

REGULATORY APPRAISAL

NATIONAL HEALTH SERVICE, WALES

THE NATIONAL HEALTH SERVICE (FREE PRESCRIPTIONS AND CHARGES FOR DRUGS AND APPLIANCES) (WALES) REGULATIONS 2007

Purpose and intended effect of the measure

1. The intended effect of this Instrument is to:
 - ensure that prescriptions written on a Welsh prescription form by a prescriber registered with a Welsh Local Health Board or NHS Trust and dispensed in a pharmacy in Wales incur no charge;
 - allow patients who choose to have their prescriptions dispensed in England and are exempt from charges on age or medical grounds to claim that exemption. Those patients can be provided with appropriate exemption certificates on application from their Local Health Board or an appointed agency of that board; and
 - ensure there will be no charge for wigs and appliances dispensed for patients in Wales under the same conditions.
2. Patients who present their Welsh prescription form at a pharmacy in England or appliance contractor will be subject to the NHS (Charges for Drugs and Appliances) Regulations 2000 and so will only be exempt from charge if they satisfy the criteria outlined in those Regulations. If they are not in one of the exemption categories they will be subject to the charge specified in those Regulations, currently £6.65 per item. Patients in possession of an English prescription form who present it for dispensing at a Welsh pharmacy will also be subject to NHS (Charges for Drugs and Appliances) Regulations 2000 unless they are in possession of a valid entitlement card, indicating that they are a patient in Wales registered with a GP in England.
3. Patients in Wales who obtain wigs and appliances from Trusts in England will be subject to English charges, and it is likely that commissioners of these services will want to reach agreements with the Trusts to be billed for these items to ensure that their patients are treated equitably. Guidance will be issued to this effect.
4. These Regulations implement wholly distinct Welsh policy, as they are the final stage in the agreed programme to abolish the prescription charges in Wales.

Risk Assessment

5. It has long been contended that patients on low incomes neglect to collect items on their prescriptions because they cannot afford to do so. There are also many patient groups, who are currently not exempt from charges on medical grounds, but have a case for saying that they should be. The risk of not making these Regulations is that these difficulties for patients will continue to exist in Wales.

Options

Option 1: Do Nothing

6. The cost of prescriptions and pre-payment certificates would remain the same. If the intended dates are not met then Welsh patients will not be able to claim free prescriptions.

Option 2: Make the Legislation

7. Implementing these Regulations in Wales will allow prescriptions to be dispensed for free to all those who qualify. These Regulations will bring long-term health benefits to those people who cannot currently afford to pay for every item they are prescribed and will benefit public health in general.

Benefits

8. Abolishing the charge made to patients for their medication should help to prevent them having to be selective about the products they choose, bringing longer term health benefits. This will also hopefully improve compliance of patients with their medication.

Costs

9. The cost of implementing these Regulations is estimated to be £14.8m for 2007-08. This has been provided for within the Local Health Boards (LHBs) drugs prescribing budget expenditure line. The total annual estimated cost in 2007-08 of fully funding the reductions in the prescription charges implemented by this and the earlier Regulations is estimated to be £29.5 million, compared to original estimates in 2002-03 of £32.2m. The original information was based on the best estimate at the time in 2002/03, but the new figures are based on actual reimbursements to LHBs to recompense them for loss of income in their Drugs prescribing budget.
10. The Welsh Assembly Government has given a commitment in "Wales: A Better Country" to remove all prescription charges by April 2007. This is the final stage in that process; the first and second reduction having taken place in October 2004 and April 2005, and the third in April 06.

Competition Assessment

11. Any negative competitive impact arising from the proposed amendment would be restricted to pharmacies on the border in England, which may lose business from patients in Wales, but this is likely to have happened already with the reductions in the charge. The impact of this reduction is, therefore, expected to be minimal.

Consultation

With Stakeholders

12. This is the final stage in the agreed programme to abolish the prescription charge. The decision to adopt a staged reduction arose out of the initial consultations with a stakeholder group including representatives from

Community Pharmacy Wales, the British Medical Association (GPC Wales), the Royal College of Pharmacy, the Association of Welsh Community Health Councils (CHCs), Health Solution Wales, Local Health Boards, the Chief Pharmaceutical Advisor and the National Public Health Service. There have been subsequent meetings with these organisations to discuss elements of the implementation of the policy.

With Subject Committee

13. These Regulations were notified to the Health and Social Services Committee, via the list of forthcoming legislation, on 15 June 2006 (HSS(2)-10-06(p.2a), item no: HSS 23 (06)) and have remained on the list ever since. The Regulations were identified for detailed. However, the title at the time was the National Health Service (Charges for Drugs and Appliances) Regulations.

14. The Regulations were scrutinised by the Health and Social Services Committee at their meeting on 15 November 2006 (HSS(2)-16-06 (p.3a)). No amendments or points of clarification were raised and the Regulations were agreed as drafted.

Review

15. The impact of these Regulations will be monitored and reviewed through the collection of dispensing data by Health Solutions Wales.

Summary

16. The proposed amendment will result in free prescriptions for all patients in Wales, which will mean increased benefits to the health of the Welsh public.