

Department of Health & Social Care - Open consultation

Aligning the upper age for NHS prescription charge exemptions with the State Pension age

Updated 19 July 2021

Introduction

Prescription charges were first introduced in 1952. They were abolished in 1965 but then reintroduced, with exemptions, in 1968 because of budgetary pressures. In 2019 approximately £600 million was generated in revenue from prescription charges which supported direct delivery of NHS services.

In England out of 1.1 billion items dispensed in 2018, almost 90% of prescription items dispensed in the community in England were free of charge. Almost 63% of all items were dispensed free of charge because the patient was aged 60 or over. The prescription charge exemptions cover 3 broad categories:

- those of a certain age, that is those:
 - under 16
 - aged 16 to 18 in full time education
 - aged 60 and over
- those on low income, that is via certain Department for Work and Pensions (DWP) benefits and tax credits (which will largely be replaced by Universal Credit) and the NHS Low Income Scheme

- those with certain medical conditions and expectant or new mothers

There have been very few changes to the exemption arrangements introduced in 1968. The only change to the list of exempt medical conditions was the addition of cancer in April 2009. A complete list of exemptions and free-of-charge items is in Annex A.

State Pension age and prescription charges

Historically, the initial exemption age for prescriptions was for people aged 65 and over. This extension was then extended to women aged 60 and over in 1974. In 1995 this exemption was extended to men aged 60 and over based on the State Pension age (SPA) for women at that time. However, the rise in the SPA to 66 has now created a disconnect between the aged-based exemption and SPA. Currently, people receive free prescriptions when they turn 60 in England whereas the SPA has gradually been increasing for men and women – legislation is in place to increase to 67 then 68 in future years.

The government has abolished the default retirement age, meaning that most people can work as long as they want to and are able. This means that many people in the age range 60 to 65 are and can remain in employment and be economically active and more able to meet the cost of their prescriptions.

This consultation seeks views on options for aligning the prescription charge exemption upper age to the SPA and will remain open for 8 weeks.

Options for change

Changing the upper age exemption for prescription items would require amendment being made to the National Health Service (Charges for Drugs and Appliances) Regulations 2015 (the 'Charges Regulations'). These regulations set out the applicable charges for prescriptions and some appliances and the various criteria for exemption from these charges that currently apply.

There are 2 options for change including the option to retain a period of protection for those already in the age range 60 to 65 (those who currently benefit from an age exemption).

Option A

Option A is to raise the qualifying age for free prescriptions to the SPA (currently 66) for everyone. This would mean that following changes to the Charges Regulations people aged 65 and under would have to pay for their prescriptions until they reach the age of 66, unless they qualified for another exemption.

Option B

Option B is to raise the qualifying age for free prescriptions to the SPA (currently 66) but with a period of protection, which would mean that people in the age range 60 to 65 would continue to receive free prescriptions. This would mean that anyone aged 60 and over when the changes to the Charges Regulations are implemented would continue to be exempt from prescription charges, whereas those aged 59 and under when the changes to the Charges Regulations are implemented would have to pay for their prescriptions until they reach the SPA (currently 66), unless they qualified for another exemption.

The above options would have varying impacts for people who need NHS prescriptions, and could raise additional revenue for the NHS. Option A would increase NHS revenue more quickly and by a larger amount than option B, but retaining a period of protection for those currently in the age group 60 to 65 (option B) could ensure that people have advance notice of a change and would not have to restart paying for prescriptions that they currently get free. Option A could lead to confusion about the rules, with some people potentially continuing to claim an age exemption and attracting penalty notices and penalty charges as a result and others potentially being deterred from collecting prescriptions by the unexpected cost. Option B, which would preserve entitlement for those in the 60 to 65 age group, would allow the Department for Health and Social Care (the department) to monitor any adverse impacts of a policy change.

Patient behaviour and impacts of change

The changes will mean that people who need NHS prescriptions and reach the age of 60 on or after the implementation date of the changes to the Charges Regulations will need to pay for their prescriptions for longer, either by paying a single prescription charge, or by the purchase of a prescription prepayment certificate (PPC), unless they are exempt under another category, for example, an income related or medical exemption.

PPCs are available to help those who need frequent prescriptions and who are not exempt from prescription charges. The 3-month PPC costs £30.25 and the 12-month certificate costs £108.10. The annual PPC will save people money if they need more than 11 items in 12 months. The cost of the 12-month PPC can be paid for by 10 monthly direct debit payments of £10.81.

If a period of protection is implemented, then this will provide transitional protection for those who reach the ages of 60 to 65 on or before the change to the Charges Regulations come into force, while those who have not yet reached 60 would have to pay for their prescriptions until they reached SPA.

