Factsheet: Impact of regional variation in prescription durations

Summary

Regional variation in prescription duration can directly impact the local viability of pharmacy businesses, because a significant portion of pharmacy income comes from a dispensing fee per prescription item. Longer prescriptions (e.g., 3 months) mean fewer dispensing events, leading to a substantial decrease in income for community pharmacies compared to shorter (e.g., 28-day) prescriptions.

However, because the pharmacy global sum is a fixed amount, the overall impact for the NHS is no change to community pharmacy spending. If fewer prescriptions are dispensed overall because of extended durations, the value of the single activity fee will be adjusted upwards to ensure that the global sum is fully delivered.

The upshot of this is that regional extension of prescription durations would damage viability of local businesses, putting access to pharmaceutical services at risk for local patients, while not achieving any saving for the NHS.

Impact on Pharmacy Businesses

- **Increased Stock Holding:** Longer prescription durations often require pharmacies to dispense larger quantities of medicines per item. This leads to higher inventory levels, tying up working capital and increasing storage requirements. Managing larger stock volumes can strain cash flow, raise the risk of wastage due to expiry, and require more space and staff time for stock control. For smaller pharmacies, this can significantly amplify operational and financial pressures.

- **Reduced Dispensing Fees**: The primary financial impact is the loss of income from the Single Activity Fee (SAF) and other dispensing-related reimbursements paid by the NHS for each item dispensed.

- **Funding Shortfall**: Widespread adoption of longer prescriptions without a corresponding adjustment to the pharmacy funding model would substantially reduce local pharmacy income, exacerbating existing financial pressures during a current funding shortfall. An independent economic analysis in England identified a funding gap of approximately £2 billion in 2023/24, with nearly all pharmacies operating below their full economic cost.

- **Operational Strain and Closures**: The financial strain from reduced income impacts the ability of pharmacies to cover high operating costs, retain staff, and invest in services, potentially leading to reduced opening hours or even permanent closures.

Other impacts

- **Missed Contact Opportunities:** Longer prescription durations reduce the frequency of patient visits to their local pharmacy. This means fewer opportunities for pharmacists to provide face-to-face advice, medication reviews, and early interventions for adherence or side effects. These interactions are often critical for patient safety and improving health outcomes, particularly for those on complex regimens or with chronic conditions.

- **Increase in Medicine Waste:** When patients receive larger quantities of medicines, the likelihood of changes in therapy, discontinuation, or adverse reactions before the supply is finished increases. This can lead to significant waste of unused medicines, which not only represents a financial loss for the NHS but also raises environmental concerns due to disposal issues.

Case for national change

There are sometimes calls from research institutes or policymakers for NHS England to issue national guidance for longer prescriptions due to potential overall system savings, but this would require significant structural changes to enable, it is not something that could or should be regionally implemented in a disjointed or fragmentary manner.

Any changes to prescription durations would need to be implemented uniformly and nationally rather than regionally for many reasons, such as the need for legal and regulatory consistency, patient safety considerations across geographic areas, to avoid market instability and shortage issues, and to ensure continuity in funding and business viability for pharmacy contractors.