



**REPORT TO:** HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –  
27 JUNE 2018

**REPORT ON:** DUNDEE PRESCRIBING MANAGEMENT POSITION

**REPORT BY:** CHIEF FINANCE OFFICER

**REPORT NO:** DIJB41-2018

## **1.0 PURPOSE OF REPORT**

This report provides an overview to the Integration Joint Board of the prescribing position within Dundee and sets out the plans to meet the challenges associated with prescribing resources.

## **2.0 RECOMMENDATIONS**

It is recommended that the Integration Joint Board (IJB):

- 2.1 Notes the content of the updated position in relation to prescribing activity in Dundee as set out in this report.
- 2.2 Notes the proposed response to the challenging prescribing position as developed through the Tayside wide Prescribing Management Group in addition to the range of local interventions as set out in this report and associated appendices.
- 2.3 Instructs the Chief Finance Officer to reflect the prescribing financial position for consideration by the IJB as part of the final confirmation of the delegated budget to be presented to the August IJB meeting.
- 2.4 Instructs the Chief Finance Officer to provide regular updates to the IJB on the prescribing position throughout 2018/19.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The revised prescribing financial framework for 2018/19 as outlined in Appendix 2 to this report highlights a projected net residual budget shortfall of £415k at the financial year end should all planned interventions be achieved. This is an improvement on the previous projected position presented to the IJB in March 2018 which noted a projected shortfall of £564k. However the achievement of this is reliant on the delivery of a range of efficiencies which are high risk and after applying a risk assessment against these plans, the projected net shortfall could be £712k.
- 3.2 The prescribing position will be reflected in a report in relation to the final confirmation of the delegated budget to be considered by the IJB in August 2018 following receipt of formal notification from Tayside NHS Board of their delegated budget offer.

## **4.0 MAIN TEXT**

### **4.1 Background**

- 4.1.1 The challenges of the GP prescribing budget have consistently been highlighted to the IJB since the Due Diligence process was carried out at the time of formal transfer of operational responsibility of operational budgets to the IJB in 2016. Financial monitoring reports over the previous two years have shown the scale of the financial pressures associated with GP Prescribing and in the absence of a robust, risk assessed plan of interventions, the IJB had

previously decided not to formally accept responsibility for the financial performance of prescribing as part of its delegated budget.

- 4.1.2 In recognition of the developing actions around controlling prescribing activity and spend through the Tayside wide Prescribing Management Group (PMG) in addition to local initiatives developed through the Dundee Medicines Management Group, with further prescribing investment through NHS Tayside to reflect the impact of the national resource allocation methodology (NRAC), Dundee IJB agreed at its meeting on the 30 March 2018 to accept responsibility for the prescribing budget, albeit with a number of caveats as follows:

**Table 1 – March 2018 Dundee GP Prescribing Budget Projections 2018/19**

	£000
<i>Indicative Share of Prescribing Budget (incl additional NRAC allocation)</i>	33,451
<i>2018/19 Anticipated Baseline Spend</i>	35,354
<i>2018/19 Anticipated Growth (inc Price Increases)</i>	515
<i>Anticipated Spend 2018/19</i>	35,869
<i>Less:</i>	
<i>Price Changes / Drugs Off Patent</i>	(1,253)
<i>Tayside Wide Active Interventions</i>	(601)
<i>Revised Anticipated Spend</i>	34,015
<i>Projected Funding Shortfall</i>	564

- the final GP prescribing budget delegated by NHS Tayside is, as a minimum, set at the level noted in Table 1 above (this refers to the overall budget resource and included an assumption that additional funding of £800k through NRAC formula would flow to Dundee);
- the IJB will not be held responsible for any overspends incurred on account of the PMG actions not being delivered at the scale and pace set out in the associated cost reduction plan;
- the IJB will not be responsible for significant changes in price increases (drug tariffs) against those estimated in the prescribing plan.