Changes to the upper age exemption may lead to a number of unintended outcomes including:

- people may not take their prescribed medicines due to cost, with significant effect on other aspects of their lives which may lead to additional costs in, for example, social care
- people may take steps to try and make their medicines last for longer if they had to pay, for example an asthma inhaler might not be used as frequently as advised by the prescriber
- people may not use preventative medication as advised by their health professional, and as part of health screening
- the above may lead to increased hospital admissions, including A&E visits, and GP appointments

Equality duties

The government is committed to equal treatment and equality of opportunity. The Public Sector Equality Duty (PSED), also known as the 'general duty', is a key lever for ensuring that public bodies consider equality when conducting their day-to-day work in shaping policy and delivering services. Under Section 149 of the Equality Act 2010, public bodies are required to consider the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations when making policy decisions and delivering services.

In developing the proposals contained in this consultation, the department has taken into account the PSED, and to the extent that they apply, the Secretary of State's duties under the National Health Service Act 2006 ([NHS Act 2006](#)) including the duty to have regard to the need to reduce inequalities relating to the health service.

The department has developed its proposals so as not to have an unjustifiable adverse impact on any protected groups, that is, age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation and marriage and civil partnership and would welcome your views on how to ensure this is done as effectively as possible. An equalities analysis in respect of these proposals will be published alongside the government response to this consultation.

Disability

People with long-term conditions, not covered by an existing exemption and falling into the age group 60 to 65 may be required to pay if there is an increase to the exemption age, unless they are exempt on other grounds. It is likely that a higher proportion of disabled people rather than non-disabled people in the 60 to 65 age bracket would require prescriptions; and would consequently be impacted more significantly than non-disabled people. Across the whole of the population, [21% \(14.1 million\) of people reported a disability in 2018 and 2019](#) and in 2018, [median pay was consistently higher for non-disabled employees than for disabled employees](#).

People in older age groups are also more likely to have long term conditions than those in other age cohorts (for example, Parkinson's Disease), some of which would qualify as disabilities.

If the upper age exemption was aligned with the SPA, there is a possibility that people in the 60 to 65 age group may be deterred from claiming and using their medication correctly, to reduce their financial cost. The deterrent effect is likely to be most prevalent in long term conditions, some of which may be classed as disabilities, where full medicine adherence is important to manage the condition and people must pay for regular prescriptions over a long period of time. While some long-term conditions (for example, insulin-controlled diabetes) are covered under medical exemptions and therefore qualify for free prescriptions, this is not true for all long-term conditions.

Sex

Women generally live longer than men, with [current life expectancy at birth in the UK for women being 83.1 years for women and 79.4 years for men](#)).

On average, women currently claiming age exemption from prescription charges do so for 2.7 years more than men.

Women often work for fewer hours, or in lower paid jobs, than men, which impacts on their income. The [gender pay gap for all employees in April 2020 was 15.5%](#).

Increasing the prescription exemption age could impact women more severely than men as they may be less able to afford to pay; however, other exemptions such as the NHS Low Income Scheme (NHS LIS) and exemptions related to claiming Universal Credit are available, to protect the most vulnerable.

[Women have traditionally been more likely to take time away from paid work](#) during working age to fulfil caring responsibilities, potentially impacting on their lifetime earnings and ability to save money. Again, other exemptions from charges are in place to support those who are unable to afford to pay for their prescriptions, such as the NHS LIS.

Race

People from black and minority ethnic backgrounds are more likely to have long-term health conditions requiring medications, not all of which would be covered by a medical exemption. For example, compared with their white British counterparts, estimates of disability-free life expectancy are approximately 10 years lower for Bangladeshi

men and 12 years lower for Pakistani women (see the full article [Inequalities in healthy life expectancy between ethnic groups in England and Wales in 2001 \(tandfonline.com\)](#) quoted in [Ethnic inequalities in health-related quality of life among older adults in England: secondary analysis of a national cross-sectional survey in The Lancet Public Health](#)).

There are also associations between poorer health outcomes for people impacted by social deprivation. People from black and minority ethnic backgrounds are more likely than other groups to be impacted in this way, and so experience associated poorer health outcomes that may need a larger number of prescriptions. Those from black and minority ethnic backgrounds who are in this group and are aged between 60 and 65 could therefore be disproportionately negatively impacted if they were required to pay for their prescriptions. However, as mentioned previously, additional support and exemptions are in place, such as Help with Health Costs (HwHCs) for those who qualify for certain social welfare benefits and for HwHC under the NHS LIS, which will mean that those who are most economically vulnerable would not have to pay.

