

PSNC Funding & Contract Subcommittee Agenda

For the meeting to be held on Tuesday 13th January 2015

At Hilton Double Tree, One Piccadilly Place, 1 Auburn St, Manchester, M1 3DG

Starting at 2pm

Members: David Broome, Peter Cattee (Chairman), Liz Colling, Sam Fisher, Tricia Kennerley, Andrew Lane, Garry Myers, Bharat Patel, Raj Patel, Adrian Price

Apologies for absence

No apologies for absence have been received at the time of setting the agenda.

Minutes of previous meeting and matters arising

The minutes of the meeting held on 7th October 2014 were shared with the subcommittee and can be downloaded from the PSNC website.

Agenda and Subcommittee Work

Below we set out progress and actions required on the proposed work plan areas for the year. The subcommittee is first asked to review the proposed work plan areas for the year. The subcommittee is then asked to consider the reports; to address any actions required; and to comment on the proposed next steps.

1	Establish a sound basis for future funding of the service providing a fair return to contractors	Status Likely
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2014/15 funding settlement

Report: A briefing for contractors covering the H2 2014/15 settlement changes has been prepared and put on the website. This is shown in **Appendix FCS 03/01/15**.

Next Steps: Work is ongoing on the long term aspects of the settlement concerning margin and reimbursement. Reports and next steps are set out under the relevant headings below.

2015/16 funding settlement

Report: A verbal update will be given at the meeting on any general funding related aspects of negotiations.

Next Steps: Background data gathering underway particularly clarifying factors to offset against NHS' efficiency expectations and understanding the GP settlement. Further steps are dependent on negotiations.

2	Ensure funding and reimbursement mechanisms are fair to contractors	Status Likely
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Drug Tariff Reforms

Report: Reforms formed part of the 2014/15 settlement. A verbal update on progress will be given at the meeting.

Next Steps: A meeting with DH is set for 12th Jan on implementing the 2014/15 settlement.

		Status
3	Monitor and analyse funding delivery, and agree changes to current systems that mitigate risks of under and over-delivery of agreed funding	Likely

Multiples' margins

Report: Working with DH to develop a methodology to assess multiples' margins formed part of the 2014/15 settlement. PwC were commissioned to analyse the feasibility of an assessment and suggest a credible alternative. Their report has been submitted to the DH.

Next Steps: DH are considering response to PwC report.

Margins surveys

Report: BSA and PSNC are both undertaking the margins survey for 2014/15. Data entry for H1 has been completed.

Next Steps: A tripartite meeting is set for 9th January to work on reconciling the databases. In the absence of an agreed database, it is impossible to conclude on survey outcomes. Initial draft figures from DH suggest that Q1 followed the trend visible in Q4 2013/14.

Margin delivery system

Report: Revising the margin delivery system to ensure smoother delivery of agreed levels of funding formed part of the 2014/15 settlement. Total funding includes retained margin of £800m. Work is in progress with DH on developing and assessing alternatives to the current systems for delivery and measurement.

Next Steps: Meetings with DH are set for 12th Jan on implementing the 2014/15 settlement and 26th Jan on technical aspects of survey methodology and delivery system stability.

AIV

Report: The latest AIV analysis is shown within **Appendix FCS 07/01/15**. NHS BSA payment data shows the AIV increased in Q2 14/15 by 12p per item compared to 13/14 Q4. The change was driven by an increase in NIC.

Some increase in NIC was expected in Q2 as Category M prices will be driven by manufacturer price increases in Q4 2014/15. The preliminary PCA analysis also shows a NIC increase from Q1 to Q2, driven by 7ppi and 4ppi increases in generics and brands respectively. We will be able to re-evaluate the changes when the full PCA data for the quarter becomes available.

Next Steps: Confirm quarterly estimates from PD1 and PCA when further months data available (end of March).

Funding distribution 2014/15 forecast

Report: The 2014/15 item volume and contract sum out-turns are forecast at 995m items and £2,004m spend.

Next Steps: Work is being undertaken to understand the variability evident within the item forecast.

4	Examine options for financial levers to incentivise change and develop NHS England support	Status Likely
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Identify and model suitable distribution scenarios

Report: A distribution model has previously been developed and presented to the committee.

Next Steps: Work is required to specify scenarios to be modelled.

Consider and provide guidance on generic service payment models

Report: NHS and Monitor are working on reforming the NHS payment system to enable the changes envisaged in the 5YFV.

Next Steps: Work is required to deepen understanding of proposed developments in the NHS payment system and pharmacy's potential interaction with / participation within them. Separate work is required to investigate and model alternatives for pharmacy services payments.

5	Ensure EPS is resilient, efficient, and costs to pharmacy are fully funded	Status Likely
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EPS issues

Report: An update on recent issues with EPS R2 was shared with the subcommittee.

Next Steps: PSNC will work with HSCIC and stakeholders to encourage a more resilient system.

EPS cost implications

Report: Original PSNC data gathering helped to assess the nature and range of costs through implementation. Two large multiples have quantified the costs they are currently experiencing. Data from HSCIC has been used to build a simple model to assess annual change in costs on this basis.

Next Steps: Work is required to verify, refine and consolidate the information gathered.

6	Monitor payment accuracy and support contractors in resolving queries	Status Likely
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a. PAC / PRISM reports

Report: The PAC team is now auditing one month behind the BSA's pricing, this is a month ahead of previous targets. The finalised accuracy reports for August 2013 to July 2014 were shared with the subcommittee.

Next Steps: Audit work continues.

b. Transparency Group Update

Report: The BSA have been improving their feedback to contractors on errors. We are collecting further comments from the transparency group regarding proposed item level reports.

Next Steps: We continue to work with NHSBSA to improve communications and transparency.

c. EPS prescription audit

Report: Currently contractors can reconcile the number of EPS prescriptions which have been submitted and then received by NHSBSA by comparing those submitted to their Schedule of Payment, but there is a need for reconciliation to be possible at an earlier stage.

Pharmacy system suppliers can choose to develop and release 'receipt-acknowledgement messages' confirming that EPS prescriptions have been sent from the pharmacy to the Spine.

Next Steps: The BSA will be looking to provide a way to reconcile EPS messages sent with those received as part of the transparency work and are also looking at the possibility of sending an acknowledgement receipt to the contractor following submission, advising how many claims have been received.

d. Individual batch accuracy

Report: We are currently working on producing prototype reports of individual accounts where we think there may be a pricing problem for the BSA to investigate further.

Next Steps: Work continues into 2015, as we test the tool's ability to identify further accounts during future months.

7	Resolve Drug Tariff problems where possible, including shortages and price rises, branded generic and brand prescribing policies, demonstrating the damage to NHS finances.	Status Likely
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a. Branded Medicines

Report: Distribution changes for AmCo Amdipharm Mercury Group.

AmCo moved to solus distribution via Alliance only on 1st January 2015. They adopted a reduced wholesaler distribution model in April 2013 using only AAH & Alliance. Their portfolio is a mix of branded and generic lines with the majority of their lines being generic. A select number of lines, mainly Drug Tariff listed lines, are excluded from solus distribution. This is the first manufacturer with a predominately generic portfolio, to implement a solus distribution model.

Next Steps: The office are in the process of analysing the Drug Tariff in light of this change and will seek to make any necessary adjustments.

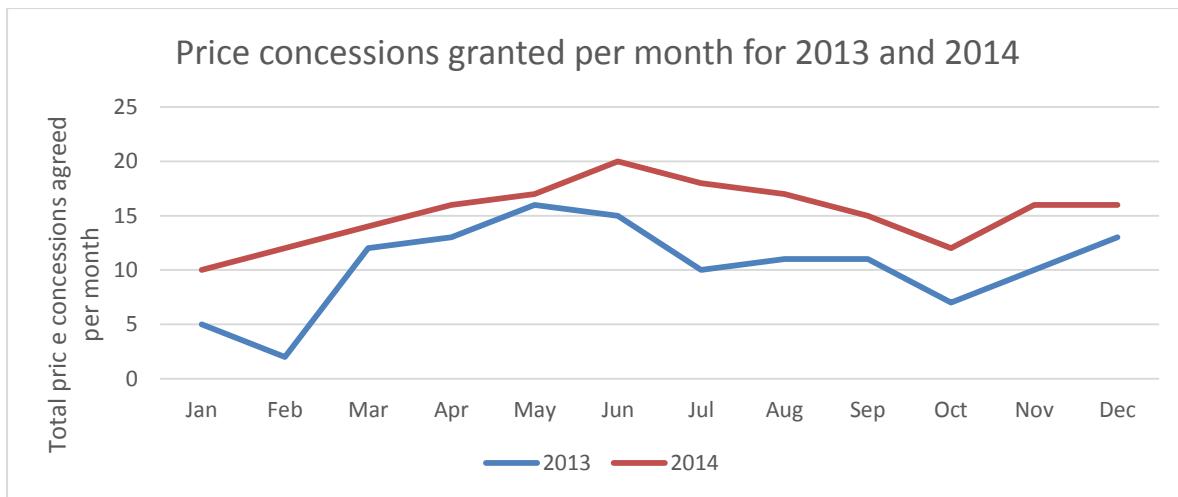
Report: Pregablin (Lyrica – Pfizer) patent issue

Pfizer has expressed their intent on taking action against prescribers and pharmacies who dispense generic pregablin for pain management as Lyrica has become the mainstay treatment for neuropathic pain and the patent period for this indication remains in place until July 2017. A letter sent to CCGs by Pfizer was shared with the subcommittee.

To date, we have had discussions with both Pfizer and DH about this situation and our intention to ensure that contractors are appropriately reimbursed. A verbal update will be given at the meeting.

