



Primary Care Reimbursement  
Service

Louise O'Reilly, T.D.  
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Leinster House,  
Kildare Street,  
Dublin 2.

12<sup>th</sup> August, 2020

PQ: 18088/20

**To ask the Minister for Health the estimated additional cost of extending free prescription medicines to the entire population and of abolishing prescription charges - Louise O'Reilly.**

Dear Deputy O'Reilly,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question (Reference 18088/20), which you submitted to the Minister for Health for response.

The cost of extending free prescription medicines to the entire population and abolishing prescription charges would involve a number of measures including:

1. The removal of prescription charges for persons with Medical Card eligibility
2. The removal of the Drugs Payment Scheme Monthly Family Threshold
3. The reimbursement of all medicines in the current private market. The HSE does not hold data in relation to the medicines paid for privately in community pharmacies and not reimbursed. It therefore cannot provide a robust estimate in this space from its data sources. The OECD in its Health at a Glance Report 2019 has estimated that out of pocket expenses for Pharmaceuticals in Ireland represented 22% of total pharmaceutical expenditure. [https://www.oecd-ilibrary.org/social-issues-migration-health/expenditure-on-retail-pharmaceuticals-by-type-of-financing-2017-or-nearest-year\\_1019fc3a-en](https://www.oecd-ilibrary.org/social-issues-migration-health/expenditure-on-retail-pharmaceuticals-by-type-of-financing-2017-or-nearest-year_1019fc3a-en)
4. The setting of terms and conditions that would be payable to Community Pharmacy Contractors for the extension. The professional fees and remuneration for private prescriptions are different to those on the Community Drugs Schemes. The setting of fees on the Community Drugs Schemes is a function of the Minister and requires a consultative process.

5. The enhancement of reimbursement systems to ensure all prescription data was collected / collectable for reimbursement purposes and the building of additional payment transactional capacity and audit / validation capacity to manage the increased volumes and costs of claims.

The HSE can provide figures in relation to the cost of abolishing prescription charges on both the Medical Card and Drugs Payment Schemes. These would form part of the cost of extending free prescription medicines to the entire population.

- The State collected €85.3m in 2019 in respect of Medical Card Prescription Charge Income while in 2020, Prescription Charge income is averaging just under €7m per month. The cost to the State of abolishing prescription charges would therefore be of the order of approximately €84m (at the rates currently in place).
- Between 51,631 and 56,128 families have had claims submitted under the Drugs Payment Scheme each month from June 2019 to May 2020. The average number of families for whom claims were made monthly was 53,785. At a family threshold of €124 x 53,785 families x 12 months, removal of the Drugs Payment Scheme family threshold co-payment of €124 would cost approximately €80m annually.

Yours sincerely,



Kieran Healy  
Primary Care Eligibility & Reimbursement Service