



# The Prescription Charge

Standard Note: SN/SP/4914  
Last updated: 6 March 2009  
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Section: Social Policy Section

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This note provides information and sources for Members answering constituents' queries about entitlement to free prescriptions, including the Government's proposals for the future. It covers England. Although it focuses on the prescription charge, the main sources mentioned also provide information on other NHS charges. This note replaces Standard Notes SN/SP/1629 and SN/SP/1748.

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## 1 Sources of information for constituents

The Department of Health publishes two leaflets that answer many constituents' enquiries about entitlement to free prescriptions in England: a more detailed one, HC11, *Help with health costs*,<sup>1</sup> and *A quick guide to help with health costs*, HC 12,<sup>2</sup> which, unlike the more detailed guide, also gives the current level of charges (£7.10 for a prescription in 2008/9 and £7.20 in 2009/10).

The leaflets provide information not only on exemptions from prescription charges but also on help with the costs of several other NHS charges.<sup>3</sup>

Details of the low income scheme, referred to briefly in the leaflets, are available on the NHS Business Services' website.<sup>4</sup>

These sources also provide information about applying for exemption, where this is necessary.

There is an NHS advice line for information about free prescriptions: **Freephone 0800 91 77 711**.

## Other countries of the UK

Most aspects of health policy, including the prescription charge, are devolved. It is therefore possible for the different countries of the UK to have different policies relating to the charge. In practice, the other countries of the UK have either abolished the prescription charge (from 1 April 2007 in Wales) or announced that they intend to do so in future (from April 2010 in Northern Ireland and from April 2011 in Scotland).

The rest of this note covers England. Information about the circumstances in which someone is entitled to free prescriptions in the other countries of the UK is available on several of the websites of the relevant countries.<sup>5</sup>

## 2 History

The *National Health Service Act 1946*, which set up the NHS, contained a provision that NHS services should be provided free of charge unless that Act expressly provided for a charge<sup>6</sup>. The Act in fact contained little provision for charging although there was power for regulations to be made to raise charges relating to optical and dental appliances in certain circumstances.

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<sup>1</sup> [www.dh.gov.uk/en/Healthcare/Medicines\\_pharmacyandindustry/Prescriptions/NHSCosts/index.htm](http://www.dh.gov.uk/en/Healthcare/Medicines_pharmacyandindustry/Prescriptions/NHSCosts/index.htm)

<sup>2</sup> [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_4131675](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4131675)

<sup>3</sup> Although the exemptions from different charges are in many ways similar, there are some notable differences. For example people over 60 are exempt from prescriptions charges on the grounds of age but not from dental charges (unless they qualify on other grounds).

<sup>4</sup> [http://www.ppa.org.uk/ppa/low\\_income.htm](http://www.ppa.org.uk/ppa/low_income.htm)

<sup>5</sup> For Wales, see, for example: <http://www.wales.nhs.uk/page.cfm?pid=9586>

For Northern Ireland, see, for example: <http://www.northernireland.gov.uk/news/news-dhssps/news-dhssps-290908-historic-day-for.htm>

For Scotland, see, for example: <http://www.scotland.gov.uk/Topics/Health/NHS-Scotland/Health-Costs/pres-charges>

<sup>6</sup> Section 1 (2) of the 1946 Act, which covered England and Wales, said "The services so provided shall be free of charge, except where any provision of this Act expressly provides for the making and recovery of charges".

Legislation providing for a prescriptions charge was not passed until the Labour Government's *NHS (Amendment) Act 1949*. This enabled such a charge, and exemptions to it, to be introduced by regulations. Although the power was introduced in 1949, the charge itself was not introduced until 1952, under a Conservative Government. Apart from a period between 1965 and 1968, a prescription charge has continued in England ever since.<sup>7</sup>

A Written Answer given in November 2008 provides the dates at which some of the main NHS charges, including prescription charges, were introduced. (The tables have been omitted here and italics have added in order to point to the different items.)

**Norman Lamb:** To ask the Secretary of State for Health what services are not provided free at the point of use in the NHS; when charges were introduced for each of these services; and how much was raised by each type of charge (a) in the last year for which figures are available and (b) since its introduction or in the last 30 years, whichever is the shorter period.

