



The prescription charge and other NHS charges

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Section Social Policy Section

The *National Health Service Act 1946*, which set up the NHS, contained a provision that NHS services should be provided free of charge unless that Act expressly provided for a charge.

Over the years amendments to legislation have been made allowing charges for NHS services including prescription, dental and optical charges. There are also charges for facilities not covered by NHS legislation, such as hospital car parking and bed-side telephone and television use in hospitals. There have also been some concerns about the use of premium rate telephone numbers within the NHS.

This note sets out the provisions for prescription and dental charges, which groups are exempt, and explains where charges vary in devolved countries. It additionally covers efforts to reduce prescription wastage.

It also briefly examines the future of NHS charges. In the context of financial pressure on the NHS, there have been proposals to introduce additional charges for services, such as GP appointments.

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1 The history of NHS charges

Although the NHS is founded on the principle of being 'free at the point of use', amendments have been made to the *National Health Service Act 1946* to allow for charging for certain services.

Legislation providing for a prescriptions charge was not passed until the Labour Government's *NHS (Amendment) Act 1949*. This enabled such a charge, and exemptions to it, to be introduced by regulations. Although the power was introduced in 1949, the charge itself was not introduced until 1952, under a Conservative Government. Apart from a period between 1965 and 1968, a prescription charge has continued in England ever since.

From 1952 onwards, charges have been applicable to all types of dental treatment and were extended to include dental examinations in 1989.

Currently, *The National Health Service (Charges for Drugs and Appliances) Amendment Regulations 2011* make provision for prescription charges.

Prescriptions are now free of charge in Scotland, Wales and Northern Ireland. See section 3 for further information.

This note also covers additional charges related to NHS services, including hospital car parking, premium rate phone lines, and charges for television and telephones in hospital. Although there is Government guidance on these charges, they are ultimately decided locally by NHS hospital trusts. Further information is in sections 7 to 9.

1.1 What is the future of NHS charges?

There have been consistent suggestions from a range of stakeholders of extra charges that could be introduced to relieve pressure on the NHS budget.

For example, in October 2014, the Chief Executive of the NHS Confederation, Rob Webster, suggested that patients may have to 'cover their hotel costs for bed and board.' He stated:

If the NHS cannot afford to fund everything, then it will need to make tough choices about what it does fund.¹

At a British Medical Association conference in May 2014, doctors voted against a motion to introduce charges for GP appointments. However, they agreed that "general practice is unsustainable in its current format."² Additionally, a King's Fund report, *A new settlement for health and social care*, explored possibilities for hospital and GP appointment charges.

Any changes to NHS charges would have to be introduced through secondary legislation.

¹ 'NHS funding crisis: Boss warns of £75-a-night charge for a hospital bed', *The Independent* (last accessed 7 October 2014)

² 'GPs vote against charging patients for appointments', *The Guardian*, 22 May 2014

2 Prescription charges in England

The current prescription charge in England is £8.05. In June 2014, the Minister for Care Services, Norman Lamb, states that prescription charges are a valuable source of income in England, and currently raise an estimated £450 million annually, which helps the NHS provides vital services for patients.³

A broad system of exemptions from prescription charges, including for those on low incomes and people with some long-term medical conditions, means that on average 90% of all prescriptions are dispensed free of charge.⁴

Information for constituents on prescription charges are on the NHS Choices websites: [Get help with health costs](#).

2.1 Who is entitled to free prescriptions?

Individuals are entitled to free prescriptions in England if they meet one or more of the following criteria:

- are 60 or over
- are under 16
- are 16-18 and in full-time education
- are pregnant or have had a baby in the previous 12 months and have a valid maternity exemption certificate (MatEx)
- have a specified medical condition and have a valid medical exemption certificate (MedEx)
- have a continuing physical disability that prevents you from going out without help from another person and have a valid MedEx
- hold a valid war pension exemption certificate and the prescription is for your accepted disability
- are an NHS inpatient

Individuals are also entitled to free prescriptions if they or their partner (including civil partners) are named on, or are entitled to, an NHS tax credit exemption certificate or a valid HC2 certificate (full help with health costs), or they receive either:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance, or