The IJB would take responsibility for the level of volume growth and the impact of the local interventions as part of the Dundee Medicines Management Plan.

- 4.1.3 This paper provides a further update of actions agreed through NHS Tayside Board to manage prescribing costs and activity, sets out a revised financial framework as developed by PMG and provides an overview of Dundee's approach to managing the prescribing budget.

- 4.1.4 During 2017/18, the number of prescribing items used by the Dundee population reduced slightly from the previous year by 0.29% to just under 2.5m however the average cost per item rose by 2.4% to £12.22. In relation to national benchmarking, the cost per weighted patient indicator is used as a comparison of relative need. The most recent data is shown in the table below:

Excludes Flu Costs & Items	Cost per Weighted Patient		
	2017/18	2016/17	% Growth
<b>Angus HSCP</b>	£206.57	£200.72	2.92%
<b>Dundee HSCP</b>	£181.26	£189.88	-4.54%
<b>Perth &amp; Kinross HSCP</b>	£196.30	£191.32	2.60%
<b>Tayside</b>	£194.82	£195.86	-0.53%
<b>Scotland</b>	£181.63	£179.11	1.40%

- 4.1.5 While caution should be applied when comparing the shift in growth from 2016/17 to 2017/18 due to the impact of changes in the weightings applied under the NRAC formula, the 2017/18 figures highlight that Dundee is on a par with the Scottish average in relation to costs per patient. However, the budget remains under significant pressure with an overspend of £2.6m incurred

in 2017/18 therefore this leads to a conclusion that with activity in line with expectations, it is the level of budgeted resource which is the main contributor to the overspending position. The allocation of further funding through NHS Tayside as part of the NRAC formula change in 2018/19 of £800k is reflected in the Dundee prescribing base budget for 2018/19 and will support reducing this gap further.

- 4.1.6 There is recognition through both PMG and Dundee's Medicines Management Group that significantly more can be done within the local area to further manage prescribing activity and costs. A paper outlining further interventions to the Prescribing budget across Tayside was laid before and accepted by the NHS Tayside Board on the 29 March 2018 by The Director of Pharmacy at NHS Tayside and the Associate Medical Director – Primary Care on behalf of the PMG (see Appendix 1). This identified further prescribing savings across Tayside to close the gap between activity and available resources. It was acknowledged that in order to achieve the level of savings across Tayside to close the prescribing gap, difficult decisions would have to be made, including the cessation of current services or the redirection of specific teams to deliver specific interventions. The NHS Board subsequently agreed to the following

**1) Intervention: Lidocaine Plasters**

NHS Tayside will no longer support the prescribing of lidocaine plasters outwith their license. The rationale for this is due to the lack of published evidence and affordability. If new evidence emerges an application can be made to the Medicine Advisory Group (MAG). Specialist services will be required to undertake a review of all existing patients. This will require assurance that reviews are being completed in primary care in line with formulary guidance.

**Anticipated Financial Savings: Recurring impact up to £100k (Dundee share - £46k)**

**2) Intervention: Diabetes**

Diabetes Managed Clinical Network to focus on the development, delivery and evaluation of a diabetes prescribing strategy that will deliver health gain whilst reducing prescribing costs. The resultant pathway will invest in non-drug restrictive diet options for type 2 diabetes over pharmaceutical options in light of published evidence to support this more cost effective option which produces better reductions in HBA1c and also the determination of alternatives to prescribing e.g. exercise, weight management.

**Anticipated Financial Savings: Recurring impact up to £150k (Dundee share – n/a)**

**3) Intervention: Liothyronine**

NHS Tayside will not support the endorsement of any new patients commencing on liothyronine. The rationale for this is due to lack of published Randomised Controlled Trial (RCT) evidence and affordability. Liothyronine will be removed from Tayside Area Formulary. An urgent review to be undertaken of those patients currently prescribed Liothyronine with a view to discontinuation wherever possible. If new RCT/meta analysis evidence emerges, an application can be made to MAG if required.

