



# community pharmacy NEWS

## Special Edition – Full Details on Funding for 2006-2007

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# Chief Executive's Report on Funding for 2006-2007

**At last funding for 2006-7 has been settled. This was the first year of review of funding for the new contractual framework, and for PSNC it was essential to ensure that all elements were addressed with care. The principal cause of the delay in finalising the funding related to the evaluation of purchase profit income. Application of the other funding elements was straightforward, and we hope that settlements in future years will be much speedier.**



*Sue Sharpe CEO*

In most respects the application of the elements of funding agreed as part of the new contractual framework have been very satisfactory, but PSNC has some major concerns that remain to be addressed concerning interpretation of information on purchase profit income, and we will be working on this over the coming months.

Last week Pfizer announced the introduction of new distribution arrangements. All contractors received a rather uninformative mailing about these unwelcome changes, and PSNC is taking urgent legal advice. The guaranteed funding under the new contractual framework provides mechanisms to adjust for any increased costs to pharmacies from changes of this kind, and in addition to investigating the legal position we are working to ensure that we identify all the cost elements that will follow if the new arrangements go ahead.

## Key elements of the funding changes for 2006-7

### Total Funding for 2006-7

A vital element in the new framework was the "Formula for Future Years", designed to ensure that annual adjustments maintained the value of the contract. Application of the elements of the formula has led to an increase of 5% on the total funding package, which rises by £89m, from £1.766bn to £1.855bn. In addition to this underspends in the Global Sum, Practice Payments and ETP allowances are being carried forward to provide a total sum for the year of £1.911bn. With adjustments for purchase profit income, the effect on the large majority of pharmacies will be an overall increase in total fees and allowances from October until the end of March 2007, of 7%.

### Advanced services

The fee for Advanced services, Medicines Use Reviews or Prescription interventions, rises for reviews undertaken from 1 October, from £23 to £25. The ceiling on numbers of MURs has been increased, so pharmacies that made arrangements to provide Advanced services before 1 October 2006 will be able to conduct and be paid for a maximum of 400 reviews in the year. The limit for pharmacies that enter arrangements on or after 1 October will be 200 for the year.

This is good news for pharmacies and demonstrates clearly that all pharmacies should seek to introduce Advanced services. Pharmacies that have got going by 1 October can earn £10,000 in the financial year. New providers are still able to earn £5,000 by doing 200 reviews.

### Monitoring of profits available/ DT changes

There was no monitoring of purchase profits in the early part of 2005-6 but two surveys were undertaken in the second half of the year: these were samples of 42 pharmacies in October 2005 and February 2006. They confirmed that despite shortfalls in PCT payments, pharmacies received in full the total promised under the contract of £1.766bn in 2005-6. PSNC has substantial concerns relating to the interpretation of data but agrees that the surveys clearly demonstrate that unless prices to pharmacies change substantially there will be significant excess in 2006-7 over the agreed level of £500m.

The Department of Health has decided to make further adjustments to Cat M prices from October 2006 to recover an additional £75m per quarter. Details of the new prices will be published in the October Drug Tariff. Cat M prices change quarterly. PSNC is particularly concerned to be sure that reimbursement prices ensure that independent pharmacies, including singly owned pharmacies, can earn profits at a level that delivers a fair return. In the work with the Department of Health we will be seeking to ensure that full account is taken of a range of possible variations in prices reflecting regional issues, size of pharmacy business, and the impact of stock loss.

### Thresholds

Included in the new contract arrangements was an annual revision of the volume threshold level. This year the Committee and Department of Health have agreed to adjust the volume threshold by +3%. This is well below the average volume increase last year of 5.9%. There is therefore an increase from 2000 to 2060 items per month for entitlement to receive Establishment payments and the higher practice payments. The ceiling for eligibility for the protected professional allowance will be increased to 2059 items.

### Distribution

PSNC considered a range of options for distribution, and agreed unanimously on an option that provides the most even distribution model. In this special edition of Community Pharmacy News we set out the details of the new payments, fees and allowances.

*Sue Sharpe*

# Overall Funding

## The table below sets out the funding available for distribution for England for 2006-7

<i>Service Elements</i>	<i>Total Remuneration £ million</i>
Essential Services	1,876
EPS	20
Advanced Services	15
Total	1,911

## Funding : Essential and Advanced Services

Funding for the contract is distributed through fees and allowances along with an element of guaranteed purchase profit.

## Fees

The Item Fee remains at 90p per item dispensed. The balance of the Global Sum is distributed through special fees and allowances and through Establishment Payments.

