

A Scottish Prescription

Managing the use of medicines in hospitals follow-up study

Project brief, June 2008

Audit Scotland is undertaking this study on behalf of the Auditor General for Scotland (under the Public Finance and Accountability (Scotland) Act 2000 Section 23, 'Economy, efficiency and effectiveness examination').

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Introduction

1. Audit Scotland provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient, and effective use of over £31 billion of public funds. As well as providing financial audit services, Audit Scotland also has a role in supporting the independent review of, and reporting on, public sector service performance. Audit Scotland aims to support the accountability of health and other public bodies through this work and to help them in achieving value for money and continuous improvement. An important element of this work is the publication of national reports on key service issues such as free personal and nursing care; managing long term conditions; and primary care out-of-hours services.
2. This project brief sets out proposals for following up progress made against key recommendations in our 2005 baseline study, *A Scottish prescription - Managing the use of medicines in hospitals*.¹ The rationale for the focus of this follow-up study was developed through initial desk-based research and further scoping meetings with stakeholders involved in this area. It will result in a national report from the Auditor General for Scotland.

Summary of study focus

3. We will assess the progress made by the Scottish Government, NHS boards and other national bodies against key recommendations in our 2005 report and give an overview of the national and local developments in managing the use of medicines in Scotland's hospitals. We will specifically look at progress made in relation to: implementing new information management and technology (IM&T) developments to support medicines management, including a national hospital electronic prescribing and medicines administration (HEPMA) system; financial management for hospital medicines including cost-effective prescribing; promoting the safe and effective use of medicines; and workforce planning and role development for pharmacy staff.
4. Exhibit 1 summarises the key recommendations in our baseline report.

¹ *A Scottish Prescription – Managing the use of medicines in hospitals*, Audit Scotland, 2005.

Exhibit 1

Summary of key recommendations from 2005 baseline report

The Scottish Executive Health Department (SEHD) should:

- develop a national drug dictionary and roll out Community Health Index (CHI) numbers across Scotland²
- roll out the Emergency Care summary for use by Accident & Emergency hospital staff dealing with emergency patients
- develop a clear project plan with key milestones and timescales for procuring, developing and implementing a national HEPMA system
- work with NHS boards to explore the benefits of using automation in hospital dispensaries
- improve workforce planning for pharmacists and pharmacy technicians
- work with universities to review education in medicines and prescribing for medical students to ensure that it meets the needs of patients.

The Scottish Medicines Consortium (SMC) should:

- continue to develop its work on estimating the anticipated budget impact of new medicines so that NHS boards are provided with information on all anticipated costs and cost savings. NHS boards need this information to estimate the local financial impact of new medicines.

NHS Quality Improvement Scotland (NHS QIS) should:

- ensure that Scottish Intercollegiate Guidelines Network (SIGN) guidelines, NHS QIS Health Technology Assessments (HTAs) and their comments on National Institute of Health and Clinical Excellence (NICE) technology appraisals that relate to medicines consider cost-effectiveness and include an assessment of the budget impact for NHSScotland
- develop a national approach to collecting data on adverse incidents, including medication incidents, to allow robust trend analysis, transferable lessons and benchmarking.

The Medicines Utilisation Unit at NHS National Services Scotland (NSS) should:

- work with the National Clinical Dataset Development Programme (NCDDP) at ISD, NHS QIS, SMC and Area Drug and Therapeutic Committees (ADTCs) to develop a coordinated approach to collating data on medicines utilisation that can be used to review the effectiveness and cost-effectiveness of medicines.

NHS boards should:

- ensure that horizon scanning information and monitoring information on the use of medicines is used to inform budgets for medicines
- develop joint formularies and treatment protocols that promote cost-effective prescribing and monitor their use
- ensure that implementation of the recommendations in *The Right Medicine* links with local pharmacy strategies³
- ensure they have robust processes to review medication incidents and take actions to prevent a repeat
- develop antibiotic prescribing strategies and put in place mechanisms to support these strategies, including education, clinical audit and feedback to staff
- ensure that pharmacy is represented at the senior levels of decision-making in the NHS boards and operating divisions.

² These need to be in place before a national HEPMA system can be developed.

³ *The Right Medicine – A strategy for pharmaceutical care in Scotland*, Scottish Executive Health Department, 2002.