Age

People in higher age groups are more likely to have long term conditions than people in other age cohorts, some of which would qualify as disabilities. People in this age group are also more likely to be diagnosed and treated for various cancers, but this is a current ground for entitlement to exemption.

Research has shown that, as the UK population is ageing, larger numbers of people aged 52 to 69 years are dropping out of or reducing the amount of time in paid work due to family or other personal caring responsibilities (See the [English Longitudinal Study of Ageing, University College London and the Institute for Fiscal Studies](#)). As these responsibilities could have an impact on these peoples' income, they may be affected by being required to pay for their prescriptions for longer.

In terms of income, the 60 to 65 age group is particularly diverse because there is a mix of people still economically active (60%), people who are retired and receiving private pensions (20%), people

who are not working because they are sick/disabled (12%), and some who are not working due to caring responsibilities (4%). The table below shows the economic activity of this cohort along with the cohort below and above 60 to 65-year olds:

Table 1: employment among older working-age population in the UK, April to June 2020

Economic status	% of population aged 55 to 59	% of population aged 60 to 64	% of population aged 65 to 69
Employed	74.3	56.4	24.2
Unemployed	2.5	2.9	1.8
Retired	6.5	20.4	63.5
Sick or disabled	9.9	11.7	6.7
Looking after home or family	3.2	3.9	1.7
Other	4.3	5.9	3.4

Table 1 shows approximately 60% of the 60 to 64 age group are still economically active while a further 20% are retired. Among these groups there will be a distribution of high-income earners and people on high earning pensions who will have little difficulty paying for prescriptions. However, there will also be people on low incomes or working part time who may struggle to pay for all their prescriptions. Among those not working due to being disabled or looking after family there will also be people who might struggle to pay for prescriptions. This will be those who have a low income but who do not qualify for either another exemption related to a medical condition or a qualifying benefit. However, the NHS LIS is in place to protect those most in need who do not qualify for another exemption; and PPCs are available to all, which also reduce the cost for higher users of prescriptions.

When the age exemption from the prescription charge was first established it was aligned with the SPA, which is no longer the case. In the following years, life expectancy has increased, and more people aged 60 and over are living healthier lives for longer; and many, though not all (see Table 1, above), remain in work up

to SPA or beyond. While the proposed change to the upper age exemption would have a financial impact on people in older age groups up to age 66, improved health and continuing employment means these effects would be lessened. Increasing the age exemption would also prevent costs for the NHS being passed to younger generations.

People aged under 16 (or under 19 if in full time education) are also exempt from prescription charges on grounds of their age.

Gender reassignment

People who have undergone gender reassignment will not be affected any differently to other patient groups as any changes would apply to all people regardless of their gender.

Sexual orientation

People of differing sexual orientation will not be affected any differently to other patient groups as any changes would apply to all people regardless of their sexual orientation.

Religion or belief

People with religions or beliefs, or no religion will not be affected any differently to other patient groups as any changes would apply to all people regardless of their religion, or religious beliefs.

Pregnancy and maternity

People who are pregnant or new mothers are covered by another exemption from charges, until the child's first birthday.

Marriage and civil partnership

People who are married or in a civil partnership will not be affected any differently to other patient groups as any changes would apply to all people regardless of their marital status.

Carers

Table 1 (above) shows that approximately 4% of the 60 to 64 age group are not working due to caring responsibilities. It is possible that, within this 4%, there are a number who choose to take on caring responsibilities because they can afford to do so (for example, because they have savings or income from another source; or there is a partner or other family member who can support them financially). Others may experience financial hardship through having to take on caring responsibilities, but as stated previously, other exemptions from prescription charges, such as being in receipt of certain benefits, are in place to support those most in need.

Socio-economic disadvantage

Greater social deprivation is a key factor in health, with those people living in more severe levels of poverty experiencing poorer health outcomes than those in less deprived circumstances (see the ONS [Health state life expectancies by national deprivation deciles, England: 2016 to 2018](#)). Those people who are impacted by the increase to the age exemption may also suffer increased hardship if they are required to pay for their prescriptions for longer. However, as set out above, other exemptions are available to protect the most vulnerable.

Greater levels of deprivation and associated poorer health outcomes may lead to a need for a larger number of prescriptions.

Data from NHS Business Services Authority (NHS BSA), available at [English indices of deprivation 2019: Postcode Lookup \(opendatacommunities.org\)](#), shows that average prescription use is higher among older working-age people living in more deprived areas. The mean annual prescription use was just over 40 items per year among people aged 60 to 64 in the decile with the highest deprivation, compared to just under 25 items per year in the least deprived decile. This means people towards the bottom of the income distribution use more prescriptions to maintain good health. This will add to the inequality effects of this policy change because not only will the low-income users struggle to pay prescription charges, they will have more prescriptions to pay for compared to people at the top of the income distribution.

