



Advice to Practitioners on Prescription Fees

Practitioners will be aware that on the 31st October 2008, the three year period of issuing a prescription free of charge will end¹. From 1st November, vets will be permitted to resume charging for writing and producing a prescription. The DTI has stated that it will monitor the situation to ensure that the profession is not using the price of the prescription as a barrier to the client in obtaining competitive prices for medicines. If this is found to be the case then legislation allows for the DTI to determine a fee themselves.

Background

Practitioners will be aware that the “free prescription” was one of the recommendations of the Competition Commission Enquiry into the monopoly vets were found to hold on medicine supply². The CC committee felt that the writing and supplying of a prescription was a mechanical act and as such had a very small cost element³. SPVS took issue with this during the investigation and we remain of the opinion that a prescription is a legal document, enshrining a considerable degree of responsibility. It is not possible to issue a prescription without consulting a patient’s records; to do so would be unsafe and irresponsible. The GMC provides guidance on prescribing for doctors that echo these responsibilities⁴. Whilst the DTI indicated that a “Medicines Determination Fee” could cover these acts and create a separate entity to the prescription; SPVS holds the view that creating a separate fee not only creates confusion for the client, but also devalues the prescription itself. Preparing and providing a prescription is a professional act and as such, it should attract a professional fee. Most practices would agree that they are the best place for clients to purchase medicines from as they are ideally positioned to give the client full and accurate information.

There has been some discussion within council and comparisons for prescription fees have been sought. Figures of £10 - £15 have been quoted for a private prescription from a medical practitioner. BUPA has a fee of £12 for repeat prescriptions⁵. The VMD has a figure of £15 for an Import certificate for using a product authorised in another member state⁶. Although comparisons are useful, SPVS maintains that any fee should be calculated rationally, reflecting true business costs.

¹ <http://www.opsi.gov.uk/si/si2005/20052751.htm>

² <http://www.competition-commission.org.uk/inquiries/completed/2003/veterinary/index.htm>

³ <http://www.competition-commission.org.uk/inquiries/completed/2003/veterinary/index.htm> Para 2.170 p43

⁴ http://www.gmc-uk.org/guidance/current/library/prescriptions_faqs.asp

⁵ BUPA enquiry

⁶ www.vmd.gov.uk

Calculating a Prescription Fee

To prepare the hourly professional fee, a practice must calculate the total annual practice running costs by combining all non rechargeable costs, e.g. establishment, staff, administration and professional time, stationery, VDS membership, CPD and professional body membership. Once this figure is divided by the total number of professional hours worked annually, a profit element, common to all businesses, is added. A true cost centre analysis as above is a time consuming process, and an alternative method would be based on the hourly consultation fee.

Example of Calculation

The Society has looked at the time taken to issue a prescription and approximately 5 minutes is typical from reading the client's request to signing the document.

For example. Practice A⁷ has a consultation fee of £20 for 10 minutes or £120 per hour.

5 minutes of professional time = £10 +VAT = £11.75

Practice B⁷ (a practice in which a SPVS Council member is a partner) has hourly farm time of £110 per hour.

5 minutes of professional time =£9.15 +VAT = £10.75

Mixed practices may well choose to have a single aggregate value to reduce confusion to clients who have both farm and companion animals. In the above example this might be £11.00.

If a prescription has more than one item listed, it would be reasonable to charge a lower fee per additional item. This is more difficult to predict, but a fee of half the single item fee might be appropriate.

The figures used above are for illustrative purposes only and are not to be taken as a "SPVS recommended fee". Individual practices have different costs bases and so must calculate this figure for themselves.

Further information

Practices should be aware that the free prescription is the only aspect of the regulations to change. All the other recommendations of the Competition Commission that were accepted by the DTI, remain in force. This includes keeping a list of the top ten POM-V products used within the practice.

Practices must also be aware that it is still a requirement of the Order that practices do not discriminate between those who request prescriptions and those who collect medication from the practice. The above method of calculating an appropriate fee accounts for the extra time and responsibility that the written prescription requires and as such is not discriminatory.

Good communication is at the heart of any business and SPVS would recommend alerting clients to this change to their terms of business in advance of the 1st November.

SPVS Council

7. Median results from SPVS survey of practice fees 2008