Current policy and legislative background

5. Prior to September 2007 the Scottish Administration was generally referred to as the Scottish Executive. It is now called the Scottish Government. Similarly, the Scottish Government Health Directorates (SGHD) was previously referred to as the Scottish Executive Health Department (SEHD). When dealing with the earlier period, this project brief refers to the Scottish Executive and the SEHD.

Single system working

6. Since our 2005 report, primary and hospital care services have become more joined up as a result of the unification of NHS boards which brought primary and hospital services under a single system. Our study will examine the impact of single system working in relation to the management of medicines. Specifically we will examine whether single system working has supported improvements in communication about patients and their medicines at the points of transfer between primary and hospital care; whether NHS boards are implementing joint budgeting arrangements for medicines across primary and hospital care; and any benefits arising from this.

National pharmaceutical strategy

7. The Scottish Executive published its national strategy for pharmaceutical care in Scotland in 2002.⁴ This set out a plan of action specifically relevant to patient safety, cost-effective prescribing and the organisation of hospital pharmacy services between 2002 and 2005. Our baseline report recommended that NHS boards ensure that implementation of these recommendations links with their local pharmacy strategies. Our study will examine the progress made by the relevant bodies in implementing key actions in the strategy which are relevant to the recommendations in our baseline report.

IM&T developments for medicines management

8. In our earlier report, we highlighted the importance of IM&T developments to support improvements in: financial planning and monitoring the use of medicines; supporting cost-effective prescribing; and promoting the safe use of medicines in hospital and at the interface between hospital and primary care. We made specific recommendations for the various NHS bodies to take forward specific elements of this work (Exhibit 1).
9. In particular, we recommended that the SEHD should:

⁴ *The Right Medicine – A strategy for pharmaceutical care in Scotland*, Scottish Executive Health Department, 2002.

- develop a national drug dictionary and roll out CHI numbers across Scotland
 - roll out the Emergency Care summary for use by Accident & Emergency hospital staff dealing with emergency patients
 - develop and implement a national HEPMA system
 - prioritise developments in IM&T to allow hospitals and primary care to share information about patients
 - work with NHS boards to explore the benefits of using automation in hospital dispensaries, ie. using robotics for dispensing medicines instead of this being carried out manually by hospital staff.
10. We also recommended that NSS, through its Medicines Utilisation Unit, should develop a coordinated approach to collating data on medicines use that can be used to review the effectiveness and cost-effectiveness of medicines.
11. The Scottish Executive published its e-health strategy in 2005, which included plans to take forward all of these recommendations.⁵ The Scottish Government is currently revising its e-health strategy and plans to publish this imminently.
12. Our study will examine the progress made by the Scottish Government and NHSScotland in taking forward our recommendations in relation to IM&T developments to support medicines management and the benefits of these where they have been implemented. We will also provide an update on the revised e-health strategy where developments are being taken forward to support medicines management and the timescales for completion.

Patient safety

13. In our baseline report, we made a number of recommendations aimed at ensuring the safe and effective use of medicines in Scotland's hospitals (Exhibit 1). In particular, we recommended that:
- NHS QIS develops a national approach to collecting data on adverse incidents, including medication incidents to allow robust trend analysis, transferable lessons and benchmarking
 - NHS boards implement robust processes to review medicines incidents and prevent a repeat
 - NHS boards address as a priority the need to supply patients with original packs of medicines containing the patient information leaflet (PIL).

⁵ *National e-health/ IM&T strategy*, NHSScotland, 2005.

14. The final bullet refers to a recommendation we made to encourage NHS boards to comply with EU legislation requiring them to provide patients with a PIL about their medicines.⁶ At the time we reported not all NHS boards were complying with the legislation.
15. Since our earlier report, patient safety in relation to medicines management has been taken forward at national and local level through three key linked programmes of work (Exhibit 2). Patient safety is also a key feature in the *Delivering for Health strategy* and the *Better Health, Better Care Action Plan*.