People impacted by the proposed changes whose incomes are towards the lower end of the income distribution who struggle to afford all their prescriptions may not adhere fully to their medication, which could result in future health problems for the individual and a subsequent cost to the NHS. However, as mentioned above, exemptions from charge are in place to protect those who are most in need; and schemes such as the NHS LIS and PPCs are available to those who are not exempt.

If people who had been exempt from charge previously, or who were expecting to become exempt at age 60, do not understand the change in arrangements, they may not pay for a prescription believing themselves to be exempt and subsequently receive a Penalty Charge Notice (PCN). This could lead to financial hardship. To reduce the chance of this type of misunderstanding, we will promote information about the changes and encourage people to be aware of any impacts they may have, working with NHS BSA and NHS England and Improvement.

Families

Family and other household members of people impacted by the change to the upper age exemption may also be affected financially, if the changes lead to or create financial difficulties. There could also be an impact if a person impacted directly by the changes is deterred from taking their medication as prescribed and becomes ill. However, other exemptions and support for the most vulnerable are in place.

People living in rural areas

People living in rural areas will not be affected any differently to other patient groups as any changes would apply to all people regardless of the location of their home.

Prescribing data

In England, out of over one billion prescription items dispensed in 2019, close to 90% were dispensed free of charge. Two thirds of all items were exempt because the patient was aged 60 years or older. Data received from NHS BSA showed 95% of 60 to 65-year olds use at least one prescription per year. Prescription use varies, and those with higher levels of use are more likely to take out a PPC in order to cap the cost. A PPC lets you get as many NHS prescriptions as you need for a set price of £108.10 over 12 months or £30.25 over 3 months. Approximately half of the 60 and over cohort used more than 12 items per year and therefore are high users; this group had a mean use of 34 items per year. Table 2 below shows the average cost of prescriptions in a year for high and low users depending on how the prescriptions are paid for.

Table 2: assumed future prescription use and costs faced by 60 to 65-year olds who would need to pay for prescriptions

	Low user (less than 12 items per year) – 50% of cohort	Low user (less than 12 items per year) – 50% of cohort	High user (12 or more items per year) – 50% of cohort	High user (12 or more items per year) – 50% of cohort
PPC or single charge? (% uptake)	PPC (15%)	Single charge (85%)	PPC (73%)	Single charge (27%)
Mean usage per year	5	5	57	14
Average cost per year	£108.10	£46.75	£108.10	£130.90

Based on NHS BSA prescribing data, we estimate that 38% of people in the 60 to 65 age group would qualify for another exemption with the majority of these being a medical exemption. This means that the costs quoted in the table above are likely to be an overestimate because people who retain a medical or income-related exemption are likely to use more prescriptions.

Revenue

Prescription charges generate approximately £600 million in revenue for the English NHS each year. An increase to the upper age exemption could generate additional revenue for NHS frontline services. This amount is dependent upon various factors including:

- volumes of prescription use
- the number of people who would retain an exemption on other grounds such as a medical exemption or income related exemptions
- the cost of prescriptions – the single charge is currently £9.35 per prescription item and an annual PPC costs £108.10 for a year covering an unlimited number of prescription items
- the way that people pay for their prescriptions, for example, whether they buy a PPC

There are other potential impacts on costs, including health related costs, of raising the upper age exemption and are explored further in the [impact assessment](#)

Consultation questions

To enable us to take into account your views on these proposals, please answer the following questions which can be found in the online questionnaire that accompanies this consultation.

Question

Should the upper age exemption to prescription charges be aligned to the State Pension age?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Question

If the prescription charge exemption age is raised to State Pension age should people in the age groups 60 to 65 at the date of change retain their existing exemption?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Question

Do you think there will be any unintended consequences that a raise in the upper age exemption could have on people, pharmacies or other organisations?

- Yes
- No
- Don't know

If yes, please specify.

Question

Do you think that aligning the upper age exemption with State Pension age could have a differential impact on particular groups of people or communities?

- Yes
- No
- Don't know

If yes, please specify.

Question

Do you think that aligning the upper age exemption with State Pension age could adversely impact people from deprived backgrounds or between disadvantaged geographical areas?

- Yes

- No
- Don't know

If yes, please specify.

This consultation is open for a period of 8 weeks and we welcome responses from members of the public, prescribers, pharmacists and other interested parties.

