

STATES OF JERSEY



HOSPITAL OUTPATIENTS: RE-INTRODUCTION OF PRESCRIPTIONS CHARGES

**Lodged au Greffe on 4th June 2013
by the Minister for Health and Social Services**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to approve the re-introduction of prescriptions charges for hospital outpatients.

MINISTER FOR HEALTH AND SOCIAL SERVICES

REPORT

Introduction

The Health and Social Services Department (HSSD) seeks to introduce a £5 per month, per item prescription charge for hospital outpatient prescriptions. The project was outlined in the 2012 States Business Plan and previously discussed by the States in relation to P.20/2012.

HSSD historically levied a prescription charge, but removed that charge in 2008 in line with a decision taken by the Minister for Social Security to remove charges for General Practitioner (G.P.) prescriptions.

The hospital pharmacy currently dispenses around 120,000 outpatient 'items' per year which, allowing for proposed exemptions and instalment dispensing, equates to around 30,000 to 40,000 chargeable prescriptions per year¹. The number of items dispensed is increasing by approximately 3%–4% per year. With a charge of £5 per month, per item prescription charge this translates to generating a recurring income of around £150k per year.

The scheme will remove the perverse incentive whereby patients request a prescription from the hospital clinic for medicines they could normally obtain from their G.P. This prescription is currently provided and dispensed free of any charge. As well as significantly increasing the workload through the hospital pharmacy, it encourages patients to remain under follow-up at the hospital for conditions that could safely be managed by their G.P., thereby increasing hospital waiting times. The re-introduction of hospital outpatient prescription charges would therefore contribute to the overarching aim of the White Paper, which is to encourage more patients to be managed in the community where appropriate.

The HSSD scheme will include a range of exemptions plus a pre-payment certificate to reduce costs for those who require high volumes of prescriptions (see below).

The re-introduction of prescription charges for hospital outpatient prescriptions has widespread clinical support. The Chair of the Medical Staff Committee has, in January, written to the Minister for Health and Social Services confirming that the Consultant staff would favour the re-introduction of prescription charges, and that they believe there to be significant benefits in so doing.

Amongst these benefits would be the removal of the perverse financial incentive whereby patients request a prescription from the hospital clinic for medicines they could normally obtain from their G.P. This prescription is currently provided and dispensed free of any charge. As well as significantly increasing the workload through the hospital pharmacy, it encourages patients to remain under follow-up at the hospital for conditions that could safely be managed by their G.P., thereby increasing hospital waiting times. The re-introduction of hospital outpatient prescription charges would therefore contribute to the overarching aim of the White Paper, which is to encourage more patients to be managed in the community where appropriate.

¹ A chargeable prescription may include an item that needs to be dispensed on multiple occasions (instalment dispensing), for example a month supply of a drug may be dispensed on a daily basis. Each occasion counts as a dispensed item, even though it relates to just one chargeable prescription.

The charges will apply only to hospital outpatient prescriptions. The re-introduction of community or G.P. prescription charges will be considered as part of the wider review of primary care agreed as part of P.82/2012 (Health and Social Services: A New Way Forward). The re-introduction of prescription charges for hospital outpatients will assist in the development of a policy for the re-introduction of prescription charges in the community.

If it is appropriate to introduce slightly different exemptions for community prescriptions, HSSD will look to align their exemptions with those in the community. The following scheme may therefore be subject to some change at that point.

Proposed scheme

All outpatients, including those who have used Emergency Department services, will be charged £5 for one month's supply of each item unless they are exempt and therefore eligible for free prescriptions, or unless they have a valid pre-payment certificate.

Inpatients will not be charged, including for any medication that they take home with them on discharge from hospital.

Exemptions

HSSD will protect the following groups of people by maintaining free prescriptions –

- All children under 16 years of age.
- Individuals who receive a personal-care component under the Income Support scheme. These people will be issued with a letter from the Social Security Department (SSD) which confirms their exemption from charges.
- Individuals who receive assistance from the SSD with their Residential Care fees. These people will also be issued with a letter from the SSD.
- Specific vulnerable patients, for example psychiatric patients who have been clinically assessed by their consultants as requiring free prescriptions.

In addition, certain drugs will continue to be free for all people –

- All cancer treatments.
- Those prescribed for public health reasons, for example for the treatment of Tuberculosis.

HSSD will introduce a process which enables individual or groups of patients to be considered for exemption based on clinical need or specific individual circumstances.

In addition, Income Support special payments can be used by the SSD to fund the cost of a pre-payment certificate (see below) in exceptional circumstances, in which the individual requires a significant level of medication from the Hospital Pharmacy but does not fall into one of the above exemptions and is unable to meet this cost directly.

Pre-payment certificates

HSSD will also introduce pre-payment certificates to protect people with long-term illnesses who require multiple prescriptions. This will effectively allow such individuals to “cap” their prescription charge liability, irrespective of the number of medicines they require.

An annual pre-payment certificate can be purchased for a one-off charge of £100, or a 3 month certificate for £30 (equivalent to approximately £2 per week regardless of the number of prescriptions required).

Administrative arrangements

In order to minimise the administration required to manage this charge, it is proposed to introduce the following arrangements –

- *Payments:* Hospital outpatients will pay for their prescriptions at the hospital pharmacy. Prescribed medicines issued by the Emergency Department for patients to take home with them, will be paid for with a voucher that is purchased from a payment kiosk located in the Emergency Department. Card and cash payments will be accepted at both the pharmacy and the kiosk.

Pre-payment certificates will be available to purchase from the hospital pharmacy. They will be valid for all outpatient prescriptions, whether dispensed from the pharmacy or the Emergency Department.

- *Exemptions:* The hospital pharmacy will issue exemptions certificates to those who are eligible. These certificates will need to be shown each time prescriptions are issued by the pharmacy or Emergency Department.

Upon request, the SSD will issue a letter to those on Income Support who are in receipt of the personal-care component or who receive assistance with Residential Care fees. On production of this letter, the hospital pharmacy will then issue an exemption certificate.

Implementation of the scheme will take approximately 8 weeks from the date that the States debate this proposition.

Financial and manpower implications

It is estimated that the scheme charge will create a recurrent income of around £150k per annum.

The scheme will cost around £36k per annum to run. This includes the cost of recruiting a Pharmacy Assistant FTE who will provide the additional administrative support necessary for the scheme, and will bring further benefit by giving pharmacy increased operational flexibility. It also includes the cost of an automated payment system in the Emergency Department, along with expenditure for its maintenance.

No additional manpower is required in the Emergency Department as all of their prescription payment income will be collected via a payment kiosk.