**Anticipated Financial Savings: Recurring impact up to £300k (Dundee share - £77k)**

**4) Intervention: Pregabalin**

Tayside NHS Board agreement that only the branded generic version of Pregabalin which is at variance to current Scottish Government advice is prescribed within NHS Tayside.

**Anticipated Financial Savings: Recurring impact of up to £1.5m (Dundee share - £786k)**

**5) Intervention: Mental Health Prescribing**

Tayside NHS Board agreement that mental health prescribing will be reduced to come within the bottom quartile within Scotland. Mental Health prescribing to be reviewed against the British National Formulary subchapters on antidepressants and antipsychotics. The aim being to deliver safe and effective care whilst reducing prescribing costs.

**Anticipated Financial Savings: Recurring impact of up to £100k (Dundee share – n/a in 18/19)**

**6) Intervention: Cessation of Non-routine Primary Care Prescriptions**

Tayside NHS Board endorsement of the recommendations of the NHS England document "Items which should not be routinely prescribed in primary care: Guidance for CCGs" [Clinical Commissioning Groups].

**Anticipated Financial Savings: Recurring impact up to £300k (Dundee share – to be confirmed)**

## 7) Intervention: Intervention: Homeopathy

Tayside NHS Board agreement to cease prescribing homeopathy products within Tayside.

**Anticipated Financial Savings: Recurring impact up to £30k but subsequently amended to £10k (Dundee share - £2k in 18/19)**

- 4.1.7 There is a high degree of risk associated with these changes which require strong system wide clinical and organisational support and leadership if they are to be delivered at the required scale and pace. Progress in delivering these interventions will be closely monitored through PMG with further scrutiny and actions delivered through the Dundee Medicines Management Group. As noted above, the most significant opportunity for cost reduction is through the use of the branded generic version of Pregabalin and this has already seen a reduction in price in line with the plan therefore is anticipated to deliver the required cost savings. Further savings have also been seen through the wider PMG workplan in relation to edoxaban with a further workstream adopted by PMG in relation to the prescribing of non medicines (eg baby milk, catheters).
- 4.1.8 The impact of these planned changes in addition to applying the most up to date information available in relation to the impact of price changes, drugs off patent and the progress of other prescribing interventions have been factored in to a revised financial framework prepared by PMG, summarised below and shown in detail at Appendix 2.

Table 2 – Revised Dundee Projected Prescribing Position 2018/19

	<i>Assuming all interventions delivered as planned</i>	<i>Risk Assessed Interventions</i>
	<i>£000</i>	<i>£000</i>
<i>Share of Prescribing Budget (incl additional NRAC allocation)</i>	33,223	33,223
<i>2018/19 Anticipated Baseline Spend</i>	35,354	35,354
<i>2018/19 Anticipated Growth (inc Price Increases)</i>	515	515
<i>Anticipated Spend 2018/19</i>	35,869	35,869
<i>Less:</i>		
<i>Price Changes / Drugs Off Patent</i>	(683)	(628)
<i>Tayside Wide Active Interventions</i>	(449)	(353)
<i>Share of Additional High Risk Savings Plans</i>	(1,099)	(952)
<i>Revised Anticipated Spend</i>	33,638	33,935
<i>Projected Funding Shortfall</i>	415	712

- 4.1.9 The revised projected outturn shows an improved prescribing position for Dundee assuming that all the interventions outlined in the PMG plan are delivered in full. However, given the range of high risk interventions as outlined in 4.1.7 of this report, a risk assessed version, outlining the likelihood of delivery of the interventions highlights that this shortfall could increase to £712k. A range of local initiatives to the value of £200k will also be progressed within Dundee under the direction of the Dundee Medicines Management Group to further reduce the prescribing shortfall in 2018/19. The Chief Finance Officer will continue to bring regular financial monitoring information, including prescribing to the IJB meetings for information and scrutiny.
- 4.1.10 The new General Medical Services (GMS) contract will see a significant investment in a Practice based pharmacotherapy service that will see considerable augmentation of the local Practice team over the next three years. While the intent of this service is to ease pressures in primary care it is likely to make some impact on rationalising patient medication and offers an opportunity to improve the quality and safety of prescribing.

