# Exploring the impact of prescribing costs on equity in NHS payments to practices

**What is a dispensing practice?**

“Dispensing doctors are general practitioners (GPs) who provide primary healthcare to around 9.9 million rural patients. Almost 3.5 million of these patients live remotely from a community pharmacy; at the patient's request dispensing doctors are allowed to dispense the medicines they prescribe for these patients.

Only certain patients are eligible to receive dispensing services from a dispensing doctor; in total, around 7% of all prescription items are dispensed by doctors.

The unique benefits of the dispensing doctor service are that it provides access to medicines and general healthcare under one roof.” - [DDA](https://www.dispensingdoctor.org/dispensing-practice/)

“Every month dispensing doctors bundle up their prescriptions and submit them to the pricing authority in order to receive reimbursement for dispensing those medicines and devices. This is a vital part of the work of a dispensing practice and if they get it wrong it can cost them a lot of money in lost income.” – [Greg Bull](https://www.linkedin.com/pulse/do-you-understand-dispensing-doctor-greg-bull/)

Descriptive statistics about dispensing practices:

* There are 2 types of practices: dispensing and non-dispensing (944 and 5,537 respectively in 2023; 188 unknown).
  + IMD
    - Dispensing practices are heavily skewed towards more affluent areas, with 40% of dispensing practices serving patients in the least deprived quintile.
  + Rurality?

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Funding:

State overall disparity

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* In 2015, the difference was £16
* In 2023, the difference was still £16

State disparity in prescribing payments

* In 2015, the difference was £19.6
* In 2023, the difference was still £19.2

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* We see that removing dispensing practices from the analysis reduces the inequity in funding

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Description automatically generated with medium confidenceExplain how prescribing payments drive disparity and describe what prescribing payments are for

* There are 3 types of prescribing payments:
  + Dispensing Fee Payments: fees for items dispensed by dispensing doctor practices.
  + Reimbursement of Drugs Payments: payments to reimburse them for the cost of the drugs.
  + Prescribing Fee Payments: practices that are not dispensing practices are still entitled to fees for items personally administered by the practice.

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| --- | --- | --- | --- | --- | --- |
|  | **Dispensing Fee Payments** | **Reimbursement of Drugs Payments** | **Prescribing Fee Payments** | **Prescribing Total (% total)** | **Total Payments Received** |
| **Dispensing** | 171,899,198.60 | 479,721,052.00 | (26,664,741.83) | 624,955,508.77 (27.5%) | 2,271,781,436.00 |
| **Non-dispensing** | 252,914.54 | 209,908,930.10 | 35,133,608.81 | 245,295,453.45 (2.83%) | 8,662,251,845.00 |

As such, prescribing fees constitute a larger percentage of total payments for more affluent practices than less affluent.

Some **ICBs** have far more dispensing practices than others

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

**Impact on healthcare activity**

Workforce

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[GP earnings](https://qmulprod.sharepoint.com/:f:/r/sites/CEGResearchandAnalysis/Projects/Health%20Equity/Data%20projects%20(old)/GP_earnings?csf=1&web=1&e=267FjG)

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Satisfaction