EXECUTIVE NOTE

THE NATIONAL HEALTH SERVICE (CHARGES FOR DRUGS AND APPLIANCES) (SCOTLAND) AMENDMENT REGULATIONS 2009 SSI/2009/37

The above instrument was made in exercise of the powers conferred on Scottish ministers by sections 27(1) and (2), 69(1) and (2), 75A, 105(7) and 108(1) of the National Health Service (Scotland) Act 1978. The instrument is subject to negative resolution procedure.

Policy Objectives

The Scottish Government believes that removing the financial barrier of prescription charges will ensure patients are not deterred from obtaining prescribed medication due to cost. This will be of benefit to everyone, particularly people who suffer from chronic health conditions.

The purpose of this instrument is to continue the phased abolition of NHS prescription charges in accordance with the policy of the Scottish Government, which intends to abolish prescription charges completely by April 2011. The first stage of this policy was introduced by The National Health Service (Charges for Drugs and Appliances) (Scotland) Regulations 2008 (SSI 2008/27) and this instrument reduces the charges by amending the amounts in those regulations.

This instrument effects the next stage of the reduction in the per item prescription charge and in the cost of prescription pre-payment certificates (PPCs). Charges for wigs and fabric supports are reduced in line with the prescription charge.

A minor provision is also made to ensure that all medical exemption certificates issued in Wales, Northern Ireland and England can continue to be accepted in Scotland as a form of exemption from charges for people with medical exemption certificates issued under arrangements in each of those countries.

The Prescription Charge

Last year, Scottish Government reduced the pre item prescription charge from £6.85 to £5.00. This instrument further reduces this from £5.00 to £4.00.

Prescription Pre-payment Certificates (PPCs)

Last year, Scottish Government reduced the cost of PPCs by more than 50%. This instrument further reduces these so that the cost of a 4 month PPC is reduced from £17.00 to £13.00 and a 12 month PPC is reduced from £48.00 to £38.00. These cuts will deliver further benefits to people who suffer from chronic health conditions and require more than 3 prescriptions over 4 months or more than 9 in a year.

Charges for Wigs and Fabric Supports

All types of fabric supports and wigs are available on the NHS and this instrument reduces the associated charges in line with other prescription charges. This instrument reduces these charges from £5.00 to £4.00 per item. These items, including human hair wigs, will be supplied where they are prescribed by a hospital physician to meet a patient's clinical need.

Financial Effects

The estimated total costs, taking into account lost income from charges and the potential increased demand on drugs, of continuing to phase-out prescription charges in 2009/10 and 2010/11 can be seen in the table below.

Year	Proposed charge	Estimated total cost
2009/10	£4.00	£24m
2010/11	£3.00	£32m

The amounts included in the spending review for each of these years are £32m and £45m, respectively which offers additional headroom over and above these estimates.

The Scottish Government Health Directorates
February 2009