

# Dispensing factsheet: Pricing, payment and Part VIIIA of the Drug Tariff

Our Dispensing and Supply Team explains how medicines listed in the Drug Tariff are processed and paid by the Pricing Authority.

Part VIII of the Drug Tariff lists reimbursement prices for various medicinal products available on prescription in England and Wales. Pharmacies will be reimbursed by the Pricing Authority for acquiring and dispensing these products when presented with NHS prescriptions. All products in Part VIII of the Drug Tariff are listed with pack sizes and their corresponding reimbursement prices. These have been determined by the Secretary of State for Health.

## Drug Tariff categories

Products listed in Part VIIIA of the Drug Tariff are sub-divided into three categories: **A**, **C** and **M**. These categories have been established due to variance in availability, with different methods used to calculate their reimbursement prices.

	Category A	Category C	Category M
<b>Readily available as a generic?</b>	✓	✗	✓
<b>Price setting</b>	Based on a weighted average of the prices listed by two wholesalers (AAH and Alliance) and two generic manufacturers (Teva and Actavis).	Based on the list price of a brand, manufacturer or supplier's product.	Set by the Department of Health based on information gathered from Scheme M manufacturers.
<b>Price changes</b>	Changes up to and including the 8th of a month will take effect in reimbursing prescriptions for that month. Changes that occur after the 8th will take effect in the following month.	<ul style="list-style-type: none"> <li>Changes for a proprietary product up to and including the 8th of a month will take effect in reimbursing prescriptions for the following month. Changes that occur after the 8th will take effect in the month after that.</li> <li>Changes for a generic product up to and including the 8th of a month will take effect in reimbursing prescriptions for that month. Changes that occur after the 8th will take effect in the following month.</li> </ul>	<ul style="list-style-type: none"> <li>Category M price adjustments are the mechanism by which the Government controls the delivery rate of margin to community pharmacy. The current funding arrangement allows for £800m per year of retained margin.</li> <li>The Department of Health adjusts these prices on a quarterly basis. Changes are informed by information from Scheme M manufacturer's and the medicines margin survey.</li> </ul>
<b>Claiming broken bulk</b>	Broken bulk can be claimed for products whose smallest pack size has a price of £50.00 and over.	✓	Broken bulk can be claimed for products whose smallest pack size has a price of £50.00 and over.
<b>Claiming out of pocket expenses</b>	✗	✓	✗

## Additional product types

Several symbols accompany products throughout Part VIIIA. These signify:

SYMBOL	MEANING	INDICATIONS
■	Special Container	Inappropriate to split a pack due to drug being sterile, effervescent, hygroscopic or otherwise. For more information on this, see: <a href="http://psnc.org.uk/scdatabse">psnc.org.uk/scdatabse</a>
●	Item requiring reconstitution	Antibiotic, antiviral or antifungal products that must be reconstituted prior to dispensing.
§	Selected List Scheme	May only be prescribed for the patient groups and purposes outlines in Part VIIIB of the Drug Tariff.

**Product shortages**

Where a product becomes unavailable or pharmacies cannot obtain it at Drug Tariff price, it may be eligible for a price concession. This is the system in which pharmacies can get reimbursed at a price higher than the Drug Tariff.

The price is set by the Department of Health after consultation with PSNC. They are calculated using information from suppliers and reports from pharmacies on a month by month basis. It is therefore important that, when pharmacy teams experience problems in obtaining medicines, this is fed back to our Dispensing and Supply Team by using our online feedback forms at: [psnc.org.uk/feedback](https://psnc.org.uk/feedback) For further information on price concessions please visit: [psnc.org.uk/ncso](https://psnc.org.uk/ncso)

