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FEATURE

DATA BRIEFING

The rise and rise of generic prescribing

Generic prescribing has made great savings for the NHS, but **John Appleby** warns that reproducing this success is not likely to provide a quick fix for current financial woes

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Over the past 30 years there has been a remarkable change in the prescribing patterns of general practitioners. With the NHS facing a further five years of squeezed funding, and evidence of widespread overspending in the first quarter of this year as NHS providers attempt to meet growing demands,[1 2] could the switch GPs have made to generic prescribing hold lessons for the productivity challenge the NHS faces?

Since the mid-1970s spending on primary care prescribing in the English NHS has grown fourfold in real terms—to £8.1bn in 2014-15 (fig 1⇓). This partly reflects the growth in the volume of prescribed items overall—from 285 million in 1976 to just over 1 billion in 2014-15.[3-6] But it also reflects a change in the type of medicines prescribed and dispensed, and changes in their prices.

A key change has been the switch away from proprietary drugs still under patent to cheaper (but chemically identical) generic medicines.

In 1976, eight out of 10 prescriptions written were for proprietary medicines.[3] Only about one in seven prescriptions were prescribed and dispensed as generic medicines. By last year, these proportions had completely reversed (fig 2⇓).[6]

Not surprisingly, given that branded medicines are on average over four times as expensive as generics, the growth in the proportion of medicines prescribed and dispensed generically has had a big effect on the productivity of the community prescribing budget.

One way of estimating this is to calculate how the real cost of prescribing would have changed if generic prescribing rates had remained at 1976 levels but with today's volumes of items prescribed. In other words, how much would the NHS have had to spend in 2014-15 to fund the 1028 million items prescribed in that year, assuming no growth in generic prescribing and dispensing?

The answer: nearly £16bn. But the actual spend last year was around half this amount. All other things being equal, increasing generic prescribing has saved the NHS around £7.5bn and allowed 490 million more items to be prescribed without an increase in total spending (fig 3⇓).

The scope for further savings is clearly limited; at over 84% in 2014-15, GPs' generic prescribing rates are reaching a ceiling. What's more, some suggest that the higher price of future generic drugs mean they will not yield the same savings as in the past.[8] But though GPs are busy writing generic prescriptions, around 15% of these were dispensed as proprietary medicines in 2014-15, accounting for 29% of the total prescription spend (compared with just 8% in 1976). There is some scope here perhaps to get dispensing in line with prescribing—stock control and the existence of a dispensable generic notwithstanding. And other countries do better—in the United States, for example, 86% of medicines were dispensed as generics in 2013 (compared with around 76% in England).[9]

If there are lessons for other areas of the NHS and its continuing search for better value, then the first would be that things take time. The switch to generics didn't happen overnight: it has taken a generation. And the second is that there tends not to be one magic bullet that drives changes like this. It has taken a range of policies and actions, from generating and supporting a clinical culture that encourages generic prescribing and technological support to make generic prescribing easy, to benchmarking and advice through the collection and dissemination of detailed information on GP prescribing.

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Figures

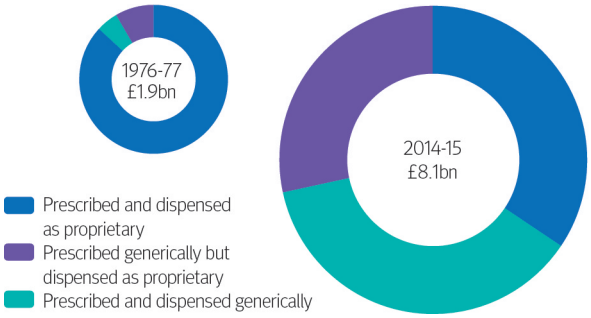

Fig 1 Total spending on primary care prescribing by type of prescription and dispensing in England, 1976-77 and 2014-15 (2014-15 prices)[3-6]

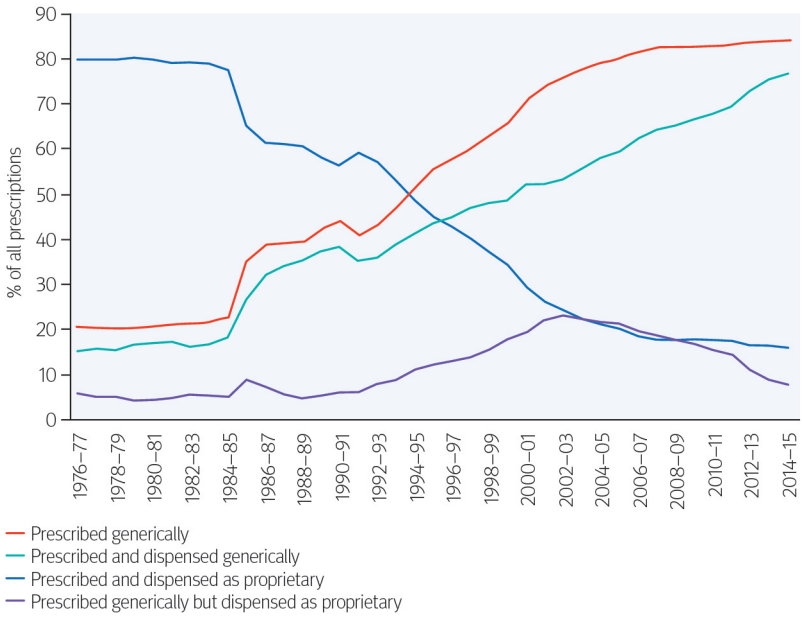

Fig 2 Percentage of primary care items prescribed and dispensed as generic or proprietary formulations in England, 1976-77 to 2014-15 (totals exclude prescription for dressings and appliances, which account for 9% of prescriptions)[3-6]

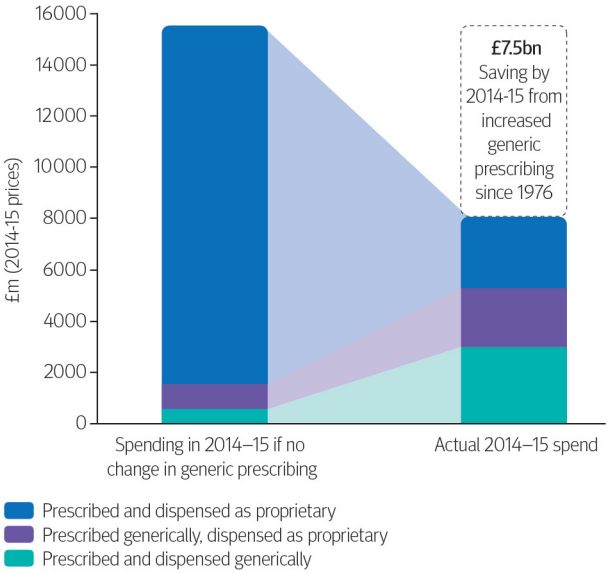

Fig 3 Estimated saving in 2014-15 total net ingredient cost from increases in generic prescribing and dispensing between 1976-77 and 2014-15[7]