

response to consultation on NHS prescription charges and exemption arrangements

May 2006



Making all consumers matter

About the Scottish Consumer Council

The Scottish Consumer Council (SCC) was set up by government in 1975. Our purpose is to promote the interests of consumers in Scotland, with particular regard to those people who experience disadvantage in society. While producers of goods and services are usually well-organised and articulate when protecting their own interests, individual consumers very often are not. The people whose interests we represent are consumers of all kinds: they may be patients, tenants, parents, solicitors' clients, public transport users, or simply shoppers in a supermarket.

Consumers benefit from efficient and effective services in the public and private sectors. Service-providers benefit from discriminating consumers. A balanced partnership between the two is essential and the SCC seeks to develop this partnership by:

- carrying out research into consumer issues and concerns;
- informing key policy and decision-makers about consumer concerns and issues;
- influencing key policy and decision-making processes;
- informing and raising awareness among consumers.

The SCC is part of the National Consumer Council (NCC) and is sponsored by the Department of Trade and Industry. The SCC's Chairman and Council members are appointed by the Secretary of State for Trade and Industry, in consultation with the First Minister. Martyn Evans, the SCC's Director, leads the staff team.

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The SCC assesses the consumer perspective in any situation by analysing the position of consumers against a set of consumer principles.

These are:

ACCESS

Can consumers actually get the goods or services they need or want?

CHOICE

Can consumers affect the way the goods and services are provided through their own choice?

INFORMATION

Do consumers have the information they need, presented in the way they want, to make informed choices?

REDRESS

If something goes wrong, can it be put right?

SAFETY

Are standards as high as they can reasonably be?

FAIRNESS

Are consumers subject to arbitrary discrimination for reasons unconnected with their characteristics as consumers?

REPRESENTATION

If consumers cannot affect what is provided through their own choices, are there other effective means for their views to be represented?

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SCOTTISH CONSUMER COUNCIL

RESPONSE TO CONSULTATION ON NHS PRESCRIPTION CHARGES AND EXEMPTION ARRANGEMENTS

The SCC welcomes the opportunity to respond to this consultation. In our response to a consultation on the proposal for Scottish legislation to abolish prescription charges, we argued that abolishing prescription charges without reviewing other NHS charges would have the effect of shifting the unfairness around the system, without addressing the question of charging for NHS services as a whole. In any review of charging for prescriptions, we would hope that one outcome would be to establish some underpinning values which could be used in relation to charges in other spheres, such as dentistry and optometry services.

It is useful that the Scottish Executive has commissioned research into what happens in other countries in relation to paying for prescriptions. This provides evidence which challenges some of the assumptions which underpin our current system, for example that older people should be exempt from paying charges. It also shows that the current system in the UK is more generous in relation to more expensive drugs than in many other countries, where the cost of prescriptions is more likely to be based on a percentage of the actual cost of the drug dispensed.

This consultation provides an opportunity for the Scottish Executive to take one of two approaches: either to tinker with the existing system, making changes to the list of current exemptions; or to make more fundamental changes to the way charges are currently applied, based on a principled approach. The SCC considers that simply tinkering with the existing system is unlikely in the long term to be a satisfactory approach, as any system based on exempt conditions or people will require continual review and amendment.

The most important consideration in relation to prescription charges is that no-one should be deterred from obtaining the treatment they need because they are unable to afford it.

1 SCC position

SCC has argued that there should be a wide-ranging review of the use of charges in relation to NHS services, with a view to reducing the current inconsistencies which exist. In addition to the kind of inconsistencies within one charging scheme, as is the case in relation to prescription charges, there should also be an opportunity to consider other inconsistencies, such as the fact that people over the age of 60 are exempt from paying prescription charges but not from NHS dental charges.

Our general position on prescription charges is that:

- If there is a case for continuing to charge for prescriptions, on the basis of demand management, to raise additional income for the NHS or placing a value on medicines that patients require (as argued in the consultation document), then charges should as far as possible be imposed in a way which is fair and does not discriminate against particular groups or individuals. The primary grounds for exemption should be ability to pay.
- Tinkering with a list of particular medical conditions or particular drugs is not a sustainable solution, as this will always be subject to debate and argument, and will need to be changed to take account of changes in the pattern of chronic disease and its treatment.
- If exemption from charges is primarily on the basis of low income, the SCC is content that, in practice, exemption is linked to being in receipt of certain benefits, such as Income Support, Jobseeker Allowance or Working Family or Child Tax Credit, and is thus a “passported” benefit. We do however recognise that there are currently inconsistencies in income levels, depending on which benefit is used to provide exemption, and this should be reviewed.
- Exemption based on age is used inconsistently across the NHS, and the SCC believes that this should be reviewed with a view to introducing greater consistency across different NHS services.
- Similarly, we believe that the position of young people in full-time education or training needs to be reviewed across the NHS as a whole, with a view of making the position more consistent.
- We are in favour of increasing the affordability of prescription charges for those on lower incomes, and for those who are high users of this service.
- We would like the Low Income Scheme to be reviewed. This scheme is currently poorly advertised, and hard to access.

2 Responses to consultation questions

1 Review of exemptions related to medical conditions

1.1 Should exemption from all charges continue to be given on medical grounds alone, and if so, should the list of conditions be reviewed?

A system of exemption based on medical grounds will continue to be problematic, leading to disagreement about which medical conditions should lead to exemption. The SCC is in favour of moving away from a system based on medical grounds, and towards one based on fairness and on ability to pay.