4.1.11 Reports regarding variation in medicines use by practice and cluster are being locally and regionally developed to assist in similarly improving safety, quality and efficiency within primary care prescribing.

## 5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment. There are no major issues.

## 6.0 RISK ASSESSMENT

<b>Risk 1 Description</b>	There is a significant risk that the range of interventions to reduce prescribing spend are not delivered as anticipated and that projected price changes and growth are higher than predicted.
<b>Risk Category</b>	Financial
<b>Inherent Risk Level</b>	Likelihood 4 x Impact 4 = Risk Scoring 16 (which is Extreme Risk Level)
<b>Mitigating Actions</b> (including timescales and resources )	The range of interventions will be closely monitored through PMG and Dundee MMG to identify problems and associated solutions for delivery of efficiencies.
<b>Residual Risk Level</b>	Likelihood 3 x Impact 4 = Risk Scoring 12 (which is a High Risk Level)
<b>Planned Risk Level</b>	Likelihood 3 x Impact 3 = Risk Scoring 9 (which is a High Risk Level)
<b>Approval recommendation</b>	While the inherent risk levels are extreme, the impact of the planned actions reduce the risk and should be accepted.

## 7.0 CONSULTATIONS

The Chief Officer, Clinical Director and the Clerk were consulted in the preparation of this report.

## 8.0 BACKGROUND PAPERS

None.

## 9.0 DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working)(Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to:	
	1. No Direction Required	✓
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

Dave Berry  
Chief Finance Officer

DATE: 11 June 2018

David Shaw  
Clinical Director

<b>HSCP Planned Prescribing Expenditure Profile 2018/19 - DUNDEE IJB</b>			
	2017/18 (Sept-Nov)	2018/19	Value of Risk Assessed Interventions
	£k	£k	£k
Baseline Spend	35354	35869	<b>35869</b>
Cumulative Growth Effect (£k)		515	
<i>Volume</i>		<b>0</b>	
<i>Price</i>		<b>354</b>	
<i>Short Supply</i>		<b>-354</b>	
<i>Margin Sharing</i>		<b>515</b>	
Cumulative Growth Effect (%)		101.46%	
<b><u>Passive Interventions</u></b>			
<b><u>Price Changes / Switch</u></b>			
Prescribing for Chronic pain - Lidocaine (LOW RISK)		28	0
Rosuvastatin (future tariff change)		245	245
Inhaled Medicines Class		21	15
Xaggatin		81	81
Tiotropium		14	14
Emollients		72	72
<b>Total</b>		<b>460</b>	<b>428</b>
<b><u>Drugs Off Patent</u></b>			
Bimatoprost		10	5
Ezetimibe		25	12
Ivabradine		10	5
Tadalafil		178	178
<b>Total</b>		<b>223</b>	<b>201</b>
<b><u>Total Passive Changes</u></b>		<b>683</b>	<b>628</b>
<b><u>Active Interventions Changes</u></b>			
Alogliptin		12	12
Melatonin		22	22
ONS		191	96
Stoma		27	27
Doacs - Edoxaban		196	196
<b>Total</b>		<b>449</b>	<b>353</b>

<b>HIGH RISK SAVINGS PLANS</b>			
Lidocaine		46	23
DOACs		35	17
Liothyronine		77	39
Pregabalin		786	786
Homeopathy		2	1
Vitamin D		14	7
Revise managed Repeats		98	49
Wound Care & Catheters (logistics saving)		41	31
<b>Total</b>		<b>1099</b>	<b>952</b>
<b><u>Total Active Intervention Changes</u></b>		<b>1547</b>	<b>1305</b>
<b>Grand Total Changes</b>		<b>2231</b>	<b>1934</b>
<b>Revised Planned Expenditure</b>		<b>33638</b>	<b>33935</b>
<b>Share of Tayside Funding</b>		<b>33223</b>	<b>33223</b>
<b>Likely Shortfall/Surplus</b>		<b>415</b>	<b>712</b>
		<b>1%</b>	<b>2%</b>