³ HC Deb 12 June 2014 c291W

⁴ HC Deb 12 June 2014 c291W

- Pension Credit Guarantee Credit
- Universal Credit

2.2 Medical exemptions

Individuals are exempt from prescription charges if they have one of the medical conditions listed below and hold a valid medical exemption certificate. Medical exemption certificates are given on application to people who have:

- a permanent fistula (for example caecostomy, colostomy, laryngostomy or ileostomy) requiring continuous surgical dressing or requiring an appliance
 - a form of hypoadrenalism (for example Addison's disease) for which specific substitution therapy is essential
 - diabetes insipidus or other forms of hypopituitarism
 - diabetes mellitus, except where treatment is by diet alone
 - hypoparathyroidism
 - myasthenia gravis
 - myxoedema (that is, hypothyroidism requiring thyroid hormone replacement)
 - epilepsy requiring continuous anticonvulsive therapy
 - a continuing physical disability which means the person cannot go out without the help of another person. Temporary disabilities do not count even if they last for several months
- Or are undergoing treatment for cancer:
- including the effects of cancer, or
 - the effects of current or previous cancer treatment

2.3 Calls to extend the list of medical exemptions

The list of medical exemptions from prescription charges was agreed in 1968. The only addition to the list since then was the introduction of cancer in 2009.

A [review](#) in 2008 by the President of the Royal College of Physicians looked at how prescription exemptions might be extended to include all long-term conditions. The Department of Health published his report in May 2010.⁵ The review estimated that exempting people with long-term conditions from prescription charges would cost £430 million annually.

⁵ [Prescription Charges Review: The Gilmore report](#), November 2009

In the Spending Review in 2010, the Coalition Government made clear that no changes would be made to the current list of medical exemptions:

To ensure spending is focused on priorities, some programmes announced by the previous government but not yet implemented will not be taken forward. This includes free prescriptions for people with long term conditions, the right to one-to-one nursing for cancer patients, and the target of a one week wait for cancer diagnostics⁶

There have also been calls from campaigning groups to extend the list of medical exemptions to a broader list of long-term conditions. The Prescription Charges Coalition calls for an end to prescription charges for people with long-term conditions. It recently carried out a [survey](#) into the impact of prescription charges on people with medical conditions, and found that for many people the cost of prescriptions is a barrier to taking medication. The Coalition includes charities such as the British Heart Foundation, Terrence Higgins Trust and the MS Society.

2.4 Getting help with prescription costs

NHS Low Income scheme

If an individual is on a low-income, they may qualify for help with health costs through the [NHS Low Income scheme](#).

Prescription pre-payment certificate

Individuals could also save money through a prescription pre-payment certificate (PPC).

The [NHS Choices website](#) sets out the costs and potential savings:

- A three month PPC costs £29.10 and will save you money if you need four or more items in the three months
- A 12 month PPC costs £104.00 and will save you money if you need more than 13 items in a year

The cost of the three month and annual PPC have been frozen for three years and five years respectively, and will remain frozen in 2015.

Full information on available help with health costs is included on the NHS Choices website – [Get help with health costs](#).

2.5 Universal Credit

Universal Credit is a new benefit that brings together former working-age benefits, replacing income support; income-based jobseekers allowance; income-related employment and support allowance; housing benefits; child tax credit and working tax credit.

Due to the link between some benefits and help with prescription costs, anyone who has received Universal Credit since April 2013, or is awarded it before 31 October 2014, is entitled to help with prescription costs. The full lists of what this includes is on the NHS Choices website – [Universal credit](#).

