

Drug Tariff – Category VIII Summary

Part	Category	Key Points
Part VIII A	Part VIIIA Overview	- Sets reimbursement arrangements for NHS prescription items - Part VIIIA is the largest section in Part VIII - Divided into four Categories A, C, H, M - Each category has different price-setting and reimbursement, arrangements including discount deduction, Broken bulk etc
	Category M	- Major mechanism for delivering retained margin - Over 600, commonly dispensed generics - Prices based on supplier sales data - Prices updated quarterly and include retained buying margin 2026/27 allowance = £1.1bn - Margin survey informs adjustments 20% discount deduction unless DND - Broken Bulk allowed if smallest pack size listed is over £50 - Out of Pocket (OOP) expense claims NOT permitted
	Category A	- Lower-volume licensed generics - Prices based on supplier sales data - Prices updated quarterly 20% discount deduction unless DND - Broken Bulk allowed if smallest pack size listed is over £50 - Out of Pocket (OOP) expense claims NOT permitted
	Category H (Introduced March 2026)	- Former Category C products with multiple suppliers - Prices based on supplier sales data - Prices updated quarterly 5% discount deduction unless DND - Broken Bulk claims allowed (excluding special containers) - Out of Pocket expense (OOP) claims allowed
	Category C	- Mainly branded/single-source products - Reimbursement based on NHS list price published on dm+d 5% discount deduction unless DND - Broken Bulk claims allowed (excluding special containers) - Out of Pocket expense (OOP) claims allowed
Part VIIIB Specials		- Covers commonly dispensed unlicensed specials, mainly manufactured liquids, creams, ointments etc - Prices based on supplier sales data - Prices updated quarterly - Reimbursement is based on a minimum quantity plus an additional amount per ml/g above that quantity - Multiple formulations may be listed e.g. LF, PF, SF 5% discount deduction unless DND 'SP' endorsement allows claim of the £20 fixed fee for specials 'ED' endorsement allows claim of the £20 fixed fee for extemporaneous dispensing - Broken Bulk cannot be claimed for Part VIIIB specials

	Out of Pocket (OOP) expense claims NOT permitted
Part VIID Specials	- Covers unlicensed specials and imported medicines, mainly tablets and capsules - Prices are based on supplier sales data - Prices updated quarterly - Reimbursement is linked to a commonly identified pack size - Multiple formulations may be listed e.g. LF, PF SF 5% discount deduction unless DND 'SP' endorsement allows claim of the £20 fixed fee for specials - Broken Bulk claims allowed (excluding special containers) - Out of Pocket (OOP) expense claims NOT permitted
Part VIIC	- Covers products centrally procured by DHSC/NHSE or supplied under commercial arrangements - Currently the only product listed is Inclisiran (Leqvio®)

Summary

Section	Products	Discount deduction rate (unless DND)	Broken Bulk (BB)	Out of Pocket (OOP/XP)	Special fees (SP)
Category M	High-volume generics	20%	Yes (£50+ pack)	No	n/a
Category A	Lower-volume generics	20%	Yes (£50+ pack)	No	n/a
Category H	Former Category C multi-source products	5%	Yes*	Yes	n/a
Category C	Mainly brands/single-source products	5%	Yes*	Yes	n/a
Part VIIB	Manufactured specials/non-solid dosage forms	5%	No	No	SP/ED £20
Part VIID	Mainly solid-dose unlicensed medicines	5%	Yes*	No	SP £20
Part VIIC	Centrally procured products	Product-specific	n/a	n/a	n/a

*Excluding special container products where applicable.