Please note any items relating to Board business are embargoed and should not be made public until after the meeting



BOARD38/2018  
Tayside NHS Board  
29 March 2018

## INTERVENTIONS TO FURTHER ADDRESS THE PRESCRIBING FINANCIAL GAP FOR 2018/19

### 1. SITUATION AND BACKGROUND

Following financial planning discussions members of Prescribing Management Group (PMG) were directed to consider further interventions to deliver additional prescribing savings within primary care.

It should be noted that in the development of the current prescribing plan for 2018/19 Pharmacy colleagues from NHS Tayside have developed and continue to lead a virtual prescribing support network across all North Boards allowing for shared prescribing intelligence; publishing a medicines budget forecasting paper. This has allowed for early sight of all North Boards efficiency saving plans, increasing our rigour in development of our local plans.

This report details a series of interventions that requires Tayside NHS Board direction, support, and agreement to move forward with implementation.

Accountability for the delivery of this programme will sit with the NHS Tayside's Chief Operating Officer, Integration Joint Board Chief Officers, Associate Medical Directors and IJB Clinical Directors.

### 2. ASSESSMENT

The following is an extract of additional interventions brought forward by the PMG, and comprises seven interventions that will require tough decisions to be made. This may mean the cessation of a current service or the redirection of teams to deliver specific interventions, within challenging timelines.

Without tough decisions being made, previous experience has demonstrated that no progress will be made in relation to the interventions detailed in this report. The potential full year effect on the NHS Tayside budget for all of the additional interventions described by PMG equate to **£3.025m**.

It is important to recognise the limited workforce and clinical capacity to deliver these initiatives. In particular pharmacy teams will be at capacity to address the identified initiatives to deliver the existing £4.5m savings target. The Board are asked to note the importance of not losing focus on the identified savings initiatives to deliver the £4.5m. It is therefore critical that the Board supports the need for additional resources and recognises the need for clinical staff to commit to this challenging programme.

Due to the timescales to bring forward the recommended interventions Tayside NHS Board are advised that these have not been developed in consultation with clinical teams, however the list of

interventions has been developed with a cohort of PMG members. Tayside NHS Board are asked to acknowledge the fact that the interventions will not be delivered without strong system wide clinical and organisational support and leadership.

For each secondary care intervention listed it is recommended that a leadership team work with the clinical areas and agree an escalation process and timescale for prompt delivery.

An executive oversight group will be established and will comprise of directors and a clinical reference panel consisting of IJB clinical directors, associate medical directors and/or lead clinicians and representatives of the associate nurse directors and/or senior nurse management.

The following table details the interventions which require the Board's agreement to progress. These will yield savings of **£2.58m**.

1.	Intervention: Lidocaine Plasters	<p>NHS Tayside will no longer support the prescribing of lidocaine plasters outwith their license.</p> <p>The rationale for this is due to the lack of published evidence and affordability. If new evidence emerges an application can be made to the Medicine Advisory Group (MAG).</p> <p>Specialist services will be required to undertake a review of all existing patients.</p> <p>This will require assurance that reviews are being completed in primary care in line with formulary guidance.</p>	Recurring impact up to <b>£100K</b>
Decision		<p>Tayside NHS Board agreement to the cessation of prescribing Lidocaine plasters.</p> <p>Supporting action:</p> <ul style="list-style-type: none"> <li>• Medical Director/ Chair of PMG and Area Drugs and Therapeutic Committee to cascade guidance across all prescribers informing them of Tayside NHS Board's prescribing position not to prescribe Lidocaine plasters.</li> <li>• Clinical engagement to ensure review of pain pathway.</li> <li>• Clinical directors to put in place a process ensure reviews are being completed in primary care in line with formulary guidance.</li> <li>• This specialist pain service to ensure all current patients are reviewed in primary care.</li> </ul>	
2.	Intervention: Diabetes	<p>Diabetes Managed Clinical Network to focus on the development, delivery and evaluation of a diabetes prescribing strategy that will deliver health gain whilst reducing prescribing costs.</p> <p>The resultant pathway will invest in non-drug restrictive diet options for type 2 diabetes over pharmaceutical options in light of published evidence to support this more cost</p>	Recurring impact up to <b>£150K</b>

