

REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD – 20 December 2017

Update on Prescribing Costs and Further Actions Suggested

1 Recommendation

It is recommended that the IJB:-

- 1.1 **Note the updated month 7 financial situation regarding prescribing**
- 1.2 **Agree that the Primary Care Prescribing Group implement actions to reduce prescribing costs as outlined in section 3.5**
- 1.3 **Agree to have further update in February 2018 which will include timelines for implementation and improved financial performance**

2 Risk

- 2.1 IJB risk 1 (Sufficiency of resources). The resources available to the Integrated Joint Board will not be sufficient to deliver services according to strategic intentions
- 2.2 If additional measures are not put in place the prescribing budget will continue to further overspend. If this occurs further options for cost savings will be required in addition to the actions suggested
- 2.3 It is acknowledged that as independent contractors, the majority of prescribers are not directly employed by Aberdeenshire Health & Social Care Partnership however the IJB has an expectation that implementing the actions as outlined in section 3.5 will improve financial performance against agreed prescribing budget

3 Background

- 3.1 The Aberdeenshire prescribing budget position is £1,113k overspent at month 7 with a predicted end of year position of £1,811k overspent. This paper seeks to update the impact of key budget drivers used to inform the budget paper presented to the IJB in early 2017, summarise the key financial pressures and influences that have emerged during the year to date and outline the need for difficult decisions to be explored regarding medicines choices.

- 3.2 Early in 2017 the Aberdeenshire IJB received a budget setting paper for prescribing. This paper outlined the key inflationary drivers of the budget for 2017/18 in terms of volume growth, inflation in cost per prescription item, adoption of new drugs coming to market, growth in newer medicines e.g. newer oral anticoagulants (NOACs) and downward pressures in terms of new generic medicines (mainly pregabalin) and planned price decreases for a range of medicines in the Scottish Drug Tariff.
- 3.3 Key issues in terms of the influences on prescribing spend in primary care are as follows:
- Volume growth in year remains volatile but below / in line with predictions
 - Cost per item has risen from £11.32 (April Actuals) to £11.72 (August Actuals).
 - Adoption of new medicines has had a lower impact than originally modelled
 - Savings from pregabalin are vastly below the predicted level in Scotland due to the negotiated price in Scotland creating a potential £1.2M risk in year across NHSG. This compares to a price in line with predictions in England.
 - A range of medicines that are agreed as in short supply in the UK, and for which prices have increased above the normal reimbursement rate for pharmacies, are causing a significant financial pressure in NHSG of £2.3M - £3M.
- 3.4 Whilst work continues to support efficient prescribing through technical efficiencies (swapping one drug for a more cost effective drug), identifying and responding to inexplicable prescribing variation between practices, considering different supply routes for prescription items such as dressings and oral nutritional supplements these actions on their own will not create savings of the magnitude or with the pace required to impact prescribing spend to the degree required, either in year or into 2018/19.
- 3.5 In responding to these pressures the IJB is asked to support the activities of the Primary Care Prescribing Group, a sub-group of the Grampian Medicines Management Group to provide:
- Continued focus on promotion of efficient prescribing / cost effective swaps of one medicine to another.
 - Refreshed prescribing guidance to be launched emphasising good practice.
 - Improved use of performance management data / use of new data to identify prescribing variation



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- A review of provision of medicines with limited evidence of efficacy with a view to ending availability on prescription
- A review of the provision of NHS funded medicines for the treatment / relief of acute, self limiting conditions and the associated balance of self funded care by members of the public. This would include the pharmacy minor ailments provision of medication
- Options whereby the clinical needs of patients might be met from a more restricted choice of treatment options to promote cost efficiency
- A plan for a more effective suite of interventions to reduce waste, particularly in relation to repeat medicines

3.6 The Chief Officer, along with the Chief Finance Officer and the Legal Monitoring Officer within Business Services of the Council have been consulted in the preparation of this report.

4 Equalities, Staffing and Financial Implications

4.1 An equality impact assessment is not required because this is an update as to the financial situation around prescribing with recovery actions that require support to progress.

Dr Chris Allan
Clinical Lead
Aberdeenshire Health and Social Care Partnership

Report prepared by David Pflieger
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