

A Bitter Pill to Swallow:

A report into the cost of wasted medicine in the NHS.

More than £200 million of medicine is poured down the drain every year

Research and Report by Grant Shapps MP

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Summary of Key Report Findings:

- Over the last five years the NHS has spent more than £1 billion on buying and disposing of drugs that were never used
- Almost 3% of total NHS spending on drugs is wasted
- The value of the disposed medicine is close to £200million
- The cost of disposing of the medicine is now almost £10million
- 824 Tonnes of medication is destroyed unused every year – equivalent to the weight of 5 jumbo jets

Background

Financial pressures in the NHS have led to a cutting back of funding in vital areas of healthcare and to services right across the country in an attempt to balance the NHS' books.

The National Health Services annual drugs bill for 2005-06 was £7.23bn. This accounts for 9.8% of total NHS expenditure.

The issue of drug prescription in the NHS has moved increasingly to the forefront of many health debates in recent months, which have included questioning the use and necessity of branded medicine in the NHS when evaluated against its cost.¹

Increasingly, patients are looking for the prescription of medicines previously unavailable on the NHS, such as the breast cancer drug Herceptin and Aricept, Exelon and Reminyl, which have been shown to slow down the symptoms of Alzheimers disease.

Furthermore, there is now increasing support² for and a more prominent debate over the place of complementary medicine in the NHS and its use as an alternative to conventional drugs, especially in treating various types of cancer.³

For the last few years the Department of Health have made a cautious estimate that the value of drugs that are returned unused in the NHS each year is £100 million.⁴

However, knowing that this figure is only based on medicines that are returned unused and therefore an underestimate of the total

¹ 'The Pharmaceutical Price Regulation Scheme' Office of Fair Trading, February 2007

<http://www.offt.gov.uk/news/press/2007/29-07>

²

<http://www.dh.gov.uk/en/Policyandguidance/Healthandsocialcaretopics/Complementaryandalternative/medicine/index.htm>

³ It is estimated that a third of cancer patients have used some form of complementary or alternative medicine. Department of Health Research and Development Programme

⁴ For example, Hansard 10 November 2003, column 130W; 5 June 2006, column 385W

cost, it is necessary to find obtain a more accurate figure of the cost of NHS wastage.

Moreover, the Department of Health has not conducted a recent investigation into the cost to the NHS of wasted medicine or their disposal.

These issues have all raised a number of questions about drug prescription in the NHS and whether or not public money is being spent in the most cost effective way. As former Secretary of State for Health Patricia Hewitt has noted in the past, 'waste and inefficiency in the NHS is intolerable'⁵ and it is therefore crucial that the Government delivers 'consistent improvements in value for money'⁶ and 'the quality and efficiency that the public are looking for'.⁷

At a time when the NHS is experiencing cuts in funding, it has become both necessary and crucial to ask questions about and uncover the true cost of medicine wastage in the NHS.

⁵ Health Reform in England: Update and Next Steps, Published 13 December 2005

⁶ Speech by the Rt Hon Patricia Hewitt, Secretary of State for Health, 7 November 2006 to the New Health Network.

⁷ Speech by the Rt Hon Patricia Hewitt, Secretary of State for Health, 20 February 2007 to the King's Fund : Commissioning new providers

Introduction and Methodology

This report seeks to reveal the true extent of medicine wastage in the National Health Service. It is based on a national survey of a representative sample of Primary Care Trusts.

In the preliminary research that formed the basis of this report it became evident that there are a vast number of PCTs that do not record information on drug disposal. This was taken into account in choosing the survey sample. Other factors included geography for instance.

The report shows that the cost of wasted medicine over the last five years hit £1 billion last year, simply through medicine being returned or having gone unused before its use-by date.

The research compiled in this report was prompted by a combination of cut backs to services in the NHS, recent debates surrounding the type and quantity of drugs used in the NHS and numerous conversations with both patients and healthcare professionals, who themselves have expressed concern over the level of wastage in hospitals.

Using the Freedom of Information Act, we surveyed a representative sample of Primary Care Trusts across the country to uncover the amount of wastage that has occurred in the NHS.

Using this sample, we applied the results in order to collate figures. The report was compiled through a combination of these results and desk research into the subject area.

Results

The reality of drug wastage is truly shocking. In each year the average PCT destroys more than 6 Tonnes of medication worth more than £1.5million at a cost of £75,000.

Some PCTs are spending upwards of £1million on disposal alone.

Volume

Of the 46 surveyed Primary Care Trusts, thirty provided figures for the volume of medicine wastage. This sample suggests that, last year alone, the National Health Service threw away 824 tonnes of medication - the equivalent of five jumbo jets.⁸

The table below shows the twenty PCTs disposing of the most drugs.