Price concessions summary

Report: Table below summaries the price concession in 2014 compared to those in 2013. The number of price concessions has remained consistently higher than in 2014.



The price of Valsartan stock has now settled however because the shortage remained for a number of months and patients were switched to alternatives resulting in a significant reduction of its market share.

Price concessions continue for some products even when stock availability recovers because Category M is so slow to react. Amiloride has had a concession for the whole year, despite the Drug Tariff reimbursement price increasing substantially in October 2014, a price concession was needed.

The pack of 5 Hyoscine patches were discontinued by Novartis and only the 2 pack was available, there was a substantial difference in the prices so the Department granted a pro rata concessionary price for November 2014. The pack of 2 was added to the December 2014 Drug Tariff.

Next Steps: Monitoring of generic shortages and application of price concessions will continue as normal.

Statistics

Monthly statistics are set out in **Appendix FCS 07/01/15**.

Any other business

2014 Work Plan for the Funding and Contract Subcommittee

The 2014 work plan for the Funding and Contract Subcommittee covers all items agreed at the PSNC 2013 planning meetings. It is based on the PSNC Plan for 2014, the committee's four year plan and the subcommittee's remit.

Key for RAG coding

Red	– needs attention / not started / high risk
Amber	– underway / in progress
Green	– completed / no further attention

Target Plans	Target date	Comment / Update on progress	R/A/G
In 2014 PSNC will work to:			
Community pharmacy funding and pricing			
<ul style="list-style-type: none">maximise the NHS funding available to pharmacy contractors;ensure that any application of Government/NHS efficiency requirements to the CPCF are realistic and manageable for pharmacy contractors;explore whether in negotiations there should be a greater focus on the value of services rather than on their cost;agree changes to CPCF income distribution to incentivise and reward quality and service provision, supporting a manageable transition to a service-led contract;secure improvements to pricing accuracy and transparency through collaboration with the NHS BSA, effective audit of their work and negotiation with the Department of Health;address medicines pricing and reimbursement issues with the Department of Health;address problems with market price volatility and shortages of medicines, which adversely affect pharmacy contractors' income and create unnecessary workload.			
Community pharmacy services			
<ul style="list-style-type: none">implement its Vision for community pharmacy by:<ul style="list-style-type: none">negotiating a framework for the development of nationally commissioned services within the CPCF with NHS England [with SDS].			
External relationships			
<ul style="list-style-type: none">develop stronger and productive relationships with NHS England and Public Health England [with SDS/LIS].			
NB: Ongoing funding negotiations are confidential. Part 1 of the agreed work plan covers unrestricted items. Part 2 covers restricted (confidential) items.			

PART 1: UNRESTRICTED ITEMS				
Community pharmacy funding and pricing				
1) Seek to address the disproportionate level of penalty for switched prescriptions <ul style="list-style-type: none"> • Prepare paper and present case to NHS England 	As soon as possible, subject to DH and NHS England	A meeting was held with the Department of Health and their lawyers to discuss this. The DH lawyer took a robust view opposing the position of PSNC. There are additional problems which are being highlighted with EPS prescriptions, and these also are to be addressed. Transferred into HPR 2015 work plan.	Amber	
2) Continue to work collaboratively with DH/NHS BSA to ensure implementation and take up of the transparency program, resulting in the release of phases I and II of the three phases.	On-going	We are working with DH to finalise requirements before we can begin input into technical specifications with the BSA. Rolled forward into 2015 work plan.	Amber	
3) Continue to press DH/BSA for increased transparency of BSA drug adjustments on FP34 schedule of payments.	December	We have raised this with the BSA/DH and it is likely that this will be addressed as part of the transparency work. The BSA have already started to produce better feedback to contractors on errors and we continue to work with them to improve these communications. Rolled forward into 2015 work plan.	Amber	
4) Develop an auditing method for EPS prescriptions comparing records sent by the pharmacy to what is priced at the BSA.	On-going	The BSA will be looking to provide a way to reconcile EPS messages sent with those received as part of the transparency work and are also looking at the possibility of sending an acknowledgement receipt to the contractor following submission, advising how many claims have been received. Rolled forward into 2015 work plan.	Amber	
5) Maintain close working relationships with BSA. <ul style="list-style-type: none"> • Utilise PRISM functionality to highlight areas of inaccuracy • Work with the BSA to address individual batch accuracy as well as overall pricing accuracy. 	Ongoing	We continue to meet with the BSA bi-monthly and work with them on improving accuracy. We are currently working on producing prototype reports of individual accounts where we think there may be a pricing problem for the BSA to	Amber	

			investigate further. Rolled forward into 2015 work plan.	
6) Maximise PAC capacity through full exploitation of the opportunities offered by PRISM and developing a prediction tool to optimise staff resources.	December		Further work on the prediction tool has been undertaken and the algorithm for selecting outliers is expected to keep developing. Four prescription bundles have been ordered using the tool. Further work on the commercialisation project of the FP34 analysis workstream has been carried out and we have continued to scope what could work as a potential service. This is on the agenda again for October. Rolled forward into 2015 work plan.	Amber
7) Continue to ensure robust data capture methods in margins survey covers changes in procurement terms and conditions.	March October		This is part of the continuous assessment and improvement of the margin survey methodology and a major focus of work on wholesaler discount analysis. The impact of shortages is being captured through separate analysis. Rolled forward into 2015 work plan.	Amber
8) Ensure additional costs associated with limited distribution models are reflected in funding arrangements, along with implications of these arrangements of reduced competition in the wholesale market.	March		This forms part of negotiations on Margins Surveys and wider negotiations. Rolled forward into 2015 work plan.	Amber
9) Identify and monitor NCSO and price concession lines and ensure DH applies the most appropriate reimbursement mechanism to shortage lines in a timely fashion.	Ongoing		Observed trends are continuing to be reported to DH, along with earlier applications for long-term shortages and negotiations undertaken on concession prices. The impact of shortages is being captured through separate analysis, including time series modelling of individual lines. Rolled forward into 2015 work plan.	Amber
Community pharmacy services				
10) Following the completion of NHS England's primary care framework	Commence		NHS England is aiming to publish its 5 Year Forward	Amber

development work, negotiate with NHS England a framework for the development of the services within the CPCF, in line with PSNC's Vision.	in June	View in October. It is not clear whether this will encompass its strategy for primary care. Exploratory discussions on the future development of the CPCF have been undertaken with NHS Employers following the completion of the current round of negotiations; these discussions will inform the development of NHS England's mandate to NHS Employers. Further information on the discussions is set out in the October 2014 SDS agenda. [with SDS]	
11) Assist with and determine a payment model for the case for the national commissioning of a seasonal flu vaccination service from community pharmacies.	February	<p>Preliminary work that will support a proposal to NHS England was undertaken (development of a new service specification, SLA and supporting paperwork) as part of work to support urgent and emergency care services during winter. PSNC organised an event for LPCs on flu vaccination in March to share learning from the previous season and to highlight the benefits of taking a standard approach to commissioning the service to NHS England and PHE (who both had officials in attendance).</p> <p>Due to capacity constraints in the office it has not yet been possible to develop the proposal. Information on progress with local commissioning for 2014/15 was collated by the Regional Reps in time for the July meeting.</p> <p>National commissioning of flu vaccination was discussed with NHS Employers during discussions on their future mandate from NHS England. A meeting of the APPG has been called in October to examine the future approach to commissioning of flu vaccination services.</p>	Red
12) Assist with and determine a payment model for the case for the national commissioning of a minor ailment service from community pharmacies.	June	Preliminary work that will support a proposal to NHS England has been undertaken (development of a new service specification for a winter ailments	Red

		<p>service, SLA and supporting paperwork) as part of work to support urgent and emergency care services during winter.</p> <p>From informal discussions with NHS England it is anticipated that they may, as a follow on from the Call to Action, seek to develop a business case for MAS that will be promoted to CCGs. As a result of this information, at its July 2014 meeting, the SDS subcommittee decided to de-prioritise this work. A recent presentation given by Keith Willett (NHS England Director for acute episodes of care) has suggested the organisation may be considering national commissioning of MAS.</p>	
13) Assist with and determine a payment model for the case for the national commissioning of an EHC service from community pharmacies.	November	<p>This activity was intended to allow PSNC to assess the willingness and ability of the two bodies to collaborate on national commissioning of public health services in the current commissioning environment, where local government is the lead commissioner. The concept of national commissioning of this service was recently discussed with the Director of Health and Wellbeing at PHE, who said it would not be a realistic proposition in the current commissioning landscape. It was agreed at the May 2014 meeting of SDS that no further progress on this item could sensibly be made this year.</p>	Green
14) Review the business case and supporting documents on Blood-borne virus testing and Hepatitis B vaccination for LPC use.	March	<p>This work will be carried out in collaboration with HIE/Pinnacle Health Partnership (PHP). A draft business case has been developed by PSNC for blood-borne virus testing and is being finalised with data provided by PHP.</p>	Red
15) Review the business case and supporting documents on the NHS Health Check service for LPC use.	April	<p>This work will be carried out in collaboration with HIE/Pinnacle Health Partnership. A draft business case has been developed and is awaiting input</p>	Amber

		from PHP.	
16) Review the business case and supporting documents on EHC and other sexual health services for LPC use.	May	This work will be carried out in collaboration with HIE/Pinnacle Health Partnership. It was agreed at the July 2014 SDS subcommittee meeting that this work would be de-prioritised.	Red
17) Review the business case and supporting documents on stop smoking services for LPC use.	June	This ongoing work will be carried out in collaboration with HIE/Pinnacle Health Partnership and is linked to the work being undertaken with PHE (see 23). Due to capacity constraints in the office it has not been possible to progress this work as quickly as possible.	Red
External relationships			
18) Work with NHS England to develop national guidance to help with payments for local services and in the granting of local discretionary payments to contractors in ad-hoc situations (e.g. lost bundles, incomplete EPS exemption declarations, technical issues with EPS prescriptions resulting in expiry etc.)	Autumn	Although early indications were that the Operations Team at NHS England supported the need for clarity and consistency on discretionary payments, recent suggestions of some items for which a discretionary payment could be made met with resistance from NHS England. Discussions are being held with both NHS England and DH. An NHS England sub-committee has been setup to work on the matter, and it has been agreed that PSNC can work with the group to discuss the progress.	Amber



Funding and Statistics

December 2014

PSNC Briefing 031/14: What the 2014/15 Community Pharmacy Funding Settlement means for your payments

In September 2014 PSNC announced that it had reached agreement on a 2014/15 Funding Settlement worth £2.8bn for community pharmacies in England. This will be delivered through fees and allowances (£2bn) and retained purchase margin (£800m). For more information on the settlement, please visit psnc.org.uk/funding.

