

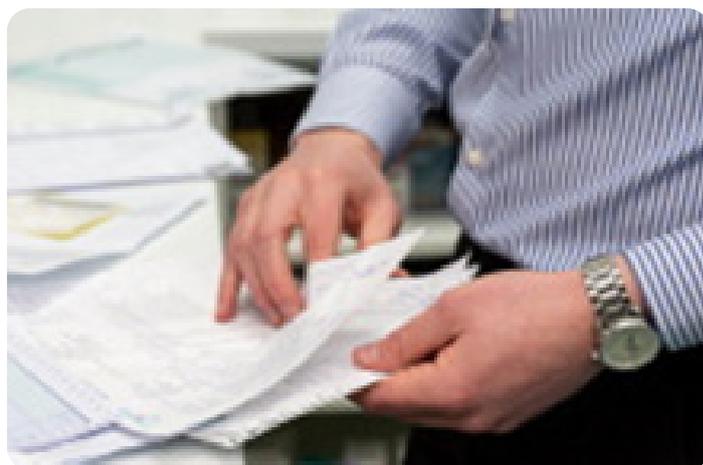
# Dispensing Factsheet: Expensive Items

This factsheet prepared by PSNC’s Dispensing and Supply team defines what an expensive item is and provides guidance on the endorsement and submission of prescriptions for such items. It also explains how payments for expensive items are calculated by the NHS Business Services Authority (NHSBSA) and how contractors can reconcile these against their monthly Schedule of Payments (SoP) and/or Prescription Item Reports (Px reports).

## What is an expensive item?

An expensive item is any item (drug or appliance) with a net ingredient cost (NIC) of £100 or more i.e. the total cost of the prescription item must be equal to or over £100. The total NIC value is calculated based on the total quantity of each individual item on a prescription form.

If the value of an individual item is under £100 but the total prescribed quantity of that item takes the total item value to £100 or above, that item would be classed as an expensive item. For example, Mesalazine 1g gastro-resistant tablets (Salofalk) has a list price of £58.50 (90 tablets) according to the March 2021 Drug Tariff; if you received a prescription for two packs (180 tablets) the overall NIC for that item would be £117.00 making this item an expensive item.



**The most expensive product listed in the March 2021 Drug Tariff is Chenodeoxycholic acid 250mg capsules (Leadiant Biosciences Ltd) which has a basic price of £14,000.00 for 100 capsules.**

## Payments for expensive items

An Expensive Prescription Fee equivalent to 2% of the NIC will be payable on all prescription items equal to or over £100 (see Professional Fees section in Part IIIA of the **Drug Tariff**). Following the current normal prescription payment timetable, the actual final reimbursement for items dispensed is received two months after a prescription is submitted for payment. Due to this payment lag, the expensive item fee may help to mitigate against any increased cashflow risks for contractors dispensing such items.

Payments are made on the 1st of each month, where this falls on a weekend or bank holiday payment will be made on the working day prior.

Dispensing month	Submission month	Advanced Payment	Reconciliation
April	May	June	July
May	June	July	August
June	July	August	September
July	August	September	October

For example, June payment will comprise of the 100% estimated Advance payment for prescriptions submitted in May (dispensed in April) with the full value of the priced prescriptions less the recovery of the estimated 100% Advance payment for prescriptions submitted in April (dispensed in March).

## Endorsements

Although no additional prescription endorsements are required to claim the 2% Expensive Prescription Fee, contractors must ensure that usual endorsements are applied to prescriptions, where required. Particular attention must be given to endorsing prescriptions for **multiple flavours, Broken Bulk claims** and for **unlicensed specials/imports**, to allow the NHSBSA to determine if the items prescribed should be treated as ‘expensive’ for payment purposes.

## Sorting and submission of prescriptions for expensive items

### Paper prescriptions

Paper prescription forms with expensive items should be placed in the appropriate **red separators** when submitting a prescription bundle for payment. Sorting forms into red separators allows operators at the NHSBSA to carry out additional checks on certain types of prescriptions before final payment is confirmed.

### EPS prescriptions

There are no virtual red separators for electronic prescriptions. Prescriptions that would ordinarily be placed in a red separator are treated accordingly by the NHSBSA, when submitted electronically.

For electronic prescriptions, contractors should always consider the **five-day EPS window** to ensure that any claims for expensive items are submitted in a timely manner to avoid any delays to payment. If an item is dispensed during a calendar month but its corresponding claim message is submitted later than the 5th of the following month, the item will not be reimbursed according to the month in which it was dispensed leading to a delay in payments by an extra month.

### How do I know which items have been treated as expensive items?

You can find the number of expensive items paid and the amount reimbursed in the *Summary of Expensive Items* section of your SoP. This section is broken down into number of items between £100 and £300, and number of items over £300. A breakdown of expensive items (including product description and pack size) dispensed during the month is included under *Details of items which have a basic price equal to or over £100*.

