



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 25 MAY 2023

SUBJECT: PRIMARY CARE PRESCRIBING BUDGET FOR 2023-24

BY: LEAD PHARMACIST

1. REASON FOR REPORT

- 1.1 To inform the Board of the predicted prescribing budget resource requirements for 2023-2024, alongside key drivers of growth.
- 1.2 To inform the Board of mitigations regarding costs.

2. RECOMMENDATION

- 2.1. **It is recommended that the Moray Integration Joint Board (MIJB) consider and note:**
 - i) **the recommendations made in this paper regarding volume, costs, risks and the net predicted need for a budget resource of £20,414,000, as part of the overall Health and Social Care Partnership (HSCP) budget setting process for 2023-24;**
 - ii) **efficiency savings of £400,000, detailed in para 5.7, takes the net budget from £20,414,000 to £20,014,000**
 - iii) **the estimated budget requirements; and**
 - iv) **mitigations regarding cost efficiencies.**

3. BACKGROUND

- 3.1 Current forecasting indicates that Moray will end the 2022-23 year with a prescribing deficit of -£1,190,000, which will be further affected by identified factors and estimates for these factors.
- 3.2 Resource assessment for prescribing has been undertaken for 2023-24. This was done using the approach adopted in previous years, which estimates growth in volume and spend in the coming year, and also offsets these with generic savings and approved efficiency plans. The key themes and data presented here are taken from the more comprehensive 'Health and Social Care Prescribing Budget Supporting Information and Data for 2023/2024', which has been scrutinised and approved by the multidisciplinary / cross sector Grampian Area Drug and Therapeutics Committee (GADTC) and NHS Grampian Primary Care Prescribing Group.
- 4.3 A breakdown of the components of the requested budget for 2023-24 is provided in **Appendix 1**.

- 4.4 During 2022-23, there have been variations in prescription volume still related to COVID-19 impact. Covid continues to have a significant effect on prescribing within the changed patient pathways. Volume growth for 2023-24 is still highly variable due to multiple factors, including changes in volumes and treatments, and post-Covid variation in operating levels across Primary and Secondary care.
- 4.5 Following Grampian's increasing trend over time, the number of items and cost trends per financial quarter show an increase, as does the cost per item (detailed in **Appendix 2**).
- 4.6 A growing and ageing population demographic: NRS figures for mid-2021 showed an increase of 700 people (+0.72%), with 22% of Moray population now over age 65. Mitigation is to offer Primary and Secondary prevention and adopt Realistic Medicine approaches to care.
- 4.7 Scottish Drug Tariff Pricing and Medicine Shortages: Volatility within pricing of several widely used medications means that prices are likely to remain high in 2023-24.
- 4.8 Generic costs are being affected by rebalancing Community Pharmacy payment, and national changes regarding remuneration as a consequence of the Pharmaceutical Price Recommendation Scheme. Generic shortages also continue to be a significant problem. Some examples of generic medication shortages that have had significant cost increases are Alendronic acid (70mg) tablets with price rising from £0.85 to £11.99 at peak, and Temazepam (20mg) tablets rising from £1.18 to £34.93 at peak.
- 4.9 Antibiotic costs have also increased due to shortages driving pricing during an increased incidence of Group A Strep in December 2022. Shortages cannot be predicted or mitigated for.
- 4.10 Many new medicines and new indications for existing medicationa, as well as changes to existing medications, are likely to have a financial impact. Examples are:

Direct Oral Anticoagulants (DOACs)

- 4.11 Due to the availability of a reversal agent, Apixaban is now the DOAC of choice, with Rivaroxaban as a second choice. This move from the use of Edoxaban represents an increase in cost per patient. In addition, greater patient acceptability has meant there is a continuing increase in prescribing of DOACs and over 70% of patients on anticoagulation are on a DOAC rather than the more cost-effective option, Warfarin (detailed in **Appendix 3**).

