



National Health Service in Scotland  
Management Executive

St. Andrew's House  
Edinburgh EH1 3DG

Dear Colleague

**MANAGEMENT OF THE DRUGS BILL**

Summary

1. This letter is an early alert to forthcoming efforts to give priority to improving the quality and cost effectiveness of prescribing. There are a number of actions to be taken by Health Boards and Trusts in the short-term and progress should be reported back by 31 March 1993. The management resources devoted to this area should reflect the level of expenditure.

Action

2. Health Boards should ensure that the management of the FHS and HCH drugs bill is reviewed. Medical and pharmaceutical advisers should now be in place and their role strengthened, either directly or through the contracting process. The membership of Area Drug and Therapeutics Committees should reflect the balance between hospital and community practitioners.

3. Directly Managed Units and Trusts should continue to develop systems for the control and management of drug expenditure in hospitals.

4. Health Boards and Trusts are requested to note the other initiatives to be undertaken over the next 2 years which will be the subject of further guidance and are to be taken forward jointly by the Management Executive, Health Boards, Trusts and the Professions.

5. Additional information on these initiatives are given in the enclosed paper and further guidance will be issued.

Yours sincerely

*Don Cruickshank*

DON CRUICKSHANK  
Chief Executive,  
NHS

*Robert Kendell*

ROBERT KENDELL  
Chief Medical  
Officer

*Bill Scott*

BILL SCOTT  
Chief Pharmaceutical  
Officer

29 January 1993

For Action:

General Managers,  
Health Boards

For Information:

General Manager,  
Common Services  
Agency

General Manager,  
State Hospital

General Manager,  
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## MANAGEMENT OF THE DRUGS BILL

1. The Government is committed to improving the quality and cost effectiveness of prescribing. This is an early alert to forthcoming efforts to give priority to this area of activity and to ask you to ensure that the management resources devoted to this area reflect the level of expenditure.
2. The Hospital (HCH) and Family Health Services (FHS) drugs bill, for 1993-94, is estimated at £540m which is equivalent to 15% of the total Health Service vote. The drugs bill is the largest single area of expenditure in the Health Service after pay and is the fastest growing. The FHS drugs bill is expected to increase by 11% in 1992-93 resulting in an increase of 23% between April 1991 and March 1993. As there has to be a limit on what can be afforded for the NHS there is an inevitable trade off at national level between growth in the non cash limited FHS drugs bill and funds which can be made available for the rest of the NHS. It is therefore in everyone's interest, including patients, that we apply the same value for money criteria to all expenditure irrespective of whether it is cash limited or not.
3. The Department has previously provided guidance on systems for the control and management of drug expenditure in hospitals, for example DGM1988(Gen 32) and DGM1992(Gen 11). Trusts and Directly Management Units should continue to develop those systems of control along with other initiatives such as Drug and Therapeutics Committees. Health Boards, as purchasers, will wish to satisfy themselves that providers have systems in place to provide quality and cost effective drug treatment and that drug purchasing policies maximise the use of national contracts.
4. Quality and value for money in prescribing is facilitated by effective management of the drugs bill. This requires a management strategy supported by a primary care management structure, clear and measurable objectives, systems which bridge the interface between management and the professions, quality indicators and audit.
5. Current attempts to influence prescribing are centred upon the Indicative Prescribing Scheme and improved information to General Practitioners. Fundholding is also a useful vehicle to encourage GPs to think strategically about their prescribing policy and practice. We intend to strengthen these efforts and to introduce new initiatives outlined in Annex A. Further guidance will be issued on these initiatives and they will be taken forward jointly by the Management Executive, Health Boards, Trusts and the Professions.
6. Health Boards should ensure that the management of the FHS and HCH drugs bills is reviewed. Medical and pharmaceutical advisers should now be in place and their role strengthened, either directly or through the contracting process within the primary care structure. Boards should also review the membership of their Area Drug and Therapeutics Committees to reflect the balance between hospital and community practitioners. A brief progress report on these actions should be submitted to the Department by 31 March 1993.

## ANNEX A

### Health Board and Trust Initiatives

#### Completed By:

1. Review the management of the FHS and HCH drugs bill. March 1993
2. Strengthen the role of Medical and Pharmaceutical Advisers within Primary Care. March 1993
3. Review the structure and role of the Area Drug and Therapeutics Committee to reflect the balance between Hospital and Community Practitioners. March 1993
4. Produce guidelines on good prescribing systems for use by General Practitioners. Sept 1993
5. Produce a joint Hospital and General Practice Area Drug Formulary. March 1994
6. Produce local Consensus Guidelines on management of common medical conditions. August 1995

### National Initiatives

1. Improve information on prescribing:
  - produce information database for ME March 1993
  - conduct consumer survey on SPA data Sept 1993
  - link SMRC bulletin with prescribing data Sept 1993
  - improve information data base on G-PASS August 1995
2. Set up task team to review GP and Community Pharmacist interface. June 1993
3. Set up expert panel to produce information for clinicians on new products. Oct 1993
4. Develop the concept of quality prescribing indicators. March 1994
5. Develop database on drug related problems experienced by patients. March 1995



# Scottish Affairs Committee



COMMITTEE OFFICE HOUSE OF COMMONS LONDON SW1A 0AA

## Press Notice

The Committee's next inquiry will be into

### DRUG ABUSE IN SCOTLAND

The pattern of drug abuse in Scotland shows a number of distinctive features. These include: a high incidence of HIV infection and other conditions related to needle sharing; a marked contrast between the responses to the problem in the two major cities; frequent changes in the popularity of drugs used and a tendency of users to take whatever they can lay their hands on, no matter how dangerous.

The Committee's inquiry will be concerned with how to tackle the problem of drug abuse in Scotland. We intend to examine the problem from all angles: from the perspective of deterrence and enforcement on the one hand, to measures to prevent the misuse of drugs and the provision of treatment and rehabilitation services on the other.

We are particularly interested in the roles played by the following bodies:

The Scottish Office  
The Health Services  
Social Work Departments  
Voluntary Agencies  
The Police and the Crown Office  
The Scottish Prison Service

COMMON SERVICES AGENCY	
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The Committee invites written submissions from interested parties. These should be at brevity but where length is unavoidable they should include an executive summary, referring to paragraphs in the main submission. It would be helpful if 20 copies could be sent to the Committee Assistant (address as above) to be received by 14 April. If you have any queries on the nature of the inquiry or evidence required please contact Alistair Doherty, Clerk of the Committee, on 071 219 6125 or Pamela Fisher, Committee Assistant, on 071 219 6123.

Please note that submissions must be treated as confidential to the Committee until the Committee decides otherwise.

4 February 1993