		effective option which produces better reductions in HBA1c and also the determination of alternatives to prescribing e.g. exercise, weight management.	
	Decision	Tayside NHS Board agreement to the development of a diabetes prescribing strategy by the Diabetes MCN.  Supporting action: <ul style="list-style-type: none"> <li>Diabetes MCN to lead the development of this strategy. The strategy to be available for delivery by June 2018 along with an implementation and resource plan.</li> </ul>	
3.	Intervention: Liothyronine	NHS Tayside will not support the endorsement of any new patients commencing on liothyronine.  The rationale for this is due to lack of published Randomised Controlled Trial (RCT) evidence and affordability.  Liothyronine will be removed from Tayside Area Formulary.  An urgent review to be undertaken of those patients currently prescribed Liothyronine with a view to discontinuation wherever possible.  If new RCT/meta analysis evidence emerges, an application can be made to MAG if required.	Recurring impact up to <b>£300K</b>
	Decision	Tayside NHS Board agreement that all prescribing is transferred back to secondary care and patients reviewed by 1 June 2018. As a consequence of this no future prescribing of liothyronine within primary care.  Board support for the release of 30 clinical sessions to undertake this work.  Supporting action: Engagement with medical staff in secondary care to ensure all patients are reviewed by secondary care clinicians.	
4.	Intervention: Pregabalin	Tayside NHS Board agreement that only the branded generic version of Pregabalin which is at variance to current Scottish Government advice is prescribed within NHS Tayside. Please see the SBAR at Appendix 1 for further information.  This will be delivered through existing resources.	Recurring impact up to <b>£1.5m</b>

	Decision	Tayside NHS Board agreement to move to branded generic prescribing for Pregabalin.	
5.	Intervention: Mental Health Prescribing	Tayside NHS Board agreement that mental health prescribing will be reduced to come within the bottom quartile within Scotland.  Mental Health prescribing to be reviewed against the British National Formulary subchapters on antidepressants and antipsychotics. The aim being to deliver safe and effective care whilst reducing prescribing costs.	Recurring impact up to <b>£100K</b>
	Decision	Tayside NHS Board requirement that mental health prescribing is contained within the terms of reference of the Mental Health Priority Improvement Programme.	
6.	Intervention: Cessation of non routine primary care prescriptions	Tayside NHS Board endorsement of the recommendations of the NHS England document " <i>Items which should not be routinely prescribed in primary care: Guidance for CCGs</i> " [Clinical Commissioning Groups].	Recurring impact up to <b>£300K</b>
	Decision	Tayside NHS Board endorsement for implementation within NHS Tayside of the recommendations of the NHS England document " <i>Items which should not be routinely prescribed in primary care: Guidance for CCGs</i> " [Clinical Commissioning Groups].  Supporting action: <ul style="list-style-type: none"> <li>• Medical Director to highlight the importance of accepting the recommendations that have been developed by the clinical community and to ensure the benefit of ScriptSwitch is being realised across Tayside.</li> <li>• Strengthening the monitoring of prescribing to ensure the guidance is adhered to.</li> </ul>	
7.	Intervention: Homeopathy	Tayside NHS Board agreement to cease prescribing homeopathy products within Tayside.	Recurring impact up to <b>£30K</b>
	Decision	Tayside NHS Board agreement to cease prescribing homeopathy products within Tayside.	

