

PRESS RELEASE



www.psnco.org.uk

26 August 2008

**PSNC NEGOTIATES SECOND PHASE OF
CIP COMPENSATION FOR PHARMACY CONTRACTORS**

The Department of Health and PSNC have agreed the second phase of a compensation package for community pharmacy contractors following implementation of the new prescription pricing technology known as CIP (Capacity Improvement Programme).

Contractors will not need to take any action to receive the compensation, which will be processed automatically by the NHSBSA PPD.

Commenting on the agreement, PSNC Chief Executive Sue Sharpe said:

"We are pleased that agreement has finally been reached on the compensation arrangements for the early months of 2008.

"It is essential that all contractors review their processes for ensuring that patient declarations are completed - guidance is available on PSNC's website. The Department of Health has confirmed that there will be no further concessions made for contractors' failure to ensure exemption declarations are completed

"PSNC still has a number of concerns about the CIP system and it continues to be a priority to ensure that all errors are identified and remedial action agreed to restore pricing accuracy.

"To assess the ongoing accuracy of prescription switching, PSNC's National Prescription Research Centre has started to review a statistically significant sample of June 2008 prescriptions. We expect to see results available within 4 - 6 weeks."

The NHSBSA PPD will shortly send a letter to affected contractors to tell them the compensation payment which has been calculated for them, with the corresponding payment scheduled to reach contractors in early October 2008.

-Ends-

*For further information please contact the PSNC press office
on 0207 618 9187 or at psnc@luther.co.uk.*

Notes to Editors

1. PSNC (The Pharmaceutical Services Negotiating Committee) is the body that represents community pharmacies in England and Wales on NHS matters.
2. The Capacity Improvement Programme (CIP) was introduced by the Prescription Pricing Division in early 2007 and since then there has been a substantial increase in prescription “switching”. However, investigations by the PPD and PSNC have revealed that the PPD legacy pricing system was less successful at identifying prescription forms that did not have completed declarations of exemption, and community pharmacy contractors had not been alerted to these problems prior to CIP implementation. In addition, instances have been identified of PPD erroneously “switching” forms due to systems failure.
3. PPD, the Department of Health and PSNC have agreed compensation arrangements for errors due to both PPD system failure and also as a concession for pharmacy contractors who may not have been aware of flaws in their own checking processes. The compensation arrangements announced today will cover the period January – May 2008. Compensation payments for months up to December 2007 have already been arranged as part of phase one of the agreement, which was reached between the Department of Health and PSNC in July.
4. Guidance on how the payments will be calculated and the qualifying criteria can be found on the PSNC Website at http://www.psn.org.uk/pages/prescription_switching.html.
5. The level of compensation recognises the delays in payment reaching contractors.
6. As was announced in the July agreement, there will be no further concessions from June 2008 onwards. It is essential that contractors review their processes for monitoring the completion of patient declarations of their charge status. PSNC will continue to work with NHSBSA PPD to audit the system on a regular basis.

*For further information please contact the PSNC press office
on 0207 618 9187 or at psnc@luther.co.uk.*