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**REPORT TO: MORAY INTEGRATION JOINT BOARD CLINICAL AND CARE GOVERNANCE COMMITTEE ON 28 MARCH 2024**

**SUBJECT: PRIMARY CARE PRESCRIBING BUDGET FOR 2024-25**

**BY: LEAD PHARMACIST, HEALTH AND SOCIAL CARE MORAY**

**1. REASON FOR REPORT**

1.1 To inform the Committee of the predicted prescribing budget resource requirements for 2024-2025, alongside key drivers of growth and mitigations regarding costs.

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee consider and note:**

- (i) the recommendations made in this paper regarding volume, costs, risks and the net predicted need for a budget resource of £23,799m, as part of the overall Health and Social Care Partnership budget setting process for 2024-25;**
- (ii) the estimated budget requirements; and**
- (iii) mitigations regarding cost efficiencies.**

**3. BACKGROUND**

3.1 Current forecasting indicates that Moray will end the 2023-24 year with a prescribing deficit of -£3,703,000 which will be further affected by identified factors and estimates for these factors. Historic limited budget uplifts have resulted in significant historic overspends.

3.2 **Appendix 1** highlights a trend of increasing void between actual budget and actual spend.

3.3 There has been unprecedented growth in items and costs across all boards in Scotland (**Appendix 2**). This has been further impacted also by the increase in acute prescription requests by patients. There are wide ranging factors affecting performance.

3.4 Resource assessment for prescribing has been undertaken for 2024-25. 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 2024/2025', 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.

- 3.5 A breakdown of the components of the Moray requested budget for 2024-25 is provided in **Appendix 3**.
- 3.6 A growing and ageing population demographic has had an effect on prescribing volumes and subsequent costs:
- (i) NRS figures for mid-2021 showed an increase of 700 people (+0.72%), and 2023 figures now show that 22% of Moray population are now over age 65 which carries much higher cost per patient (**Appendix 4**). Mitigation is to offer Primary and Secondary prevention and adopt Realistic Medicine approaches to care.
- 3.7 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. Pre-Covid Grampian annual growth of prescription items was steady at 1% but 2022/23 growth exceeded this at 4.4% items with 6.6 % costs. In 2023/24 we have unprecedented growth in items and costs. Many drivers of growth are out with our HSCP control.
- 3.8 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 5**).
- 3.9 The need for sustainable and environmentally friendly prescribing is a consideration.

#### **4. KEY MATTERS RELEVANT TO RECOMMENDATION**

##### **The following are the main financial risks:**

- 4.1 Scottish Drug Tariff Pricing and Medicine Shortages: Volatility within pricing of several widely used medications means that prices are likely to remain high in 2024-25.
- 4.2 There is a risk in that the future prices for generic medicines, and associated reimbursement levels set within the Scottish Drug tariff, remain high and 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.
- 4.3 Generic shortages arise from increase in demand, lack of active ingredient, quality control and manufacturing delay, etc. These result in more costly prescribing e.g. more expensive sometimes unlicensed medication choices, as well as impacting pharmacy admin and clinician time required.

- 4.4 The global supply chain of medication remaining fragile continues to be a significant sourcing problem for Community Pharmacy within a wide range of medicines for a variety of conditions. Such shortages can lead to unpredictability in the cost per item during the year.
- 4.5 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 partially related to COVID-19 and changes in patient behaviours, as well as changes in capacity within Primary Care. Repeat prescribing increase has continued, and acute prescribing and outpatient/medication requests are variable corresponding to service provision and patient flow.
- 4.6 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.
- 4.7 Sustained and increased pressures within GP practices and expectation of workload by Pharmacotherapy teams to deliver Pharmacotherapy Memorandum of Understanding (MOU) work has reduced time availability for medicines management cost efficiency work by Pharmacists and GPs.
- 4.8 National/international research, change to evidence based guidance or change to government policy. Many new medicines and new indications/licensing change for existing medications, from new protocols, are likely to have a significant clinical and subsequent financial impact e.g. HRT/Testosterone treatment in women and Attention Deficit Hyperactivity Disorder (ADHD ) treatment in adults. **Appendix 6** highlights examples of medicines predicted to cause impact of an additional £4.3m in Grampian. The list is not exhaustive and difficult to predict.
- 4.9 Changes in delivery of local services and patient pathways, some following COVID, have the potential to affect medicine use e.g. transfer of prescribing from secondary care to primary care has a financial impact.
- 4.10 Extended hospital procedure waiting lists also requires extended prescribing time while patients are on the waiting list.
- 4.11 In addition, **Appendix 7** lists medicines with unknown financial impact in the near future.