**Ben Bradshaw** Some services in the National Health Service are not provided free at the point of need for certain sections of the population. However, help with NHS charges is available for priority groups such as children, older people and those on a low income and different exemptions apply for different charges. The main charges and exemptions are set out in booklet HC11 "Help with Health Costs" which has been placed in the Library and is available on the Department's website at: [www.dh.gov.uk/en/Healthcare/Medicines/pharmacyandindustry/Prescriptions/NHScosts/index.htm](http://www.dh.gov.uk/en/Healthcare/Medicines/pharmacyandindustry/Prescriptions/NHScosts/index.htm)

NHS primary dental care services are part funded by patient contributions. *Charges for dentures* were first introduced in 1951. From 1952 onwards, charges have been applicable to *all types of dental treatment* and were extended to include *dental examinations* in 1989. Charges are not applicable to dental treatment received *in an NHS hospital*, although outpatients may have to pay for the supply of dentures or bridges.

*Prescription charges* were first introduced in 1952. They were abolished in 1965, but then re-introduced in 1968. Revenue from prescription charges and pre-payment certificates in England is shown in the table. Information for 2007 is not yet available.

*Wigs and fabric supports* are provided by the NHS but patients are charged for them unless they qualify for help with charges. These charges have been in place since 1971. Information on the charges collected for such items is not collected centrally.

*Overseas visitors:* Hospital services provided in respect of persons not ordinarily resident in Great Britain are not provided free at the point of delivery unless that person is considered exempt from having to pay the charge. Charges for such persons were first introduced in 1982. The number of persons treated or charged under these regulations and the costs involved are not collected centrally.

*Sight tests:* There are no charges for sight tests provided under NHS arrangements. Sight tests are free to certain priority groups and private sight tests are available for all other patients from independent optical practices, and

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<sup>7</sup> For the early years, see for example Charles Webster, *The Health Services since the War: volume 1: Problems of Health Care; the National Health Service Before 1957*, HMSO Peacetime History, 1988.

any income from the charges they choose to levy is retained by those practices.<sup>8</sup>

### 3 Law

The main piece of legislation currently covering the NHS is the consolidation Act, the *National Health Service Act 2006*, which contains a provision similar to the one in the 1946 Act requiring NHS services to be provided free of charge unless a charge has specifically been provided for in legislation. Section 1 of the Act requires the Secretary of State to promote a comprehensive health service in England. Subsection 3 of that section says:

The services so provided must be free of charge except in so far as the making and recovery of charges is expressly provided for by or under any enactment, whenever passed.<sup>9</sup>

Part 9 of the *NHS Act 2006* deals with NHS charges. Among other things, it enables including prescription charges, pre-payment certificates and exemptions to the prescription to be made by regulations. It also lists certain situations where charges may not be made, for example, prescription charges for hospital inpatients are ruled out in the Act itself rather than in the regulations with most of the other exemptions.

Currently the *National Health Service (Charges for Drugs and Appliances) Regulations 2000, SI 2000/62*, as amended, make provision for prescription charges. They are updated regularly to include the current charge (£7.10 in 2008/9).<sup>10</sup> The Regulations also provide for exemption and remission from charges in certain cases (regulation 7), for the issue of exemption certificates (regulation 8), for the issue of pre-payment certificates (regulation 9) and for repayment of charges in certain cases (regulation 10). The exemptions relate to specified population groups such as children, old people and pregnant women, and to people suffering from a certain medical conditions, which are listed in the regulations.

A separate set of regulations, the *National Health Service (Travelling Expenses and Remission of Charges) Regulations SI 2003/2382*, as amended, provide for additional exemptions, including exemptions for people receiving certain means-tested benefits, and also for people with capital and income below a specified level (referred to more generally as the low income scheme).

### 4 The Main Exemptions

The main exemptions from the prescription charge, are listed below. As well as these exemptions, certain items, such as medication for sexually transmissible infection administered at a hospital, are supplied free. This list covers the broad categories. For precise details of entitlement, constituents may need to obtain further advice.