Payment adjustments

In order to deliver the agreed funding in the financial year, the following adjustments were made:

- Margin adjustment of +£60m = 12p per item increase in reimbursement from October 2014
- Practice Payment adjustment of -£70m = 17p per item decrease in Practice Payment from November 2014

This is a net difference of -£10m to be delivered across the six months from October 2014 to March 2015.

Contractors will note that retained purchase margin in 2014/15 has increased from £500m to £800m. However, it should be noted that in previous years contractors have earned significantly over the £500m figure; the increase to £800m recognises this and from now on delivery of margin will be more tightly managed.

How this might affect you

When spread out across the sector, the net difference of -£10m over the six months equates to -£870 per pharmacy. In other words, pharmacies will receive on average £870 less in the second half of 2014/15 than they did in the first half.

However; it is important to note that this will vary according to your prescription volumes and item mix, and that your October payment will be different to the following five payments. This is because it will incorporate the 12p per item increase in reimbursement, but not the 17p per item decrease which only comes in from November.

Pharmacies will experience the small net decrease in payments over six months as follows:

- October payments (received in early January) will be slightly higher due to the increase in Category M prices.
- November payments (received in early February) will be lower (both in comparison to October payments and to payments from the first six months of the year) as the reduction in Practice Payment takes effect.

The table on the following page shows the likely net impact of margin increases and fee decreases on pharmacies of varying sizes in October 2014, and then from November 2014 to March 2015. It also shows the difference in income that pharmacies of varying sizes can expect to see in their payments for the second half of this financial year.



Items per month	Monthly income pre changes	Monthly income October	Monthly income Nov-March	Total H1 income (Apr-Sept 14)	Total H2 income (Oct 14-Mar 15)	Total difference for H2
1,000	£1,849	£1,969	£1,969	£11,092	£11,812	£720
2,000	£4,263	£4,503	£4,299	£25,580	£25,999	£419
3,000	£9,148	£9,508	£8,995	£54,888	£54,483	-£405
4,000	£11,560	£12,040	£11,356	£69,358	£68,818	-£540
5,000	£13,895	£14,495	£13,640	£83,372	£82,697	-£675
6,000	£16,231	£16,951	£15,925	£97,387	£96,577	-£810
7,000	£18,567	£19,407	£18,210	£111,401	£110,456	-£945
8,000	£20,903	£21,863	£20,495	£125,416	£124,336	-£1,080
9,000	£23,238	£24,318	£22,779	£139,430	£138,215	-£1,215
10,000	£25,574	£26,774	£25,064	£153,444	£152,094	-£1,350

NB. the impact may vary depending on your prescription mix

Payment fluctuation due to advance payments

Pharmacies receive a 100% advance payment for prescriptions dispensed one month after the submission of a prescription bundle; this advance is calculated as the number of items declared multiplied by the AIV from the previous month.

Contractors should be aware that advance payments can be over stated if payment levels are expected to drop in a given month, as the advance will be calculated using the previous month's AIV. This is illustrated below for a pharmacy doing 7,000 items per month with an AIV of £9.00 before the changes:

Dispensing month	Sep	Oct	Nov	Dec	Jan	Feb
Items	7,000	7,000	7,000	7,000	7,000	7,000
Advance AIV	£9.00	£9.00	£9.12	£8.95	£8.95	£8.95
Actual AIV	£9.00	£9.12	£8.95	£8.95	£8.95	£8.95
Advance payment received	Nov	Dec	Jan	Feb	Mar	Apr
Correction required in subsequent month	£0.00	£840	-£1,190	£0	£0	£0

What to do if...

Your overall payment appears to be lower than you had expected it to be

1. Visit psnc.org.uk/schedule
2. Read the *Using Your Schedule of Payment to Monitor Performance* factsheet.
3. Check through the breakdown of payments given in your Schedule using the guidance given in the factsheet.
4. Compare with previous Schedules if necessary – remember to look at several months' worth not just last month's.
5. Consider the impact of the 2014/15 Funding Settlement changes on your payment (see previous page).





6. If you can't work out why the payment is lower or if you suspect a mistake has been made, speak to PSNC (0203 1220 810 or info@psnc.org.uk) who can advise on whether to approach NHS Prescription Services for a recheck of your prescription bundle.

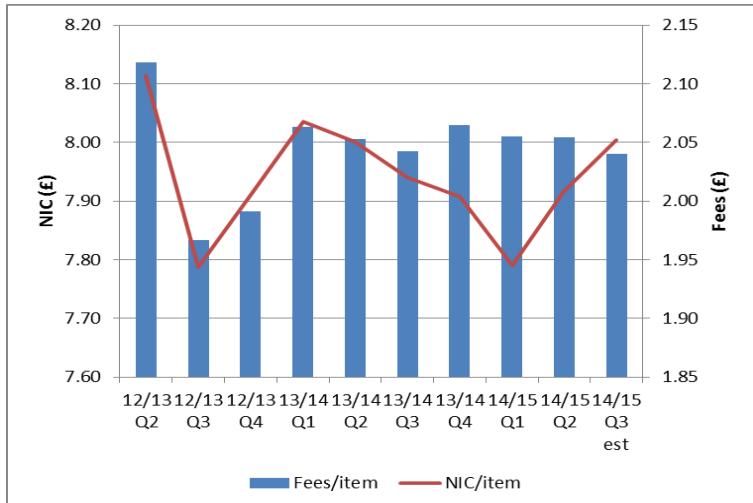
You want to learn more about the changes to retained purchase margin

Please visit psnc.org.uk/briefings and read *PSNC Briefing 017/14: Purchase Margin and Margin Reforms* which explains the changes to assured levels of margin and the work to reform the systems for managing margin that have been agreed as part of the 2014/15 Settlement.

You want to learn more about the contractual changes which were agreed in the 2014/15 Settlement

Please visit psnc.org.uk/briefings and read *PSNC Briefing 015/14: Changes to Contractual Requirements 2014/15* which summarises the changes being made to the community pharmacy contractual framework (CPCF). For changes to Advanced Services, read *PSNC Briefing 016/14: Advanced Services (MURs and the NMS)* which summarises the changes being made to the Medicines Use Review (MUR) service in 2014/15 and covers the re-commissioning of the New Medicine Service (NMS).

Summary of Pharmacy Statistics

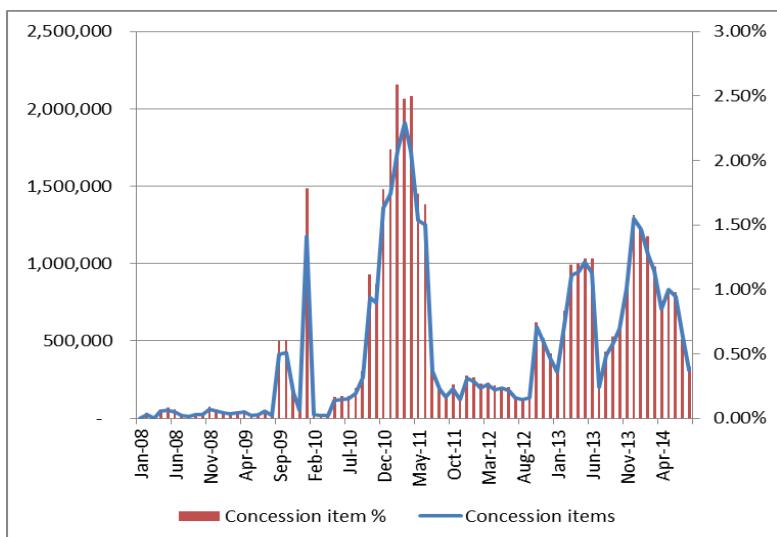
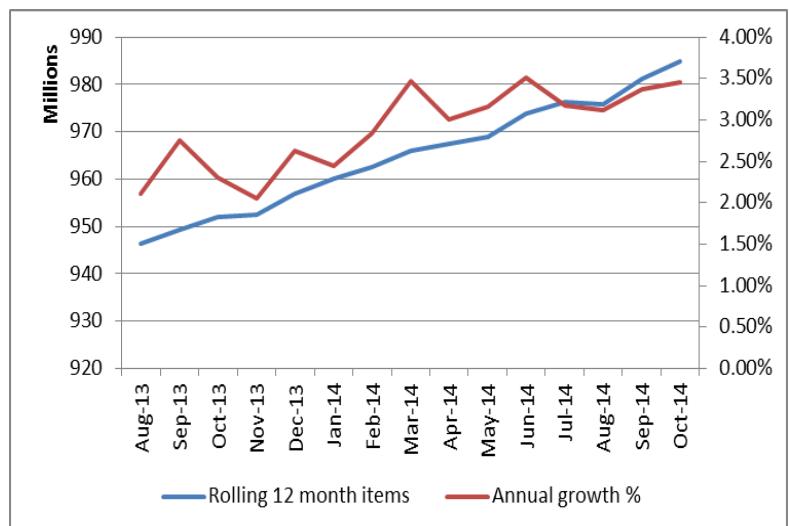