Primary Care Trust	Volume of drugs disposed of in 2006 (kg)
County Durham	22,190
Bradford and Airedale	13,467
Northamptonshire	12,170
Sheffield	11,603
Eastern and Coastal Kent	10,486
Northumberland	10,296
Bexley	8,368
Rotherham	7,360
Doncaster	6,777
Solihull	6,527
Warwickshire	6,103
North Tees	5,802
Stockport	5,044
Ashton, Wigan and Leigh	4,822
Halton and St Helens	4,600
Greenwich	4,562
Heart of Birmingham Teaching	3,864
Herefordshire	3,809
Tameside and Glossop	3,731

⁸ Based on the weight of a Boeing 747-100.

Value

In 2006 the monetary value of these drugs amounted to a staggering £192,586,444.⁹

The ten respondents that discarded the highest value of drugs are listed below.

Primary Care Trust	2006
North Lancashire	£ 9,000,000
Lincolnshire NHS Shared Services	£ 3,500,000
Hampshire	£ 3,000,000
Northumberland	£ 2,059,200
Coventry	£ 2,000,000
Bournemouth and Poole	£ 2,000,000
Bromley	£ 2,000,000
South East Essex	£ 2,000,000
Solihull	£ 1,305,333
Sandwell	£ 1,278,513

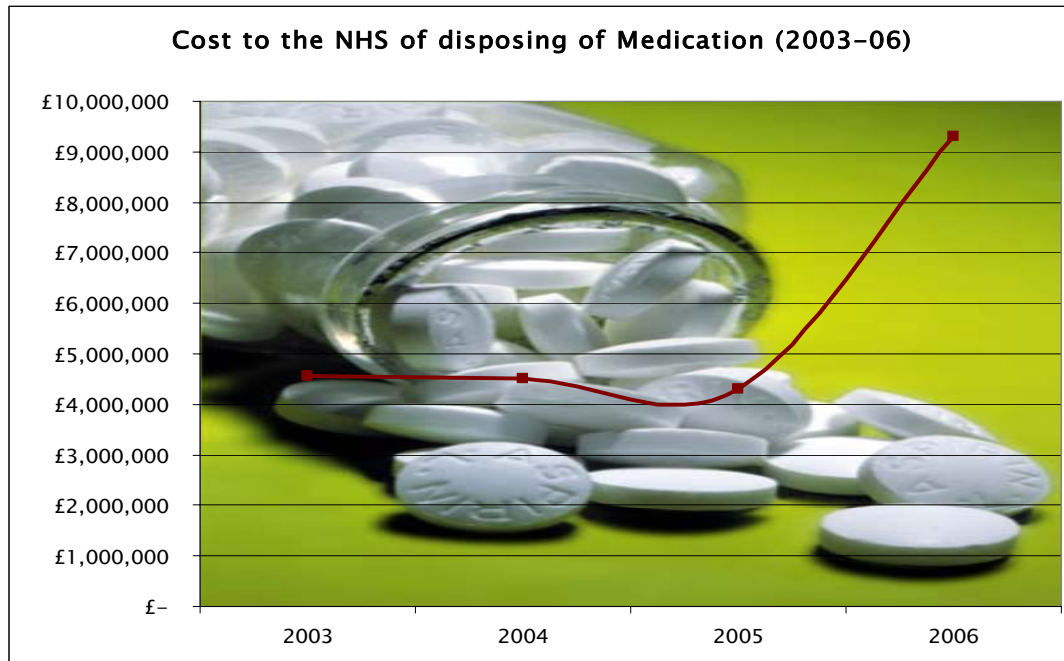
Cost of disposal

Disposing of this vast volume of hugely expensive and potentially dangerous waste obviously requires professional care - at considerable cost to the taxpayer.

Last year a further £9,291,468 was spent on the safe disposal of the unwanted, unused or passed its use-by-date medicines.¹⁰

⁹ Half of the surveyed PCTs provided results. These figures have been used to estimate the total value of drugs disposed of by the NHS.

¹⁰ All 46 PCTs were able to provide results to this question



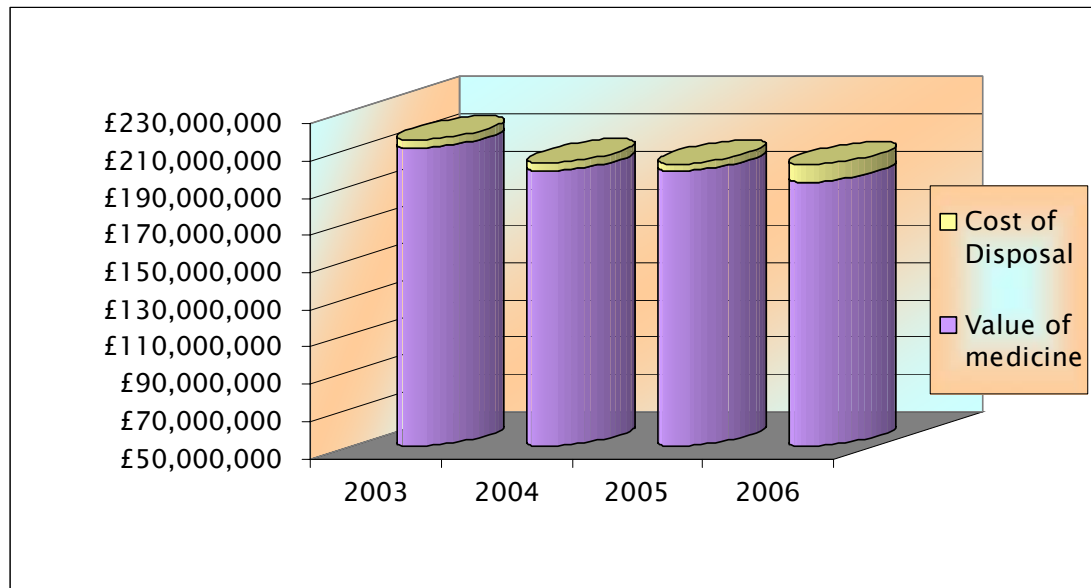
The table below lists the PCTs that have spent the most on disposing of unused drugs.