⁶ HM Treasury, [Spending Review 2010](#), October 2010, page 43

3 Prescription charges in Wales, Scotland and Northern Ireland

3.1 Wales

Prescription charges in Wales were abolished on 1 April 2007. Individuals are entitled to free prescriptions if they are:

- A patient registered with a Welsh GP and you receive your prescription from a Welsh pharmacy
- A Welsh patient who has an English GP and an entitlement card and you receive your prescriptions from a Welsh pharmacy

A [report](#) published in 2010 by the Welsh Assembly Government found that there was no increase in the amount of prescriptions dispensed following the abolition of prescription charges.⁷

3.2 Scotland

Prescription charges in Scotland were gradually reduced since 2007 and abolished on 1 April 2011. People are entitled to free prescriptions if they are:

- A patient registered with a Scottish GP and you receive your prescription from a Scottish pharmacy
- A Scottish patient who has an English GP and an entitlement card and you receive your prescriptions from a Scottish pharmacy

The Scottish Government welcomed the rise in prescriptions for people with long-term conditions as a result of the abolition of charges. In 2013, Alex Neil (SNP), then Health Secretary said:

Latest figures show that since 2007/08, the number of items dispensed for long term conditions such as asthma, crohns disease and diabetes has increased year on year, demonstrating the benefit of removing the barrier of cost.

Since charges were scrapped in 2011, there has been an increase of more than 10,000 items for those with crohns disease and nearly 237,000 items for those with asthma.⁸

In March 2014, the leader of the Scottish Conservatives, Ruth Davidson, said that she would remove free prescription charge to pay fund extra NHS nurses and midwives if they were elected to power in the 2016 Scottish election.⁹

3.3 Northern Ireland

All prescriptions dispensed in Northern Ireland were made free of charge in April 2010.

Prescriptions from other UK countries are also dispensed free of charge at Northern Ireland pharmacies.

⁷ Welsh Assembly Government, [Helping to improve Wales's health: free prescriptions three years on](#), March 2010

⁸ The Scottish Government, [Prescription charges](#) (last accessed 6 October 2014)

⁹ '[Scottish Tory conference: Leader Ruth Davidson would scrap free prescriptions](#)', *BBC*, 16 March 2014 (last accessed 6 October 2014)

Further information can be found on the Northern Ireland Government pages on [prescription charges](#).

4 **Guidance on repeat prescriptions**

It is the responsibility of individual doctors to decide prescribing practices, including repeat prescribing and duration of prescriptions.

Concerns have been raised in the House of Commons about a 28-day prescribing pattern, due to the high cost of monthly prescriptions and inconvenience of regular visits to the doctor. In response, the then Minister for Public Health, Anna Soubry, stated:

My hon. Friend asked why the Government have not introduced more flexible prescribing patterns and moved away from the 28-day prescribing policy. The responsibility for prescribing, including repeat prescriptions and the duration of prescriptions, rests with GPs and other doctors who have the expertise and who rightly take clinical responsibility for that particular aspect of a patient's care. Doctors can prescribe flexibly and take decisions about prescribing patterns on the basis of a patient's need.¹⁰

5 **Prescription wastage**

There are concerns about the high cost to the NHS of medicine wastage. This is due to a number of factors, including the fact that medicine cannot be returned to pharmacies and re-used, prescribing practices, and patients moving in or out of hospital and not bringing their medicine with them.

5.1 **Non-reuse of prescription medication**

Unused medicines cannot be returned to the NHS for reuse. There can be no absolute certainty on the part of a GP surgery or a pharmacist that returned medicines have been stored correctly, even if the packets are still sealed; if not stored correctly, medicines can deteriorate and be unsafe to use.

The same principle applies to some health items, such as bandages which could be contaminated if not stored hygienically, although there may be some medical devices such as crutches that can be reused once cleaned.

Work is ongoing in each UK country to reduce medicine wastage.

5.2 **Reducing prescription wastage in England**

In response to a PQ in November 2011, then Health Minister, Simon Burns, set out the scale, causes and costs of medicine wastage in England:

Christopher Pincher: To ask the Secretary of State for Health if he will estimate the cost to the NHS of the over-prescription of drugs in (a) England, (b) the West Midlands, (c) South Staffordshire Primary Care Trust and (d) Tamworth.

Mr Simon Burns: The Department does not routinely collect data on the annual value of unused prescription medicines for England as a whole or in part.

