

# Should hospitals be allowed to charge what they like for private prescriptions?

In this article, **Irene Heywood Jones** describes an incident that highlights an anomaly in private prescription charges between hospital and community pharmacy services

When the jet lag got the better of me, I knew I needed a little pharmaceutical help. I was defeated by the thought of battling past the receptionists at the GP practice and of waiting until that evening or the next day for an available appointment, so I took the easy way out and got a private prescription from a consultant at the private hospital in which I worked.

The nearest dispensing service was the pharmacy department at an NHS trust hospital on the same site. It was quick, easy and most convenient. However, the pharmacy was unable, or unwilling, to quote me a prospective price which, as a customer, I found quite strange. Since I was a "private patient" I would be "billed by the finance department". It was less than satisfactory but I was so desperate I did not really care about the money.

Within a week I received a bill for £32.48 and paid it promptly. However, on examining the British National Formulary I found the cost of the 30 haloperidol 1.5mg tablets to be £1.73. This was for the whole 30, not for each tablet.

## Disparity in prices

Even allowing for profit, dispensing and administration my consultant was amazed at such a hike in the price. I started to investigate comparative prices. I found other pharmacists more than happy to provide me with a breakdown of their charges and to inform me of the precise price I could expect to pay for that private prescription.

One community pharmacy estimated my prescription to cost £6.20. Its policy is to set a minimum prescription charge to equate with the current NHS rate. Another pharmacy was happy to quote me £4.07. That was its precise charge for that particular prescription and it did not have a minimum price level.

My final check was with another equally obliging pharmacy. For 30 haloperidol 1.5mg tablets, generic BP brand, the cost would be £4.95, which is its minimum charge. The pharmacist also stated that he would have charged me exactly the same for a prescription of 60 generic tablets or 30 of the branded Serenace tablets.

I was most surprised by the disparity in these prices, as were the pharmacists who advised me.

No doubt many private patients fail to query the price, they just suppose that drugs cost that kind of money. I began to wonder, for how long this had been going on and if anyone had ever challenged the status quo?

## An investigation

I decided to investigate. I had paid my bill on the understanding that a speedy private prescription was a luxury and would doubtless be more expensive than an NHS prescription. Yet I could hardly have expected it to be five times the cost, or 3,000 per cent above the basic cost of the tablets.

I contacted the finance department at the hospital and requested a breakdown of how it arrived at its costings. I was informed that it would have to ask the pharmacy. After much to-ing and fro-ing and not getting the information I wanted I went to speak to the senior pharmacist who, rather reluctantly to begin with, agreed to my request.

Within 24 hours I received a breakdown of the charge. My tablets cost 48p wholesale. The £32 was the set charge for pharmacy and administration costs. Taking the input of an accounts department, credit control, a

typist, and an envelope and stamp extra to the high street pharmacy, that seemed extraordinarily steep. Seemingly the trust thought so too once it was brought to its attention.

I received a cheque for rebate of £22. The trust had reconsidered its costings and was now to reduce its handling charge to £10 for private patient prescriptions.

## The legalities

One pharmacist I had spoken to in the course of my investigations explained that private patients can shop around to get the best price. And they could negotiate if they were to have an extended drug requirement over many months. Indeed, this is quite legal, as the comments from the Royal Pharmaceutical Society and the National Pharmaceutical Association in the panel below indicate but, since insurance companies generally do not fund private prescriptions in primary care, there may be many patients who do not realise what they are paying for. I just wonder if these high prices are being repeated elsewhere in the country.

## What the national bodies say about private prescriptions . . .

### From the Royal Pharmaceutical Society

Unlike NHS prescriptions, where charges are set by the Department of Health, there is no standardised formula for the pricing of private prescriptions. Some years ago the Society did issue recommended scales and fees for the dispensing and supply of medicines. However, in September/October 1989 a decision was taken to discontinue this guidance. This decision was based on a government white paper "Opening markets: New policy on restrictive trade practices".

The Society's recommended scale of fees, while not mandatory, had been viewed by the Office of Fair Trading as rules or recommended practice. Since the recommended scales were likely to be viewed as an anti-competitive agreement, and thus contravene the proposed legislative changes, it was decided that the scale should no longer be issued.

Currently, the price a pharmacist charges for dispensing a private prescription is usually based on the cost of the particular drug plus a dispensing fee for the professional service provided. The dispensing fee may vary from pharmacy to pharmacy and technically there is no restriction on the price a pharmacist can charge. However, as patients are

free to choose which pharmacy they want to provide pharmaceutical services for them, a pharmacist who does not price competitively is unlikely to attract or maintain a large private prescription trade.

Pharmacists are expected to comply with the key responsibilities as outlined in the Code of Ethics and Standards. These outline the duty to act in patients' best interests and the duty to act with integrity and probity. The Society would consider carefully any complaint made about overcharging in the context of these requirements.

### From the National Pharmaceutical Association

The NPA is often asked by its members whether any guidance exists on how much to charge for private prescriptions. Since the Society's scale of charges for pricing private prescriptions was deemed to be "anti-competitive" (see above) the NPA cannot produce guidelines on pricing private prescriptions. However, it does ask members to bear in mind the fees paid by the NHS when pricing private prescriptions (remembering of course that there is extra paperwork in the form of prescription book records to be kept) and also the possibility of having a minimum charge.

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