**PSNC Funding and Contract Subcommittee Minutes**

**of the meeting held on Tuesday 9th October 2018**

**at Swindon Marriott Hotel, Pipers Way, Swindon, SN3 1SH**

**commencing at 14.15**

**Members:**  David Broome, Peter Cattee (Chairman), David Hamilton, Tricia Kennerley, Andrew Lane, Margaret MacRury, Garry Myers, Bharat Patel, Adrian Price, Anil Sharma

**In attendance:** Simon Dukes, Mike Dent

1. Welcome from Chair
2. Apologies for absence
Margaret MacRury
3. Conflicts or declaration of interest
None declared
4. Minutes of the last meeting
The minutes of the meeting held on Tuesday 9th October 2018 set out in **Confidential Appendix FCS 01/10/18** were approved.

**Action**

1. Work plan for 2018
The subcommittee considered the work plan shown in **Confidential Appendix FCS 02/10/18**.
2. Remuneration
3. 2017/18 out-turn

The subcommittee noted the update on 2017/18 out-turn shown in **Confidential Appendix FCS 03/10/18**.

1. 2018/19 forecasts and fee rates
The subcommittee noted the update on 2018/19 forecasts and fee rates shown in **Confidential Appendix FCS 04/10/18**. A close eye will be kept on forecast volumes.
2. Reimbursement
3. Category M October 2018
The subcommittee noted the update on Category M October 2018 shown in **Confidential Appendix FCS 05/10/18**. This included complex analysis explaining the overall movements in Category M prices. DHSC cannot share manufacturer data under the rules that allow manufacturers to share data with DHSC. Under the new Information Disclosure Regulations DHSC has right to share data but there is no obligation to do so.
4. Retained margins 2016/17 and 2017/18
The subcommittee noted the update on retained margins in 2016/17 and 2017/18 shown in **Confidential Appendix FCS 06/10/18**. This included adjustments for NIC transfer, influential lines and price concessions. There was a discussion about margin on Category C lines and

branded generics.

1. Margins survey methodology
The subcommittee noted the update on margins survey methodology shown in **Confidential Appendix FCS 07/10/18.** This was part of the continuous improvement of the survey. There was no objection to moving the frequency of survey to quarterly.
2. EPS implementation
The subcommittee noted the update on EPS implementation shown in **Confidential Appendix FCS 08/10/18**.

**Action:** Gordon to look into the Regulations around prescription validity.

1. Specials
The subcommittee considered the update on specials shown in **Confidential Appendix FCS 09/10/18**.

 **Action:** Suraj Shah to discuss with DHSC.

1. DHSC proposals
2. Electronic Drug Tariff
The subcommittee considered the note on the Electronic Drug Tariff shown in **Confidential Appendix FCS 10/10/18**.

The Committee was in agreement that paper Drug Tariffs will eventually cease to exist in the future.

***It was recommended that:***

***PSNC will accept the ceasing of publication of paper Drug Tariffs as long as the PDF option remains available to contractors.***

1. RiNN
The subcommittee noted the update on RiNN shown in **Confidential Appendix FCS 11/10/18**.

1. FMD
The subcommittee noted the update on FMD shown in **Confidential Appendix FCS 12/10/18**.

Garry Myers highlighted the possible procurement risk for contractors.

Mike Dent requested contributions from the Committee to refine the estimates in the modelling. Stephen Thomas asked if these figures can be discussed by the FMD working group? Alastair Buxton replied that the figures will be shared with the working group once they have been refined.

Simon Dukes said the figures are on the table for discussion as part of 2019/20 contract negotiations.

**Report**

1. General funding update
The subcommittee noted the general funding update shown in **Appendix FCS 13/10/18**.
2. Statistics
The subcommittee noted the statistics shown in **Appendix FCS 14/10/18**.
3. Any other business
Sam Fisher raised the point that contractors are going to absorb the FMD cost in 2018/19 and not in 2019/20. The CAPEX costs for 2018/19 won’t have been considered. Mike Dent highlighted that the point is valid and will be discussed further.