We commissioned the York Health Economics Consortium and the School of Pharmacy at the University of London to carry out research to determine the scale, causes and costs of waste medicines in England. The report, "Evaluation of the Scale,

¹⁰ [HC Deb 10 July 2013 c515](#)

Causes and Costs of Waste Medicines¹¹, was published by the researchers on 23 November 2010. The report estimated the gross annual cost of unused prescription medicines in national health service primary and community care in 2009 to be in the region of £300 million, of which £150 million was avoidable waste. There are many causes for medicines wastage. Over prescribing of medicines is just one of those causes.¹²

The PQ below from July 2012 sets out the Government's commitment to reduce medicine wastage:

Damian Hinds: To ask the Secretary of State for Health what steps he (a) has taken and (b) plans to take to reduce wastage of drugs.

Mr Simon Burns: Following publication of the research into the scale, causes and cost of waste medicines in England in November 2010, the Department and key interested parties took part in a round table event hosted by the King's Fund in January 2011 to consider practical next steps that could be taken, either nationally or locally, to reduce the amount of waste medicines in the national health service.

There was agreement among all who attended that medicines wastage is a serious issue for the NHS and that action must be taken to tackle avoidable wastage of medicines as well as optimising medicines use to improve health outcomes.

As a result, a steering group to improve the use of medicines and reduce waste was set up last year and tasked with developing an action plan. The group is now finalising its conclusions, which are expected later this year.¹³

In December 2012, the Government published [Improving The Use Of Medicines For Better Outcomes And Reduced Waste: An action plan](#). This set out recommendations to improve prescribing practices and reduce medicine waste, including:

- identifying patients who are on repeat prescriptions and who no longer need the medicines
- improving systems and processes for medicines to accompany patients when transferred between wards and clinical areas in hospital and on discharge
- encouraging patients to bring their own medicines into hospital, for use during their stay
- implementing a national public information campaign raising awareness of how the public can help make the best use of their medicines and reduce waste.

5.3 Reducing prescription wastage in Northern Ireland, Scotland and Wales

In Northern Ireland, the cost of unused medication in the health and social care service is estimated to be £2.5 million per year.¹⁴

The Department for Health Social Services and Public Services (DHSSPS) has introduced a programme to reduce medicine waste. In October 2010, then Health Minister, Michael

¹¹ Evaluation of the Scale, Causes and Costs of Waste Medicines (November 2010), York Health Economics Consortium/The School of Pharmacy, University of London

¹² [HC Deb November 2011 c357W](#)

¹³ [HC Deb 16 July 2012 c599W](#)

¹⁴ BMA, [Dispensed but unopened medications](#) (accessed on 30 September 2014)

McGimpsey, outlined the Government's work to reduce medicine wastage and associated costs:

My Department and the Board are continuing to ensure that any issues of overprescribing and cost are being dealt with. Over the last five years, my Department has delivered some £90m of efficiencies in the prescribing budget and at the same time managed £3 million additional prescriptions in 2009/10."

Continuing the Minister said that during this period the use of generic medicines has increased from 43% to 60% and that is an important way of managing drugs inflation¹⁵

In Wales, more than 250 tons of unused medication is returned to GPs and pharmacies each year, representing an estimated cost of £50million per year.¹⁶

The Welsh Assembly launched a major campaign to reduce medicine wastage in 2010. [Reducing medicines waste](#) set out actions to reduce medicine wastage for Health Boards; GPs and other prescribers; community pharmacies; and hospitals, care homes and hospices.

According to a recent [BMJ article](#), there is no evidence to suggest that the abolition of prescription charges in 2007 has led to an increase in prescribing.

In Scotland, the estimated annual cost of medicine waste is £44 million.¹⁷ The Scottish Productivity and Efficiency Strategic Oversight Group, is working to reduce prescribing waste.¹⁸

6 Dental charges

6.1 Dental charges in England

Full information can be found on the NHS Choice website, [Get help with health costs](#).

Individuals in receipt of the following income-based benefits are exempt from dental charges:

- Income Support
- Income-related Employment and Support Allowance
- Income-based Jobseeker's Allowance
- Pension Credit guarantee credit
- Universal Credit

If an individual is on a low-income, they may qualify for help with health costs through the NHS Low Income scheme.