The exemptions apply to those who:

- are under 16 years old;
- are 16, 17 or 18 and in full-time education;

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<sup>8</sup> HC Deb 3 November 2008 c85-7W:  
<http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm081103/text/81103w0020.htm#0811034700029>

<sup>9</sup> The 1946 Act referred to charges provided for in that Act whereas this, reflecting, the amount of legislation passed on the NHS since then, refers to any legislation.

<sup>10</sup> Separate regulations make provision for dental and optical charges.

- are 60 years of age or over;
- have a valid Medical Exemption Certificate (see below)
- have a valid Maternity Exemption Certificate (see below)
- have a valid War Pension Exemption Certificate;
- have a valid Prescription Pre-payment Certificate (see below);
- get, or have a partner who gets Pension Credit (Guarantee Credit);
- get, or have a partner who gets Income Support;
- get, or have a partner who gets income-based Jobseeker's Allowance;
- have, or are named on, a valid NHS Tax Credit Exemption Certificate (see below);
- are named on a valid HC2 certificate (see below);
- are NHS in-patients.

#### *Medical exemption certificate*

People who have one of the following medical conditions can apply for an NHS Medical Exemption Certificate that will allow them to receive NHS prescriptions free of charge. (This also includes prescriptions for treating conditions other than those that give them entitlement.)

- A permanent fistula (for example, caecostomy, colostomy, laryngostomy or ileostomy) which needs continuous surgical dressing or an appliance.
- A form of hypoadrenalism (for example, Addison's Disease) for which specific substitution therapy is essential.
- Diabetes insipidus and other forms of hypopituitarism.
- Diabetes mellitus, except where treatment is by diet alone.
- Hypoparathyroidism
- Myasthenia gravis.
- Myxoedema (that is, hypothyroidism which needs thyroid hormone replacement).
- Epilepsy which needs continuous anti-convulsive therapy.
- A continuing physical disability which means you cannot go out without the help of another person.

This list was been unchanged for many years (see policy below). From 1 April 2009, people undergoing treatment for cancer, the effects of cancer, or the effects of cancer treatment are

also entitled to NHS prescriptions free of charge.<sup>11</sup> The explanatory memorandum issued by the Department of Health with the regulations introducing the changes warns that it will up to clinicians to judge which patients meet the relevant conditions:

Guidance has been prepared for doctors and a copy will be included with each pack of revised application forms. However, the guidance will not overrule their clinical judgement as to which patients meet the relevant conditions. A copy of the guidance will be placed in the Library and will also appear on the website of the Department of Health and the NHS Business Services Authority.<sup>12</sup>

### *Maternity Exemption Certificate*

Women who are pregnant or who have had a baby in the last 12 months are entitled to receive free NHS prescriptions but only if they have a valid NHS Maternity Exemption Certificate.

### *Prescription Pre-payment Certificate (PPC)*

These are intended for people who need lots of prescriptions but have to pay charges. People who are not entitled to free prescriptions and think they will have to pay for more than 3 items in 3 months or 14 items in 12 months, may find it cheaper to buy a Prescription Pre-payment Certificate (PPC). A valid certificate can be used for any number of their prescriptions. They can also choose to pay for a 12 month PPC by 10 monthly direct debit instalments.

In 2008/9 the cost of a three month PPC is £27.85 and of a 12 month PPC it is £102.50. In 2009/10 the cost of a three months PPC is £28.25 and of a 12 month certificate £104.00

### *NHS Tax Credit Exemption Certificate*

Not everyone who is entitled to Working Tax Credit or Child Tax Credit is automatically entitled. There is, for example, an upper income limit. Further details are on the website of the NHS Business Services Authority.<sup>13</sup>

### *Valid HC2 Certificate (NHS Low Income Scheme)*

The Scheme provides income-related help with health costs for people who are not exempt on any of the other grounds but may be entitled to help with certain NHS charges, including free prescriptions, on low income grounds.