Operational changes

The NHS BSA processes prescriptions on behalf of the department so that dispensers can be paid for their work. Paper prescription forms (FP10) are still in use alongside the Electronic Prescription System (EPS) and if the upper age exemption for prescription charges changes, system changes would be needed to enable continued accurate prescription processing and checking the validity of exemptions claimed. This means that a significant number of operational changes would need to be made including:

- revisions to the EPS dispensing system
- design, testing and printing of a revised prescription form and dispensing token
- NHS BSA processing systems, including those for contractor payment and prescription exemption checking, guidance to the NHS, people and contractors

These changes will take time to implement and in the event of any changes, the department would ensure guidance is issued to people, pharmacists and prescribers to help them understand changes and to help people avoid incorrectly claiming a prescription charge exemption.

If a change is brought in which offers protection for those within the age range 60 to 65, when the amending regulations come into force, then prescribing system amendments and clear guidance will be needed to ensure that this population can correctly claim their exemption.

Responding to the consultation

This consultation is open for a period of 9 weeks.

The preferred method of receiving your response is via the [online consultation questionnaire](#).

If you have any queries on this consultation or require an alternative format please email ageconsultation@dhsc.gov.uk.

Please submit your responses to the questions by 11:45pm on Thursday 2 September 2021.

If you do not have internet or email access, then please write to:

Prescribing Policy and Charges Team
Department of Health and Social Care
Floor 2, Area G, Quarry House
Quarry Hill
Leeds LS2 7UE

If you wish to do so, you can request that your name and organisation be kept confidential and excluded from the published summary of responses.

Please note that we may use your details to contact you about your responses or to send you information about our future work. We do not intend to send responses to each individual respondent. However, we will analyse responses carefully and give clear feedback on how we have developed the implementation plan as a result.

Confidentiality of information

We manage the information you provide in response to this consultation in accordance with the department's [information charter](#).

Any information received, including personal information, may be published or disclosed in accordance with the access to information regimes (primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, among other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information you have provided, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding by the department.

The department will process your personal data in accordance with the DPA and in most circumstances this will mean that your personal data will not be disclosed to third parties.

Next steps

The department will collate and consider all responses to this consultation and will make a recommendation to the Secretary of State for Health and Social Care, who will make a decision about whether to implement the proposed changes, and if so, about which of the options set out in this consultation will be implemented. The outcome of the consultation will usually be published within three months of the consultation closing date.

Annex A: exemptions from prescription charges

You can get free NHS prescriptions if, at the time the prescription is dispensed, you:

- are 60 or over
- are under 16
- are 16 to 18 and in full-time education
- are pregnant or have had a baby in the previous 12 months and have a valid maternity exemption certificate (MatEx)
- have a specified medical condition and have a valid medical exemption certificate (MedEx)
- have a continuing physical disability that prevents you going out without help from another person and have a valid MedEx
- hold a valid war pension or Armed Forces Compensation Scheme exemption certificate and the prescription is for your accepted disability

You're also entitled to free prescriptions if you or your partner (including civil partner) receive, or you're under the age of 20 and the dependant of someone receiving:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Pension Credit Guarantee Credit
- Universal Credit and meet the criteria

You are entitled to or named on:

- a valid NHS tax credit exemption certificate – if you do not have a certificate, you can show your award notice. You qualify if you get Child Tax Credits, Working Tax Credits with a disability element (or both), and have income for tax credit purposes of £15,276 or less
- a valid NHS certificate for full help with health costs (HC2)

Medical exemptions

You can apply for a medical exemption certificate if you have one of the following medical conditions:

- 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 anticonvulsive therapy
- a continuing physical disability which means you cannot go out without the help of another person
- cancer and are undergoing treatment for either:
 - cancer
 - the effects of cancer
 - the effects of cancer treatment

Items prescribed free of charge

There is no charge for the following prescription items:

- prescribed contraceptives
- treatment of a sexually transmissible infection (STI)
- medication supplied to hospital in-patients
- medication supplied to an in-patient on the day of discharge
- medication administered at a hospital or walk-in centre or under a Patient Group Direction

- medication supplied by a GP and administered personally by the GP or supplied by a GP for immediate treatment
- a listed medicine supplied by arrangement by the Secretary of State during an emergency
- direct supply of NHS medicines by a hospital, commissioned service or a Patient Group Direction supplied for the treatment of:
 - for a patient subject to a community treatment order, in respect of any drug supplied to that patient for the treatment of a mental disorder
 - medication for the treatment of tuberculosis where the medication is supplied at a hospital, by a commissioned service or Patient Group Direction