The department of health

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Summary

Brand name prescribing accounts for most of the cost of drugs to the National Health Service. Substantial savings would result from generic prescribing of certain commonly used drugs including phenylbutazone, imipramine, tetracycline and paracetamol.

SOMEBODY has lost my way and here I am, in the wrong place, not giving as it says on the programme, a point of view but presenting some new figures, and some old figures in a new guise, factual figures which only the Department can provide.

The total savings which might result from the wider use of unbranded drugs generally are probably considerable. A Minister explained some years ago to the House of Commons, that he could not esti-

mate the precise amount because the most appropriate generic equivalent to most branded drugs where there is such an alternative can be determined only in the light of the needs of the individual patient.

Estimates of potential or possible savings are probably misleading, and the Department does not in fact now attempt to make them. It may sometimes be interesting, nevertheless, to set out as a frame of reference for professional discussion, the respective costs of a given volume of generic and branded prescribing. I emphasize that these do not purport to show hypothetical or potential ‘savings’.

I would prefer to use the term ‘alternative’ to ‘equivalent’. There are four groups of alternatives:

FIG. 1. Percentage of prescriptions written by trade names (proprietary, blank) and approved names (non-proprietary, hatched). The remainder of the 100% of cost is accounted for by appliances and dressings.

FIG. 2. Percentage of net-ingredient cost of proprietary (blank) and non-proprietary (hatched) medicines.

FIG. 3. Annual net ingredient cost of prescriptions, proprietary (blank) and non-proprietary (hatched).

	Generic	Proprietary
Phenylbutazone 100 mg tablets	103,871.4	114,523.2
Phenylbutazone 200 mg tablets	5,315.0	5,341.9
Imipramine HCl 10 mg	6,357.3	8,901.6
25 mg	41,655.5	52,503.8
Paracetamol tablets 0.5 g	216,476.0	95,441.5
Paracetamol and paracetamol-containing substances	(216,476.0)	287,049.1

FIG. 4. Total quantities of some commonly used drugs in thousands of tablets prescribed by approved names (generic) or proprietary names (England, 1972).

FIG. 5. Net ingredient costs of phenylbutazone (100 mg and 200 mg tablets), proprietary, non-proprietary and the present mixture.

FIG. 6. Net ingredient cost for imipramine (10 mg and 25 mg tablets), proprietary, non-proprietary and the present mixture.

(a) the alternative drug with identical chemical composition (these are the alternatives to which the Minister was referring in his parliamentary answer);

(b) an alternative which is related but not identical chemically;

(c) a drug which is either of identical composition (or related chemically) plus an addition often of a relatively unimportant additive;

(d) a drug of non-related chemical composition but with similar therapeutic action.

The cost of prescribing in England rose from over £30m in 1949 to approximately £180m in 1970. The part played by brand named drugs in these figures is considerable. Can we get a few terms defined? How the prescription is written on the EC10 determines both what will be supplied to the patient and how much the tax payer will pay for it.

Prescribing by a brand name, i.e. specifying the trade name or the manufacturer's name, removes the choice from the pharmacist and fixes the net ingredient cost of the drug.

Prescribing by generic name, i.e. not specifying either a brand or a manufacturer, gives the chemist a wide choice (including, if I may use advertising gobble de gook, any leading brand) and also fixes their Net Ingredient Cost according to the Drug Tariff or a wholesale list agreed between the Secretary of State and the Chemist Contractors or, if the drug is in neither of the above lists, the net price for the quantity chargeable by the manufacturers.

Figure 1 shows that in 1961 drugs ordered by brand-names accounted for 64% of the total prescriptions and in 1971 78% of the total prescriptions (1972, 79%). Over the same 10-year period prescriptions for standard drugs ordered without specifying maker or brand, fell from 32.4% to 19.4% (1972, 18.5%).

Figure 2 shows that the net ingredient costs of brand-named drugs accounted for 87.8% of the total in 1961 and 90.8% in 1971.

Figure 3. Total net ingredient costs of brand named drugs were £84,540,000 in 1967 and £141,390,000 in 1972, a rise of £56,850,000 in 5 years during which time the net ingredient cost of those ordered without any specification rose by a mere £1,770,000.

Figure 4 shows the relative quantities of some drugs which are in common use and which are prescribed both in brand named and non branded forms.

Figure 5 shows in the middle column the total net ingredient cost of Phenylbutazone as actually prescribed in 1972, and the estimated costs had it all been prescribed by generic name, or all by branded name. The difference is of the order of £1,800,000 per annum.

FIG. 7. Net ingredient cost for paracetamol and paracetamol-containing substances, proprietary, non-proprietary and the present mixture.

Figure 6 shows a similar representation of the cost of the prescribing of Imipramine and the estimated costs had it all been brand named or in the standard forms.

Figure 7 shows a corresponding representation of costs, actual and estimated, for paracetamol.

Up to now the comparisons have been with products identical chemically.

Figure 8 is a similar comparison, also with paracetamol but including paracetamol-containing substances, a difference of over £2m is shown here.

Figure 9 shows that if, in 1972, all the tetracycline ordered had been prescribed by the approved name, the cost would have been less than half the cost of prescribing by brand names.

FIG. 8. Net ingredient cost for paracetamol, proprietary, non-proprietary and the present mixture.

FIG. 9. Net ingredient cost for tetracycline, proprietary, non-proprietary and the present mixture.

Figure 10 shows that prescribing of oxytetracycline by approved names would have amounted to just over one third of the cost when using trade names. The prescribing of brand named forms of oxytetracycline amounted to some 48 million tablets but that of the standard forms amounted to nearly 107 million tablets, i.e. well over twice as much.

FIG. 10. Net ingredient cost for oxytetracycline (250 mg) proprietary, non-proprietary and the present mixture.

In this field at least, prescribing by approved names is by no means inconsiderable and our experts to follow may be able to tell us what has been happening to the recipients of these drugs.

I was merely asked to set some of the scene. The charts may not be pretty pictures but give food for thought.

Discussion

Mr Teeling-Smith pointed out that the slight differences between his figures and those of Dr Cornah arose because he had taken out the cost of dressings and appliances before calculating percentages; the figures were taken from the same source. The four examples given by Dr Cornah were the same four exceptions to the general rule that savings were minimal: in these four cases, savings were indeed substantial.

The meeting was amused by the suggestion that in view of reported problems in the bio-availability of generic formulations of tetracycline, twice as much tetracycline might have been prescribed by the generic name because it was half as effective as branded products.