Latest estimates for 14/15 Q3 remuneration

- Fees per item **decreased** to **£2.04**
- NIC per item **increased** to **£8.00**

Latest item volumes and growth rates

- 12 month prescription volume now **985 million** items
- Current annual growth rate **3.45%**

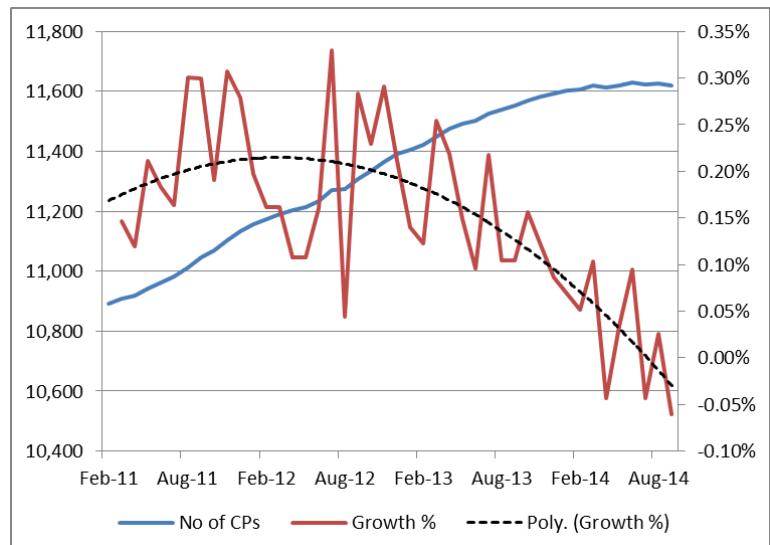


Latest concession items volume

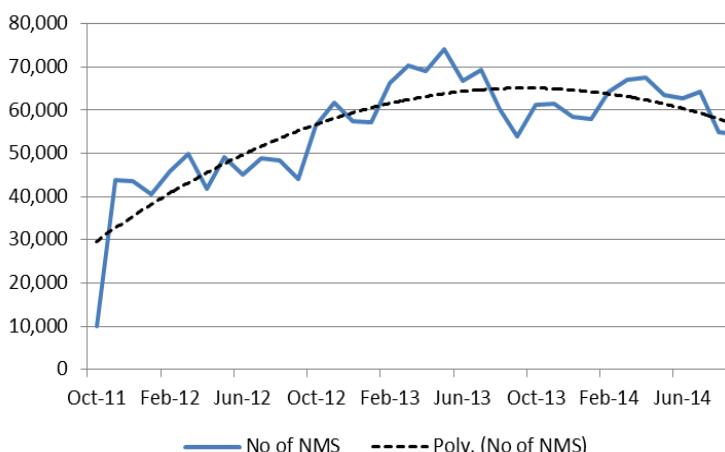
- Aug-14 concession items **decreased** to **312k**
- Comprising **0.40%** of all items dispensed
- Below peak volume of **1.9million** in Mar-11

Latest Pharmacy growth figures

- **11,620** community pharmacies open in Sep-14
- The monthly trend of growth is slowing
- Over the last 12 months average monthly growth has been **0.05%**
- Over the previous 24 months average growth was **0.19%**



No of NMS



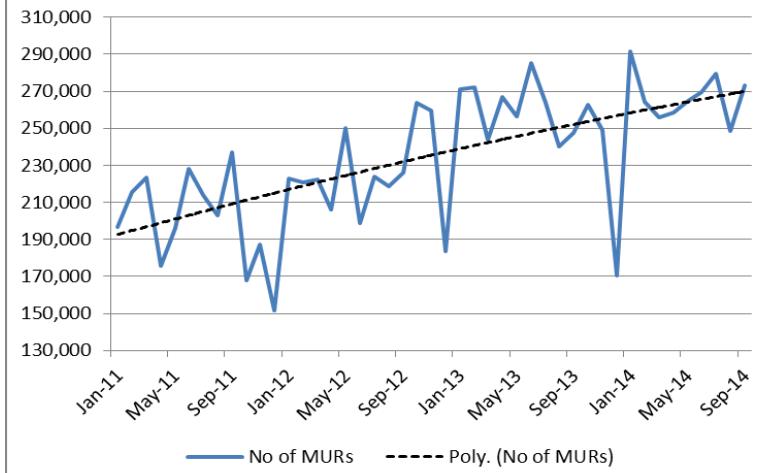
Latest NMS volume

- Sep-14 NMS volume was **54.4k**
- Peak volume was **74k** in May-13
- The volume trend shows a slowing of growth
- Forecast 14/15 spend is **£20.5m**

Latest MUR volume

- Sep-14 MUR volume was **273k**
- Sep-14 was **10.41%** higher than Sep-13
- The volume trend shows steady growth
- Forecast 14/15 spend is **£92.1m**

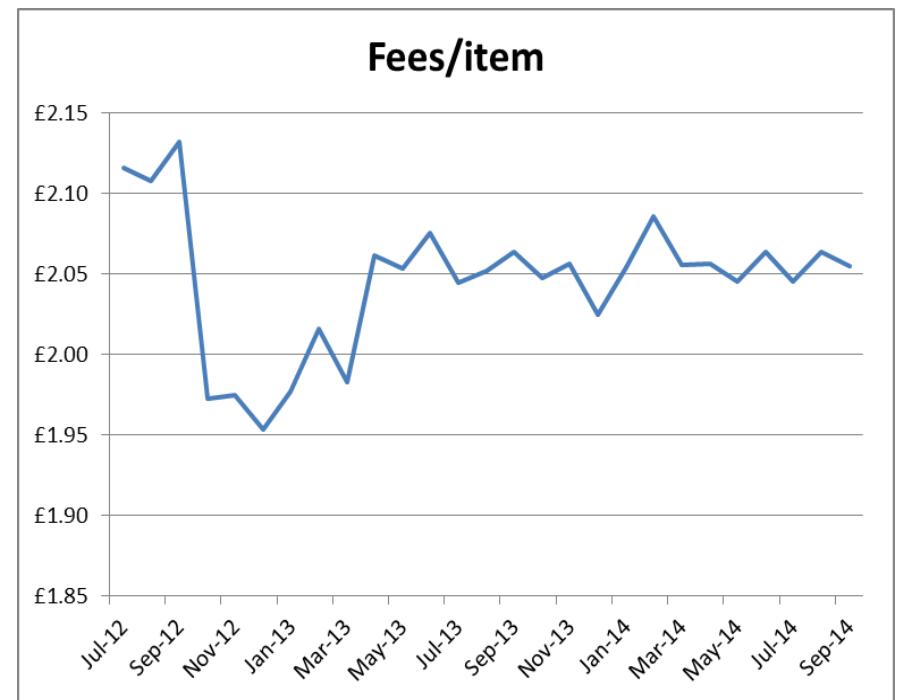
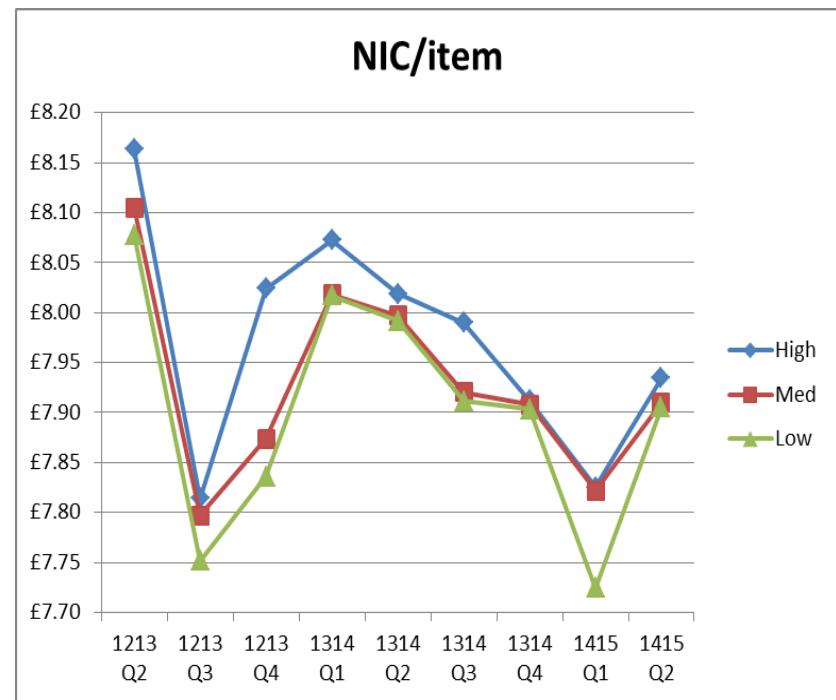
No of MURs



