

## **Review of NHS Prescription Charges and Exemption Arrangements : Consultation**

### **A reply from Colin Fox, MSP**

#### **Introduction**

Earlier this year I presented a Bill to the Scottish Parliament to abolish NHS prescription charges. On the day the Bill was debated the Executive announced it was opening this consultation. I welcome the opportunity to respond especially since so much of the documents introduction is dedicated to rebutting the case for abolition.

For me the debate at Holyrood on January 25th exposed serious weaknesses in the Executives policy on this matter. The case for abolition remains overwhelming and long overdue.

The evidence presented to Parliament persuaded the highly influential Health Committee of the merits of abolition. As a consequence not even the Scottish Executive now defends the status quo. Therefore the question which now faces us all then is to consider whether it is possible to reform the exemptions system to make it logical, consistent and coherent? Or as the Welsh Assembly has agreed, to go back to the first principles of the modern NHS, look at the question afresh and opt for abolition?

#### **Scottish Executives Policy and Proposals**

Section 1.7 -1.9 of the consultation document outlines the Scottish Executives current three part policy in defence of charges; a co payment system where people who can afford to contribute do so, which forces patients to value the medicines and appliances provided and which also provides an efficient means of prescribing and husbanding precious resources.

#### **Co -payments**

The NHS was built on a commitment to provide healthcare for everyone irrespective of their means, paid for out of general taxation. There was, it should be noted, no reference to 'co payments' anywhere.

The charges introduced in 1951 have become in effect a second tax on those who are ill, and even then, since we have an exemption system, only a minority of the sick.

The current cost of a single item on a prescription is £6.65. Therefore there is a risk, accepted by everyone, that there will be people who will not be able to pay and therefore will be forced to go without. This is the very situation the NHS was designed to prevent.

All the studies around the world which have looked at the link between health/user charges and access to care have drawn similar conclusions; every 10% increase in the charge made sees a commensurate 3% fall in the numbers accessing the service.

#### **Section 2.3 of Consultation states**

**'Prescription charges are intended to be a contribution towards the cost of the NHS, on the basis that some form of co-payment sends a clear signal that this is a valued service'.**

It is important to recognise that

- i) We pay for 99.5% of the NHS via our taxes and only around 0.5% comes from prescription charges
- ii) Approximately 91% of prescriptions in Scotland are dispensed to people who do not pay for them
- iii) The charge is therefore a second payment towards the cost of the NHS by the ill alone and of those who are sick only 8% actually pay. It could be seen as a gross injustice to insist that only one in twelve make this 'contribution'
- iv) implies that those who don't pay don't value the service

### **Efficient Prescribing.**

The evidence given to the Scottish Parliaments Health Committee last year by Dr Philip Rutledge from Lothians Health Board concluded that by far the most effective way to prevent 'unnecessary use' of the NHS was to improve prescribing practices and medicines management not to restrict the numbers of patients able to access treatment.

### **Who Pays and Who Doesn't Pay?**

The Executive likes to suggest that those who can afford to pay do so and that those not able to pay are exempt. Unfortunately this is simply not the reality of the exemptions arrangements.

To say that the current exemption arrangements contain anomalies is like saying the Titanic had a troubled maiden voyage, in other words it is a massive understatement. Everyone accepts, including the Executive that the present situation is no longer defensible. It is discredited in the eyes of the public, riddled with inconsistencies and fails in all its policy objectives.

I welcome the Scottish Executive acceptance that the present arrangements are no longer fit for purpose. But their suggested solution – to extend to some chronic conditions and some students – is simply an attempt to make a silk purse out of a sows ear. It is a half hearted solution to a clear problem which leaves us no further forward.

Abolition of the charges remains the fairest and most transparent and clearly understood solution. It is also in keeping with the founding principles of the NHS itself

The further 15p increase announced on April 1<sup>st</sup> 2006 means the inequalities inherent in the present situation have widened still further. With the cost of a prescription now £6.65 for each item there is ample evidence to show many Scots are going without the medicines they need because they simply cannot afford to pay for them.

The current exemption arrangements fall into three distinct categories; age, condition and income.

- All patients under 16 and over 60 are entitled to free prescriptions
- All patients with one of the few qualifying conditions like diabetes are exempt from charges
- And some patients on certain state benefit are exempt.