## Establishment Payments

The levels of the Establishment Payment for the six months from October 2006 to March 2007:

<i>Number of Items per month</i>	<i>Establishment Payment for six month period from Oct 2006 to Mar 2007 £</i>
2060 – 2319	11,639
2320 – 2574	12,095
2575+	12,550

## Practice Payments

Practice Payments are a significant element of the funding recharged to PCTs and include a contribution for the provision of auxiliary aids for people eligible under the Disability Discrimination Act 1995 (DDA). The new payments for the six months from October 2006 to March 2007 reflect changes in the legislation and are set out in the table below:

<i>Number of items per month</i>	<i>Practice Payment for the six months from October 2006 to March 2007</i>	<i>Contribution in Practice Payment for DDA for the six months from October 2006 to March 2007</i>
Up to 1099	£300	£300
1100 – 1599	£1,800	£600
1600 – 2059	£2,550	£750
2060+	35.6p per item	6.6p per item

Pharmacies are required to have minimum dispensing support levels in order to receive the full Practice Payment. There is no change to the dispensing support levels as set out in the current Drug Tariff.

## Protected Payments

These remain unchanged except that the ceiling for eligibility for the Protected Professional Allowance will be increased to 2059 items.

## Transitional Payments

The new Transitional Payments for the six months from October 2006 to March 2007 are:

<i>Number of items per month</i>	<i>Payment</i>
1 – 500	£54.06
501 – 1,000	£108.12
1,001 – 1,500	£162.18
Rising in bands of 500	Increased by £54.06 for each band

## Category M

As indicated in the CEO's report, the Department of Health has decided to make further adjustments to Category M prices from October 2006 to recover an additional £75m per quarter. Details of the new prices can be found in the October Drug Tariff. Category M prices change quarterly.

## Funding for Advanced Services

The fee for the Medicines Use Review and the Prescription Intervention Advanced service is increased from £23 to £25 for reviews or interventions undertaken on or after 1 October 2006.

The ceiling on numbers of MURs a pharmacy may undertake in the financial year to the end of March 2007 has been increased. Pharmacies that have made arrangements to provide Advanced services before 1 October 2006 will be able to conduct and be paid for a maximum of 400 reviews in the year. The limit for pharmacies that enter arrangements on or after 1 October 2006 will be 200 for the year.

## EPS

As outlined in Part VIA of the Drug Tariff, where contractors are in a position to be able to operate Release 1 or 2 of the Electronic Prescription Service (EPS) they can claim the monthly allowance of £200. A contractor does not need to have received or processed an EPS Release 1 (bar coded) prescription or a Release 2 electronic prescription before claiming.

To operate EPS, a contractor needs to have an ETP Compliant Pharmacy System, appropriate network connectivity and staff operating the service who are registered users and who have been issued with smart cards and PIN numbers. A pharmacy contractor must submit Claim Form PPA ETP1 to their PCT to initiate ongoing payments.

A further allowance of £1000 will be available during the year linked to the deployment of Release 2 of the Electronic Prescriptions Service.

More information on the Electronic Prescription Service can be found in the ETP Section of the PSNC website.

**Table showing indicative monthly income in £ for national contract Essential Services by item band for Oct 2006 to March 2007**

<i>Items per month</i>	<i>Total income from fees and allowances pcm £</i>	<i>Estimated average buying profit £</i>	<i>Indicative total income pcm £</i>	<i>£ per item</i>
1,000	1,247	693	1,939	1.94
1,100	2,422	762	3,184	2.89
1,600	3,808	1,108	4,916	3.07
2,100	5,106	1,455	6,561	3.12
3,000	6,500	2,078	8,578	2.86
4,000	7,928	2,771	10,698	2.67
5,000	9,355	3,464	12,819	2.56
6,000	10,783	4,156	14,939	2.49
7,000	12,211	4,849	17,060	2.44
8,000	13,638	5,542	19,180	2.40
9,000	15,066	6,235	21,301	2.37
10,000	16,494	6,927	23,421	2.34
11,000	17,922	7,620	25,542	2.32
12,000	19,349	8,313	27,662	2.31

**Table showing indicative income in £ for national contract Essential Services by item band for the six months from Oct 2006 to March 2007**

<i>Items for 6 month period</i>	<i>Total income from fees and allowances for 6 month period</i>	<i>Estimated average buying profit</i>	<i>Indicative total income for 6 month period</i>
6,000	7,480	4,156	11,637
6,600	14,533	4,572	19,105
9,600	22,848	6,650	29,498
12,600	30,638	8,728	39,366
18,000	38,999	12,469	51,468
24,000	47,565	16,626	64,191
30,000	56,131	20,782	76,913
36,000	64,698	24,938	89,636
42,000	73,264	29,095	102,359
48,000	81,830	33,251	115,082
54,000	90,397	37,408	127,804
60,000	98,963	41,564	140,527
66,000	107,529	45,720	153,250
72,000	116,095	49,877	165,972

**Table showing indicative monthly income in £ from fees and allowances for national contract Essential Services by item band for Oct 2006 to March 2007**

<i>Items per month</i>	<i>Item fee</i>	<i>Establishment payment / Protected professional allowance</i>	<i>Special fees and allowances</i>	<i>Repeat dispensing set up fee</i>	<i>Transitional allowance</i>	<i>Practice payments</i>	<i>Total income from fees and allowances pcm</i>	<i>£ per item</i>
1,000	900	-	64	125	108	50	1,247	1.25
1,100	990	775	70	125	162	300	2,422	2.20
1,600	1,440	1,500	102	125	216	425	3,808	2.38
2,100	1,890	1,940	134	125	270	748	5,106	2.43
3,000	2,700	2,092	191	125	324	1,068	6,500	2.17
4,000	3,600	2,092	254	125	432	1,424	7,928	1.98
5,000	4,500	2,092	318	125	541	1,780	9,355	1.87
6,000	5,400	2,092	382	125	649	2,136	10,783	1.80
7,000	6,300	2,092	445	125	757	2,492	12,211	1.74
8,000	7,200	2,092	509	125	865	2,848	13,638	1.70
9,000	8,100	2,092	572	125	973	3,204	15,066	1.67
10,000	9,000	2,092	636	125	1,081	3,560	16,494	1.65
11,000	9,900	2,092	700	125	1,189	3,916	17,922	1.63
12,000	10,800	2,092	763	125	1,297	4,272	19,349	1.61

**Table showing indicative income in £ from fees and allowances for national contract Essential Services by item band for the six months from Oct 2006 to March 2007**

<i>Items for 6 month period</i>	<i>Item fee</i>	<i>Establishment payment / Protected professional allowance</i>	<i>Special fees and allowances</i>	<i>Repeat dispensing set up fee</i>	<i>Transitional allowance</i>	<i>Practice payments</i>	<i>Total income from fees and allowances for 6 month period</i>
6,000	5,400	-	382	750	649	300	7,480
6,600	5,940	4,650	420	750	973	1,800	14,533
9,600	8,640	9,000	611	750	1,297	2,550	22,848
12,600	11,340	11,639	801	750	1,622	4,486	30,638
18,000	16,200	12,550	1,145	750	1,946	6,408	38,999
24,000	21,600	12,550	1,526	750	2,595	8,544	47,565
30,000	27,000	12,550	1,908	750	3,244	10,680	56,131
36,000	32,400	12,550	2,289	750	3,892	12,816	64,698
42,000	37,800	12,550	2,671	750	4,541	14,952	73,264
48,000	43,200	12,550	3,053	750	5,190	17,088	81,830
54,000	48,600	12,550	3,434	750	5,838	19,224	90,397
60,000	54,000	12,550	3,816	750	6,487	21,360	98,963
66,000	59,400	12,550	4,197	750	7,136	23,496	107,529
72,000	64,800	12,550	4,579	750	7,785	25,632	116,095

**Illustration of monthly income from fees and allowances for national contract Essential Services for an average pharmacy dispensing 3000 items**

<i>Income component</i>	<i>Expected average income pcm in £</i>	<i>Calculation basis</i>
Item fee	2,700	3,000 items at standard 90p per item
Establishment payment / Protected professional allowance	2,092	Monthly equivalent of maximum six-monthly total of £12,550
Special fees and allowances	191	3,000 items at average 6.4ppi
Repeat dispensing set up fee	125	Monthly equivalent of £1,500 annual set up fee
Transitional allowance	324	Banded payment being 6 lots of £54.06
Practice payments	1,068	3,000 items at standard 35.6p per item
<b>Total income from fees and allowances pcm</b>	<b>6,500</b>	

**Illustration of monthly income from fees and allowances for national contract Essential Services for an average pharmacy dispensing 5000 items**

<i>Income component</i>	<i>Expected average income pcm in £</i>	<i>Calculation basis</i>
Item fee	4,500	5,000 items at standard 90p per item
Establishment payment / Protected professional allowance	2,092	Monthly equivalent of maximum six-monthly total of £12,550
Special fees and allowances	318	5,000 items at average 6.4ppi
Repeat dispensing set up fee	125	Monthly equivalent of £1,500 annual set up fee
Transitional allowance	541	Banded payment being 10 lots of £54.06
Practice payments	1,780	5,000 items at standard 35.6p per item
<b>Total income from fees and allowances pcm</b>	<b>9,355</b>	

## Illustration of monthly income from fees and allowances for national contract Essential Services for an average pharmacy dispensing 8000 items

<i>Income component</i>	<i>Expected average income pcm in £</i>	<i>Calculation basis</i>
Item fee	7,200	8,000 items at standard 90p per item
Establishment payment / Protected professional allowance	2,092	Monthly equivalent of maximum six-monthly total of £12,550
Special fees and allowances	509	8,000 items at average 6.4ppi
Repeat dispensing set up fee	125	Monthly equivalent of £1,500 annual set up fee
Transitional allowance	865	Banded payment being 16 lots of £54.06
Practice payments	2,848	8,000 items at standard 35.6p per item
<b>Total income from fees and allowances pcm</b>	<b>13,638</b>	

## Please note that:

- Income relating to EPS and Advanced Services is not included
- Special fees and allowances have been distributed in proportion to monthly items for illustrative purposes only. In practice specific payment rules will be set in the Drug Tariff so individual pharmacy income will vary according to mix of business
- Buying profit has also been distributed in proportion to monthly items for illustrative purposes only. In practice individual pharmacy income will vary according to mix of business and margins achieved.
- These figures are not directly comparable to the tables in the new contract book because the method of DDA payment has changed since the publication of the book

## Wales

The details of funding for 2006/07 set out in this edition of Community Pharmacy News apply to England. For Wales the changes will be the same as England apart from the arrangements for MURs. In Wales the ceiling on the number of MURs a pharmacy may undertake in the financial year to the end of March 2007 remains at 200 irrespective of whether the contractor made arrangements to provide Advanced services by 1st October 2006.

## Christmas and New Year Opening

Pharmacy contractors will recall from alerts issued last year by PSNC that any pharmacy that has declared core or supplementary hours on a day of the week that falls on Christmas Day, Good Friday or a bank holiday, is not required to open in order to meet those declared hours.

In 2006, Christmas Day and in 2007, New Years Day fall on a Monday (a bank holiday) and so under the NHS (Pharmaceutical Services) Regulations 2005 are days on which the pharmacy is not required to open in order to meet its contractual hours.

Therefore Christmas Day, Monday 25 December is a day on which pharmacies are not required to open, unless the PCT has issued directions or the pharmacy has agreed to open. PSNC agreed with the Department of Health that it would be helpful for PCT planning, if pharmacies informed PCTs of their intention whether or not to open on Christmas Day and bank holidays, although there is no contractual obligation to do so.

Boxing Day, Tuesday 26 December has been declared a bank holiday, so is also a day on which pharmacies are not required to open, unless the PCT has issued directions or the pharmacy has agreed to open. Again, pharmacies could assist the PCT with its planning if they notify the PCT whether they intend to open.

If a pharmacy normally opens on a Sunday, and has declared those as Core Hours, then it would be able to close on Sunday 24 December only if it applied successfully to the PCT to amend its core hours during that week. If a pharmacy normally opens on a Sunday, and has declared those hours as supplementary hours, then it would be able to close on Sunday 24 December only if it notified the PCT at least 90 days in advance. Similarly, on Saturday 23 December the same provisions apply.

PSNC is aware that some pharmacies have routinely asked the PCT for consent to close an hour or so early on the last working day before Christmas. If the early closing time involves only supplementary hours, then 90 days notice must be given to the PCT. If the early closing time involves core hours, then an application would need to be made at least 90 days in advance, and the pharmacy would be able to close early only if the PCT consents.



# Community Pharmacy Conference 2006

PSNC

## ***'Learning from the Leaders'*** International Convention Centre Birmingham 30th October 2006

**The Community Pharmacy Conference, now in its ninth year, is a key event in the calendar for LPCs, PCTs and contractors. This year's Conference with the theme of *'Learning from the Leaders'* takes place on 30th October at the Birmingham International Convention Centre\* with a keynote address by the new Health Minister responsible for pharmacy services, Rt. Hon Andy Burnham MP.**

The programme showcases leading edge pharmacy services designed to give you ideas and inspiration. Speakers will provide first hand experience of innovative community pharmacy services to help you develop similar services in your area. The themes selected as target priority areas for commissioning include:

- **Sexual health**
- **Health Inequalities**
- **Urgent Care**
- **COPD**
- **Management of Long term Medical Conditions**

The day also features further services in breakout sessions:

- **Anticoagulant monitoring**
- **Support for patients with Parkinson's disease**
- **Asthma**
- **Flu vaccination**

There are presentations on collaborative working with GPs, LMCs and nurses and the importance of building strong working relationships. Alongside the Conference is an exhibition with PSNC's Community Pharmacy Development Partners.

### **How to Register**

The programme and registration form for the Community Pharmacy Conference can be downloaded from the PSNC website [www.psn.org.uk](http://www.psn.org.uk) or e-mail [events@psnc.org.uk](mailto:events@psnc.org.uk) for a copy.

Please complete and return your registration form to PSNC, 59 Buckingham St. Aylesbury, HP20 2PJ with a payment of **£150 for each delegate**. We will acknowledge your registration with further details nearer the time.

\*The International Convention Centre ([www.theicc.co.uk](http://www.theicc.co.uk)) is situated on Broad Street, in the heart of Birmingham. It is about 5 minutes walk from Birmingham New Street station and has ample parking on-site for those travelling by car. Further details will be sent with your registration confirmation.

# New! LPC Websites for contractors

PSNC has developed template LPC Websites for LPCs. The LPC websites are now live and can be accessed via the main PSNC website ([www.psn.org.uk](http://www.psn.org.uk)). The sites enable your LPC to provide you with information about the LPC, its work and members. Your LPC can use its site to post reports and minutes of LPC meetings, update contractors on the latest local news, discussions with your PCT, LPC Newsletters, LPC resources for contractors, information on new services, forthcoming events and more.

**The sites are open access so you don't need to worry about user names and passwords.**

## How to find your LPC portal website

- On the PSNC website home page click on the LPC websites portal icon
- This takes you to the LPC Websites portal page



- Either click on your region or select your LPC from the drop down list
- If you click a region you will go to the PSNC regional page which lists the LPCs in the region for you to select and go to the site. The regional pages also give details of PSNC's regional representatives and e-mail addresses for contacting them.



PSNC Training day for LPC website administrators

- If you use the drop down list you go straight to the LPC site.



Some LPCs may still be working on their sites so may not be ready yet – but others are brimming with information and the LPCs find them a great way of keeping their contractors informed of key local news and LPC business – and remember LPC business is about your business.

The sites are provided by PSNC at no charge to LPCs and we have provided full guidance and training (photo above) for LPCs to set up and administer their sites.

Incidentally, if your LPC has already developed their own site, separate from the PSNC Website, which they would like to keep, you will automatically be re-directed to the site from the LPC website portal.

So check out your LPC site online via [www.psn.org.uk](http://www.psn.org.uk)

## Risk of confusion between different strengths of methadone oral solution

The National Treatment Agency for Substance Misuse (NTA) has asked PSNC to remind community pharmacists of the potential for confusion between different strengths of methadone oral solution.

Some healthcare professionals are unaware that methadone oral solution is available in three strengths : 1mg/ml, 10mg/ml and 20mg/ml.

This is known to have lead to errors when higher strength preparations were dispensed or administered against prescriptions for the 1mg/ml solution (methadone mixture DTF), the most commonly used in primary care.

Despite this risk, doses for patients being treated for drug dependence are commonly specified by volume in ml. alone.

The NPSA National Reporting and Learning System can be used to report any patient safety incidents detected by pharmacy staff ([www.npsa.nhs.uk/eform](http://www.npsa.nhs.uk/eform))

# Pfizer Plans to Distribute Medicines Directly

**Pfizer has announced that it will introduce new arrangements, under which it will contract directly with community pharmacies for supply of Pfizer medicines, using UniChem as its sole distributor.**

**This announcement does not affect Pfizer Consumer Health products.**

## **PSNC concerns**

PSNC is very concerned about this move. Although Pfizer has sought to suggest the principal driver is the discovery of counterfeit Lipitor, PSNC believes it is part of a concerted

move by the company to kill parallel trade and drug diversion.

## **PSNC Press Release**

In a PSNC Press Release immediately after the announcement PSNC CEO Sue Sharpe said: "PSNC is concerned that having only one source of supply could mean pharmacies cannot meet patient needs promptly. There have been many cases of supply shortages of some Pfizer medicines in recent months, which pharmacies

## **Products Affected**

**The PSNC website gives a full list of the products affected. The site also gives a link to the letter sent by Pfizer to contractors.**

have been able to overcome by finding a wholesaler with some stock. There is no experience in the UK of a single supply route for major product lines, and we believe it is unnecessary. The effect of Pfizer's decision is to oblige all pharmacies to open an account with the sole distributor, and this will cause quite unnecessary additional burden and costs on pharmacies that use one of the other full line wholesalers.

We are totally supportive of action to remove the risk of counterfeit medicines entering the supply chain. We have seen no evidence that this is directly attributable to parallel trade, and it appears from the MHRA comment that the counterfeits were not packaged as PIs.

PSNC is addressing this issue as a matter of urgency including reviewing the legal position of what is proposed by Pfizer."

# Oxygen Headsets De-commissioning Fee

## **Part X of the October 2006 Drug Tariff sets out the arrangements for claiming a de-commissioning fee for oxygen headsets.**

Any pharmacy contractor who provided an oxygen cylinder service on or after 30 September 2005 may submit a claim to their PCT or LHB for a one-off payment for the withdrawal from service of authorised headsets purchased by the pharmacy contractor. Pharmacy contractors continuing to provide an oxygen service to support the transition of patients to the new suppliers may submit a claim for de-commissioning fees for their headsets but payments relating to the continued use and maintenance of these headsets would be a matter for local negotiation.