Primary Care Trust	Spending on disposal of unused medication, 2006 (£)
Hull	1,148,200
Heart of Birmingham Teaching	780,000
Herefordshire	761,800
Hillingdon	38,148
County Durham	30,000
Barnsley	29,180
Plymouth	25,000
Bradford and Airedale	23,700
Northamptonshire	21,618
Doncaster	21,190
Brighton Hove and City	20,989
Halton and St Helens	18,000
Somerset	17,042
Warwickshire	16,440
Eastern and Coastal Kent	16,417
South East Essex	15,925
Ealing	15,000
East Sussex Downs	14,077
Coventry	14,000
Sheffield	13,853

Total Cost

With a consistently high value of drugs being thrown away and increasing costs of destruction, last year the NHS spent £201,877,912 on medication that was never used.

Costs of Medicine and Disposal Combined (2003-06)



Since 2002 an astronomical £1,064,032,680 has been spent by the NHS on the purchase and disposal of unused medication. In the last year alone the

Value of Drugs	£192,586,444.35
Cost of Disposal	£9,291,468.24
Total	£201,877,912.58

To put this into perspective, this £201.87million accounts for 2.8% of the annual NHS spend on medication or 0.3% of the entire NHS budget.

Conclusion

The point of this report is not to make a partisan statement about Government mismanagement, nor is it the author's intention to criticise dedicated healthcare professionals.

Inevitably, there will always be some loss of resources in an organisation as large as the NHS. We all accept that as a necessary drawback of what is a vital national institution and something that we all rely on. However, at the moment pills are being thrown away and medicine is being poured down the drain at an alarming rate.

It is clear that money is seeping out of the NHS at an extraordinary rate. While Department of Health spending has undoubtedly risen over the last five years, these increases have invariably been accompanied by disproportionately large growth in waste and inefficiency.

This is just another example where the Health Secretary has, unfortunately fallen woefully short of her promise to ensure 'every penny of value for every pound we invest'.¹¹

Questions must be asked as to whether the Government, as it claims to, truly 'recognises the importance of getting the best value for money for the NHS'.¹²

The loss of one-fifth of a billion pounds from the NHS each year is a worry for us all and affects the poorest and those most in need most severely. As the Secretary of State for Health said in November 2005:

"I don't know whether Marx ever said waste is theft from the working class, but he should have done, because it is."¹³

¹¹ Speech by Rt Hon Patricia Hewitt MP, Secretary of State for Health, 13 December 2005 : Annual health and social care lecture – Investment and reform : transforming health and healthcare

¹² Lord Hunt, Minister of State, <http://news.bbc.co.uk/1/hi/health/6666805.stm>

¹³ 'Hewitt tells hospitals facing cash crisis to reduce waste': An interview with the Health Secretary, *The Independent* (21st November 2005: page 6)

The £201,877,912 spent last year by the NHS on unused medication could have paid for:

- The salaries of 15,706 nurses¹⁴
- The establishment and first year running costs of 224 drug rehabilitation centres¹⁵
- The salaries of 1,905 GPs¹⁶
- A year's worth of treatment of breast cancer with Herceptin for 10,094 women.¹⁷
- More than 100,000 cycles of IVF treatment¹⁸
- 750,000 digital hearing aids¹⁹

When the alternative destinations for these funds are considered and viewed in light of the precarious state of NHS budget sheets, this level of waste is indeed a very bitter pill to swallow.

¹⁴Based on the pay scale for the minimum salary of a registered nurse. (*RCN Pay Scales 2006*)

¹⁵ Based on figures from the Bradshaw Clinic, Derbyshire established in 2006
<http://news.bbc.co.uk/1/hi/england/derbyshire/5371676.stm>

¹⁶ Figure from the Information Centre for Health and Social Care.
<http://news.bbc.co.uk/1/hi/health/6157219.stm>

¹⁷ Hansard, (3 Nov 2005 : *Column 1335WA*)

¹⁸ 'The True Cost of Infertility', *Internurse* (Vol. 9, Issue 20)

¹⁹ Based on a cost to the NHS of £270 (Written evidence supplied to the House of Commons Select Committee on Health by Ultravox), *Select Committee on Health 2006-07: Fifth Special Report* (printed 2nd May 2007)