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<sup>11</sup> See Department of Health Press Notice [Cancer patients urged to apply for free prescriptions from today](#) 20 January 2009: . The Regulations introducing the change are the *National Health Service (Charges for Drugs and Appliances) Amendment Regulations 2009*

<sup>12</sup> [http://www.opsi.gov.uk/si/si2009/em/uksiem\\_20090029\\_en.pdf](http://www.opsi.gov.uk/si/si2009/em/uksiem_20090029_en.pdf)

<sup>13</sup> [http://www.ppa.org.uk/ppa/taxcredits\\_chart.htm](http://www.ppa.org.uk/ppa/taxcredits_chart.htm)

Entitlement is broadly based on Income Support arrangements but the scheme also allows for the inclusion of council tax and housing costs in the assessment. People are entitled to full help with NHS charges (which includes free NHS prescriptions), and are sent an HC2 certificate, if their income is less than or equal to their requirements or their income is greater than their requirements by no more than half the current English prescription charge.

Details of the low income scheme, referred to briefly in the leaflets, are available on the NHS Business Services' website.<sup>14</sup>

## 5 Policy Developments

Over time the exemptions from prescription charges, particularly, but not exclusively, the medical ones, have been called into question. For example, the Comprehensive Spending Review (CSR) undertaken soon after the Labour Government came to power in 1997 examined the prescription charge but no changes emerged.<sup>15</sup> Referring to the CSR in 1998, Alan Milburn, then Secretary of State for Health, also mentioned the origins of the medical exemptions:

The list of medical conditions exempt from prescription charges was agreed in 1968 following extensive discussions with the medical profession. These resulted in a limited list of readily identifiable, permanent, life-long conditions all of which require regular medication. All aspects of prescription charges are being examined as part of the Comprehensive Spending Review which will report in the summer. The review in the Department of Health is being undertaken in the context of our manifesto commitment: "if you are ill or injured there will be a national health service there to help; and access to it will be based on need and need alone - not on your ability to pay, or on who your general practitioner happens to be or on where you live."<sup>16</sup>

The Wanless Report on the future of the NHS published in 2002 also made reference to the prescriptions charge, including the following comment:

Recognising the political sensitivities and the limited amount of money which might be raised, this may not be a priority for attention. However, the present system of exemption for prescription charges is not logical, nor rooted in the principles of the NHS. If related issues are being considered in future, it is recommended that the opportunity should be taken to think through the rationale for the exemption policy.<sup>17</sup>

The Health Select Committee published a report on health service charges in 2006, which concluded that the system of exemptions from NHS charges in general was full of anomalies and that the system of medical exemptions to the prescription charge was particularly confusing:

The system of medical exemptions to the prescription charge is particularly confusing. People with diabetes who require insulin receive free medicines for all conditions while people with diabetes controlled by diet must pay for all their medication. The list of exemptions was compiled in 1968 and has not changed. Given the vast improvements in medical science since that time, this is unacceptable. People with cystic fibrosis who would have died of their illness

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<sup>14</sup> [http://www.ppa.org.uk/ppa/low\\_income.htm](http://www.ppa.org.uk/ppa/low_income.htm)

<sup>15</sup> See, for example, the Government's Answer: HC Deb 8 January 2007 c61W

<sup>16</sup> HC Deb 5 May 1998 c350W

<sup>17</sup> Derek Wanless, *Securing our future health: taking a long-term view: final report*, April 2002, p114

during childhood in the 1960s now reach adulthood. Diseases such as HIV/AIDS did not exist in 1968. The original list could not have taken these conditions into account.<sup>18</sup>

A few months later, in October 2006, Patricia Hewitt, then Secretary of State for Health, made a statement to the House in which she announced the Government's formal response to the Committee and said that the Government would undertake an internal review of prescription charges.<sup>19</sup> The formal response gave more detail:

...Ministers have asked officials in the Department of Health to undertake a review of the current exemptions for prescription charges and to put forward options to them that would be expenditure neutral for the NHS. The Government will report the outcome of this review to Parliament before the 2007 summer Recess.<sup>20</sup>

No conclusions were announced but in summer 2007 the Government announced that there would be a consultation after the recess.

**The Minister of State, Department of Health (Dawn Primarolo):**

On 17 October 2006, the Government published its response to the Health Select Committee Report on NHS Charges (Cm 6922).