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Exhibit 2

NHSScotland strategies and programmes which aim to improve patient safety

Initiative and timescale	Key purpose
<i>Safe Today – Safer Tomorrow, 2005 - 2007</i>	NHS QIS led this initiative between 2005 and 2007. Its aim was to develop a standardised approach to incident and near-miss reporting, including medicines incidents, across NHSScotland. NHS QIS has commissioned a review of this work and plans to publish its findings imminently.
<i>Scottish Patient Safety Programme, 2007 – 2012</i>	The Scottish Government established the Scottish Patient Safety Alliance in 2007 to guide the Scottish Patient Safety Programme and promote a systematic approach to improving the safety of patients in hospital. It brings together the NHS, the Scottish Government, professional bodies and patient representatives in a new drive to significantly reduce adverse events and improve patient safety. NHS QIS is responsible for coordinating the implementation of the programme. In relation to medicines management, the programme aims to reduce adverse medicines incidents and improve the reliability of systems that staff use and work within on a daily basis.
<i>Scottish Management of Antimicrobial Resistance Action Plan (Scot MARAP), 2008</i>	The Scottish Government published its Scot MARAP action plan in 2008. The action plan sets out the key areas of work for NHSScotland to manage antibiotic resistance, including through appropriate prescribing. The SMC is coordinating this work through a national antimicrobial group involving key partners including Health Protection Scotland (HPS), NHS Education for Scotland (NES), NHS NSS, NHS QIS, NHS boards and their Area Drug and Therapeutic Committees (ADTCs). Each partner has been given responsibility for key areas of work.

Source: *Safer Tomorrow Action Plan, NHS QIS 2006; Pioneering Patient Safety Information Leaflet, Scottish Patient Safety Alliance, 2008 and Scottish Management of Antimicrobial Resistance Action Plan (Scot MARAP), 2008*

⁶ EEC Directive (92/27/EEC). This came into force in January 1999.

⁷ *Delivering for Health*, Scottish Executive, 2005.

⁸ *Better health, Better care: Action Plan*, The Scottish Government, 2007.

16. In addition to the programmes already mentioned, new UK wide legislation and Scottish Government guidance have been introduced to ensure the safe use of controlled drugs by NHS boards, following the Shipman inquiry.⁹ The three key elements of the new legislation are:
- the appointment of Accountable Officers at NHS boards and other relevant agencies who will be responsible for complying with the legislation¹⁰
 - cooperation between health bodies and other organisations for controlled drug purposes
 - new powers of entry and inspection.¹¹
17. Our study will examine the progress made by NHS QIS and NHS boards in implementing our recommendations and how these have been taken forward through the Scottish Patient Safety Programme and the Scottish Antimicrobial Action Plan (Scot MARAP). We will also examine how the new controlled drugs legislation has contributed to tightening controls for the safer management of medicines in hospitals.

Financial management of medicines in Scotland's hospitals

18. Our earlier report identified that expenditure on medicines is continuing to increase due to advances in medicines which mean a wider range of conditions can now be treated. In addition, we highlighted other key factors influencing increased spending on medicines:
- people are living longer, and more are living with health problems that can be managed by medicines
 - medicines are continuing to be developed that provide new or additional options for treating patients
 - evidence continues to emerge supporting the use of existing medicines to benefit a wider range of patients.
19. Some of the new medicines introduced in recent years to treat long-term or acute conditions have a high unit cost. This group of high cost medicines contributes significantly to the cost pressures on

⁹ *UK Health Act, 2006; The Controlled Drugs (Supervision of Management and Use) Regulations, 2006 (the Controlled Drugs Regulations) and NHS HDL (2007) 12.*

¹⁰ NHS boards and other relevant organisations such as local authorities and care organisations are required to appoint Accountable Officers who will be responsible for ensuring compliance with the legislation.

¹¹ The powers of entry and inspection extend to Police Constables, Accountable Officers and their staff, and to the regulatory bodies with inspection rights such as the Royal Pharmaceutical Society of Great Britain, the Care Commission and the Social Work Inspection Agency. It also allows for these authorities to give other individuals powers of entry and inspection.