Sodium Glucose Co-Transporter (SGLT2) Inhibitors

- 4.12 Extension of licence to include chronic heart failure and chronic kidney disease has accelerated the growth in prescribing of these agents; it is expected that SGLT2 prescribing in Grampian will cost approximately £2million in 2023-24 (detailed in **Appendix 4**).
- 4.13 Mental Health Prescribing such as:

Antidepressant Medication

- 4.14 The graph in **Appendix 5** shows a continually increasing trend in antidepressant items prescribed and this is expected to continue, owing to the economic downturn and lasting Covid effects. In addition there is volatility due to SDT pricing e.g. in 2022, Fluoxetine (28 tablet) cost was £0.90 in April, £1.80 in July, £1.60 September, then £1.25 in December.

Attention Deficit Hyperactivity Disorder (ADHD)

- 4.15 There remains a steady increase in prescribing items and costs in the last 5 years, together with an increase in prescribing for younger adult age groups (detailed in **Appendix 6**).
- 4.16 A number of new licenced melatonin products with higher costs than previously unlicensed preparations represent a significant financial burden, with an additional £58,000 required on top of existing Grampian costs already approaching £250,000 (detailed in **Appendix 7**).
- 4.17 Buvidal® Injectable Prolonged Release Buprenorphine (i-PRB): Buvidal® in place of methadone offers a choice for patients and the advantages in use particularly are: stabilisation of treatment, reduced risk of diversion, reduced pharmacy attendance, and reduced drop-out or treatment failure. It is predicted that in Moray we will require an extra £50,337 in 2023-24 for this change of treatment.

Continuous glucose monitoring

- 4.18 Following evolved technology, blood glucose measurement has changed in the management of Diabetes (Type 1 and Type 2) over the next 24 months. Use of continuous glucose monitoring has been successful, and the Grampian Diabetes Specialist Service intend to expand the use of Freestyle LIBRE to an additional 900 patients at a cost of £819,000 (detailed in **Appendix 8**).

Hormone Replacement Therapy (HRT)

- 4.19 Prescribing of HRT medication items increased 156% from 2021 to 2022 (detailed in Appendix 9). This increasing trend may be due to increased awareness and also Scottish Governments Women's Health Plan. It is anticipated that the upward trend of patient numbers and prescribing costs will continue and is estimated to cost £2,525,121 in Grampian.

5 KEY MATTERS RELEVANT TO RECOMMENDATION

- 5.1 The following are the main financial risks:
- 5.2 There is a risk in that the future prices for generic medicines, and associated reimbursement levels set within the Scottish Drug tariff, remain difficult to predict. The Scottish Government has committed to rebalancing Community Pharmacy contractor payments by reducing the emphasis on margin share and moving these payments to within the guaranteed global sum.
- 5.3 The global supply chain remains fragile. Shortages in supply continue to be a significant problem for Community Pharmacy with the most recent examples including a wide range of medicines for a variety of conditions. Such shortages can lead to unpredictability in the cost per item during the year.
- 5.4 The growth in consumption of medicines had been stabilising. Anecdotally this

has been linked to the end of Quality and Outcomes Framework (QOF) pressure to prescribe preventative medication, strengthened approaches to medication review and associated reductions in polypharmacy. The variations in volume since 2020 are related to COVID-19 and changes in patient behaviours, as well as changes in capacity within Primary Care. Repeat prescribing increase has continued, however acute prescribing and outpatient/medication requests are variable corresponding to service provision and patient flow.

- 5.5 In terms of Primary Care rebates, the system that provides the NHS in Scotland with post-use discounts on spend on specific medicines has remained generally stable, but there remains a risk that these rebates may change or are removed. N.B. these discounts accrue to the individual Health and Social Care Partnerships (HSCPs) based on spend.
- 5.6 Sustained and increased pressures within GP practices and expectation of workload by pharmacotherapy teams has reduced time availability for medicines management cost efficiency work.
- 5.7 At the March meeting of the MIJB, efficiency savings of £400,000 were approved to be achieved.

6 SUMMARY OF RISK MITIGATION

Patent Expiry

- 6.1 On expiry of a drug patent, increasing competition can drive down market prices where there are alternative manufacturers.
- 6.2 One example is Sitagliptin, where cost will potentially be reduced to 80%, yielding a potential £112,320 saving if we ensure we are prescribing appropriately.