An individual is able to apply for a refund for NHS treatment through the scheme, if they have already paid.

6.2 Dental charges in Wales

Full information on charges and exemptions is on the [NHS Direct Wales website](#).

¹⁵ <http://www.northernireland.gov.uk/news/news-dhssps/news-dhssps-october-2010/news-dhssps-15102010-statement-on-free.htm>

¹⁶ BMA, [Dispensed but unopened medications](#) (accessed on 30 September 2014)

¹⁷ BMA, [Dispensed but unopened medications](#) (accessed on 30 September 2014)

Individuals are exempt from dental charges if they meet the following criteria:

- Are under 18, or are a full-time student under 19.
- Are expecting a baby, or you have had a baby in the last 12 months.
- Are named on a Tax Credit NHS Exemption Certificate.
- Are named on an NHS HC2 certificate for full help with health costs.

Individuals receiving income-based benefits are also exempt.

6.3 Dental charges in Scotland

The Scottish Government website states that, similar to the policy in England, only income based benefits qualify for automatic help with health costs:

Only Income Support, income-related Employment and Support Allowance, Pension Credit Guarantee Credit or Income-based Job Seeker's Allowance count for automatic help with health costs.¹⁹

6.4 Dental charges in Northern Ireland

Individuals in Northern Ireland are entitled to [free Health Service \(HS\) dental care](#) for most treatments if they:

- Are aged under 18;
- Are aged 18 and in full time education;
- Are pregnant or have borne a child within the 12 months before treatment starts;
- Are an HS in-patient and the treatment is carried out by the hospital dentist;
- Are an HS Hospital Dental Service out-patient;*
- Are a Community Dental Service patient.*

Individuals in receipt of the following income-based benefits are also exempt: Income Support, Employment and Support Allowance (income-related), Income-based Jobseeker's Allowance, or Pension Credit guarantee credit.

7 Hospital parking charges

NHS services are responsible locally for their own car parking policies for patients, visitors and staff.

The Government published new [NHS patient, visitor and staff car parking principles](#) in August 2014, which will lead to new guidelines in early 2015, but are not mandatory. These car parking principles recommend the provision of concessions to groups that need them such as disabled people, frequent outpatient attenders or visitors with relatives who are gravely ill.

In a debate on hospital car parking charges in September 2014, Health Minister, Dr Dan Poulter, stated that:

¹⁹ The Scottish Government, [Help with health costs](#) (last access 2 October 2014)

40% of hospitals that provide car parking do not charge and of those that do, 88% provide concessions to patients.²⁰

Hospital parking charges in Scotland and Wales were abolished in 2008. Three car parks in Scotland, operated under Private Finance Initiative (PFI) contracts still have charges,²¹ and four hospitals in Wales continue to charge, but have been told to abolish charges once contracts with private parking firms end.²² Car parking charges have also been abolished in most hospitals in Northern Ireland, and for those that remain, patients with cancer and other long-term conditions are exempt.²³

8 Hospital TV and telephone charges

Beside television and telephones in hospitals are operated by private providers who charge the patients on a pay per use basis. The charges are set by the providers, and the Government does not issue guidance regarding the amounts charged.

9 Premium NHS telephone rates

The Department of Health issued guidance and directions to NHS bodies in December 2009 on the cost of telephone calls, which prohibit the use of telephone numbers that charge the patient more than the equivalent cost of calling a geographical number to contact the NHS and additional guidance as clarification in February 2012. Further information on this can be found in the [Library Standard Note, Use of non-geographic telephone numbers](#) by the NHS and GPs' practices.

²⁰ [HC Deb 1 September 2014 c89](#)

²¹ The Scottish Government, 'Hospital parking charges', 22 April 2013 [last accessed 17 October 2014]

²² 'Hospital car parking guidance to reduce some charges', *BBC*, 23 August 2014

²³ Car parking charges in the health and social care sector, Northern Ireland Assembly, 28 November 2011