled *Health Prescription Charges*<sup>22</sup> whereby Members suggested that prescription charges were a barrier to individuals accessing the medication that they needed.<sup>23</sup> Prescription exemptions were also in place at the time, as well as prescription prepayment certificates - which were available if a patient required more than five items in a four month period, or more than 14 items in a twelve month period.<sup>24</sup> The main argument for abolishing prescription charges was that it would remove the financial barrier and indirectly improve health. At the time, prescription charges generated around £13 million pounds per year – only 3.5% of the total cost of medicines prescribed.<sup>25</sup> Much of the costs were borne by the health service due to exemptions.

Prescription charges in Northern Ireland were abolished in 2010 under the former Health Minister, Michael McGimpsey. This decision followed the publication of a cost/benefit review of charges in 2007.<sup>26</sup> At that time, prescriptions were charged at £6.85 per item. Charges were reduced to £3 per item in 2009, and became free from April 2010. The then Minister McGimpsey stated that the costs would be *“accommodated from within my existing budget... I believe that full abolition of charges is right for Northern Ireland. It’s an economic investment, as people will be able to get back to work earlier if they have the right medication. It’s also an investment in people, at a time when they need it most.”*<sup>27</sup>

<sup>20</sup> Boots Website: Prescription charges and exemptions. Available online at: <http://www.boots.com/en/Pharmacy-Health/Health-pharmacy-services/Pharmacy-services-support/I-have-a-prescription/Prescriptions-Charges-and-exemptions/> Website accessed 23.5.14

<sup>21</sup> Audit Scotland (2013) Prescribing in General Practice in Scotland. Available online at: [http://www.audit-scotland.gov.uk/docs/health/2013/nr\\_130124\\_gp\\_prescribing.pdf](http://www.audit-scotland.gov.uk/docs/health/2013/nr_130124_gp_prescribing.pdf) Website accessed 28.5.14.

<sup>22</sup> NI Assembly (15 May 2007) Health Prescription Charges. Available online at: <http://archive.niassembly.gov.uk/record/reports2007/070515.htm#2> Website accessed 29.5.14

<sup>23</sup> DHSSPS (2007) Prescription Charges in Northern Ireland: A cost and benefit review. Available online at: [http://www.dhsspsni.gov.uk/prescription\\_charges\\_review\\_report\\_2007.pdf](http://www.dhsspsni.gov.uk/prescription_charges_review_report_2007.pdf) Website accessed 30.5.14

<sup>24</sup> Ibid, p1.

<sup>25</sup> BBC News NI (29 September 2008) NI to scrap prescription charges. Available online at: [http://news.bbc.co.uk/1/hi/northern\\_ireland/7641637.stm](http://news.bbc.co.uk/1/hi/northern_ireland/7641637.stm) Website accessed 1.6.14

<sup>26</sup> DHSSPS (2007) Prescription Charges in Northern Ireland: A cost and benefit review. Available online at: [http://www.dhsspsni.gov.uk/prescription\\_charges\\_review\\_report\\_2007.pdf](http://www.dhsspsni.gov.uk/prescription_charges_review_report_2007.pdf) Website accessed 1.6.14

<sup>27</sup> DHSSPS Press Release (31 March 2010) McGimpsey introduces free prescriptions in Northern Ireland. Available online at: <http://www.northernireland.gov.uk/news/news-dhssps-31032010-mcimpsey-introduces-free> Website accessed 1.6.14

### 3.5 Republic of Ireland

In the Republic of Ireland, the model is slightly different again. Ordinary residents (those living in Ireland for more than one year)<sup>28</sup> are entitled to free or subsidised prescriptions. The resident population is divided into two groups for the purposes of their eligibility for health services - namely medical card holders and non-medical card holders.

To have a medical card, applicants are means tested on their income (calculated by a weekly income under €184 per week, or under €266 for a married couple). For those assessed as being eligible for a medical card, prescriptions cost €2.50 per item up to a maximum of €25 per month per person or family.<sup>29</sup>

If a person is not eligible for the Medical Card – but has a GP Visit Card, a *Drugs Payment Scheme* has been established. The Drugs Payment Scheme acts as a discount or capping system. This provides certain families with a card whereby the family will pay a maximum of €144 per month for approved medicines and prescription drugs.

People may also avail of free prescriptions if they have certain conditions (for example diabetes and cystic fibrosis) under the *Long Term Illness Scheme*.<sup>30</sup>

## 4. Costs across the UK and ROI

The table overleaf summarises the costs and charges - both to the patient and to the healthcare system in the five jurisdictions considered in this paper. Please note, these figures have been compiled using various sources of data which has been collected in different ways, therefore direct comparisons should only be drawn with caution.