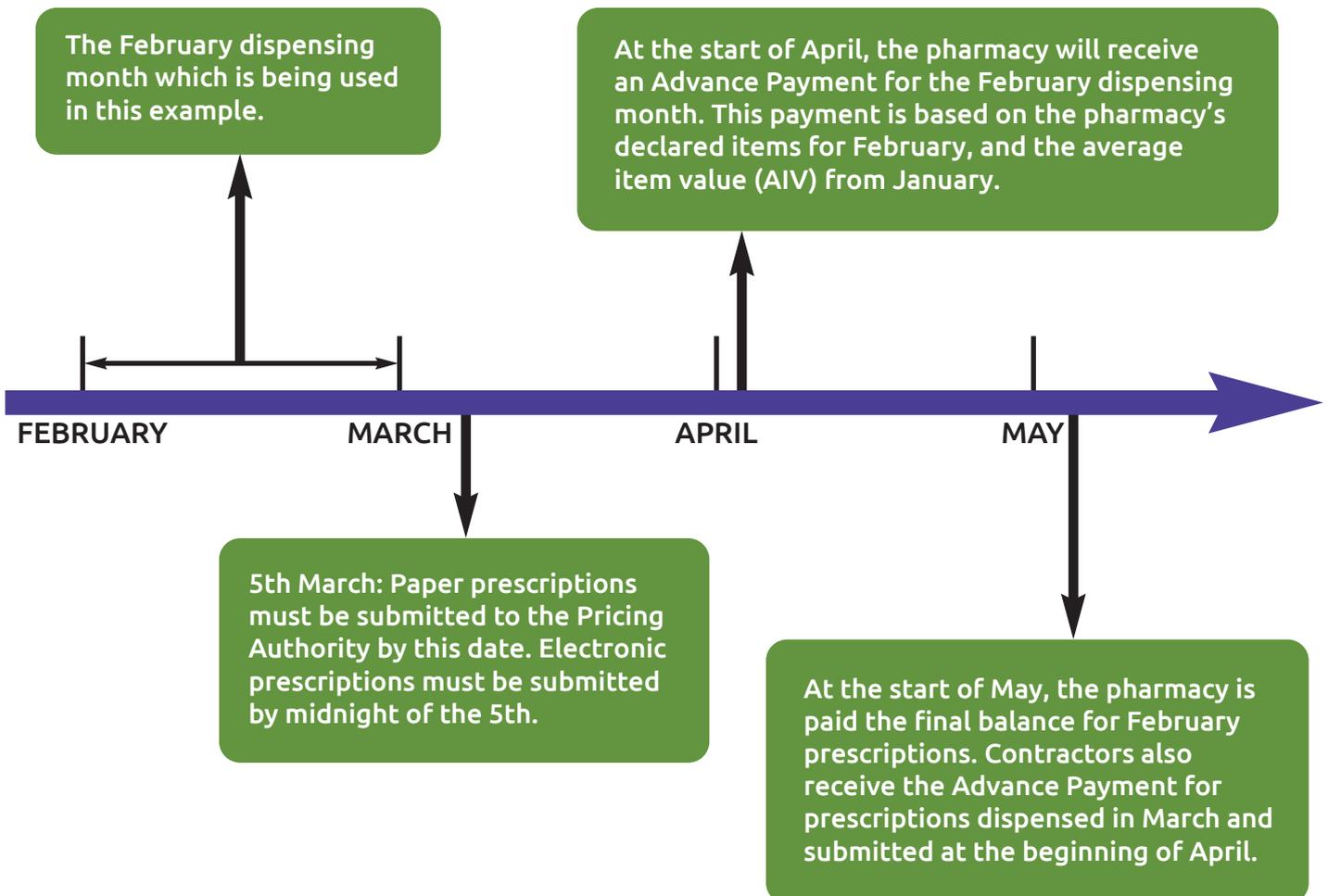


**NHS Dictionary of Medicines and Devices (dm+d)**

The dm+d is the NHS standard database of prescription products and is used in the Electronic Prescription Service (EPS) and for prescription pricing purposes. All products listed in Part VIII of the Drug Tariff will reflect the naming convention applied in the NHS dm+d as follows: name, strength, modification (when present), presentation and 'freeness' (i.e. sugar-free, gluten-free). For more information on the dm+d database, please see our dm+d factsheet at: [psnc.org.uk/dmdfactsheet](https://psnc.org.uk/dmdfactsheet)

**Timing of monthly payments**

Below is a flowchart illustrating the payment timescale for items dispensed in February:



The Pricing Authority publish planned payment dates on their website, use the following link to find out more: [tinyurl.com/m3lNgor](https://tinyurl.com/m3lNgor)

For the most up to date information on dispensing medicines, please visit the **PSNC website**: [psnc.org.uk/medicines](https://psnc.org.uk/medicines)