### **3. RECOMMENDATIONS**

Tayside NHS Board is asked to confirm its support and agreement to take forward the implementation of the seven interventions detailed in the table above, noting the accountability for the delivery of this programme will sit with the NHS Tayside's Chief Operating Officer, Integration Joint Board Chief Officers, Associate Medical Directors and IJB Clinical Directors.

In taking this action Tayside NHS Board is asked to note the following:

- The establishment of an Executive Oversight Group.
- A leadership group will be formed for each secondary care intervention
- The risks associated with the actions required to deliver these savings.
- The importance of engagement.
- Support a whole system approach to realise the benefits from these interventions.

**Ms F Rooney**  
**Director of Pharmacy**

**Dr M Watts**  
**Associate Medical Director – Primary Care**

**March 2018**

## ADDRESSING THE ELEVATED PREGABALIN DRUG TARIFF PRICE WITHIN NHS SCOTLAND

### 1. Situation and Background

Following increased pressure on the costs associated with FHS prescribing we want to raise concerns at the current drug tariff price of pregabalin and the unfavourable affect this is having on NHS Tayside.

The Lyrica® brand of pregabalin came off patent in July 2017(secondary patent for neuropathic pain). The Drug Tariff price for pregabalin was reduced by 30% in Scotland, but **reduced by greater than 90% in England**; resulting in different prices within the UK. NHS Boards had factored savings of the level seen in England in to their financial plans for 2017/18 and beyond, resulting in shortfalls in delivery of savings.

Part7 of the Scottish Drug Tariff is part of the Community Pharmacy Contract and the efficient Purchasing and Prescribing Programme for contractors. The Scottish Government (SG) have issued guidance to Boards to prescribe generically where possible to protect this scheme. The Scottish Government agreed following representations from Community Pharmacy Scotland (CPS) to artificially maintain an increased tariff price in Scotland. CPS argued that dropping the tariff price too quickly could destabilise Community Pharmacy payments under their contract. SG agreed to move at a slower pace towards market rates with the tariff.

### 3. Assessment

As a consequence of the decision by SG, the lost financial opportunity for NHS Tayside during 2017/18 has been **£2.4m**.

There is now increased pressure to prescribe the 'branded generic' which could deliver savings of up to £2m for NHS Tayside. Primary Care prescribing for a "branded generic" would mean Community Pharmacies being reimbursed for the specified product, rather than the artificially elevated Drug Tariff price for pregabalin.

The use of branded generics has a series of risks:

If there was a general move by Boards away from using generic pregabalin reimbursed at tariff price to branded prescribing this would lead to a shortfall in the funding SG has promised as part of the financial package to CPS.

2. At present there is some degree of transparency about the excess Boards are paying through this process, if pregabalin was switched to branded generic and SG decided to offset the savings then this could be spread over a range of products, making monitoring much more difficult, and with more variable impact by Board depending on the mix of products chosen and local usage patterns, once again by trying to "play the system" and continually try to undermine these increased costs SG would have to continually change the mix of products with increased prices leading to even more difficulty in tracing the costs .

3. If all Boards moved to branded generics there could be issues maintaining supply chain, with greater exposure to shortages.

4. There is no guarantee that the chosen brand would maintain a price that is below tariff, leading to the potential to have to switch patients again in a matter of months

5. The potential reputational damage to patient/clinician confidence, clinical/organisational confidence etc with continual switching may undermine the ability to progress future pieces of work

Prescribing variation aside, if Health Boards are being challenged to reduce costs, it would seem prudent that NHS Scotland reimburses at the same rate as NHS England, allowing health boards to realise the current missed opportunity.

#### **4. Recommendations**

NHS Tayside recommends parity of tariff price with the English Drug Tariff for pregabalin be sought as a matter of urgency to minimise the risk of Boards taking short term actions to mitigate the price differential.