SUMMARY OF EXPENSIVE ITEMS				
The total number of items reported may not always correspond with the number of "Expensive prescription fees" shown on the schedule of NHSBSA authorised payments. This is due to the fact that any information in this Expensive Item List is reported at drug code level. The basic price values in the table below do not take into account any broken bulk adjustments credited/debited in the total basic prices included under Drug and Appliance Costs above.				
DESCRIPTION	NUMBER OF ITEMS	TOTAL BASIC PRICE £		
Number of items over £ 100 and up to £ 300	64	9,148.60		
Number of items over £ 300	5	1,757.12		
<b>Total of items over £ 100</b>	<b>69</b>	<b>10,905.72</b>		
DETAILS OF ITEMS WHICH HAVE A BASIC PRICE EQUAL TO OR OVER £ 100				
FORM/ ITEM	DESCRIPTION	PACK SIZE	QTY	BASIC PRICE £
A03063/1	NUTRINI LIQUID 500	500.00	60	391.00
A00937/1	PRAMIPEXOLE 3.15MG MODIFIED-RELEASE TABLETS 30	30.00	28	363.88
A02504/1	JEVITY 1.5KCAL LIQUID 500	500.00	64	363.52

You can find the total value of Expensive Prescription Fees (2F) paid under the section titled 'Prescription Fees' on page 1 of your SoP.

PRESCRIPTION FEES			£
Activity payment	7418 @ 127.00p		9,420.86
Additional fees	2A unlicensed medicines		120.00
	2B appliances - measured and fitted		0.00
	appliance - home delivery		78.70
	2E controlled drug schedules 2 and 3		77.86
	<b>2F expensive prescription fees</b>	<b>69</b>	<b>218.16</b>
	Manually priced		0.00

Contractors can also access their Px reports on the [Information Services Portal](#) to view all expensive items and applicable fees paid by the NHSBSA for a given dispensing month.

When checking through the details of expensive items listed in the SoP, the following points need to be considered:

- The list of expensive items is shown in descending price order.
- If you have dispensed an item where the combined NIC of everything that made up that item is equal to or more than £100, that combined total will appear on the itemised list.
- The expensive item list includes information on items dispensed from more than one pack size equal to or over £100 including extemporaneously prepared items.
- If you have submitted an expensive item for payment and it does not appear on the itemised list as expected, this does not necessarily mean that there has been an incorrect payment. For example, if Broken Bulk has been claimed on an expensive item, this may not be itemised on the payment schedule as it would only show the total price for the prescribed amount. Items with Broken Bulk claims will only be itemised on the SoP if the price for the prescribed amount exceeds £100.
- Products prescribed as 'assorted flavours', are processed as separate items for each flavour. Therefore, if the total cost of an individual flavour does not exceed £100, the item will NOT be classed as 'expensive' even if the combined total cost of all flavours dispensed exceeds £100.



- On the SoP and Px report, the product description of 'Exception Handler Unspecified Item' or 'Exception Handler Discount Not Deducted Item' indicates that the product prescribed cannot be specified as it is not held by the Dictionary of Medicines and Devices (dm+d).

### Impact of expensive items on the Average Item Value (AIV)

It is important to note that fluctuations in the number or value of expensive items dispensed each month can have a significant impact on the average item value (AIV) for a pharmacy in a given month and consequently the level of advance paid the following month.

$$AIV = \frac{\text{Sub-total of prescription fees plus the total of drug and appliance costs}}{\text{Total number of items for which a fee is paid}}$$

Fluctuations in AIV can have an impact on pharmacy cashflow. A low AIV would result in a reduced Advance Payment which may not help cover the costs of ordering very expensive items prescribed in the current dispensing month. On the other hand, very expensive items dispensed in a single month can increase the pharmacy AIV which in turn can increase the level of Advance Payment a contractor receives.

### Reconciliation

PSNC recommends keeping a record/log of all expensive items dispensed each month to assist with reconciliation against SoP/Px report. System suppliers may be able to assist by generating monthly PMR reports of expensive items dispensed.

If you believe you have been incorrectly paid for an expensive item after reviewing your SoP and/or Px reports, you can submit a request to the NHSBSA to conduct a recheck of your entire monthly bundle or a specific prescription item.

For information on the recheck process and guidance on how to identify payment discrepancies see PSNC's [Prescription Rechecks](#) page.

For enquiries relating to payments for expensive items please contact the NHS Prescription Services Helpdesk on 0300 330 1349 or email [nhsbsa.prescriptionservices@nhsbsa.nhs.uk](mailto:nhsbsa.prescriptionservices@nhsbsa.nhs.uk)

### Related Resources

- [Items With Multiple Flavours](#)
- [Understanding your FP34 Schedule of Payments](#)
- [Using your Schedule of Payment to monitor performance](#)
- [Prescription Rechecks](#)