1.2 Where exemption is given on medical grounds, should that exemption relate only to drugs for the treatment of the medical condition in question, rather than covering all drugs whether or not they relate to the condition that gives rise to the exemption?

If exemption continues to be given on medical grounds, the SCC considers that this should relate only to drugs for the treatment of the medical condition in question.

1.3 Does it make more sense to provide exemption based on a list of drugs, or based on a list of conditions?

The SCC believes that both these approaches are intrinsically contentious, and will inevitably involve further reviews in the future. As already stated, the SCC would prefer an alternative approach.

2 Economic need – affordability

2.1 Should the prescription charge be extended to HC3 holders, which would extend exemption to 21,500 people and their dependants?

The SCC is reluctant to base any extension of exemption through the NHS Low Income Scheme. This scheme, while addressing the needs of low income consumers, is challenging to access, requiring the applicant to find the right form, complete it, and return it for assessment. The form is quite long, requiring a lot of detail about income. The process may itself constitute a barrier for people needing access to help with health costs. We would like to see the Low Income Scheme reviewed with a view to making it more accessible.

2.2 What changes to the pre-payment certificate (PPC) system would address current barriers to its use, particularly by those on low income, and maximise patients' benefits?

The SCC believes that making access to the PPC system easier would be of benefit to people on low incomes. This system is currently poorly advertised, and, because of the requirement to pay the whole cost up front, is not geared to the needs of people on a low income. An annual PPC currently costs £93.20, which means that no-one in the UK need pay more than that for all their prescriptions in one year. A four-monthly PPC means that no-one should pay more than £33.90 over a four month period.

The proposals for a monetary cap on prescription charges, discussed below in section 2.4, is essentially another way of achieving what the PPC is intended to ensure, ie, that no-one pays more than a certain amount for prescriptions over a specified period. The SCC is more in favour of using that approach than tinkering with the PPC system.

2.3 Should there be a reduced fee for all, and if so, and at what level should it be set to balance affordability to the patient with cost to the NHS?

While reducing the fee for all would be a simple response to making prescriptions more affordable, the SCC considers that alternatives such as capping and concessionary fees for higher users would be more effective. The current fee is not particularly high compared with other countries, and is unlikely to be a deterrent for people who only need a prescription infrequently.

2.4 Should there be a monetary cap on the charges that a patient is required to pay over a set period of time, after which prescriptions would be free?

Essentially this is what the pre-payment scheme seeks to achieve, although, as currently organised, it is unlikely to achieve this aim effectively.

The suggested alternative outlined in sections 4.2.21 – 4.2.25 is attractive. It would set a monthly cap of around £8. This would benefit those who needed several medications related to one short period of illness, as well as those on regular medication. For many people requiring more than one regular medication, if they were able to get a prescription every two months, their annual costs would not exceed £48 a year.

This option would be relatively easy to explain to members of the public. In practice, it might be dependent on the patient keeping receipts, or attending the same pharmacist, until such time as there are electronic prescription records linked by the patient's community health index (CHI) number.

This option might have the effect of reducing the income from charges, but it is less likely to increase the demand for prescriptions than simply lowering the flat rate would.

2.5 Should there be a concessionary rate for patients who require frequent prescriptions, and should the concession be triggered by the costs incurred over a set period of time?

The SCC prefers the option of a monthly charge cap to that of concessionary rates for patients requiring frequent medication. The charge cap would have the effect of benefiting patients requiring frequent medication without the need to determine who would be entitled to a concessionary rate.

2.6 Are there other changes in the arrangements for pre-payments or caps which would maintain charge income in general for NHS boards?

We cannot think of any other change which would maintain the charge income in general for NHS boards.

3 Ability to pay

- 3.1 Is there a case for extending the current ‘full time student’ threshold to cover tertiary education?**
- 3.2 Should exemption be extended to all persons in full time education or training, regardless of their ability to pay?**
- 3.3 Should there be a concessionary charge arrangement for full time students or trainees above set age thresholds?**
- 3.4 Are there other changes in the charging system that would remove the need for special arrangements for full time students or trainees?**

As with exemptions based on age, the SCC considers that the position of young people in full-time education or training should be reviewed across the NHS as a whole. While recognising that younger people will often be living on lower incomes, we would like to know more about the likely impact of charges on this group of young people, and about the administrative costs of using a system based on age or on education or training status. It is, in fact, unclear from the consultation document whether the proposed exemption would extend to all those in full-time education and training, irrespective of age, or whether it would combine both age and educational or training status.

Age exemptions

The consultation focuses on the areas mentioned in Partnership Agreement (ie full time students, and the list of currently exempt medical conditions), but it raises the issue of exemptions for those aged 60 or over at the end of the document. There is no similar exemption in relation to charges for NHS dental care.

As already stated, the SCC would like to see a comprehensive review of age-related exemption across the NHS.

Conclusion

To summarise the SCC position on this consultation, we do not believe that simply tinkering with the current system will lead to a sustainable solution. We are in favour of:

- continuing to provide exemptions from prescription charges on the basis of income, as a passported benefit based on the means-tested benefits currently in use;
- reviewing and improving the Low Income Scheme, with a view to making this more accessible;
- reviewing age-related exemption for older people across the NHS;
- reviewing exemption based on educational or training status across the NHS; and
- introducing a monthly charge cap with the limit set in line with the current cost of a pre-payment certificate (ie around £8 per month).