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DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

David Barclay Esq
Private Secretary
10 Downing Street
LONDON

8 November 1984

Dear David,

RESTRICTIONS ON NHS PRESCRIBING

Following consultation with colleagues, my Secretary of State intends to announce during this afternoon's health debate measures to help restrain growth in the cost to the NHS of certain kinds of drugs.

At present, doctors can - unlike those in most other countries - prescribe any drugs they choose at public expense. The new measures will mean that, for two kinds of drugs, the NHS will in future provide only the cheaper generic alternatives, which will be specified in a 'limited list'. (This should no longer be referred to as a 'grey list' as in earlier correspondence.)

The first group affected are 'household remedies' for minor conditions like coughs and colds, most of which can be brought over the counter without a prescription. The second are tranquilizers and sedatives, where a great many closely - similar brand-name products are prescribed which could be replaced, with no adverse effects for patients, by cheaper generic alternatives.

The proposals do not affect doctors' freedom to prescribe, or patients' rights to request any drug they choose; doctors will still be able to prescribe privately any drug not available under prescription. The medical profession will be consulted on which drugs in the groups concerned should continue to be available.

Attached is a note of key points explaining the changes and the reasons for them, for use as speaking notes if required, together with a list of the brand leaders in the two groups, a copy of the consultation letter and the relevant extract from my Secretary of State's speech.

Copies of this letter and attachments go to Colin Jones (Welsh Office), John Graham (Scottish Office), John Lyon (Norther Ireland Office), Richard Broadbent (Chief Secretary's Office), Elizabeth Hodkinson (DES), Mrs Janet Lewis-Jones (Lord President's Office), Richard Stoate (Lord Chancellor's Office), Charles Marshall (Lord Privy Seal's Office) and Russell Yates (Lord Elton's Office).

Yours sincerely,

Ellen

ELLEN ROBERTS

RESTRICTIONS ON NHS PRESCRIBING

Key points

DRUGS BILL

1. The drugs bill is now £1,400 million a year for FPS in England alone; over the past decade it has grown on average 5 per cent a year in real terms - faster than the economy or NHS resources can support. It must be contained to protect and enable vital NHS developments. Persuasion and education have been tried by every government since the 1950s. They help restrain growth but more positive action is needed. The number of prescriptions issued each year has increased by 100 million in the last twenty-five years and the average cost of the drugs on each prescription has increased fifteen-fold.

2. The number of different drugs prescribed by GPs has risen from under 8,500 to over 17,000 in the last twenty years. We must ask ourselves whether they are all necessary. No other country makes the same unlimited range of products available within its health service. In the Scandinavian countries, so often quoted as examples of good practice in health matters, fewer than 2,500 drugs are available for prescription at public expense. We have at least 18,000. Does the NHS really need to provide so many, particularly when a lot of them are very similar: the "me too" drugs designed to get round patent rights?

OTHERS DO IT

3. Our EEC partners, the major Commonwealth countries, the Nordic group, even eastern European countries all have restrictions on the drugs that will be reimbursed under national health or insurance schemes. We are the only country of any significance that allows doctors to prescribe any drug they choose at public expense; and the only one that supplies 70 per cent of them totally free of charge and the remaining 30 per cent at considerably less than half their true cost. Is there anything unique about doctors or patients in the UK that requires us to continue with a system that other countries including some far richer than ours have discovered they cannot afford? Regrettably, but undoubtedly, not.

HOME REMEDIES

4. The NHS spends £120 million a year on drugs for minor conditions that will clear up by themselves in at most a few days if left alone. These drugs do not cure, they alleviate symptons and minor discomforts. Most people already go to the chemist and buy them over the counter rather than trouble their doctor. Some of these drugs are even available in supermarkets. They are safe, effective, and useful. But they are hardly a matter of life or death. If people want them they will be available from their chemists, almost all without prescription. Reasonable quantities often cost less than the NHS prescription charge.

PRESCRIBING HABITS

5. We hope doctors will think very carefully about whether these less important drugs are necessary for their patients, and whether their provision would be a justifiable use of scarce NHS resources. If they are necessary, then doctors will be able to prescribe from a range of cheap and effective generic drugs. They and their patients will also have the choice of private prescriptions for any drug, whether available through the NHS or not.

SEDATIVES AND TRANQUILLISERS

6. £40 million are spent each year on proprietary sedatives and tranquillisers. Many doctors believe that the volume of prescribing is far higher than is clinically necessary, and there is no question that it has resulted in a bewildering variety of expensive branded products with essentially similar characteristics. I am advised that in normal clinical practice a very small number of generic drugs can replace all the proprietary products now available without any adverse effects for patients and at a considerable saving to the NHS.

THE "ME TOO" SYNDROME

7. The 'home remedies' are obviously the first to be tackled in the attempt to contain the NHS drugs bill. The only surprise is that we have continued to pay for them for so long. The sedatives and tranquillisers have been singled out for action because they contain large numbers of closely related drugs which the manufacturers spend large amounts on developing and promoting and for which we pay high

prices without significantly greater benefits for patients. In future the NHS will supply only a small number of generic tranquillisers which are of proven value and adequate for normal clinical needs. Any manufacturer who wants the business will be able to compete for a share of it on the normal criteria of price, quality and availability.