Statistics

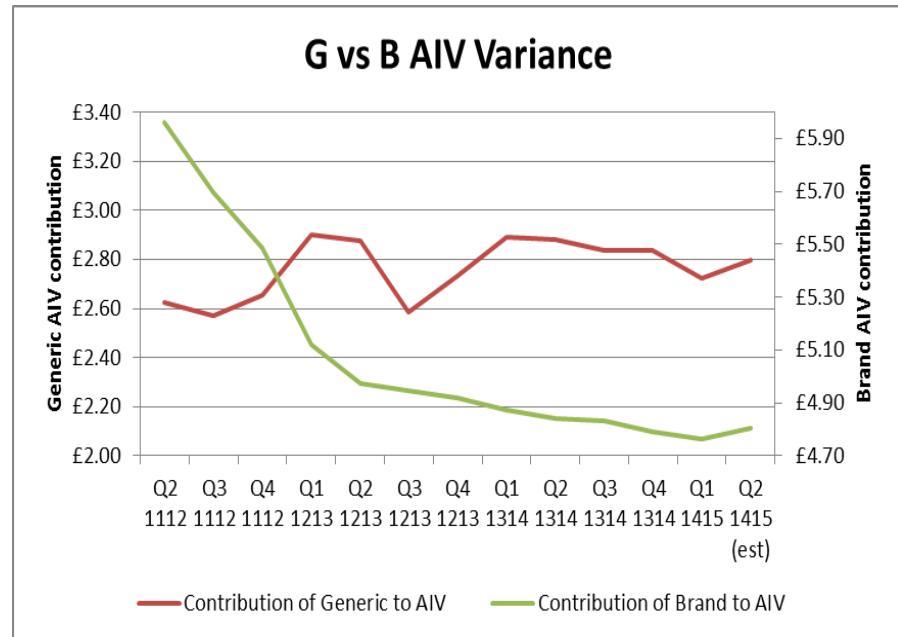
AIV comparison (BSA PD1 data)

	Fees (Items)	Fees (£)	NIC (£)	Disc (£)		Fees/item	NIC/item	CB/item	Reimb/item				
Apr-14	81,062,598	166,668,916	626,145,428	48,909,745		2.06	7.72	0.60	7.12				
May-14	83,963,483	171,705,487	656,735,780	51,716,515		2.05	7.82	0.62	7.21				
Jun-14	81,375,086	167,916,728	636,774,894	49,361,457		2.06	7.83	0.61	7.22		-0.10	NIC difference v previous 3 month avg	
Total	246,401,167	506,291,131	1,919,656,101	149,987,718		2.05	7.79	0.61	7.18		-0.01	fee difference v previous 3 month avg	
Jul-14	86,258,056	176,409,166	681,887,040	53,280,527		2.05	7.91	0.62	7.29				
Aug-14	79151548	163344868.4	626075348.6	48467864.64		2.06	7.91	0.61	7.30				
Sep-14	82927845	170418508.8	657970890.6	51316840.06		2.06	7.93	0.62	7.32		0.12	NIC difference v previous 3 month avg	
Total	248,337,449	510,172,543	1,965,933,279	153,065,232		2.05	7.92	0.62	7.30		0.00	fee difference v previous 3 month avg	
Oct-14	86611348	176735962.1	693200279.6	54690088.87		2.04	8.00	0.63	7.37				
Nov-14													
Dec-14											0.07	NIC difference v previous 3 month avg	
Total	86,611,348	176,735,962	693,200,280	54,690,089		2.04	8.00	0.63	7.37		-0.01	fee difference v previous 3 month avg	



AIV Variance Analysis (BSA PCA data)

	AIV	Contribution of Generic to AIV	Contribution of Brand to AIV	Contribution of Appliances to AIV
Q2 1112	£9.31	£2.63	£5.96	£0.73
Q3 1112	£8.99	£2.57	£5.70	£0.72
Q4 1112	£8.86	£2.65	£5.49	£0.72
Q1 1213	£8.74	£2.90	£5.12	£0.72
Q2 1213	£8.59	£2.88	£4.97	£0.74
Q3 1213	£8.25	£2.58	£4.95	£0.73
Q4 1213	£8.39	£2.73	£4.92	£0.74
Q1 1314	£8.49	£2.89	£4.87	£0.72
Q2 1314	£8.53	£2.88	£4.84	£0.81
Q3 1314	£8.43	£2.84	£4.83	£0.77
Q4 1314	£8.40	£2.84	£4.79	£0.77
Q1 1415	£8.28	£2.73	£4.76	£0.79
Q2 1415 (est)	£8.41	£2.80	£4.80	£0.80



14/15 Q1 v 14/15 Q2 (est) comparison

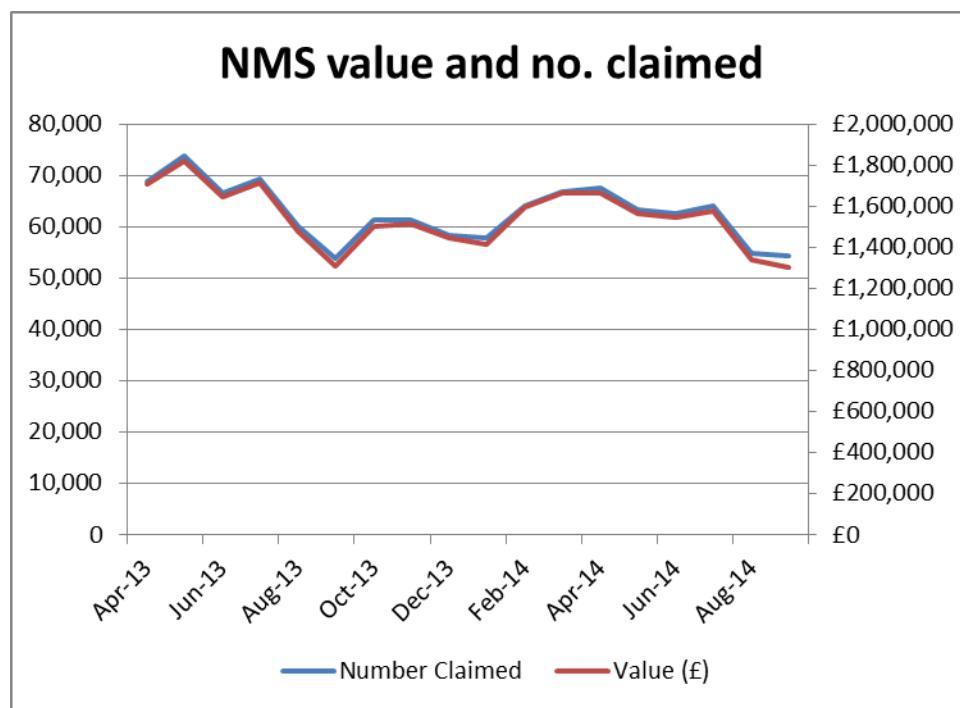
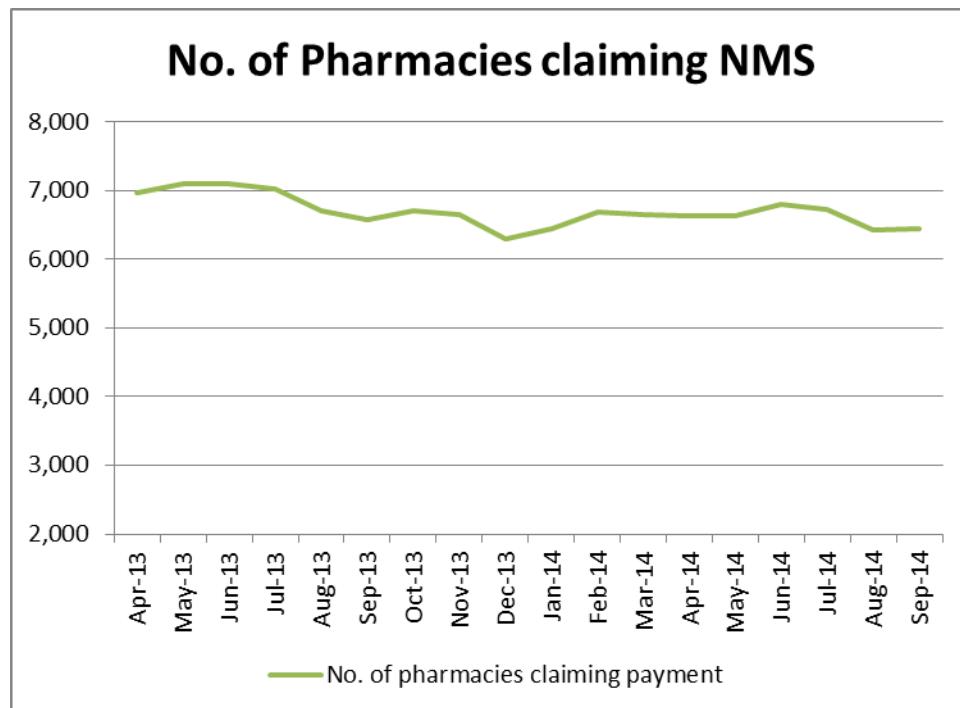
	G NIC/Item	G Items	B NIC/Item	B Items	A NIC/Item	A Items	Mvmt
Q1Q1	3.69	73.89%	2.73	21.09	22.58%	4.76	22.47
Q1Q2	3.69	74.02%	2.73	21.09	22.44%	4.73	-0.03
Q2Q2	3.78	74.02%	2.80	21.41	22.44%	4.80	0.07
			0.07	0.07		0.04	0.04
							0.01
							0.01
							0.13

All PSNC members can attend this meeting, but only members of FunCon, the Chairman and Vice Chairman of PSNC and the Chairmen of the other subcommittees may speak

