

## **REGULATORY APPRAISAL**

### **The National Health Service (Pharmaceutical Services) (Amendment) (No 2) (Wales) Regulations 2003**

#### **Purpose and intended effect**

The purpose of the instrument is to amend the wording to correctly reflect the way in which pharmacists should report suspected fraud. It will also update the Regulations in relation to the creation of Local Health Boards in place of Local Health Authorities. The intended effect of this instrument is to reduce prescription fraud by encouraging pharmacists to identify and report fraudulent prescription forms.

#### **Risk Assessment**

The order amends the timescale that the pharmacist has to report the suspected fraud. This will bring reporting in Wales into line with that of England whose Regulations were amended in May 2003. If no legislation is made pharmacists will continue to use the old reporting rules which are more restrictive. This could deter them from reporting.

#### **Options**

There is no reasonable alternative to the proposed amending regulations and failure to do so would establish a differential in the terms and conditions of pharmacists in Wales and England who presently come under the one contract.

#### **Benefits**

To re-align the reporting system between Wales and England.

#### **Costs**

There is no cost implication whatsoever in the effect of this instrument.

The reward payment was increased in February under measures that form a part of NHS contractors' terms of service. This increased the amount paid to the contractor to £70 per reporting incident. The number of claims in Wales since the award increased in February 2003 is 24 costing a total of £1680. If the same rate continues, then the cost during 2003-4 will be £2880 throughout Wales. No further publicity is planned so it is unlikely that the number of awards will escalate to any large extent. It is not therefore having any significant financial impact on health board budgets and all savings made as a result of reducing fraud are passed directly back to them.

## **Competition Assessment**

There will be no negative competitive impact arising from the proposed amendment.

## **Consultation**

NHS Counter Fraud section held consultations internally and with the Prescribing Services Negotiating Committee (PSNC) as part of normal negotiations under NHS contractors' terms of service which are implemented in practice by way of Regulation. It would be unusual to consult on these matters outside the normal established negotiating machinery, or to publish an explicit account of those negotiations.

## **Summary**

The proposed amendment will re-align the fraud reporting process in Wales and England by amending the wording to correctly reflect the way in which contractors' report suspected fraud. There will be no additional costs as a direct result of the amendment.