Prescribing Cost Efficiencies and Cost Avoidance

- 6.3 The Moray Pharmacotherapy Team are delivering several cost efficiencies. An actionable tracker (in line with Grampian Primary Care Prescribing Group) holds some drug therapeutic switches, and staff annotate work when completed. This work is challenging in terms of workforce capacity and workload pressures.

Spend to Save Initiative

- 6.4 Opportunities remain to achieve cost savings focused work, but this does require Clinician input as well as Pharmacy Technician input. Recent targeted cost efficiency work was carried out by Moray Pharmacy Technicians on 20 medication, and this realised measurable savings of £21,021 per annum.

Scriptswitch

- 6.5 This is a communication tool providing electronic advice messages to the prescriber. We continually review these messages to ensure that Scriptswitch underpins and delivers many cost saving initiatives. This can be in the form of a targeted therapeutic drug switch, reducing waste by dose optimising, as well as safety alerts.

Generic Savings Work

- 6.6 On our actionable tracker, we include the Practice Generic Savings Quarterly Report and all teams are given details on medications not prescribed generically and the costs involved. The teams are requested to review and annotate changes made.

Extraordinary Prescribing Report

- 6.7 Moray Pharmacotherapy Team Management check reports and request copies of prescriptions in order to identify where pricing and reimbursement overpayments may require to be claimed. This can be from specials medications or normal prescribing. Time capacity prevents much of this work, however in January to September 2022, the team claimed back £17,448.

Tighter Control of Specials Items

- 6.8 Automatic authorisation of specials items £100 or less has now been removed.

The Grampian Formulary

- 6.9 A Grampian Formulary tool is installed in all Moray GP Practices to steer the appropriate cost-effective prescribing choices.

6.10 Further Efficiencies

Regarding the £400,000 efficiencies to be realised, a further spend to save initiative could be considered to allow further cost savings.

7 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022 – 2032”

As set out within Moray’s Integration Scheme.

(b) Policy and Legal

There are no policy or legal implications arising from this report.

(c) Financial implications

Primary Care prescribing remains a material financial risk area and this paper identifies the anticipated requirements for additional investment. This is described in **Appendix 1**.

(d) Risk Implications and Mitigation

There is a risk of financial failure; the risk is that demand for medicines outstrips the budget and the MIJB cannot deliver priorities, statutory work, and therefore project an overspend. Risk will be mitigated by actions set out in this report to manage the budget, but the key financial risks are highlighted above.

(e) Staffing Implications

There is a risk of Pharmacotherapy time capacity implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic implications arising from this report.

(h) Climate Change and Biodiversity Impacts

None arising directly from this report.

(i) Directions

None arising directly from this report.

(j) Consultations

Consultations have been undertaken with the following partnership members, who are in agreement with the content of this report where it relates to their area of responsibility:

Chief Officer, Health and Social Care Moray
Lead Pharmacist, Health and Social Care Moray
Interim Chief Financial Officer, Moray Integrated Joint Board
Tracey Sutherland, Committee Services Officer

8 CONCLUSION

- 8.1 This report recommends the MIJB consider the volume, costs, risks and the net predicted need for budget resource of £20,414,000, as part of the overall HSCP budget setting process for 2023-24;**
- 8.2 Efficiency savings of £400,000 were approved for 2023/24.**
- 8.3 Mitigations are detailed in paragraph 6, which addresses some rising costs.**

Author of Report: Christine Thomson, Moray HSCP Lead Pharmacist

Background Papers:

- Health and Social Care Prescribing Budget Supporting Information and Data for 2022-2023
- NHS Grampian Pharmacy & Medicines Directorate, Grampian Area Drug & Therapeutics Committee & Finance Directorate.
- BNF Sep 2022
- Pharmaceutical Journal
- NHS Inform
- SP3A The Impact of Covid on GP Prescribing
- Scottish Drug Tariff
- www.cps.scot/nhs-services/remuneration/drug-tariff/adjusted-prices

Ref: