

## PRESS RELEASE



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### **PSNC AGREES NHS FUNDING ARRANGEMENTS WITH THE DEPARTMENT OF HEALTH**

Following lengthy negotiations, PSNC has agreed funding arrangements with the Department of Health for the current (2008/09) financial year.

PSNC Chief Executive Sue Sharpe said:

“PSNC has robustly represented contractors’ concerns to the Department of Health during our negotiations. We have done so through an approach that is based on working with the DH to achieve the right outcome. Throughout, our objective has been to deliver an uplift in funding that eases the financial pressures faced by contractors right now.

“The Minister, Dawn Primarolo, has listened to our case that over the last couple of years, as surplus purchase profit income has been identified and removed, it has become apparent that the contract funding is inadequate to support pharmacy contractors, and makes investment to deliver new NHS pharmacy services impossible. We have emphasised our commitment to delivering the White Paper aims, but that there is an urgent need for additional funds.

“We have agreed with DH that a Cost of Service review is required as soon as possible so that we can ensure that future funding is built on stable and reliable foundations. Pending the completion of that review, transitional increases in funding have been agreed, the details of which we have posted on the PSNC website [www.psn.org.uk](http://www.psn.org.uk). Those transitional increases will supplement formula-driven annual increases.

“The net effect of all these changes is an average increase in payments per prescription of 50.6p until the end of the financial year, and 20.4p per item thereafter pending settlement of funding for 2009-10. This represents, for a pharmacy contractor dispensing 6000 items, increased monthly income of over £3,000 for the remainder of 2008-9, and an increase in allowed funding from 2007-8 to 2008-9 of 12.7%.

“PSNC believes this is a necessary and welcome uplift in funding for the current year, and for the interim period pending the completion of a new cost of service inquiry. We expect the cost of service inquiry to provide a platform for stable and fair funding in the future.”

**-Ends-**

*For further information please contact the PSNC press office  
on 0207 618 9187 or at [psnc@luther.co.uk](mailto: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. Full information on the funding agreement will be provided in the September edition of Community Pharmacy News. The details will also be available on PSNC's website at [www.psn.org.uk](http://www.psn.org.uk).

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