



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 31 MARCH 2022

SUBJECT: PRIMARY CARE PRESCRIBING BUDGET REQUIREMENTS FOR 2022-2023

BY: LEAD PHARMACIST

1. REASON FOR REPORT

1.1. To inform the Board of the predicted prescribing budget resource requirements for 2022-2023 alongside key drivers of growth.

2. RECOMMENDATION

2.1 It is recommended that the Moray Integration Joint Board (MIJB) consider and note:

- i) the recommendations made in this paper with regard to volume, costs, risks and the net predicted need for budget resource of £19.259m as part of the overall health and social care partnership budget setting process for 2022-23; and**
- ii) the estimated budget requirements;**

3. BACKGROUND

3.1. Current forecasting indicates Moray will end the 2021-22 year with a prescribing deficit which will be further affected by identified factors and their estimates.

3.2. Resource assessment for prescribing has been undertaken for 2022-23 using the approach adopted in previous years, which estimates growth in volume and spend in the coming year and 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 2022/2023' 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. A breakdown of the components of the requested budget for 2022-23 is

provided in **Appendix 1** at tables A, B and C.

- 3.3. Cost per patient per quarter is rising and is higher in Moray at £49.19 than £44.12 in Grampian. **Graph 1, Appendix 1.**
- 3.4. During 2021-22 there have been variations in prescription volume related to COVID-19 impact. Covid continues to have significant effect on prescribing within changed patient pathways. Volume growth for 2022-23 is still highly variable due to multiple factors including changes in volumes and treatment as a result of COVID-19 and reflect variation in operating levels across primary and secondary care e.g. outpatient medication and acute requests have reduced.
- 3.5. Previous years showed some consistency in cost per item. Since COVID-19 cost per item remains unpredictable due to drug shortages and changes in treatments e.g. Warfarin changed to DOAC (novel oral anticoagulant treatment) although a generally increasing trend since pandemic, Moray cost per item in sept 2021 was well controlled at £10.97 per item. This compares with £11.05 one year previously and with £11.53 in Grampian (**Graph 2, Appendix 1**).
- 3.6. Following Grampian increasing trend over time, number of items per patient per financial quarter sits higher at 4.48 in Moray compared with 3.83 in Grampian. This is expected to remain variable during ongoing pandemic. (**Graph 3, Appendix 1**)
- 3.7. Generic costs are being affected by rebalancing community pharmacy payment, and national changes re remuneration as a consequence of Pharmaceutical Price Recommendation Scheme. Generic shortages also continue to be a significant problem. Some examples of generic medication shortages which have had significant cost increases are metformin oral solution cost increased from £5.91 to £40.48, sulfasalazine cost increased from £8.53 to £31.99.
- 3.8. **Consortium Scottish Medicines Approval.** It is expected that a small number of new medicines identified could have a significant financial impact on primary care e.g. SGLT2 (sodium-glucose co-transporter- 2 inhibitor diabetic medication) drug class empagliflozin and dapagliflozin in treatment of diabetes based new indications of cardiovascular and renal comorbidity. These new indications of medication are likely to significantly affect costs due to increased usage (**Graph 4, Appendix 1**). Other new medications and devices still to reach steady usage levels are DOACs and Freestyle Libre.
- 3.9. Use of Direct Oral Acting Anti Coagulants (DOACS) treatment in place of warfarin has increased. Since COVID-19 DOACs monthly items increased by 24% at a 33% cost increase of £20,873 **every** month in Moray in 2020-21. There is still growth in this area and patients will remain on the DOAC treatment as therapeutic switching reduced the need for intervention. A change in licensing and formulary from edoxaban to apixaban for new patients now costs an additional £237 per patient per year (50% increase). This will be continually monitored.
- 3.10. Since 2020 we have seen the increased use of FreeStyle Libre (**Graph 5**

Appendix 1). The Diabetes Managed Clinical Network (MCN) are this year recommending to extend provision to further diabetes patients at an anticipated 26% cost increase. It is now anticipated that 60-70 % of type 1 diabetic patients as well as 700 type 2 insulin diabetic patients in Grampian would be eligible for Freestyle Libre therefore anticipating that costs will rise to £400,000 in 2022/23 in Moray which equates to a 77% increase.

- 3.11. Buvidal® Injectable prolonged release buprenorphine (i-PRB) Buvidal® was added to NHS Grampian's formulary in 202 re: advantages of use particularly during custodial sentence. Scottish Drug Death Task Force is focusing on optimising access, choice and support for patients with an initial focus is on opioid dependent patients. This has potential to impact on the overall number of patients engaged in treatment and in the first instance alter the number and proportion of methadone, buprenorphine oral and buprenorphine injectable products prescribed. The roll out of this intervention has implications for the 2022/2023 drug budget.
- 3.12. Lack of prescribing initiatives as locally enhanced contracts. Reduced GMS contract support re medication management cost efficiency savings adversely affected, added to Covid pandemic time capacity with GP practices work presents a potential risk to finance as capacity to pursue savings, with GP practice teams work focused on essential care. Transition to Pharmacotherapy has recommenced cost efficiency work and aims to be similar to pre pandemic levels.
- 3.13. During pandemic factors to be considered are: Early/Additional medication ordering, an increase in serial prescriptions, changes to drug use locally driven by new evidence/guidance and changes to patient pathways and choices of medication. In addition an increase in non-medical prescribing impacts number of prescribed items.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

Main Financial Risks

- 4.1. The risk 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.
- 4.2 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 (see examples in 3.6). Such shortages can lead to unpredictability in the cost per item during the year.
- 4.3 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 in 2021/22 are related to COVID-19 and changes in patient behavior, as well as changes in capacity within primary care. Repeat prescribing increase has continued: however acute prescribing, outpatient/medication requests had

reduced corresponding to service provision and patient flow.

- 4.4 Diminution in the new General Medical Services (GMS) contract support for medicines management activities focused on the cost effective use of medicines and the transition to pharmacotherapy services between now and 2023 present a significant potential risk to finance as capacity to pursue cost effective prescribing diminishes.
- 4.5 Primary care rebates, the system that provides the NHS in Scotland with post use discounts on spend for specific medicines, has remained generally stable but there remains a risk that these rebates change or are removed. N.B. These discounts accrue to the individual Health and Social Care Partnerships (HSCPs) based on spend.
- 4.6 The introduction of new medicines/new treatment modalities has resource implications above and beyond the costs of just the medicine. A number of newer medicines and devices already on the market that have yet to ~~at~~ their steady state usage; DOAC (novel oral anticoagulant medication) and the flash glucose monitoring device- FreeStyle Libre are examples. Other medication with new licenses of use collectively present financial risk when they reach full prescribing potential e.g. SGLT2 inhibitors (**Graph 4, Appendix 1**).
- 4.7 There has been a steady increase in prescribing of medication in the management of Attention Deficit Hyperactivity Disorder (ADHD) since 2018 amounting to 30% increase in Grampian with an increase in use within adult population (**see Graph 6, Appendix 1**).
- 4.8 Serial prescribing availability has increased to over 20% of registered Moray patients. As well as increasing availability of medication to the patient this has a stabilising effect on volume and costs as medication is provided at preset regular intervals, preventing over ordering and wastage.
- 4.9 Significant expansion of Pharmacy First and Pharmacy First Plus supports GP practices with a steady increase in items prescribed within the community pharmacy. Although a small proportion of items and cost, this service is likely to continue to grow. The potential effects of this expanded service must be recognised and should be considered a budgetary risk that has not been fully quantified.

Summary of Risk Mitigation

- 4.10 Reinstate Cost Effective Review of prescribing led by pharmacotherapy workforce.
- 4.11 Swift chasing of any overpricing bureau errors by lead technician.
- 4.12 Regular review of High Value Items Report by lead technician then forwarded to pharmacotherapy pharmacists for investigation.
- 4.13 Regular review of Generic Savings Report by the pharmacotherapy team for potential savings.
- 4.14 Tighter control of Specials items with automatic authorisation of items £100 or

less now removed.

- 4.15 Therapeutic equivalent drug switches are now recommended in line with priorities at the Grampian Primary Care Prescribing Group (GPCPG).
- 4.16 A Grampian formulary tool is installed in all Moray practices to steer appropriate cost effective prescribing choices.
- 4.17 Medication reviews by GPs and Polypharmacy reviews by Pharmacists which had lapsed during pandemic are reinstated by pharmacotherapy staff.

5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Moray Partners in Care 2019 – 2029”**

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**. It should be noted that this correlates within the budget setting report on today’s agenda. The core budget for prescribing is £17.178 million with an additional budget pressure provided for of £0.813 million. £0.35 million relates to Community Hospitals and is included within the relevant budget heading. The remaining predicted need will be met through management of the recurring underspend position within health services.

(d) **Risk Implications and Mitigation**

There is a risk of financial failure; that demand for medicines outstrips 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 are no workforce 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 from this report.

(i) Consultations

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

- Lead Pharmacist, Health and Social Care Moray
- Chief Financial Officer, MIJB
- Sean Coady, Head of Service HSCM
- Dr Lewis Walker, Primary Care Clinical Lead HSCM
- David Pfleger, Director of Pharmacy
- Corporate Manager, HSCM
- Tracey Sutherland, Committee Services Office, Moray Council

6. CONCLUSION

6.1 This report recommends the MIJB:

- **consider the recommendations made in this paper with regard to volume, costs, risks and the net predicted need for budget resource of £19.023m as part of the overall HSCP budget setting process for 2022-23.**

References:

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,

Pharmaceutical Journal,

NHS Inform,

SP3A The Impact of Covid on GP Prescribing

Sep 2020, Scottish Drug Tariff.

www.cps.scot/nhs-services/remuneration/drug-tariff/adjusted-prices

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Background Papers: with author