IS THIS JUST THE FIRST STEP TOWARDS GENERIC SUBSTITUTION FOR ALL DRUGS?

8. No. We have already said that we do not favour wholesale generic substitution. That would place an unjustifiable restriction on doctors' ability to meet the clinical needs of their patients within the coverage of the NHS and would undermine the innovative work of the pharmaceutical industry in this country. But I believe there is a clear distinction between the groups of drugs on which we are acting - drugs which are either of limited importance or are in a group with closely similar effects - and the more important and life-saving drugs where important innovation and research is now being done and will need to be done in the future. What we are doing is to take a sensible and limited step in order to ensure that the health service is using its limited resources wisely.

WHAT ABOUT SPECIAL CASES OR PARTICULAR DRUGS?

9. My advice is that the range of products in these groups which we will be keeping available on the NHS is sufficient to meet all the normal clinical needs for which they are appropriate. But we are consulting the professions precisely to make sure that we do not by accident exclude particular products which are essential to the clinical needs of patients with particular conditions.

CONSTRAINT ON THE CLINICAL FREEDOM OF DOCTORS TO PRESCRIBE?

10. Doctors will continue to be free to prescribe any medicine which is licensed as safe and effective. But, for those drugs which are no longer to be available on the NHS, the prescription will have to be made and dispensed privately.

NOTES FOR EDITORS

Among the proprietary drugs in each of the categories affected by the limited list proposals are:

Tonics	Metatone	Minor analgesics:	Distalgesic
	Effico		Solpadeine
	Labiton		Para Hypon
	Fosfor Tonic		Lobak
	Neuro Phosphate		Equagesic
	Minamino		Calpol
Cough Remedies:	Actifed	Vitamins:	Orovite
	Benylin		BC 500
	Phensedyl		Multivite
	Benylin Codeine		Compliment
	Mucodyne		Gevral
	Dimotapp		Allbee
Antacids:	Asilone	Tranquillisers and Sedatives:	Mogadon
	Altacite Plus		Ativan
	Mucaine		Dalmane
	Polycrol		Tranxene
	Nulacin		Valium
	Maalox		Halcion
Laxatives:	Dorbanex		
	Fybogel		
	Iso-gel		
	Duphalac		
	Normacol		
	Regulan		

These drugs are listed for illustrative purposes only, as being those whose names are most likely to be known to the public.

From:-

To:		From:-
	Central Committee for Hospital Medical Services	CMO
	General Medical Services Committee	"
	Hospital Junior Staffs Committee	"
	Community Medicine Consultative Committee	"
	Joint Consultants Committee	"
	Royal College of General Practitioners	"
	Dental Faculty, RCS	CDO
	Medicines Commission	Mr Hale
	[British Pharmacopoeia Commission	CP]

Dear

LIMITING THE RANGE OF DRUGS PRESCRIBABLE UNDER THE NHS

The Secretary of State [for Social Services] today announced in Parliament the Government's intention to limit from 1 April 1985 the range of drugs available for prescription on the NHS. I am writing to explain the proposals and, on the Secretary of State's behalf, to invite your comments on them.

The number and cost of prescriptions issued under the NHS has increased very substantially in recent years. In 1983 some 334 million prescriptions were dispensed through the Family Practitioner Service in England at a cost of almost £1400 million. This is about 100 million more prescriptions a year than were issued 25 years ago, and the range of drugs prescribed has doubled in the same period from less than 8500 different items to more than 17000.

Many of these increases are fully justified and reflect the enormous therapeutic advances made during the last quarter of a century, but expenditure on the present scale can be maintained only at the expense of other parts of the health service. It is now necessary to consider carefully whether all the drugs being prescribed need to be provided by the NHS and whether there are areas in which sensible economies can be made in the drugs bill without detriment to patients.

The Government has concluded that there are two areas in which it would be right to take action. First, the NHS spends £120 million a year on medicines prescribed mainly for the relief of symptoms caused by minor and self-limiting ailments that do not normally call for medical intervention. Most patients already buy these simple remedies, which include tonics, cough and cold remedies, antacids, laxatives, analgesics for the relief of mild to moderate pain and low dose vitamin preparations over the counter from pharmacies rather than trouble their doctors. A substantial proportion are also obtainable from other retailers, ~~[while one of the prescription only medicines]~~. In reasonable quantities the cost of these drugs is usually less than the prescription charge.

The Government believes it has more important uses for the money it spends on these drugs. It therefore intends to introduce regulations to withdraw most of them from NHS prescription and supply. An adequate range of cheap and effective generic drugs will remain available for those cases where doctors feel that the clinical needs of individual patients genuinely require such medication. Patients who are prescribed generic drugs remaining available will receive them on the same terms as at present; that is for the standard prescription charge or, if they are exempt from charges, absolutely free.

