

Room 317 Richmond House
79 Whitehall
London SW1A 2NL
Telephone: 020 7210 5000
Direct Line: 020 797210 5028
Email: Tony.Doole@dh.gsi.gov.uk

To : request-8829-b832bb16@whatdotheyknow.com

23 April 2009

Dear Mr Booth,

**OUTCOME OF A REQUEST UNDER FREEDOM OF INFORMATION [FOI]
ACT 2000 FOR INTERNAL REVIEW: CASE REF: DE 395783R**

Thank you for your email of 9 March in which you requested an internal review of the Department's reply to your email of 5 March concerning information about prescription charges under the Freedom of Information Act (our reference DE00000395783). This letter provides you with some further information in relation to your original request.

You asked why the total cost associated with the collection of prescription charges was not separately identifiable. The administration costs for administering prescription charges are, in fact, very small as a percentage of the revenue raised from prescription charges. Professional fees and allowances are paid to community pharmacists for dispensing of drugs and appliances. These fees would be paid to community pharmacists regardless of whether a prescription charging system was in place or not. There is no identifiable element within these payments that relates to the exemption status of a patient, nor to the need to check the validity of the declaration signed by the patient on the reverse of the form.

There are additional costs not directly related to the collection of the prescription charges, but which relate to the administration of the system of prescription charges and exemptions. Costs arise from issuing prescription pre-payment certificates by the NHS Business Services Authority (BSA) to those who want to cap their expenditure (over a 3 month or 12 month period) and exemption certificates to those that are exempt on the basis of a medical condition or pregnancy. This is the only direct cost of the system that can be identified and that cost came to £4.5m in 2007-08.

In addition, local counter fraud specialists are based in local health bodies and undertake proactive exercises if an area of the health body's work is at risk of fraud. The costs associated with the pursuit of prescription charge fraud similarly cannot be isolated from the cost of tackling other types of NHS fraud.

The NHS BSA also assess applications for the NHS Low Income Scheme and issue exemption certificates for those eligible who are in receipt of Tax Credits. However, this cost cannot be eliminated as both schemes provide exemption for NHS dental treatment, sight tests and provision of optical vouchers, and reimbursement of the cost of travelling to receive NHS treatment. I hope this further explanation has clarified the position.

If you are not content with the outcome of your complaint, you may apply directly to the Information Commissioner (ICO) for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the Department. The ICO can be contacted at:

The Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Yours sincerely,

TONY DOOLE
Senior Casework Officer
Freedom of Information