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<sup>28</sup> Health Service Executive Ireland: Your Guide to the Drugs Payment Scheme. Available online at: [http://www.hse.ie/eng/services/list/1/schemes/drugspaymentscheme/Your\\_Guide\\_to\\_Drugs\\_Payment\\_Scheme.html](http://www.hse.ie/eng/services/list/1/schemes/drugspaymentscheme/Your_Guide_to_Drugs_Payment_Scheme.html) Website accessed 29.5.14.

<sup>29</sup> Citizens Information Ireland website. Prescription Drugs and Medicines. Available online at: [http://www.citizensinformation.ie/en/health/entitlement\\_to\\_health\\_services/prescribed\\_drugs\\_and\\_medicines.html](http://www.citizensinformation.ie/en/health/entitlement_to_health_services/prescribed_drugs_and_medicines.html) Website accessed 1.6.14

<sup>30</sup> Health Service Executive Website: Your Guide to the Long-Term Illness Scheme. Available online at: [http://www.hse.ie/eng/services/list/1/schemes/lti/Your\\_Guide\\_to\\_the\\_Long-Term\\_Illness\\_Scheme.html](http://www.hse.ie/eng/services/list/1/schemes/lti/Your_Guide_to_the_Long-Term_Illness_Scheme.html) Website accessed 1.6.14

Jurisdiction	Prescription costs to patient	Population	No. of items prescribed	Items prescribed per head of population <sup>31</sup>	Annual prescribing spend per head (2010/11) <sup>32</sup>	Cost of prescriptions to healthcare system
England (NHS prescriptions)	Charged at £8.05 per item or prepayment certificates are available for 3 and 12 months for multiple items that can help save on costs. However there are a number of exceptions and around 90% of the population avail of free prescriptions (with 60% prescribed to people due to old age).	63 million	In 2012, over 1 billion <sup>33</sup> from community pharmacies; does not include figures for hospital prescribing	18.7	£172.74	£13.3 billion in 2012 <sup>34</sup> for hospital and community prescribing
Wales (NHS prescriptions)	Free of charge	3.1 million	76 million (in 2013) <sup>35</sup>	24.3	£192.52	£564 million in 2013 <sup>36</sup>
Scotland (NHS prescriptions)	Free of charge	5.3 million	98.4 million (in 2012/13) <sup>37</sup>	18.6	£158.58	Almost £1 billion in 2012/13 <sup>38</sup> from general practice
Northern Ireland (NHS prescriptions)	Free of charge	1.8 million	38 million	20.8	£249.09	£377 million in 2012/13.
Republic of Ireland (prescribed medicines)	<ul style="list-style-type: none"> <li>• Drugs Payment Scheme holders (including those with a GP visit card) – pay no more than €144 per month for a family. Not means tested.</li> <li>• Medical Card Scheme holders – is means tested. Recipients are charged €2.50 per item, to a maximum of €25 per month. Almost 50% of the population have a medical card.</li> </ul>	4.6 million	65 million (in 2013)	Data not available	Data not available	Data not available

<sup>31</sup> BBC News 15.8.2013 Welsh GP prescriptions up 50% but total cost is falling. Available online at: <http://www.bbc.co.uk/news/uk-wales-politics-23713922>

<sup>32</sup> UK data obtained from the Nuffield Trust. Prescribing spend per person in the UK. <http://www.nuffieldtrust.org.uk/data-and-charts/prescribing-spend-person-uk>

<sup>33</sup> Health and Social Care Information Centre Hospital Prescribing, England - 2012 <http://www.hscic.gov.uk/catalogue/PUB11291>

<sup>34</sup> Health and Social Care Information Centre <http://www.hscic.gov.uk/searchcatalogue?productid=13342>

<sup>35</sup> Welsh Government. Prescriptions dispensed in the community <http://wales.gov.uk/statistics-and-research/prescriptions-dispensed-community/?lang=en>

<sup>36</sup> Ibid

<sup>37</sup> Information Services Division. Prescribing & Medicines: Reimbursement and remuneration paid to dispensing contractors <https://isdscotland.scot.nhs.uk/Health-Topics/Prescribing-and-Medicines/Publications/2014-03-25/2014-03-25-Prescribing-Remuneration-Report.pdf?26026552916>

<sup>38</sup> Information Services Division. The Uses of Statistics on Prescribing in Scotland