The Government responded to the 22 recommendations made by the Committee on areas such as prescription charges, car-parking charges, dental charges, on eligibility for NHS sight tests and on the hospital travel costs scheme.

As part of the response, the Government committed to carrying out an internal review of prescription charges and to making a further statement to the House prior to the summer recess this year.

Following this internal review, the Government have decided to hold a consultation in the autumn so that the public can contribute their views on any proposals prior to a final decision on future prescription charges.<sup>21</sup>

That consultation never took place as it was overtaken by a change in policy. In the autumn of 2008 the Government announced that it had decided to abandon its cost neutral approach. From April 2009 cancer sufferers would be entitled to free prescriptions (see list of medical exemptions above) and the Government would move towards exempting patients with long term conditions over the next few years.

There would also be a review of prescription charges led by the President of the Royal College of Physicians, which was being asked to report to Ministers by the summer of 2009.

**The Minister of State, Department of Health (Dawn Primarolo):** The Government had previously announced its intention to hold a consultation on prescription charges (*Official Report*, 23 July 2007, col. 44ws), subject to any changes to the system being cost neutral for the NHS.

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<sup>18</sup> Health Select Committee, NHS Charges, Third Report of Session 2005-06, 18 July 2006, HC 815 volumes I-III <http://www.publications.parliament.uk/pa/cm200506/cmselect/cmhealth/815/815-i.pdf>

<sup>19</sup> HC Deb 17 October 2006 WS49

<sup>20</sup> Cm 6922: <http://www.official-documents.gov.uk/document/cm69/6922/6922.pdf>

<sup>21</sup> HC Deb 23 July 2008 c44WS

Many representations have been received from patients and their representative groups about the current system of prescription charging—some calling for extension of the list of medical exemptions, others for the abolition of charges. Having listened to these representations, we have decided to move away from the constraint of cost neutrality. The Government have, therefore, decided to exempt cancer patients from prescription charges with effect from 1 April 2009, and will move towards exempting patients with long-term conditions over the next few years.

These changes are an additional cost to the NHS, which the Government believe are necessary to ensure that we remove concerns about affordability of medicines for patients who rely on their medicines to allow them to continue their day-to-day activities.

The Government will also establish a review of prescription charges, led by Professor Ian Gilmore, President of the Royal College of Physicians. We have asked Professor Gilmore to report to Ministers in summer 2009, taking into account the views of patients, the public, patient representative bodies, clinicians and healthcare organisations on effective implementation to exempt those with long-term conditions.<sup>22</sup>

The terms of reference of the review are to :

- consider how to implement the Government's commitment to exempt patients with long-term conditions (LTCs) from prescription charges over the next few years following the exemption for cancer patients, which will be introduced in 2009;
- engage with patients and their representatives, clinicians, the public, health care organisations and other interested groups to ensure the widest range of views contribute to the review's findings;
- consider how to define the range of long-term conditions affecting patients that should be exempted from prescription charges; and
- consider how exemption from charging can be best phased in, with due regard to what is in the best interests of patients, the potential impact on the wider health care system, implications for existing policies on management of long term conditions, implications for public expenditure.<sup>23</sup>

## 6 Numbers

In its response to the Health Select Committee in 2006, the Government said:

The current arrangements mean that around 50% of the population are exempt from prescription charges and around 87% of prescription items are dispensed free of charge.

Latest figures<sup>24</sup> show that, in 2007, 88.6% (707.6million ) - prescription items were dispensed free-of-charge; 7.1% (56.7m) - were paid for at the point of dispensing and 4.3% (34.1m) were dispensed against a Prescription Prepayment Certificate.<sup>25</sup>

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<sup>22</sup> HC Deb 8 October 2008 : c18WS

<sup>23</sup> HC Deb 10 December 2008 c167W

<sup>24</sup> Figures supplied by Gavin Thompson, Social and General Statistic Section

In 2007/8 revenue from the prescription charge was £538.3<sup>26</sup>

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<sup>25</sup> HC Deb 10th December 2008 c165W

<sup>26</sup> . See Written Answer quoted in section 2: HC Deb 3 November 2008 c85-7W:  
<http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm081103/text/81103w0020.htm#08110347000029>