NHS boards medicines budgets across both hospital and may also impact on the primary care budget.¹²

20. NHSScotland's expenditure on hospital medicines is also affected by the cost of medicines to the NHS which is not directly within its control. The Office of Fair Trading (OFT) carried out two recent market studies that highlighted two further issues influencing higher costs to the NHS in buying medicines for hospitals, and hence spending levels on medicines in hospitals:
- there is a lack of evidence that the Pharmacy Price Regulatory Scheme (PPRS) is effective in achieving value for money in buying medicines for NHS hospitals^{13 14}
 - many pharmaceutical companies are moving towards a Direct to Pharmacy (DTP) model to distribute their medicines to community pharmacies. Under this arrangement, the pharmaceutical company agrees the price directly with the community pharmacy and there is no set discount level unlike the previous system. As before, the NHS reimburses the community pharmacy for medicines supplied to NHS patients at the PPRS list price less an agreed percentage of any discount. However, as there are fewer discounts, the OFT estimated that this could increase the cost of medicines to the NHS across the whole of the UK by hundreds of millions of pounds a year. It impacts on both primary and hospital care medicines budgets as NHS boards need to either cut expenditure on medicines or increase their budgets to replace the funding they previously clawed back from their percentage of the set discount.^{15 16}
21. As we projected in our 2005 report, expenditure has continued to increase. Between 2003/04 and 2006/07, spending on medicines in hospitals increased by 30 per cent from £189 million to £245 million. Expenditure on medicines was £129 million in 2000/01 and £143 million in 2001/02, representing approximately 4.6 per cent of the total net hospital expenditure in both years. However, since then expenditure on medicines as a percentage of total net hospital expenditure has fluctuated. There were initial slight increases and then slight decreases over the following years before growing to a new high of £245 million in 2006/07, representing 5.6 per cent of net hospital expenditure.
22. NHS boards continue to face increasing cost pressures and strong financial management of medicines in hospitals is crucial. In our baseline report we made specific recommendations for the SMC, NHS QIS and NHS boards to improve financial management of medicines in hospitals,

¹² These high cost medicines are usually introduced to patients while they are in hospital but if repeat prescriptions are necessary, often the costs will be met by primary care budgets following the patients discharge from hospital.

¹³ The scheme has been in operation for over 50 years and is re-negotiated every five years. Its main aim is to secure value for money for the NHS while providing pharmaceutical companies with the right incentives to invest in new and useful drugs for the future.

¹⁴ *The Pharmaceutical Price Regulation Scheme*, Office of Fair Trading, 2005

¹⁵ *Medicines Distribution – An OFT Market Study*, Office of Fair Trading, 2007

¹⁶ The OFT carried out this study after receiving around 483 complaints from pharmacies, dispensing doctors and small wholesalers.

including implementing measures to promote cost effective prescribing (Exhibit 1). In particular importance we recommended that:

- the SMC should continue to develop its work on estimating the budget impact of new medicines so that NHS boards are provided with information on all anticipated costs and savings to allow them to estimate the local financial impact of new medicines
 - NHS QIS should ensure SIGN guidelines, NICE technology appraisals that they review, and NHS QIS HTAs include an assessment of the budget impact for NHSScotland
 - NHS boards should ensure that the horizon scanning information and monitoring information on the use of medicines is used to inform budgets for medicines
 - NHS boards should ensure lead clinicians are involved in signing off the medicines budget
 - NHS boards should develop joint formularies and treatment protocols that promote cost-effective prescribing and monitor their use.
23. We will evaluate the progress made by these organisations in implementing our key recommendations in relation to improving financial management of medicines in hospitals. We will also examine where possible the budget impact of high cost medicines on NHS boards. We will not examine the effectiveness of the PPRS or the financial implications of the new DTP distribution model for medicines as these have been covered by the OFT in its recent reports.

Workforce planning and role development for pharmacy staff

24. In our baseline report, we recommended that the SEHD improves national workforce planning for pharmacy staff. We also recommended that NHS boards: review the way hospital pharmacy services are provided and identify opportunities to change the skill mix to give pharmacists and technicians more time to work with patients and staff in wards and clinics; and work to nationally agreed standards for technicians in extended roles.
25. Since our baseline report, two further developments have been taken forward in relation to the employment and training of pharmacy staff:
- pharmacy staff began the assimilation process to Agenda for Change terms and conditions of employment from 2006/07

- from 2008/09, NHS Education for Scotland (NES) will become responsible for organising, administering and fully funding pre-registration placements through their new Pre-Registration Pharmacist Scheme (PRPS).^{17 18}

26. Our study will examine progress made by the Scottish Government and NHS boards in implementing these key recommendations. We will also provide an update on the assimilation of pharmacy staff onto Agenda for Change terms and conditions and any issues arising from this and an overview of the new PRPS scheme and what it aims to achieve.

