

## Buttercups Monthly Drug Tariff Bulletin

From Emma Seton - January 2012



Happy New Year!

Let's start with my hopes for the year... reimbursement - may it be simple and plentiful!

Well, ever the optimist, I'll keep dreaming ... in the meantime my bulletins will aim to help you navigate your way around the Drug Tariff in 2012 to ensure you are least claiming all you are entitled to.

On another note the PSNC have now designed a useful flow chart of the new process for the specials reimbursement launched in November (hotspot in my October Bulletin), this can be found at: [http://www.psn.org.uk/data/files/Specials\\_changes/Quick\\_specials\\_guide.pdf](http://www.psn.org.uk/data/files/Specials_changes/Quick_specials_guide.pdf)

**HOT SPOT**

### Focus on... Category M - for all contractors in England, Wales and Scotland

#### What is Category M?

The drugs in the main section of the Drug Tariff (Part VIII E&W, Part 7 in Scotland) are split into different categories, which affect what you need to endorse and how you will get paid. Category M is one of these categories and is used for generics drugs only.

The reimbursement price of a drug in Category M is based on average selling price supplied by different generics manufacturers and the volume of the drugs dispensed recently. The Department of Health (DoH) then agrees with the PSNC a reasonable margin on these drugs and fixes the price for the next three months.

The Category M list is published every three months on the PSNC website as well as in the Drug Tariff.

#### Why all the fuss about Category M?

From the Department of Health's point of view it is the main price adjustment mechanism used to secure value for money for the NHS from community pharmacies. This mechanism is used to monitor over 500 drugs that represent the most commonly dispensed items and therefore have most influence on the drugs bill.

From the pharmacy's point of view the vast majority of your income comes from the dispensing of category M medicines so any change to these prices would affect your profit.



## Hot Spot Continued...

### What should I be doing in my Pharmacy?

One problem that can arise is products not being available to purchase at the Category M reimbursement price. The DoH collects the information from the manufacturers not the wholesalers, so if the wholesalers don't respond straightaway to price decreases from the manufacturers then it is possible that a pharmacy will not be able to obtain a drug at the price lower than the DT price. Therefore you may have to shop around different wholesalers for the best price.

The other main problem is when the prices change each quarter, overnight your stock holding will change in value. You will have bought it one month when the wholesalers were charging a particular price but you might dispense it the following month when the NHS reimburses you at a different rate. However, this is something you can plan for because the quarterly price lists are published a few weeks in advance of their start date, so you can adjust your stock holding to minimise the impact.

### For Example

Say the price you could buy loratadine in March was 92p for 30 and the reimbursement price was £1.04 per 30. Each pack you dispensed would make a profit of 12p.

Then on 1st April the reimbursement price is increased to £1.12 and the price from the wholesalers also increases to £1.00. So if you bought the drug from the wholesalers in March but dispensed in April you could generate 20p profit per pack rather than 12p...great.

However, if the reimbursement price of loratadine was to decrease on 1st April to 95p for 30, any prescription reimbursed after that date would only make a profit of 3p rather than 12p...not so good.

So when the category M lists are announced you need to plan ahead, if the reimbursement price has increased then stock up on the drug the month before if the wholesale price is still low, but if the reimbursement price has decreased then reduce down your stock levels and wait for the wholesale prices to come down.

**HOT SPOT**





## Drug Tariff changes for January (England and Wales)

### Common additions to part VIII

Alprostadil urethral sticks, 250mcg, 500mcg and 1mg  
Budesonide 1mg/2ml nebuliser liquid unit dose vials  
1mg/2ml and 500micrograms/2ml  
Ipratropium bromide nebuliser liquid unit dose vials  
250mcg/1ml and 500mcg/2ml  
Mesalazine 1g modified-release tablets  
Midazolam 10mg/2ml oromucosal solution pre-filled  
oral syringes 2.5mg/0.5ml, 5mg/1ml, 7.5mg/1.5ml  
Naproxen 375mg gastro-resistant tablets  
Pindolol 5mg tablets  
Sulfasalazine 250mg/5ml oral suspension sugar free  
Terbutaline 5mg/2ml nebuliser liquid unit dose vials

### Drugs for which discount is not deducted Additions to the list

Lamivudine 100mg tablets  
Nitrofurantoin 25mg/5ml oral suspension sugar free

### Common additions to Part IXA Appliances

Arjun Cream 0.5%, 1% and 2%  
Tear-Lac  
Omnican Fine needles, 4 different sizes

### Common additions to Part IXR Chemical Reagents

BGStar Biosensor Strips

### Common additions to Part XVIIIB(I) Nurse Prescribing

Doublebase Dayleve Gel  
Macrogol Oral Liquid Compound NPF

### Common deletions to Part IXA Appliances

ActivHeal film, all sizes  
Urgotul (11x11cm and 16x21cm)  
OneTouch FinePoint (LifeScan UK) lancets 0.5mm/25  
gauge  
Universal Lancets (VitalCare UK) 0.36mm/28 gauge

### Common deletions to Part IXR Chemical Reagents

PocketScan Strips  
OneTouch Strips

### Common deletions to Part XVIIIB(I) Nurse Prescribing

Hydromol Ointment

### NCSO January

Betahistine 8mg tablets  
Betahistine 16mg tablets

