

PRESS RELEASE



For Immediate Release

PHARMACEUTICAL SERVICES NEGOTIATING COMMITTEE

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PSNC writes to Andrew Lansley, Shadow Health Secretary

PSNC has written to **Andrew Lansley**, *Shadow Secretary of State for Health*, in response to issues raised in a recent press release issued by the Conservative Party.

In the letter, PSNC has stated:

"It was extremely disappointing to see the press release you issued today 'Government has overpaid pharmacies £811m for dispensing drugs'. This quite erroneously states that 'this has caused the NHS to spend £811m extra'. This is wrong. The excess profits identified are recovered by the NHS, so a more correct message would have been to record that these profits are used to fund NHS services

The community pharmacy arrangements measure purchase profit income, and adjust prices and, where necessary other payments to pharmacies, to ensure that total payments in the financial year are those agreed with the government. This year, following measurement of purchase profits earned by community pharmacies, a substantial excess profit was identified and in October measures were taken to address this. The prices paid by the NHS for generic medicines were reduced from October, and practice payments to pharmacies were also reduced to recover excess profits earned in the first six months of the year. Similar action was taken in 2006-7 when purchase profits of £300m more than the target level of £500m were identified.

It is particularly regrettable that your accusations came this month when, far from earning excess profits, community pharmacies are suffering financially from the combined reductions in prices and fees."

Mr Lansley has been invited to meet with representatives of PSNC to discuss this issue and other areas where community pharmacy can contribute to the health needs of the population.

-- ENDS --

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.
2. The original press release issued by the Conservative Party can be found at: http://www.conservatives.com/tile.do?def=news.story.page&obj_id=142047

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