NMS

Month	Number Claimed	Number Paid	Value (£)	No. of pharmacies claiming payment	Cumulative no. of different pharmacies claiming payment since Oct 11	Number of Implementation Payment Claims	Value of Implementation Payment Claims	Payment Per conducted NMS	Percent age paid NMS
Apr-13	68,950	68,950	£1,707,422	6,971	10,150			£24.76	100%
May-13	73,991	73,991	£1,820,634	7,099	10,213			£24.61	100%
Jun-13	66,776	66,776	£1,650,332	7,090	10,264			£24.71	100%
Jul-13	69,398	69,398	£1,716,844	7,025	10,314			£24.74	100%
Aug-13	60,215	60,215	£1,477,451	6,713	10,343			£24.54	100%
Sep-13	53,915	53,915	£1,309,233	6,576	10,383			£24.28	100%
Oct-13	61,335	61,335	£1,505,784	6,710	10,430			£24.55	100%
Nov-13	61,502	61,502	£1,517,571	6,658	10,480			£24.68	100%
Dec-13	58,537	58,537	£1,447,172	6,304	10,508			£24.72	100%
Jan-14	57,866	57,866	£1,418,231	6,447	10,553			£24.51	100%
Feb-14	64,264	64,264	£1,597,717	6,687	10,586			£24.86	100%
Mar-14	67,012	67,012	£1,663,992	6,652	10,621			£24.83	100%
Apr-14	67,664	67,664	£1,666,515	6,622	10,643			£24.63	100%
May-14	63,531	63,531	£1,567,565	6,628	10,673			£24.67	100%
Jun-14	62,648	62,648	£1,546,581	6,801	10,700			£24.69	100%
Jul-14	64,252	64,252	£1,579,471	6,725	10,727			£24.58	100%
Aug-14	54,928	54,928	£1,343,872	6,420	10,752			£24.47	100%
Sep-14	54,411	54,411	£1,303,492	6,450	10,785			£23.96	100%

	2011/12	2012/13	2013/14	2014/15
total funding paid	£10,002,900	£15,463,609	£18,832,383	£9,007,496
Avg payment / NMS	£16.48	£23.90	£24.62	£24.51



A breakdown of NMS and MUR data by LPC is available from the PSNC website.

MUR

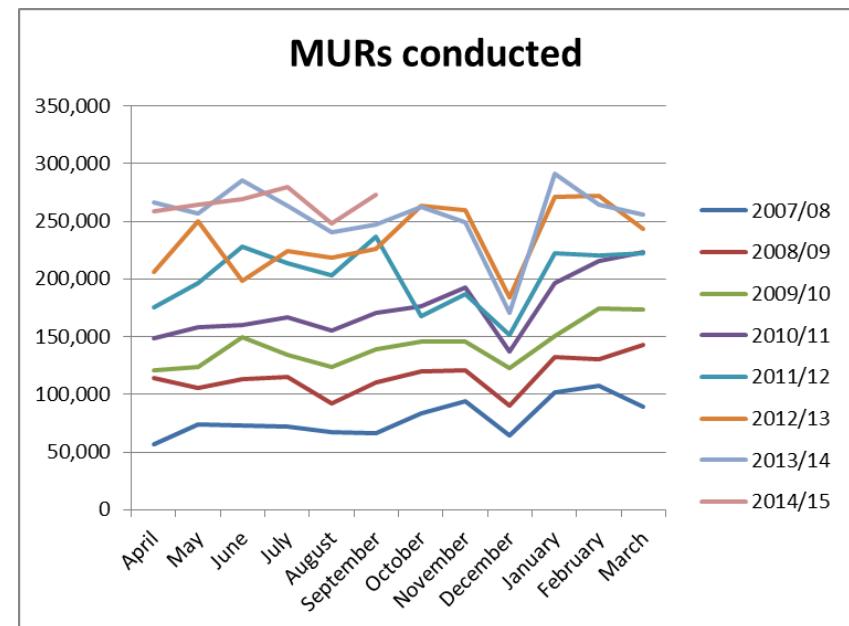
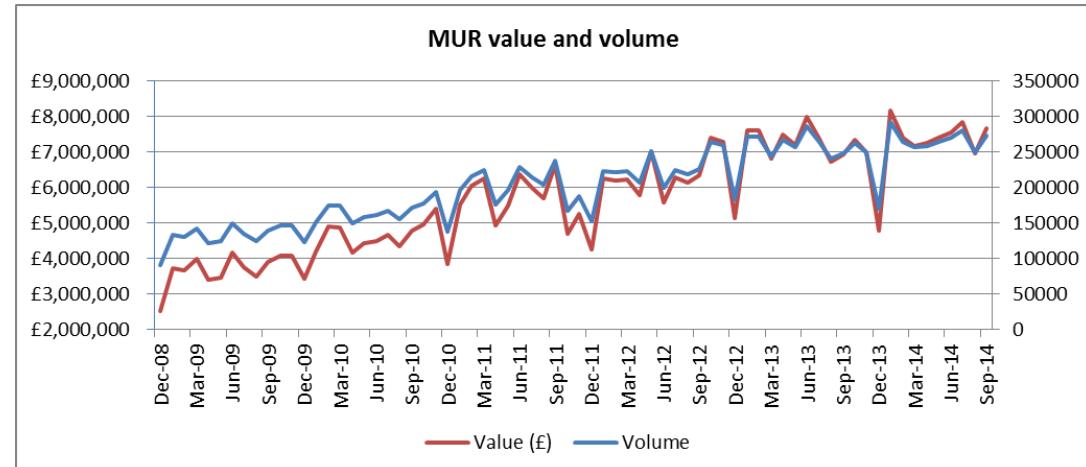
Recent NHS Prescription Services' figures of MURs conducted to date are detailed below:

Month – No. MURs – Value (£) – Growth % YoY – No. CPs

Month	No. MURs	Value (£)	Growth % YoY	No. CPs
Aug-12	218733	£ 6,124,536.00	8%	8980
Sep-12	226167	£ 6,332,689.00	-4%	9140
Oct-12	263740	£ 7,384,720.00	57%	9309
Nov-12	259591	£ 7,268,548.00	39%	9314
Dec-12	183729	£ 5,144,422.00	21%	8852
Jan-13	271147	£ 7,592,116.00	22%	9175
Feb-13	271899	£ 7,613,172.00	23%	9049
Mar-13	243610	£ 6,821,080.95	10%	7879
Apr-13	266738	£ 7,468,663.00	30%	9527
May-13	256636	£ 7,185,808.00	3%	8888
Jun-13	285191	£ 7,985,348.00	43%	10287
Jul-13	263460	£ 7,376,880.00	18%	9585
Aug-13	240307	£ 6,728,608.00	10%	9497
Sep-13	247593	£ 6,932,604.00	9%	9608
Oct-13	262522	£ 7,350,616.00	0%	9653
Nov-13	249147	£ 6,976,124.00	-4%	9555
Dec-13	170244	£ 4,766,824.00	-7%	8355
Jan-14	291572	£ 8,164,016.00	8%	9373
Feb-14	264405	£ 7,403,328.00	-3%	9123
Mar-14	256060	£ 7,169,668.00	5%	8564
Apr-14	258366	£ 7,234,236.00	-3%	9699
May-14	264563	£ 7,407,764.00	3%	9704
Jun-14	269726	£ 7,552,316.00	-5%	9748
Jul-14	279691	£ 7,831,336.00	6%	9738
Aug-14	248520	£ 6,958,548.00	3%	9654
Sep-14	273362	£ 7,654,124.00	10%	9735

Note – these figures are based on actual paid MURs

A breakdown of MURs conducted by LPC is available from the PSNC website.



NIC, discount, cost of fees and average item value (England)

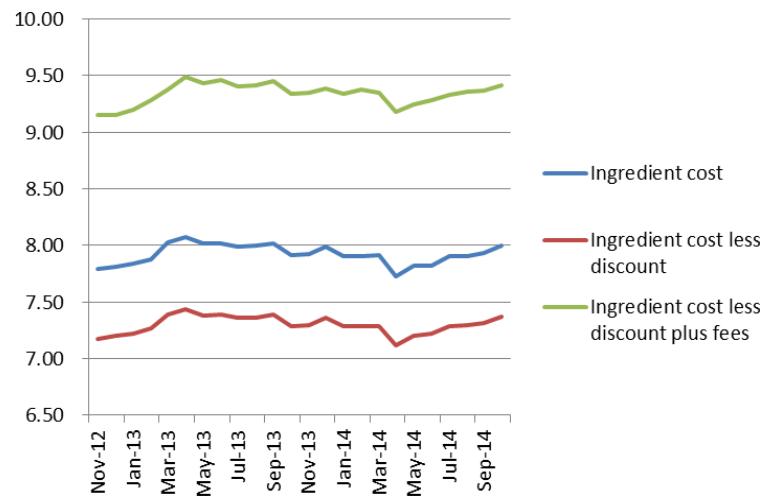
PhS Pharmacy Contractors

	NIC	Discount	Cost of fees	AIV £pi	yoy growth	Cumulative ytd growth
Nov-13	£7.92	-£0.62	£2.06	£9.39	2.22%	-3.03%
Dec-13	£7.99	-£0.63	£2.02	£9.42	2.50%	-2.92%
Jan-14	£7.91	-£0.63	£2.05	£9.37	1.51%	-2.83%
Feb-14	£7.90	-£0.62	£2.09	£9.41	1.02%	-2.75%
Mar-14	£7.91	-£0.62	£2.06	£9.38	-0.29%	-2.71%
Apr-14	£7.72	-£0.60	£2.06	£9.21	-3.32%	-2.72%
May-14	£7.82	-£0.62	£2.05	£9.28	-1.93%	-2.70%
Jun-14	£7.83	-£0.61	£2.06	£9.32	-1.87%	-2.69%
Jul-14	£7.91	-£0.62	£2.05	£9.37	-0.73%	-2.65%
Aug-14	£7.91	-£0.61	£2.06	£9.40	-0.59%	-2.62%
Sep-14	£7.93	-£0.62	£2.06	£9.41	-0.85%	-2.58%
Oct-14	£8.00	-£0.63	£2.04	£9.45	0.81%	-2.53%