Secondly, the NHS spends £40 million a year on benzodiazepine sedatives and tranquillisers. This group of drugs has expanded dramatically in recent years and includes a large number of expensive proprietory products with essentially similar characteristics and with no significant advantage in normal clinical practice over the small number of generic benzodiazepines. There is also a widespread feeling in the medical profession that prescribing levels for the benzodiazepines are ~~[still]~~ far higher than is clinically justified.

SECRET

The new Regulations will therefore limit the range of benzodiazepine tranquillisers and sedatives available under the NHS to a small number of generic drugs which between them will provide appropriate alternatives to all the proprietory products now available. The Government urges all doctors to review their prescribing habits for this important therapeutic group and invites the medical profession as a whole to consider how it can help achieve the lower levels of prescribing that are generally recognised as being desirable.

The Regulations will relate to the prescribing and dispensing of medicines in the family practitioner services, but the Government will be asking health authorities to apply the same limitations to the use of drugs in hospitals. In all cases it will be open to medical and dental practitioners to issue private prescriptions to NHS patients for drugs no longer available through the NHS.

The Government is committed to the principle of this scheme in order to contain the ever rising drug bill but, as the Secretary of State made clear, it is now our intention to consult carefully with the medical, dental and pharmaceutical professions on the details of its implementation. I attach a provisional list of the drugs it is proposed to leave prescribable under the NHS in each of the therapeutic groups affected and would welcome your views.

The Secretary of State has decided to allow until 31 January 1985 for consultation and I would be grateful for any written comments you wish to make by that date.

Should you require additional information or clarification on any aspects of the scheme please do not hesitate to contact me.

Extract from Secretary of State's speech - 8 November 1984

up in surplus residential accommodation and land can surely be released and ploughed back into developments for patients in the future.

The process of competitive tendering is already producing major savings. There have, as a result of competition, been considerable reductions in the cost of contracts that have stayed in-house - savings of over £100,000 in the case of one domestic contract and of another £100,000 for a laundry contract. So far thirty-four health service contracts let to private contractors will be producing total savings of over £18 million over the next three years. Three individual hospitals have saved over £½ million on cleaning contracts; in one case a reduction of two-thirds on previous costs. And one health authority will be saving £1.4 million a year. All that money is now available for patient care. All that money would be lost to patients if Labour could ever carry out their Conference resolution to end all competition and to ban private contractors.

So value for money is a central objective - value for the taxpayers, but above all value for the patient.

Let me make it clear that the concept of value for money applies to all areas of the health service and - as I said at Brighton four weeks ago - I do not exempt the drugs bill from this process.

It seems to me that at present there are two proper causes of concern. First, there is the cost to the NHS of the drugs bill which now totals nearly £1,400 million: compared with about £250 million ten years ago. And second, there is the concern that we the public are demanding more drugs each year - the result being that doctors are now issuing

more prescriptions each year than they did twenty-five years ago; and prescriptions covering over 17,000 different products, double the range used twenty five years ago.

It is of course true that many of the increases are fully justified. They reflect the enormous medical and pharmaceutical advances made in the last quarter of a century. But that is not true of all the drugs now being prescribed under the National Health Service.

The clearest example is the wide range of branded medicines which are prescribed for minor conditions - like coughs and colds. In most cases these conditions will remedy themselves without medical intervention and the medicines are prescribed for relieving the symptons. By any standards these are the less important drugs. Most of them can be bought over the counter from the local chemist without the need to consult a doctor or obtain a prescription. Many people already buy them in this way. Nevertheless, these branded medicines - tonics, cough and cold remedies, tablets for indigestion or headaches and low dose vitamin pills - are currently costing the health service £120 million a year.

A second group are the tranquillisers and sedatives - some of the branded sleeping pills come into this category. The use of those drugs has expanded dramatically in recent years - many doctors would say too far. Many different brand name products have been introduced which have essentially similar properties and the cost to the NHS is now £40 million a year.

We have already made clear that we do not intend to move over to a policy of indiscriminate generic substitution which would both limit the freedom of the medical profession and have a serious effect on the research-based pharmaceutical industry in Britain. I see no reason, however, why in the two groups I have set out the NHS should not limit itself to providing only the cheaper generic alternatives which are available.

In other words, the patient can still obtain these kind of medicines on prescription from his doctor under the health service, but they will be the cheaper generic alternative. If the patient still wishes to go for a particular brand name then he will have the alternative of buying it over the counter from his local chemist or else asking his doctor to prescribe it privately. This is the kind of system that applies in many other countries already.

Clearly I will need to consult with the professions and the industry on this to ensure that we do not accidentally exclude from NHS use a drug which is essential to the treatment of a particular condition. But I thought it right to tell the House of the outline of these proposals in advance. I shall be issuing a consultation letter later today and my rt hon Friend, the Minister for Health, will be taking the consultation process forward. He will also be opening discussions with the pharmaceutical industry on the implications of the Report of the Review Board on Government Contracts for the Pharmaceutical Price Regulation Scheme. Again our aim will be to contain the costs falling on the NHS.