Pharmacy contractors may claim for headsets purchased by the contractor and authorised for use as part of local arrangements, subject to the headset being in use or available for use by patients on or after 30 September 2005. It is anticipated that a higher fee will be available for headsets purchased or reconditioned after 1 July 2004. Contractors submitting claims for this higher

fee must ensure that they have evidence to support the claim, for example, an invoice stating when the headset was purchased.

Whilst pharmacy contractors will not be required to hand their headsets over to their PCT or LHB, PCTs or LHBs may seek further written information or documentary evidence from a pharmacy contractor to support authorisation of payment of a claim. This may include a requirement on the pharmacy contractor to provide proof of purchase of a headset or PCT or LHB inspection of the equipment at the pharmacy. Where unsupported by evidence, the PCT or LHB may reduce the payment claimed by a contractor or may seek to

**Claim form on the PSNC website for English contractors and from LHBs in Wales. Claims must be made on or before 31st December 2006. No requirement to handover headsets**

recover any overpayments. Therefore, pharmacy contractors are advised to retain equipment and/or any related documentary evidence as any request or inspection made by a PCT for England, LHB for Wales, may be made or carried out on or before 31 March 2007.

English contractors can obtain a copy of the claim form from the PSNC Website (<http://www.psn.org.uk/forms>). In Wales, this form is available from LHBs. Pharmacy contractors should submit any claim (by post or e-mail) to the local PCT for England, LHB for Wales, on or before 31 December 2006. A PCT for England, LHB for Wales, will not consider any claim received after this date.

Funding has been set aside for the de-commissioning fee but the precise level of the de-commissioning fee will only be determined once the total number of claims can be calculated. For this reason, the fees will not be paid out until after the deadline for claims to be received.

More detailed information and guidance on the changes to the Home Oxygen Therapy Service is available in the Oxygen Section of the PSNC Website [www.psn.org.uk/oxygen](http://www.psn.org.uk/oxygen)

# Drug Tariff News

## Category M: 2006/7 Quarter 3 Price Change

A downloadable list of products listed in Part VIII Category M of the Drug Tariff for the third quarter of the 2006/7 financial year (October 2006 – December 2006) is available for download in the 'National Contract Funding' section of the PSNC website. The prices can also be found in Part VIII of the October 2006 Drug Tariff. These prices will apply to prescriptions dispensed in October to December 2006. No products have been added or deleted from Category M in this quarter.

## Zero Discount: Unlicensed Medicines

PSNC and the Department of Health have recently agreed a change to the arrangements for unlicensed medicines sourced on a named-patient basis to allow pharmacy contractors to claim exemption from discount deduction where no discount has been available in obtaining these products.

For specials and unlicensed medicines supplied on a named-patient basis, other than those containing Controlled Drugs in Schedules 1, 2 or 3 of the Misuse of Drugs Regulations 2001, where discount has not been obtained from the supplier, contractors need to endorse 'DNG' to avoid discount being removed. If discount was obtained by the contractor, no endorsement should be made.

The exception to this is where the special or unlicensed medicine has been imported on a named-patient basis, in this case, where discount has not been obtained from the supplier, contractors need to endorse 'DNG' to avoid discount being removed, regardless of whether the product contains a Controlled Drug.

For more information on the new Zero Discount arrangements, please visit the Zero Discount section of the PSNC website [www.psn.org.uk/zd](http://www.psn.org.uk/zd)

## Dressings and Reagents: Price Decreases

The Department of Health has confirmed that the reimbursement prices of a range of dressings and blood glucose detection strips will decrease with effect 1st October 2006. The Department of Health provided the following statement:

### Dressings

"A key objective of the review of Part IX has been to achieve parity between the prices paid in primary care and those paid in secondary care. Given this, analysis shows that a flat 8% reduction is warranted on standard and compression bandages to bring prices in the two sectors closer together. This figure has not changed since the first consultation was published in October 2005 and industry has not provided any appropriate data to show that it is not justified.

On certain products, analysis showed that there are larger price differences between the two sectors and consequently the level of reduction will be greater. These price reductions will come into effect on 1 October 2006.

### Blood Glucose Test Strips

The chemical reagents concerned are all blood glucose detection strips. Other chemical reagents contained within Part IX of the Drug Tariff, such as urine, blood for ketones and blood for INR are not affected by these decisions.

Ministers have taken the decision to implement a staged reduction of up to 15% to the April 2006 Drug Tariff reimbursement prices for some blood glucose detection strips. Where Prescribing Cost Analysis data shows that a blood glucose testing strip has cost the NHS £15,000 or less in Primary Care in the previous year there will be no change to the reimbursement price for that product.

Initially, reimbursement prices will be reduced by 12% on all affected products from 1 October 2006. This may be followed by a further reimbursement price reduction of 3% from 1 November 2006, if the following occurs.

