EXPLANATORY MEMORANDUM TO

THE NATIONAL HEALTH SERVICE (CHARGES FOR DRUGS AND APPLIANCES) (AMENDMENT) REGULATIONS 2021

2021 No. 178

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department of Health and Social Care ("DHSC") 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.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is England.

4.2 The territorial application of this instrument is England.

5. European Convention on Human Rights

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

6. Legislative Context

6.1 Section 172 of the National Health Service Act 2006 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 2021.

7. Policy background

What is being done and why?

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 all prescription charges, including the costs of the 3 month and 12-month Prescription Pre-payment Certificate (PPC). The single prescription charge will increase by 20 pence, to £9.35 per item, which is an increase of 2% (after rounding to the nearest 5 pence) and the cost of PPCs will increase by 2% (after rounding to the nearest 5 pence). The charge for elastic hosiery and wigs will also increase by around 2%. Charges are made for wigs when supplied by hospitals or by other bodies through contracts. The inflation rate used for the increases is a blended inflation rate which takes into account unusual movements in the GDP deflator linked to the pandemic, and in line with Spending Review assumptions. This instrument makes transitional provision in respect of an order for supply given before this instrument comes into force. The basic charge per item and the charges for PPCs are set out in Table 1.

Table 1: Prescription, Prescription Pre-payment Certificate, Fabric Support and Wigs Charges for 2020-21, and the new charges for 2021-22 with effect from 1 April 2021.

	2020-21	**2021-22**	increase in £
Single prescription charge	9.15	**9.35**	0.20
Prescription Pre-payment Certificate (3 month)	29.65	**30.25**	0.60
Prescription Pre-payment Certificate (12 month)	105.90	**108.10**	2.20
Surgical bra	30.05	**30.70**	0.65
Abdominal or spinal support	45.35	**46.30**	0.95
Stock modacrylic wig	74.15	**75.70**	1.55
Partial human hair wig	196.40	**200.50**	4.10
Full bespoke human hair wig	287.20	**293.20**	6.00

7.2 Prescription prepayment certificates are available to everyone. 3-month certificates can be purchased directly from some pharmacists. 3 and 12-month certificates can be purchased from the NHS Business Services Authority, by phone, online or by post. A 12-month prescription prepayment certificate is available to purchase in ten monthly direct debit instalments. Prescription pre-payment certificates will save people money if they need more than four 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.

8. European Union (Withdrawal) Act 2018/Withdrawal of the United Kingdom from the European Union

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act 2018.

9. Consolidation

9.1 The 2015 Regulations were consolidated in 2015, so there are no plans to consolidate these Regulations in the near future, but this will be kept under review.

10. Consultation outcome

10.1 DHSC is not required to consult on the 2015 Regulations.

11. Guidance

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

12. Impact

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

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

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

13. Regulating small business

13.1 This instrument applies to activities that are undertaken by small businesses, including firms employing up to 20 people. As this instrument concerns 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 nation-wide standards and practice in the provision of such services as part of a nationally determined contractual framework.

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

14. Monitoring & review

14.1 Charges for drugs and appliances and other items supplied by the NHS under the 2015 Regulations are monitored by NHS England and DHSC and are reviewed annually. This is to consider what, if any, change in the amounts of such charges should be made.

15. Contact

15.1 Carol Walker at the Department of Health and Social Care, telephone: 0113 2546384 or email: carol.walker@dhsc.gov.uk, can be contacted with any queries regarding this instrument.

15.2 Liz Woodeson, Director, Medicines and Pharmacy, at the Department of Health and Social Care can confirm that this Explanatory Memorandum meets the required standard.

15.3 Matt Hancock at the Department of Health and Social Care can confirm that this Explanatory Memorandum meets the required standard.