

PRESS RELEASE

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PHARMACEUTICAL SERVICES NEGOTIATING COMMITTEE

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DH reopens Negotiations with the ABPI on PPRS

The Department of Health has confirmed that it has reopened negotiations with the ABPI on the Pharmaceutical Price Regulation Scheme (PPRS). Commenting on the announcement, **Sue Sharpe, Chief Executive Officer of PSNC**, said:

"In recent years, the activities of certain manufacturers have given rise to a range of problems for pharmacy contractors relating to the terms on which they procure medicines for NHS patients. PSNC contributed to the OFT study into the PPRS arrangements and we believe that the time is now right for thorough review and reform. We will, in the coming months, be seeking to ensure that the financial risk to pharmacies from their obligation to procure brands is recognised and satisfactorily addressed in any new arrangements.

A particular concern for pharmacy contractors has been PCTs encouraging the prescribing of branded generic medicines, a practice which leads to unequal geographical distribution of core pharmacy funding. The OFT shared PSNC's view that this practice also increases costs for the NHS. Systems for regulating brands should not be used to distort the generics marketplace and we believe strongly that changes should be made to the reimbursement arrangements for both branded generics and off-patent brands as part of the reform of the PPRS arrangements.

The Department of Health's announcement that negotiations are being reopened on PPRS is indicative of Government recognition that there is still much work to be done, across the NHS, to get best value for money. This push for change is likely to continue."

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Notes for editors:

1. The Pharmaceutical Services Negotiating Committee (PSNC) is the body that represents community pharmacy on NHS matters and seeks to secure the best possible NHS services provided by pharmacy contractors in England and Wales.

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