## **5. SUMMARY OF RISK MITIGATION**

### **Patent Expiry**

- 5.1 On expiry of a drug patent, increasing competition can drive down market prices where there are alternative manufacturers. On patent expiry there is also opportunity to review the preparation prescribed and change to generic or more cost effective drug.

## **Prescribing Cost Efficiencies and Cost Avoidance**

- 5.2 There is an urgent need and opportunity to deliver several cost efficiencies. An actionable tracker (in line with Grampian Primary Care Prescribing Group) holds some drug therapeutic switches, and other appropriate cost efficiency work for the pharmacy team to complete. Moray Pharmacotherapy staff annotate work when completed. This work has been challenging in terms of workforce capacity and workload pressures. We aim to deliver measurable efficiencies but would require protected “invest to save” in this area. Grampian Medicines Management support us in this area also. Appendix 8 details a summary of some work which could be delivered.

## **Spend to Save Initiative**

- 5.3 Opportunities remain to achieve considerable cost savings by increased dedicated focused work if we allocated capacity. As well as therapeutic switches prescribing of items of low clinical value could be looked at. This does require some Clinician input as well as Pharmacy Technician input. Recent targeted cost efficiency drug therapeutic switches work was carried out by a Moray Pharmacy Technician on 20 medications, and this realised measurable savings of £21,606 per annum on therapeutic switches from 35 hours of Technician time with additional Pharmacist support.
- 5.4 A Grampian primary care prescribing efficiencies agreement has been put in place with the aim of medication review interventions which will involve drug therapeutic switches and generic switches. There will be 3 levels of work stream and GPs have been identified as suitable to sign up to do level 3 aspects. The plan may be that pharmacy technicians will be identified to enable level 1 and 2 work.

## **Scriptswitch**

- 5.5 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. In 3 months Moray generates approximately £48,215 savings via Scriptswitch, as well as influencing prescribing for future.

## **Generic Savings Work**

- 5.6 On our actionable tracker, we include work from the Practice Generic Savings Quarterly Report, and all teams are given details on medications not prescribed generically and the costs involved, although admittedly this is less than previous impact. The teams are requested to review and annotate changes made.

## **Extraordinary Prescribing Report**

- 5.7 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 more recently prevents much of this work, however in 2022, we claimed back £23,545 via pricing recovery.

- Tighter Control of Specials Items**
- 5.8 Automatic authorisation of specials items of £100 or less has now been removed to allow more scrutiny of the specials prescribing and payments.

- Medicine Care and Review – Serial Prescribing**
- 5.9 Use of this serial prescription service, and now also in care homes, has the potential to reduce wastage as prescriptions are issued at correct intervals, which prevents any unnecessary stock piling.

- The Grampian Formulary**
- 5.10 A Grampian Formulary tool is installed in all Moray GP Practices to steer the appropriate cost-effective prescribing choices. There remains opportunity to identify and amend non formulary prescribing.

## **6. 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 3.
- (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**  
There are positive benefits to environment included in some therapeutic switches where inhalers are changed to lower Global Warming Potential impact devices.

**(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 Financial Officer, Moray Integration Joint Board
- GP Clinical Leads, Health and Social Care Moray
- Clinical and Care Governance Group

**7. CONCLUSION**

**7.1 Committee are asked to consider the recommendations made in this paper with regard to volume, costs, risks and the net predicted need for budget resource of £23,799m, as part of the overall HSCP budget setting process for 2024-25 and taking into account new and existing cost pressures and historic overspends.**

**7.2 Also consider mitigations to address some rising costs.**

**Author of Report:** Christine Thomson, Moray HSCP Lead Pharmacist

**Background Papers:** with author

**References:**

- Health and Social Care Prescribing Budget Supporting Information and Data for 2024-2025
- NHS Grampian Pharmacy & Medicines Directorate, Grampian Area Drug & Therapeutics Committee & Finance Directorate.
- BNF Sep 2023
- 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](http://www.cps.scot/nhs-services/remuneration/drug-tariff/adjusted-prices)
- NRS council profiles accessed at <https://www.nrscotland.gov.uk>