The problem arises because some arrangements are universal and others strictly means tested. Which means that some patients who are quite well able to pay for their prescriptions but don't have too because of their age or medical condition exempts them. On the other hand hundreds of thousands of patients on say Incapacity benefit or Disability Living Allowance must pay in full. The Executives consultation recognises these 'anomalies' but fails to address them.

Injustices will remain no matter how the Executive try to square the circle unless a level playing field is introduced.

Indeed the Executive is in danger of making the current position worse still should the abolition of the automatic age exemption for senior citizens be withdrawn; 75% of all prescriptions go to people over the age of 60.

**'Views are Sought' spots.**

My submission to the questions the Executive has posed;

After section 4.1.7;

The exemption related to medical conditions has not been updated or changed since 1968. But that does not mean they have not been looked at before. The problem has been that inevitably it leads to a judgement being made on medical grounds on which life threatening chronic conditions are included and which not. It has not been a choice health professionals have been prepared to make because it opens up a Pandora's Box of medical controversies and there has been a reluctance to visit the issue. Consequently the status quo has remained and the current medical grounds contain no clear justification. NO doctor would say diabetes, say, was more deserving than asthma or cancer or HIV for example.

I believe exemption has to be made for all or none at all if we are to be fair and logical. If a condition is exempt then all medicines should be available to chronic patients not just those limited to their qualifying condition since the impact of a deterioration in their general health would do little to help their chronic complaint.

**4.2.16** Yes exemption should be extended to HC3 holders. The public simply do not understand why some people on benefits like Jobseekers Allowance qualify for free prescriptions but those on Incapacity benefit or Disability Living Allowance do not. It is precisely this section of the population, the low paid and on benefits, which run the greatest risk of not getting the prescription medicines they need because they cannot afford to pay.

Each income exemption over the past 50 years has been in effect a recognition of the difficulties the poor have faced getting the medicines they need.

**4.2.29** Having a flat fee would make more sense than the current system but it would still mean patients with chronic conditions requiring multiple prescriptions and repeated use of the NHS, would be unfairly penalised – currently 75% of prescriptions are for repeat prescriptions.

**4.3.4** It is iniquitous that students in full time education and training at university will get free prescriptions but poorer students in part time education/training at an FE college do not. Exemption should be extended to all students.

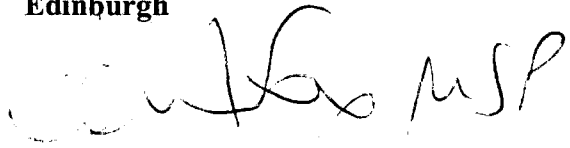
**Cost of abolition?**

In answer to repeated enquiries the Scottish Executive stated the cost abolition of prescription charges was £40m [the income from the charges minus the cost of administering the present exemption system].

It is important to point out that this represents just 4% of the entire drugs bill in 2004-5 [£982m] and less than half of 1% of the NHS Scotland annual budget.

Since 99.5% of the NHS is therefore paid out of our general taxes it is important the cost of abolition is seen in its context.

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Scottish Parliament  
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26th April 2006

## RESPONDENT INFORMATION FORM: REVIEW OF NHS PRESCRIPTION CHARGES AND EXEMPTION ARRANGEMENTS IN SCOTLAND

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name: *Colin Fox, MSP*

Postal Address: *% Scottish Parliament*

1. Are you responding: (please tick one box)
- (a) as an individual  go to Q2a/b and then Q4
- (b) **on behalf of a group/organisation**  go to Q3 and then Q4

### INDIVIDUALS

- 2a. Do you agree to your response being made available to the public (in Scottish Executive library and/or on the Scottish Executive website)?

Yes (go to 2b below)

No, not at all

We will treat your response as confidential

- 2b. **Where confidentiality is not requested**, we will make your response available to the public on the following basis (please tick one of the following boxes)

Yes, make my response, name and address all available

Yes, make my response available, but not my name or address

Yes, make my response and name available, but not my address

### ON BEHALF OF GROUPS OR ORGANISATIONS:

- 3 The name and address of your organisation **will be** made available to the public (in the Scottish Executive library and/or on the Scottish Executive website). Are you also content for your response to be made available?

Yes

No  We will treat your response as confidential

### SHARING RESPONSES/FUTURE ENGAGEMENT

- 4 We will share your response internally with other Scottish Executive policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?

Yes

No