Education for medical staff in medicines management

27. A key finding from our baseline study was the concern expressed by hospital staff that education for medical students did not give them the knowledge of medicines they need when they start prescribing. We made a specific recommendation for the Scottish Executive to work with universities to review education in medicines and prescribing for medical students to ensure that it meets the needs of patients.
28. Since our 2005 report a new educational programme, Modernising Medical Careers (MMC), has been developed and introduced in the UK. This aims to reform postgraduate medical education to better support junior doctors for the future.
29. We will examine the Scottish Government's progress in implementing our recommendation related to education in medicines and prescribing for medical students. We will not look at the MMC programme as it is too early to assess the impact on the education in medicines and prescribing for junior doctors. In addition to this, we did not examine the education and training for junior doctors in our baseline report.

Aims and objectives

30. The overall aim of the study is to examine the progress made by the SGHD, SMC, NHS QIS, NSS and NHS boards in implementing the key recommendations of our baseline report.
31. The objectives of the study are to:

¹⁷ The purpose of the PRPS is to ensure that every pre-registration pharmacist funded by NHSScotland receives the same high quality training opportunity, support and experience, regardless of practice setting, and is familiar with the practice requirements of the new Community Pharmacy Contract

¹⁸ *NHS Scotland national workforce plan*, Scottish Executive, 2006.

- assess improvements in financial planning and monitoring for medicines management within hospitals, including the information needed to support this at both national and NHS board level
- assess whether NHSScotland has systems and processes to promote cost-effective and safe use of medicines within hospitals, including communication at the points of transfer between primary and hospital care
- examine national and local progress made in using IM&T to improve the management of medicines within hospitals and at the points of transfer between hospital and primary care
- examine recent developments in workforce planning for pharmacy staff at both national and local level
- assess the Scottish Government's progress in working with universities to review education in medicines and prescribing for medical students.

Scope, methodology and potential impact

Project scope

32. The study will focus mainly on developments at a national level relating to financial planning and monitoring; cost-effective prescribing and safe use of medicines; and workforce planning for pharmacy staff. We will support this further through carrying out a high level review of NHS boards' progress towards improving financial planning and monitoring of medicines and promoting the cost effective and safe use of medicines in hospitals. Our study will not specifically examine the impact of the PPRS and changes in distribution of medicines, as these have been covered by the two OFT studies.

Project methodology

33. We will carry out interviews with key stakeholders from the Scottish Government, SMC, NHS QIS, NHS National Education for Scotland (NES) and NHS National Services Scotland and a review of key documents. We will also carry out a short focused survey with all 14 territorial NHS boards covering the following issues:
- financial planning and monitoring the use of medicines in hospitals
 - policies and guidance to support cost-effective and safe prescribing and processes to monitor compliance with these policies and procedures, eg joint formularies
 - IM&T developments to support medicines management in hospitals, eg. electronic prescribing and the use of robotics for dispensing medicines
 - workforce planning and role development for pharmacy staff within hospitals.

34. In addition to this, we will carry out more in-depth analysis through case studies of local developments taken forward by three NHS boards aimed at improving medicines management in hospitals. We will review:
- the benefits gained by NHS Highland from its monitoring system which aims to monitor staff compliance with the local formulary and other medicines management protocols to improve medicines management within hospitals and the community
 - the benefits gained by NHS Ayrshire & Arran from its HEPMA system
 - patient safety outcomes achieved by NHS Tayside's Safer Patient Initiative which relate to medicines management within its hospitals.

Potential impact

35. The study is a follow-up to our 2005 publication *A Scottish Prescription - Managing the use of medicines in hospitals*. We therefore aim to provide public assurance that progress has been made towards implementing the recommendations from our earlier report. Through this study, we also aim to provide fresh impetus for the relevant bodies to continue to implement our recommendations through some of the new initiatives such as the Patient Safety Programme and Scot MARAP.

Links to other work

36. This study links to two studies we published in 2007 - *An overview of the performance of the NHS in Scotland* and *Managing long-term conditions*.^{19 20}
37. Since our baseline report, a considerable number of other published reports have focused on medicines management, including examining the costs of medicines to the NHS. We will draw on this work where relevant to inform our conclusions in this follow-up study. Exhibit 4 summarises the scope and recommendations of these key publications.

