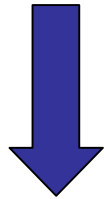


Devolving Global Sum

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Negotiator – NHS Employers

Funding Sources

- Global Sum



- PCT funds

- Retained Margin

- Currently centrally held, now being devolved to PCTs

- Funding for pharmacy included in the general allocation formula

- Held by pharmacy contractors but taken into account in covering service costs

Why transfer residual central funding?

- Reflects DH policy to devolve NHS funding to PCTs as far as possible
- Brings pharmacy in line with other funding streams e.g. drugs bill, GPs, dispensing doctors, dentists, eye services
- PCTs fund all prescribing and dispensing costs

Why now?

- NHS Operating Framework 2010-11
- Health & Social Care Act 2008 gave powers to:
 - Transfer the Global Sum to PCTs; and
 - Recharge the cost of service provision (covered by the Global Sum) to the PCT of the prescriber, as appropriate

(H&SC Act 2008, Section 140 and Schedule 12)

Continuity for pharmacy

- Fees and allowances continue to be set nationally
- Fees will continue to be set out in Drug Tariff
- Contractors will continue to submit monthly returns in the normal way
- BSA-PS continue to make payment to contractors (as it does now)
- Cost of service provision and activity will continue to be monitored by DH

Change for PCTs

- PCT allocations will reflect specific and associated costs of dispensing, based on current activity
 - Costs will be recharged to all PCTs on the same basis
- = PCT that 'commissions' service will pay the cost attributable to the service provided
- No PCT will be significantly disadvantaged since costs are related to attributable professional fees

Important considerations

- Dispensing activity (and therefore service) is expected to follow current patterns and levels
- Allocations for 2010/11 are on a “non-recurrent” basis and may be adjusted
- Action will be taken to avoid shocks either to medicines supply or pharmacy service