# Exploring the impact of dispensing practicing on equity in NHS payments to general practices

General practices serving the most deprived populations receive less funding per weighted patient than those serving the least deprived (cite/link to our previous work). Here we explore the key driver behind the inequality in funding. Overall, the inequality general practice funding is driven by a high distribution of dispensing practices in more affluent areas.

Across all practices, those in the most deprived 20% received £182 per weighted patient in 2023, compared to £166 for those in the least deprived 20% - a gap of £16. When we exclude all dispensing practices from this analysis, the gap is only £1. The gap in payments to dispensing practices is much larger (£32), but this is partly because there are only 6 dispensing practices covering the most deprived 20%.

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What are dispensing practices?

Dispensing practices are practices where “at the patient's request dispensing doctors are allowed to dispense the medicines they prescribe for these patients” - [DDA](https://www.dispensingdoctor.org/dispensing-practice/)

In 2023, there were 944 dispensing covering 9,505,878 patients and 5,537 non-dispensing practices covering 52,628,766 patients in England (dispensing status unknown for 188 practices).

Dispensing practices tend to be in more affluent areas: 41% of dispensing practices serve patients in the least deprived quintile and 35% serve those in the second least deprived quintile, whereas less than 1% cover the most deprived quintile.

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Another way of looking at this is that in 2023, prescribing fees constituted a larger percentage of total payments for more affluent practices (13%) than less affluent ones (2%).

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73% of all dispensing practices are in rural areas, which also tend to be more affluent.

How do payments differ between dispensing and non-dispensing practices?

Dispensing and non-dispensing practices receive reimbursement for the drugs they use. For dispensing practices, Prescribing payments constitute 27.5% of total payments for dispensing practices, but only 2.8% for non-dispensing practices.

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| --- | --- | --- | --- |
|  | **Prescribing Total** | **Total Payments Received** | **% Total** |
| **All dispensing practices** | £624,955,508 | £2,271,781,436 | 27.5 |
| **All non-dispensing practices** | £245,295,453 | £8,662,251,845 | 2.8 |

Are there differences in patient outcomes or GP salaries?

In 2023, 79.2% of patients described their overall experience with dispensing practices as ‘Good’ versus 71.6% of patients of non-dispensing practices. We do not know how much is because the practice dispenses, which is more convenient for patients, and how much of this a general pattern that practices in more affluent areas tend to have higher patient satisfaction (see more [here](https://www.heec.co.uk/resource/what-does-the-latest-gp-patient-survey-tell-us-about-socio-economic-inequalities-in-general-practice/)).

In terms of salaries, in 2022, the average income before tax for partners of dispensing practices was £163,400, versus £151,200 for non-dispensing partners, according to the [GP Earnings and Expenses estimates](https://digital.nhs.uk/data-and-information/publications/statistical/gp-earnings-and-expenses-estimates).

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Does the number of dispensing practices vary by ICB?

Some ICBs have far more dispensing practices than others, and subsequently receive more of their total payments from prescribing.

Lincolnshire ICB has the largest proportion of practices that are dispensing, with 55 out of 85 (65%). Conversely, metropolitan ICBs - such as those in London, Birmingham and Manchester - have 0 dispensing practices.

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| --- | --- | --- | --- | --- | --- |
| ICB Name | Number of practices | Number of dispensing practices | (% total) practices that are dispensing | Prescribing payments / Total payments (%) | Average payment per patient |
| Lincolnshire | 85 | 55 | 65 | 27 | 212 |
| Cornwall and the Isles of Scilly | 57 | 36 | 63 | 21 | 221 |
| Norfolk and Waveney | 106 | 61 | 58 | 22 | 246 |
| Suffolk and North East Essex | 93 | 50 | 54 | 18 | 189 |
| Cambridgeshire and Peterborough | 88 | 41 | 47 | 14 | 203 |
| Humber and North Yorkshire | 186 | 75 | 40 | 16 | 195 |
| Herefordshire and Worcestershire | 80 | 31 | 39 | 20 | 184 |
| Gloucestershire | 74 | 28 | 38 | 12 | 202 |
| Shropshire, Telford and Wrekin | 51 | 18 | 35 | 15 | 203 |
| Somerset | 64 | 20 | 31 | 13 | 194 |
| Northamptonshire | 71 | 22 | 31 | 11 | 202 |
| Bath and North East Somerset, Swindon and Wiltshire | 91 | 28 | 31 | 13 | 170 |
| Buckinghamshire, Oxfordshire and Berkshire West | 163 | 44 | 27 | 12 | 153 |
| Devon | 123 | 31 | 25 | 11 | 197 |
| Kent and Medway | 203 | 50 | 25 | 10 | 203 |
| Dorset | 80 | 17 | 21 | 11 | 191 |
| Bedfordshire, Luton and Milton Keynes | 99 | 20 | 20 | 7 | 192 |
| Coventry and Warwickshire | 120 | 23 | 19 | 11 | 185 |
| Staffordshire and Stoke-on-Trent | 146 | 26 | 18 | 8 | 166 |
| Mid and South Essex | 152 | 27 | 18 | 8 | 170 |
| Sussex | 171 | 28 | 16 | 9 | 186 |
| Derby and Derbyshire | 118 | 17 | 14 | 7 | 180 |
| Leicester, Leicestershire and Rutland | 134 | 19 | 14 | 8 | 174 |
| Hampshire and Isle of Wight | 157 | 22 | 14 | 7 | 161 |
| North East and North Cumbria | 367 | 50 | 14 | 6 | 167 |
| Hertfordshire and West Essex | 142 | 18 | 13 | 7 | 155 |
| Lancashire and South Cumbria | 205 | 20 | 10 | 6 | 169 |
| Nottingham and Nottinghamshire | 135 | 13 | 10 | 7 | 173 |
| Surrey Heartlands | 104 | 9 | 9 | 7 | 171 |
| Frimley | 78 | 5 | 6 | 4 | 187 |
| South Yorkshire | 178 | 11 | 6 | 4 | 156 |
| Bristol, North Somerset and South Gloucestershire | 80 | 4 | 5 | 5 | 162 |
| West Yorkshire | 282 | 12 | 4 | 4 | 184 |
| Cheshire and Merseyside | 367 | 12 | 3 | 4 | 173 |
| Black Country | 190 | 1 | 1 | 3 | 155 |
| Birmingham and Solihull | 195 | 0 | 0 | 2 | 181 |
| Greater Manchester | 426 | 0 | 0 | 2 | 164 |
| North Central London | 192 | 0 | 0 | 1 | 160 |
| North East London | 281 | 0 | 0 | 1 | 171 |
| North West London | 351 | 0 | 0 | 2 | 163 |
| South East London | 202 | 0 | 0 | 2 | 172 |
| South West London | 182 | 0 | 0 | 3 | 154 |