¹⁹ *Overview of Scotland's health and NHS performance in 2006/02007*, Audit Scotland, 2007.

²⁰ *Managing long-term conditions*, Audit Scotland, 2007

Exhibit 4

Links to other published reports

Publication date	Study title and author(s)	Study scope and summary of recommendations
2005	<i>Managing the implications of NICE guidelines</i> , Audit Commission	The report highlights the financial management challenges that NHS bodies in England face when implementing NICE guidance, and makes practical recommendations for strengthening financial management arrangements to support improved implementation of NICE guidance in the future.
2005	<i>The Pharmaceutical Price Regulation Scheme</i> , Office of Fair Trading	This market study aimed to assess whether the Pharmaceutical Price Regulatory Scheme (PPRS) is effective in meeting its high-level objectives, or whether there is a case for reform. It recommended that the current PPRS be reformed and introduced by 2010, including a new value-based approach to pricing medicines.
2006	<i>Patients and their medicines in hospital</i> , Scottish Executive	This report was commissioned by the Chief Pharmaceutical Officer of the Scottish Executive and prepared by a joint working group of the National Pharmaceutical Forum (NPF) and the Scottish Medical and Scientific Advisory Committee (SMASAC). It sets out standards, criteria and recommendations for NHS boards to improve the patient journey in relation to medicines throughout their stay in hospital. The report also includes a self-assessment checklist for NHS boards to assess their performance against the standards but completion of these locally is not mandatory and there is no central monitoring of this.
2006	<i>Safe Today – Safer Tomorrow, Patient Safety – Review of Incident and Near-Miss Reporting</i> , NHS QIS	The aim of this review was to establish a baseline picture of incident reporting across NHSScotland, including the associated strengths and weaknesses. The report makes ten recommendations to create a joined-up incident reporting system at local discipline or area, board and national level.
2007	<i>Safety in doses: medication safety incidents in the NHS</i> , NHS National Patient Safety Agency	This report presents learning about medicine safety, drawn from almost 60,000 medication incidents by NHS bodies in England and Wales. These incidents were reported to the National Patient Safety Agency (NPSA) through the National Reporting and Learning System (NRLS) between January 2005 and June 2006. It brings together the key messages from reports to the NRLS and evidence from published research and data from other organisations, for example the NHS Litigation Authority (NHSLA). It also sets out seven key actions to improve medication safety.
2007	<i>The Best Medicines – The Management of Medicines in Acute and Specialist Trusts</i> , Commission for Healthcare Audit and Inspection	This report considers the important issues facing English trusts around their management of medicines, and is based on information from the 2005/2006 acute hospital portfolio review of medicines management carried out by the Healthcare Commission. It focuses on the framework of actions needed to deliver effective medicines management, which concentrate on ensuring that:

		<ul style="list-style-type: none"> • appropriately skilled staff are working with medicines • the 'right' medicines are available and selected for patients • patients' medicines are managed safely, effectively and efficiently • the supply of medicines to patients is safe, effective and efficient.
2007	<i>Medicines Distribution – An OFT Market Study</i> , Office of Fair Trading	This study aims to provide a better understanding of the implications of the recent and proposed changes to medicine distribution arrangements in the UK. It considers how the changes in distribution may affect the cost of medicines to the NHS; the level and quality of service patients receive from pharmacies and competition in wholesaling in the longer term. It recommended that as part of the PPRS reforms the UK Government should negotiate safeguards to the discounts pharmacies currently receive in buying medicines and greater clarity in the service standards that the NHS is paying for when agreeing prices for medicines.

Source: Literature review of published sources set out in the table.

Project staffing and resources

38. The project team will include:

- Carolyn Smith - Project Manager
- Tricia Meldrum – Portfolio Manager
- Nicola King - Project Officer (0.5, WTE).