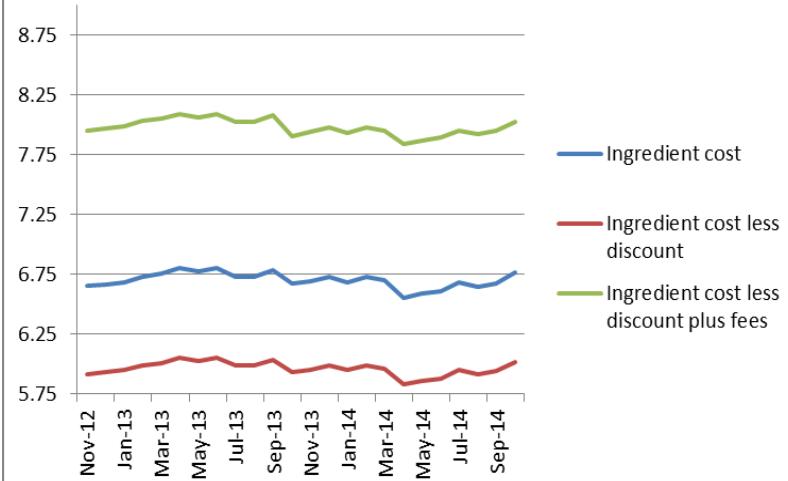
Dispensing Doctors

	NIC	Discount	Cost of fees	AIV £pi	yoy growth	Cumulative ytd growth
Nov-13	£6.70	-£0.74	£1.99	£7.94	-0.07%	-3.33%
Dec-13	£6.73	-£0.74	£1.99	£7.98	0.10%	-3.18%
Jan-14	£6.69	-£0.74	£1.99	£7.94	-0.61%	-3.06%
Feb-14	£6.73	-£0.74	£1.99	£7.98	-0.66%	-2.96%
Mar-14	£6.70	-£0.74	£1.99	£7.95	-1.19%	-2.89%
Apr-14	£6.55	-£0.72	£2.01	£7.84	-3.08%	-2.90%
May-14	£6.59	-£0.73	£2.01	£7.87	-2.37%	-2.88%
Jun-14	£6.61	-£0.73	£2.01	£7.89	-2.49%	-2.86%
Jul-14	£6.69	-£0.74	£2.01	£7.96	-0.84%	-2.79%
Aug-14	£6.64	-£0.73	£2.01	£7.92	-1.24%	-2.74%
Sep-14	£6.68	-£0.74	£2.01	£7.95	-1.57%	-2.70%
Oct-14	£6.77	-£0.75	£2.01	£8.03	1.52%	-2.57%

PhS Reimbursement over 24 Months



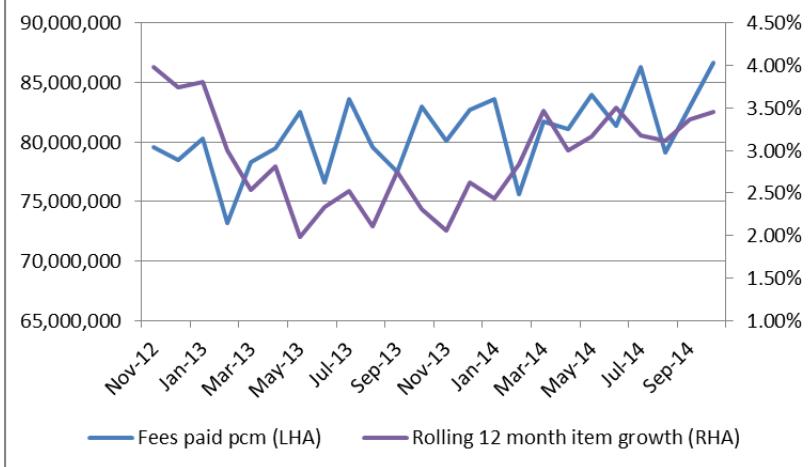
DD Reimbursement over 24 months



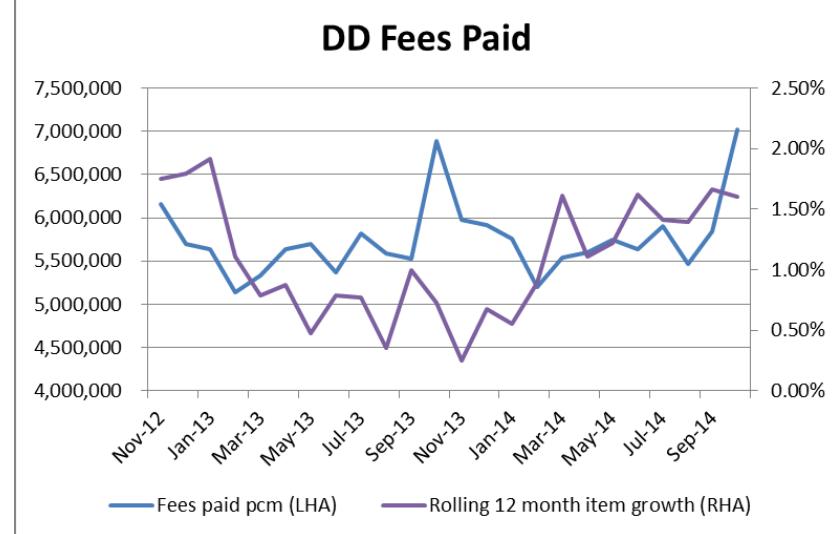
Prescription volume (England)

PhS Pharmacy Contractors					Dispensing Doctors				
	Fees paid pcm (LHA)	yoy growth	Cumulative ytd growth	Rolling 12 month item growth (RHA)		Fees paid pcm (LHA)	yoy growth	Cumulative ytd growth	Rolling 12 month item growth (RHA)
Nov-13	80,060,708	0.60%	3.05%	2.06%		5,978,572	-2.88%	0.91%	0.25%
Dec-13	82,731,768	5.39%	3.31%	2.62%		5,915,821	3.72%	1.05%	0.67%
Jan-14	83,561,090	4.14%	3.40%	2.44%		5,752,456	1.95%	1.09%	0.55%
Feb-14	75,583,402	3.31%	3.39%	2.84%		5,193,724	1.13%	1.09%	0.89%
Mar-14	81,680,030	4.34%	3.47%	3.47%		5,545,282	3.99%	1.20%	1.61%
Apr-14	81,062,598	1.98%	1.98%	3.00%		5,599,202	-0.66%	1.13%	1.11%
May-14	83,963,483	1.77%	1.88%	3.16%		5,745,366	0.86%	1.12%	1.22%
Jun-14	81,375,086	6.18%	3.26%	3.51%		5,632,691	4.97%	1.25%	1.62%
Jul-14	86,258,056	3.13%	3.23%	3.18%		5,901,910	1.52%	1.26%	1.41%
Aug-14	79,151,548	-0.56%	2.48%	3.11%		5,468,199	-2.22%	1.14%	1.40%
Sep-14	82,927,845	6.97%	3.20%	3.37%		5,840,607	5.77%	1.30%	1.66%
Oct-14	86,611,348	4.41%	3.38%	3.45%		7,016,495	1.80%	1.31%	1.61%

Phs Fees Paid



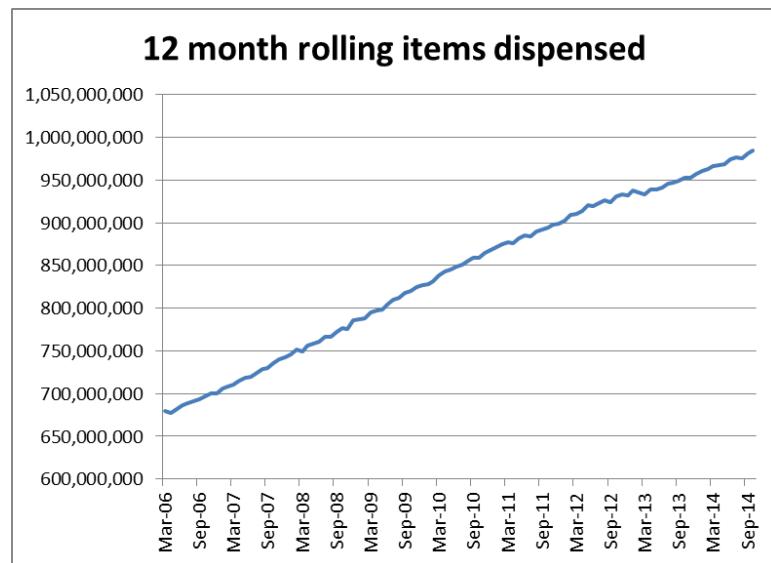
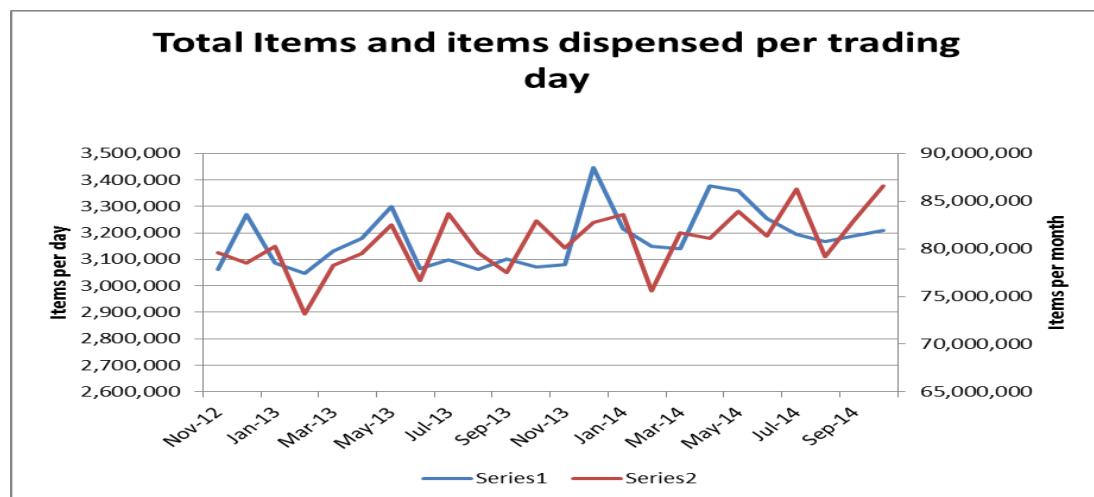
DD Fees Paid



