

# Does GP dispensing increase NHS costs?

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Many patients leave their GP practice with a prescription and head straight to the community pharmacy to have their medication dispensed. Would it be better if they could get their medication from their GP directly?

Some health systems allow GPs to dispense the medication they prescribe through their own in-house pharmacy while others do not. In England, GPs are allowed to dispense medication to patients who live more than one mile away from a community pharmacy. Approximately 1 in 7 GP practices dispense medication directly from their on-site pharmacy.

The arguments for allowing GPs to dispense are that it saves patients time and travel costs and increases the likelihood of them following their treatment plan. The main argument against it is that as GPs earn extra income from dispensing medicines (e.g. a dispensing fee, mark-ups on the basic price of the medicine), this might affect their decisions about what and when they prescribe in order to increase their income.

Our research investigated whether dispensing rights affect the way in which GPs prescribe medication. We compared prescribing patterns among dispensing and non-dispensing GPs, using data on GP prescribing over a 8 year period in England. We found that dispensing GPs prescribe a greater volume of medication and more expensive medication than comparable non-dispensing GPs who are treating a similar patient population. Dispensing GPs also prescribed medication more frequently and in smaller packages than non-dispensing GPs and this may be linked to the fact that GPs

are paid per prescription they dispense, regardless of the quantity of the medication in each prescription.

However, the total effect on NHS expenditure is small and amounts to less than £5 per patient per year. The study did not compare prescribing quality, treatment adherence or patient satisfaction. It is therefore possible that GP dispensing offers value for money despite the higher costs and further research would be needed to draw firm conclusions about the overall impact.

**Read the full paper in [Health Economics](#).**

**February 2024**