

EXPLANATORY MEMORANDUM TO

THE NATIONAL HEALTH SERVICE (CHARGES FOR DRUGS AND APPLIANCES) (AMENDMENT) REGULATIONS 2018

2018 No. 201

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department of Health and Social Care and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 The National Health Service (Charges for Drugs and Appliances) Regulations 2015 (S.I. 2015/570) (“the 2015 Regulations”) provide for charges to be made and recovered for the supply of certain drugs, appliances, wigs and fabric supports, and provide for certain exemptions from charging in prescribed circumstances. This instrument amends the 2015 Regulations to increase prescription and other charges payable under them.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Other matters of interest to the House of Commons

- 3.2 As this instrument is subject to the negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

- 4.1 Section 172 of the National Health Service Act 2006 (the Act) allows regulations to be made for the making and recovery, in such manner as may be prescribed, of charges for the supply of drugs, medicines and appliances under the Act. The 2015 Regulations set out a scheme for charges for drugs and appliances and some other items supplied to NHS patients in England, and the arrangements for exemption from those charges. This instrument provides for a routine uprating of the amounts that are to be charged under those Regulations from 1st April 2018.

5. Extent and Territorial Application

- 5.1 The extent of this instrument is only to England.
5.2 The territorial application of this instrument is England.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

Prescriptions

- 7.1 The 2015 Regulations provide the amount of the charge for an NHS prescription item and certain other appliances supplied by the NHS, the circumstances in which the charge must, or must not, be made and the patients who are exempt from prescription charges. The amendments to the 2015 Regulations made in this instrument increase the single prescription charge in respect of drugs and appliances by 20p, an increase of 2.1%. This increase, combined with the freezing of the fee payable for both the three and the twelve month prescription prepayment certificate (PPC), produces an overall expected increase in prescription charge revenue broadly in line with expected inflation of 1.6% (as defined by the forecast Gross Domestic Product (GDP) deflator for 2018/19). Freezing the fee payable for PPCs supports individuals that may require a significant number of prescription items in a three or twelve month period. The increase is in line with Spending Review assumptions. The charge for elastic hosiery will increase in line with the prescription charge.

Prescription prepayment certificates

- 7.2 PPCs are available to everyone. Three month certificates can be purchased directly from some pharmacists. Three and twelve month certificates can be purchased from the NHS Business Services Authority, by phone, on line or by post. A twelve month PPC is available to purchase in ten monthly direct debit instalments. Prescription prepayment certificates will save people money if they need more than three items in a three month period, or 12 items or more in a year. Certificate holders pay no further charge at the point of dispensing. There is no limit to the number of items the holder may obtain using the certificate. As indicated above, the fee payable for these certificates is being frozen. The basic charge per item and the charges for prescription prepayment certificates are in table 1.

Table 1: Prescription Charges

	17/18	18/19	Increase
Cost of single item	£ 8.60	£ 8.80	£0.20
3-month prepayment certificates	£ 29.10	£ 29.10	-
12-month prepayment certificates	£ 104.00	£ 104.00	-

Wigs and Fabric Supports

- 7.3 Charges are made for these items when supplied by hospitals or by other bodies through contracts. Charges for these items will be increased in line with inflation by around 1.6% (as defined by the forecast GDP deflator for 2018/19). The current and new charges are set out in table 2 below. This instrument makes transitional provision in respect of an order for supply given before this instrument comes into force.

Table 2: Wigs and Fabric Supports

	17/18	18/19	Increase
Stock modacrylic wig	£ 70.15	£ 71.25	£1.10
Partial human hair wig	£ 185.80	£ 188.70	£2.90
Full bespoke human hair wig	£ 271.70	£ 275.95	£4.25
Abdominal or spinal support	£ 42.95	£ 43.60	£0.65
Surgical Brassiere	£ 28.40	£ 28.85	£0.45

Consolidation

7.4 The 2015 Regulations were consolidated in 2015.

8. Consultation outcome

8.1 The Department of Health is not required to consult on the 2015 Regulations.

9. Guidance

9.1 Prescription, wigs and fabric support charges - Relevant health care professionals and the public will be advised of the increase to charges for prescriptions and wigs and fabric supports by way of patient information leaflets, the Drug Tariff, the NHS Choices website and the gov.uk website. The Department will request NHS England to provide notification via email bulletins for dissemination to staff.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector is minimal. To accommodate the increase to the single prescription charge the NHS Business Services Authority will need to amend their systems to reflect the increased level of the charge. Hospitals and other bodies supplying wigs and fabric supports will need to revise arrangements to reflect the new charges.

10.3 An Impact Assessment has not been prepared for this instrument.

10.4 In relation to these charges, we have considered the impact of this instrument in relation to our Public Sector Equality Duty (PSED). The PSED is not simply limited to eliminating discrimination, harassment and victimisation, but also includes positive obligations to promote equality of opportunity and to foster good relations between those who are likely to suffer discrimination and those who are not. When making legislation, Ministers are obliged to have due regard to all aspects of this duty. We have not identified any specific equalities issues in respect of our PSED duty. We have also considered the impact of the Secretary of State's duties under the 2006 Act, for example in relation to promoting autonomy and the improvement in the quality of services. Again we do not consider that there are specific issues in respect of these duties.

11. Regulating small business

11.1 The legislation applies to activities that are undertaken by small businesses, including firms employing up to 20 people. As these Regulations concern the provision of NHS

primary care services in England on the basis of nationally determined terms of service, it is not possible to differentiate between contractors according to their operational turnover or size. This is to ensure the application of agreed nationwide standards and practice in the provision of such services as part of a nationally determined contractual framework.

- 11.2 This instrument places no new requirements on small businesses. In respect of charges levied it merely changes the amount the patient pays.

12. Monitoring & review

- 12.1 Charges for drugs and appliances and other items supplied by the NHS under the 2015 Regulations are monitored by NHS England and the Department of Health and Social Care and are reviewed annually, to consider what, if any, change in the amounts of such charges should be made.

13. Contact

- 13.1 In relation to prescription, wigs and fabric supports charge increases, Emma Rush or Ling Yap at the Department of Health and Social Care (telephone: 0113 25 45267/0113 2546097 or email: Emma.rush@dh.gsi.gov.uk/Hsiuling.yap@dh.gsi.gov.uk) can answer any queries regarding the instrument.