Project outputs and target timescales

39. We plan to publish our follow-up report in February 2009 and the target timescales for the key project milestones are:

- project brief: May 2008
- developing and piloting the methodology: May 2008
- fieldwork and analysis: June – October 2008
- report drafting: Aug - January 2009
- publication: February 2009
- project review: February 2009

Project Advisory Group

40. We will establish a virtual project advisory group to provide independent advice and feedback to the project team to ensure the work is relevant and meets the needs of stakeholders. Advisory group members sit in a personal capacity and do not formally represent their organisations.
41. The Project Advisory Group is likely to have advisors from:
- Scottish Government Health Directorates
 - Scottish Medicines Consortium
 - NHS Quality Improvement Scotland
 - NHS National Services Scotland
 - NHS Education for Scotland
 - NHS boards.

Stakeholders

42. Key stakeholders for the project will include:
- Scottish Parliament Audit, Health and Sport and Finance Committees
 - Scottish Government Health Directorates
 - NHS boards and special boards
 - Scottish Medicines Consortium
 - NHS Quality Improvement Scotland
 - NHS National Services Scotland
 - NHS Education for Scotland
 - Public /hospital patients.

Further information

43. If you have any questions about the project brief please contact Carolyn Smith by email csmith@audit-scotland.gov.uk phone 0131 625 1847, fax 0845 146 1009 or in writing to Audit Scotland, 18 George Street, Edinburgh, EH2 2QU.

Appendix 1: Assessment against performance audit study criteria

As this is a follow-up study, the main impact we aim to achieve is to provide public assurance that key recommendations in our baseline report have been taken forward by the relevant organisations.

Criteria	Comments
Importance	<p>Medicines are part of the management of most people who attend hospital. NHSScotland spent £245 million on medicines in hospital in 2006/07. The proportion of hospital expenditure spent on medicines has fluctuated slightly for a number of years. New medicines and new uses of existing medicines to treat a wider spectrum of conditions are increasing the choices available to clinicians and patients but putting pressure on budgets. Robust and transparent processes at national and local level are required to manage the availability of medicines.</p> <p>There are many risks to patient safety from using medicines, through medication incidents and unexpected adverse drug reactions. These risks must be closely managed and monitored.</p> <p>We reported on medicines management in our baseline report and made key recommendations for improvements. We aim to assess progress against these in this follow-up study.</p>
Service impact	The timing of this study is important as it is almost three years since the publication of our baseline report. This study will provide a progress update on the implementation of our key recommendations.
Variability	Our scoping work for this study suggests that there is still considerable variation in management processes and in the organisation of services at both NHS board and hospital level. However, single system working is developing and it appears that considerable progress has been made by NHS boards in implementing joint formularies and antibiotic resistance strategies.
Practicality	There should be no real issue of practicality as our study focuses mainly on national progress made in implementing our key recommendations, supported by a local review of progress in specific key areas. Examining the national progress should be fairly straightforward through interviews with key staff within the Scottish Government, SMC, NHS QIS, NSS and NES. Our local work should also be relatively straightforward as most of the information we need should be easily gathered through a short focused questionnaire, supported by a review of some key documents.
Change	The national strategy for pharmaceutical care and the national emphasis on risk management and patient safety support change in this area.
Data	There are still significant gaps in the data required to plan, manage and monitor the use of medicines in hospitals.
Coverage and balance	This study will follow up the key recommendations in our baseline report. The focus of the study will be primarily at national level with specific issues examined at NHS board level through a short focused survey.
Cost-effectiveness	<p>Unlike the Audit Scotland reports on prescribing in general practice, it is unlikely that this report will identify significant potential cost savings to the NHS. Hospitals have taken action to move to generic prescribing and national contracts are in place for the procurement of medicines.</p> <p>This is a short piece of work which will have minimum data collection at NHS board level, and will be a low cost study.</p>

Added value	<p>The report will provide public assurance that progress has been made by NHSScotland in implementing key recommendations in our baseline report. It will also provide fresh impetus for the relevant bodies to continue to implement our recommendations through some of the new initiatives such as the Patient Safety Programme and Scot MARAP.</p>
Monitoring	<p>As this is a follow-up report, we do not plan to carry out a further study in this area over the next few years. However, many of our recommendations have been taken forward in other key initiatives such as the Scottish Patient Safety programme, led by NHS QIS, and Scot MARAP, led by the SMC. Both organisations have plans in place to monitor and evaluate the impact of this work which should provide sufficient assurance that progress is continuing to be made in relation to improving medicines management in Scotland's hospitals.</p> <p>We will keep a watching brief on these developments as part of our work to monitor the impact of our reports.</p>