



Primary Care Prescribing

Report to the Northern Ireland Assembly by the Comptroller and Auditor General

A report by Kieran Donnelly, the head of the Northern Ireland Audit Office (NIAO), concludes that if GPs prescribed more lower cost, clinically effective medicines significant economies in drug expenditure could be achieved without affecting patient care. In 2013, pharmacy contractors received almost £460 million which included reimbursement (see Note 1) of £381 million for dispensing GP prescriptions.

The prescriptions dispensed by pharmacies account for around 10 per cent of total healthcare spending here. The report acknowledges that the Department of Health, Social Services and Public Safety and the Health and Social Care (HSC) Board have taken a range of actions to reduce prescribing costs, including the greater use of generic medicines (see Note 2) and providing doctors with more support and guidance.

The HSC Board shows annual GP prescribing efficiency savings of £132 million in the four years to 2013-14. In addition, while the cost of prescribing has fallen by 18 per cent in real terms since 2006, the volume of prescriptions has risen significantly - from 23 million items in 2000 to almost 39 million in 2013. .

While recognising the progress made, the Audit Office report points out that there is scope for further improvements. In particular, it draws attention to variations in the prescribing patterns of local GPs and estimated that, in 2013, potential savings of £19 million could have been realized if all GPs had prescribed as efficiently as those in the average performing practice. Moreover, Mr Donnelly considers that reducing the average by 10 per cent over a three year period could yield savings of £54 million (see Note 3).

The report also compares local prescribing costs with the rest of the UK. While acknowledging that variation in practice and the definition of data may affect the interpretation of such comparisons, it calculated that if the prescribing costs of local GPs had been in line with those in Wales in 2013 there was potential to save up to £73 million (see Note 3).

The report drills below this high level statistic by comparing local prescribing patterns with UK averages for three common types of medicines for stomach acid, cholesterol and depression, along with one analgesic – Pregabalin (see Note 4). This analysis showed that had drugs in these categories been prescribed at cost levels experienced in the rest of the UK, £17 million would have been available for other health services in 2012 and £15 million in 2013.

Pregabalin has cost the prescribing budget more than any other single medicine prescribed by GPs. During 2013, a total of £17 million was spent on the drug, reflecting the fact that GPs here have prescribed it more frequently than other parts of the UK - £9.43 per head of population

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs ON 27 NOVEMBER 2014.

here compared to approximately £4 per head in the rest of the UK (Paragraph 4.32). The HSC Board has set a target to reduce the prescribing of Pregabalin by £1 million during 2014, however, the report's view is that with the assistance of the HSC Board's Medicine Management Advisers, GP practices could move much more quickly to prescribing levels elsewhere in the UK.

Mr Donnelly commented: **“The findings in this report demonstrate the extent to which GPs choosing to prescribe cheaper but just as clinically effective generic medicines can lead to real savings. This is all the more important with demand for prescriptions rising year on year as the population ages and more and better treatments become available. It is important, therefore, that the Department and the HSC Board continue to support cost-effective prescribing to get the most from the significant investment involved.”**

NOTES FOR EDITORS

1. Following new arrangements put in place after 2005, the reimbursement which pharmacy contractors here received for a range of generic medicines (Note 2) was capped in order to release funds for additional patient-focussed pharmaceutical services in the community. Pharmaceutical representatives here contended that, because the information gathering exercise used to cap reimbursement did not extend to Northern Ireland, assurance could not be given that pharmacies here would be fairly remunerated. The Department and pharmacy contractors disagreed over whether, at the end of the first year, the community services provided by pharmacies were sufficient to attract the released savings. The disagreement culminated in a legal challenge by the contractors.
In 2010, a Judicial Review concluded that the continued use of the Scottish Drug Tariff in NI did not meet the statutory obligation to provide fair and reasonable remuneration. A subsequent Judicial Review in 2011 also found in favour of the contractors. The two Judicial Reviews have cost the Department over £550,000. The situation remains unresolved. The Department accepted that its decision to introduce the new arrangements had resulted in lower reimbursement rates for contractors and provided £40 million to contractors in respect of the seven year period to 31 March 2011.
2. Generic drugs are comparable to branded drugs in dosage, strength, route of administration, intended use, quality and performance.
3. The Department has told the NIAO that, in terms of local benchmarking, it does not accept that savings of £54 million are deliverable without further robust analysis. In terms of the cost comparison with other UK countries, the Department's view is that these nationally reported statistics do not compare jurisdictions on a like for like basis and that it would not support the view that costs could be reduced in this way.
4. Pregablin is an analgesic which can have a euphoric effect on patients and cases of abuse and misuse of the drug have been reported.
5. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
6. This report is available from the Stationery Office throughout the United Kingdom. It is also available on the Audit Office website at www.niauditoffice.gov.uk. The report is **embargoed until 00.01 hrs on 27 November 2014.**
7. Background briefing can be obtained from the Audit Office by contacting Sean McKay (028 9025 1075) or Clare Dornan (028 9025 1035).