

PRESS RELEASE



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PSNC SUBMITS PRELIMINARY RESPONSE TO DH CONSULTATION ON PPRS

PSNC has submitted a preliminary response to the Department of Health Consultation on a Statutory Scheme to Control the Prices of Branded NHS Medicines.

Commenting on PSNC's response, Chief Executive Sue Sharpe said:

"PSNC is extremely disappointed that the consultation paper does not address the issue of off-patent brands being prescribed to undercut the prevailing Category M price. This is not in the interests of pharmacists, the NHS or tax payers in the long-term because it removes competition and distorts a vital funding stream for pharmacy contractors.

"In any new arrangements we want to see the removal of the incentive for prescribing by brand or manufacturer's name unless it is deemed absolutely necessary on clinical grounds. There should be effective safeguards to protect competition in the generics market.

"There are substantial flaws in the present funding arrangements for community pharmacy contractors and the number of products dispensed at prices above the net reimbursement price is unsustainable. PSNC believes it to be necessary to explore urgently options for amending the pharmacy funding arrangements.

"If the government decides to proceed with the proposed price cuts, it is essential that the price change mechanism continues to operate as normal. If this doesn't happen, pharmacists will be obliged to minimise stock holdings in the period immediately before the price cut takes effect. We need early confirmation of this.

"PSNC also believes that the Department of Health should institute a review in conjunction with manufacturers, distributors and community pharmacy to identify what measures can be put in place to address the increasing reports of supply shortages, in particular, when manufacturers impose quotas on the volume of a medicine that a pharmacy can obtain.

"These proposed changes to PPRS are especially important in the context of the White Paper, which contains proposals to extend pharmacy services further; for example, by increasing the availability of NHS minor ailments services and providing vascular health

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checks. Community pharmacy contractors have a central role to play in primary care, but they need arrangements that deliver stable and appropriate levels of funding. Changes to PPRS must not compromise that objective.”

-Ends-

Notes to Editors

1. PSNC (The Pharmaceutical Services Negotiating Committee) is the body that represents community pharmacies in England and Wales on NHS matters. For information on the new services available from community pharmacies please visit www.psnco.org.uk/contract.

2. The current funding system is unsustainable because manufacturers have made changes to their distribution arrangements and there is high discount activity and volatility in the generics market.

3. Off-patent brands being prescribed to undercut the Category M price is a practice whereby a doctor prescribes a specific brand instead of a generic medicine listed under Category M. Doctors do this because they think it will save the NHS money; however, this is a short term gain, as a percentage of the profit which pharmacies obtain from Category M generic medicines is invested in providing more services. Undercutting Category M has increased substantially in recent years and the proposals as they stand are likely to further encourage branded prescribing.

4. Category M medicines are generic medicines for which the government sets the reimbursement price to be paid to pharmacists.

5. In recent years there have been increasing reports of supply shortages and quotas being imposed by manufacturers on the volume of a medicine that a pharmacy can obtain. It is predicted that these problems are likely to increase through changes in the European medicines import/ export market following the proposed price reductions in January 2009. These supply issues have an adverse impact on patients, pharmacy contractors and the NHS.

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