Growth in prescription items

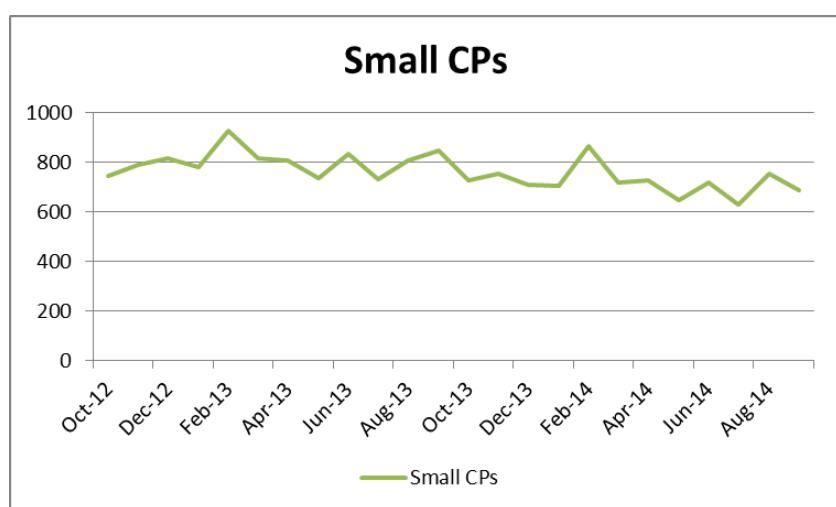
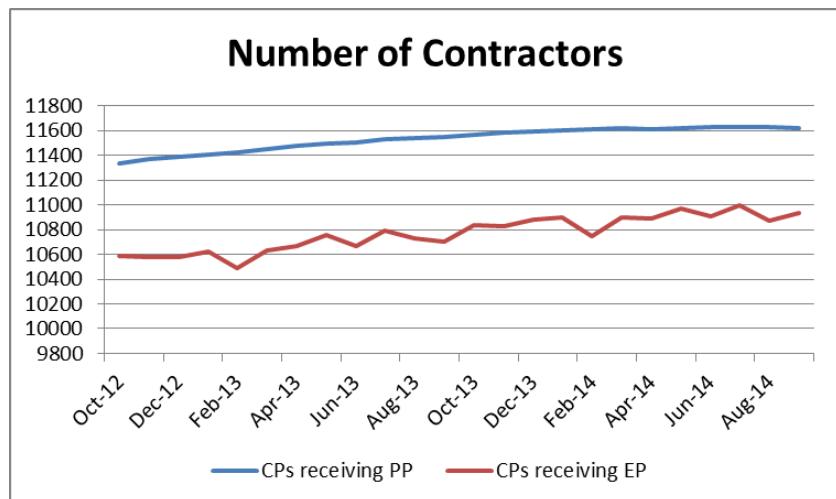
Month – Items – Trading days – Items per day

Nov-12	79,585,840	26	3,060,994
Dec-12	78,497,580	24	3,270,733
Jan-13	80,238,908	26	3,086,112
Feb-13	73,161,789	24	3,048,408
Mar-13	78,282,406	25	3,131,296
Apr-13	79,485,591	25	3,179,424
May-13	82,500,614	25	3,300,025
Jun-13	76,640,588	25	3,065,624
Jul-13	83,636,084	27	3,097,633
Aug-13	79,599,369	26	3,061,514
Sep-13	77,522,002	25	3,100,880
Oct-13	82,951,703	27	3,072,285
Nov-13	80,060,708	26	3,079,258
Dec-13	82,731,768	24	3,447,157
Jan-14	83,561,090	26	3,213,888
Feb-14	75,583,402	24	3,149,308
Mar-14	81,680,030	26	3,141,540
Apr-14	81,062,598	24	3,377,608
May-14	83,963,483	25	3,358,539
Jun-14	81,375,086	25	3,255,003
Jul-14	86,258,056	27	3,194,743
Aug-14	79,151,548	25	3,166,062
Sep-14	82,927,845	26	3,189,533
Oct-14	86,611,348	27	3,207,828



Number of English contractors receiving Practice and Establishment Payments, number of small pharmacies
Month – CPs receiving PP – CPs receiving EP – Small CPs

Oct-12	11333	10587	746
Nov-12	11366	10576	790
Dec-12	11390	10575	815
Jan-13	11406	10626	780
Feb-13	11420	10491	929
Mar-13	11449	10634	815
Apr-13	11474	10668	806
May-13	11491	10757	734
Jun-13	11502	10666	836
Jul-13	11527	10794	733
Aug-13	11539	10732	807
Sep-13	11551	10705	846
Oct-13	11569	10840	729
Nov-13	11583	10831	752
Dec-13	11593	10883	710
Jan-14	11601	10896	705
Feb-14	11607	10744	863
Mar-14	11619	10899	720
Apr-14	11614	10887	727
May-14	11618	10971	647
Jun-14	11629	10910	719
Jul-14	11624	10996	628
Aug-14	11627	10873	754
Sep-14	11620	10934	686



Latest Category M list analysis

Category M value					
Oct 14 Cat M value*	£428,907,065	<i>per quarter</i>			
Jan 15 Cat M value*	£420,224,208	<i>per quarter</i>			
Movement*	-£8,682,857	<i>per quarter</i>			

*excluding new additions to Cat M. Indicative figures based on Jun-14 to Aug-14 vols with estimated growth factor.

Total no. of increases	222
Total no. of decreases	303
Total no. of no change	38
Total no. of new products	0
Total no. of products	563

Biggest Movers (excluding new additions)

Drug Name	Pack Size	Jan-15 DT	Oct-14 DT	change (£)	% change
Fenofibrate_Cap 200mg (Micronised)	28	12.63	4.41	8.22	186%
Pizotifen Malate_Tab 500mcg	28	3.99	1.56	2.43	156%
Trandolapril_Cap 2mg	28	4.73	1.96	2.77	141%
Co-Tenidone_Tab 50mg/12.5mg	28	5.26	2.33	2.93	126%
Mefenamic Acid_Tab 500mg	28	5.64	2.62	3.02	115%
Co-Tenidone_Tab 100mg/25mg	28	5.29	2.47	2.82	114%
Pizotifen Malate_Tab 1.5mg	28	4.5	2.15	2.35	109%
Naftidrofuryl Oxal_Cap 100mg	84	13.34	6.65	6.69	101%
Tamoxifen Cit_Tab 20mg	30	3.69	2.27	1.42	63%
Co-Amilorfruse_Tab 5mg/40mg	28	4.26	2.63	1.63	62%
Memantine HCl_Tab 20mg	28	3.72	12.71	-8.99	-71%
Ibuprofen_Tab 600mg	84	1.31	3.5	-2.19	-63%
Ropinirole HCl_Tab 5mg	84	6.87	16.41	-9.54	-58%
Glipizide_Tab 5mg	28	1.69	3.43	-1.74	-51%
Memantine HCl_Tab 10mg	28	2.48	4.89	-2.41	-49%
Mycophenolate Mofetil_Tab 500mg	50	10.11	17.8	-7.69	-43%
Pramipexole_Tab 700mcg	30	2.5	4.27	-1.77	-41%
Paracet_Tab Solb 500mg	24	1.3	2.12	-0.82	-39%
Paracet_Tab Solb 500mg	100	5.42	8.83	-3.41	-39%
Topiramate_Tab 25mg	60	2.35	3.71	-1.36	-37%

Number of Concession items:

Month – National items – Concession items - % of items which are on concession

Sep-12	73,796,255	131,085	0.18%
Oct-12	79,198,964	589,070	0.74%
Nov-12	78,650,528	485,742	0.62%
Dec-12	77,647,597	393,106	0.51%
Jan-13	79,476,818	300,279	0.38%
Feb-13	72,348,808	601,044	0.83%
Mar-13	77,437,155	921,959	1.19%
Apr-13	78,719,637	945,484	1.20%
May-13	81,593,114	1,011,271	1.24%
Jun-13	75,809,407	940,503	1.24%
Jul-13	82,804,490	200,625	0.24%
Aug-13	78,822,857	410,020	0.52%
Sep-13	76,814,802	488,515	0.64%
Oct-13	81,977,256	581,747	0.71%
Nov-13	79,178,128	845,004	1.07%
Dec-13	81,815,466	1,292,494	1.58%
Jan-14	82,732,811	1,222,384	1.48%
Feb-14	74,765,517	1,053,306	1.41%
Mar-14	80,722,840	950,977	1.18%
Apr-14	80,241,413	704,395	0.88%
May-14	83,160,862	829,760	1.00%
Jun-14	80,550,027	787,185	0.98%
Jul-14	85,314,994	522,394	0.61%
Aug-14	78,306,451	312,173	0.40%