Responses to the consultation indicated that a price reduction of 15% may mean that it would be difficult to maintain the free provision of related services, including the supply of educational material, help lines and meters. In recognition of this, where manufacturers choose to continue to provide these services with each product in exactly the way that they are provided currently, then no further reimbursement price reduction will be applied to that product on 1st November 2006

as part of this review. This decision has been arrived at having carried out analysis of the cost of the provision of these services by manufacturers.

It is important to note that in order for the further 3% reduction not to be imposed, there must not be any material change to the services that are currently provided. Services must continue to benefit patients, the NHS and the Department, and must be provided in the same quantities and to the same quality. Where manufacturers wish to make changes to these services, the Department needs to be notified of such proposals. Given the extent of the change in the provision of related services or the withdrawal of related services, the further 3% reimbursement rate reduction will be applied.

Where manufacturers choose not to continue to provide the current related services on products, reimbursement prices will be reduced by a further 3% on 1 November 2006. So that prescribers are aware which products are not supported by full service delivery, for instance where patients would have to purchase a meter, an identifier will be placed on the Drug Tariff alerting them to the fact. In this way, clinicians will be fully cognisant of the facts when making prescribing decisions.

Where manufacturers have confirmed that current related services will not be provided from 1 October - or no such confirmation is received by the Department by 29 September 2006 - a further 3% reimbursement rate will be applied on 1 November."

Since these changes were announced, PSNC has been in contact with all affected manufacturers. At the time of going to press, the overwhelming majority of manufacturers had confirmed that they would be decreasing their prices in line with the new Drug Tariff prices. However, confirmation of the status of a handful of products was still awaited. For the latest news on this issue, please visit the online Drug Tariff Resource Centre on the PSNC Website

**If you would like more information on whether a particular product is allowed on an NHS prescription, the staff at the National Prescription Research Centre will be happy to help 020 8441 8427 or e-mail [info@nprc-psnc.org.uk](mailto:info@nprc-psnc.org.uk)**

# NPRC Frequently Asked Questions

**The PSNC's National Prescription Research Centre (NPRC) receives over 100 phone calls each day from community pharmacists across England and Wales. Queries range from whether an item is allowed on an NHS prescription to how much contractors will be paid for supplying certain items. The NPRC Information Department's most frequently asked questions in September 2006 were:**

**1. I have received a prescription for 'Amlodipine', what is the reimbursement rate for this item?**

Amlodipine is listed in Category A of Part VIII of the Drug Tariff. In 2004, the patent on the Amlodipine molecule expired but there continues to be a formulation patent covering the product with the Besilate salt. The following concession is in place for this product:

If the prescription reads, 'Amlodipine', payment will be based on the Drug Tariff price for Amlodipine.

If the prescription reads, 'Amlodipine Besilate' and the pharmacist has supplied and endorsed 'Istin', contractors will be reimbursed based on the list price for the branded product, Istin. If the prescription has not been endorsed, payment will be based on the Drug Tariff price for Amlodipine.

If the prescription reads, 'Amlodipine maleate (or another salt)' payment will be based on the Drug Tariff price for Amlodipine.

**2. I have received a photocopy of an FP10 Prescription from the NHSBSA Prescription Pricing Division for 'Procare Lancets 0.36mm/28 guage' marked as 'disallowed'. What is the reason for this?**

'Procare Lancets' were renamed 'Vitalcare Lancets' over a year ago. When the name of an item listed in Part IX of the Drug Tariff changes, the product is given a dual listing in the Tariff, normally for 12 months. During this period, prescriptions written using either the

old or new name will be passed for payment.

The dual listing for this product was removed on the 1st August 2006, therefore this product should now only be prescribed using the new name 'Vitalcare Lancets' as it appears in the Drug Tariff. Prescriptions for 'Procare Lancets' will no longer be passed for payment.

**3. I have received an FP10 Prescription for 'Soothagel'. Can I dispense this product?**

No. Soothagel is a protective gel for mouth ulcers, denture rub, gingivitis and painful gums, and the manufacturer of this product (Lanes) has confirmed that this product has been registered as a medical device. Only medical devices listed in Part IX of the Drug Tariff can be prescribed on an FP10 Prescription therefore as this product is not listed in Part IX of the Drug Tariff, a prescription for this product would not be passed for payment by the NHSBSA Prescription Pricing Division.

**4. I have received a prescription for 'Beclometasone Dipropionate CFC-Free Inhalers'. What should I dispense?**

There are currently two Beclometasone Dipropionate CFC-free inhalers available on the UK market, Clenil Modulite and Qvar. However it should be noted that these inhalers have been designed differently and provide different quantities of the active drug to the lungs. Qvar is approximately twice as potent as Clenil Modulite. It is important that this is taken into account, and doses adjusted accordingly, to ensure that patients receive an appropriately effective dose and to prevent potential safety concerns arising if patients are switched from one CFC-free inhaler to the other CFC-free inhaler. The MHRA are advising prescribers to issue prescriptions for this item using the brand name of the product to ensure that the intended inhaler is dispensed.

Both Beclometasone 50mcg/actuation inhaler CFC-free and Beclometasone 100mcg/actuation inhaler CFC-free were removed from Part VIII of the Drug Tariff on the 1st October 2006. If prescriptions for the generic product are received, pharmacy

contractors should endorse the prescription with the brand name of the product supplied to ensure correct payment. If no endorsement is made on the prescription, the NHSBSA Prescription Pricing Division will return the prescription to the contractor for this information to be added.

More detailed guidance including links to the frequently asked questions published by the MHRA can be found in the online Drug Tariff Resource Centre on the PSNC website.

**5. I have received a prescription for 'Hedrin' lotion. Is this allowed on an FP10 prescription?**

Yes. Hedrin lotion is used to treat head lice and has been registered as a medicinal product. It is not listed in Part XVIII of the Drug Tariff ('the blacklist'), therefore can be prescribed on an FP10 prescription.

**Look out for more frequently asked questions next month...**

## Common Disallowed Appliances

PSNC has received high volumes of calls this month about whether the products listed below can be prescribed on NHS prescriptions:

**Flight socks**  
**Incontinence Pads**  
**Wrist Splints**  
**Rhinomer Nasal Cleansing Spray**  
**Sterimar Microspray**  
**Zoff Adhesive Remover Wipes**

All of these products have been registered as medical devices. Medical devices can only be prescribed on an NHS prescription if they are listed in Part IX of the Drug Tariff. As these products are not listed in Part IX, they are not prescribable on an FP10 prescription.

If you receive a prescription for a new or an unusual product, you may wish to check the packaging to see whether the product bears a 'CE' mark (indicating that it is a device) or if you are in any doubt, contact the National Prescription Research Centre on 020 84418427 and our information team will be able to find this out for you.

An extensive list of 'disallowed' appliances can be found online in the Drug Tariff Resource Centre on the PSNC website.

# Have Your Say on the New Contract

Some of you will have recently received a questionnaire about the pharmacy contract from a team of researchers working on the national evaluation of the contract.

## Why should I complete this questionnaire?

Up to now there are no data to show what grass roots pharmacists' experience of the contract has been. This will be the only national survey and for its results to be valid a good response rate is needed.

## What is the questionnaire asking about?

The questionnaire is long because it has to cover both factual data (the services you and your pharmacy are providing), your attitudes towards your work in community pharmacy and your experiences of the contract.

We want you to tell it like it is – both good and bad – about:

- The services you are providing
- You and your pharmacy team
- Your job satisfaction, stress and attitudes
- Your views on the good and bad things about the new contract

From pilot work we know it takes 15-20 minutes to complete.

The results will be completely anonymous. The questionnaire itself does not identify any individual pharmacy or pharmacist. Each pharmacist receives a reply paid postcard with their questionnaire. We ask them to post the postcard back to us separately. This has a code which we will use to cross responding pharmacists off our list so that we do not hassle them with reminders.

## What will happen to the results?

The detailed analysis will be finished in late 2006 and our report will go to the independent charity (Pharmacy Practice Research Trust) that commissioned the study in early January.

After that we plan to:

- Publish our findings in pharmacy and health care journals and magazines as soon as possible
- Present the findings to key stakeholders including those involved in future planning for the contract as well as pharmacy bodies and patient organisations
- Actively disseminate the findings within and outside of pharmacy

## Will it change anything?

We will make sure that the results of the survey will be seen by the people who are discussing the future development of the contract as well as the pharmacy bodies.

If you want to contact us about the questionnaire please contact Jackie Inch at [j.inch@abdn.ac.uk](mailto:j.inch@abdn.ac.uk) and if you want to contact us about the evaluation as a whole please contact Professor Alison Blenkinsopp on [a.blenkinsopp@keele.ac.uk](mailto:a.blenkinsopp@keele.ac.uk)



For any pharmacist involved in Community Pharmacy, understanding aspects of the Pharmacy Contract will be relevant CPD.

Why not make a record in your RPSGB CPD Plan & Record file or on-line at [www.uptodate.org.uk](http://www.uptodate.org.uk)

## Address change?

Please let us know if your mailing address used for CPN is incorrect – either return the envelope with any amendments made to the address to:

**Database Changes, PSNC,  
59 Buckingham Street,  
Aylesbury, HP20 2PJ**

or e-mail changes to [cpn@psnc.org.uk](mailto:cpn@psnc.org.uk),  
or fax changes to **01296 438427**

## PSNC WEBSITE

For up-to-date information and news on community pharmacy issues, visit the PSNC website at [www.psnc.org.uk](http://www.psnc.org.uk)

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## Partners in the PSNC Community Pharmacy Development Programme

