Community Pharmacy Greater Manchester

Understanding the Drug Tariff

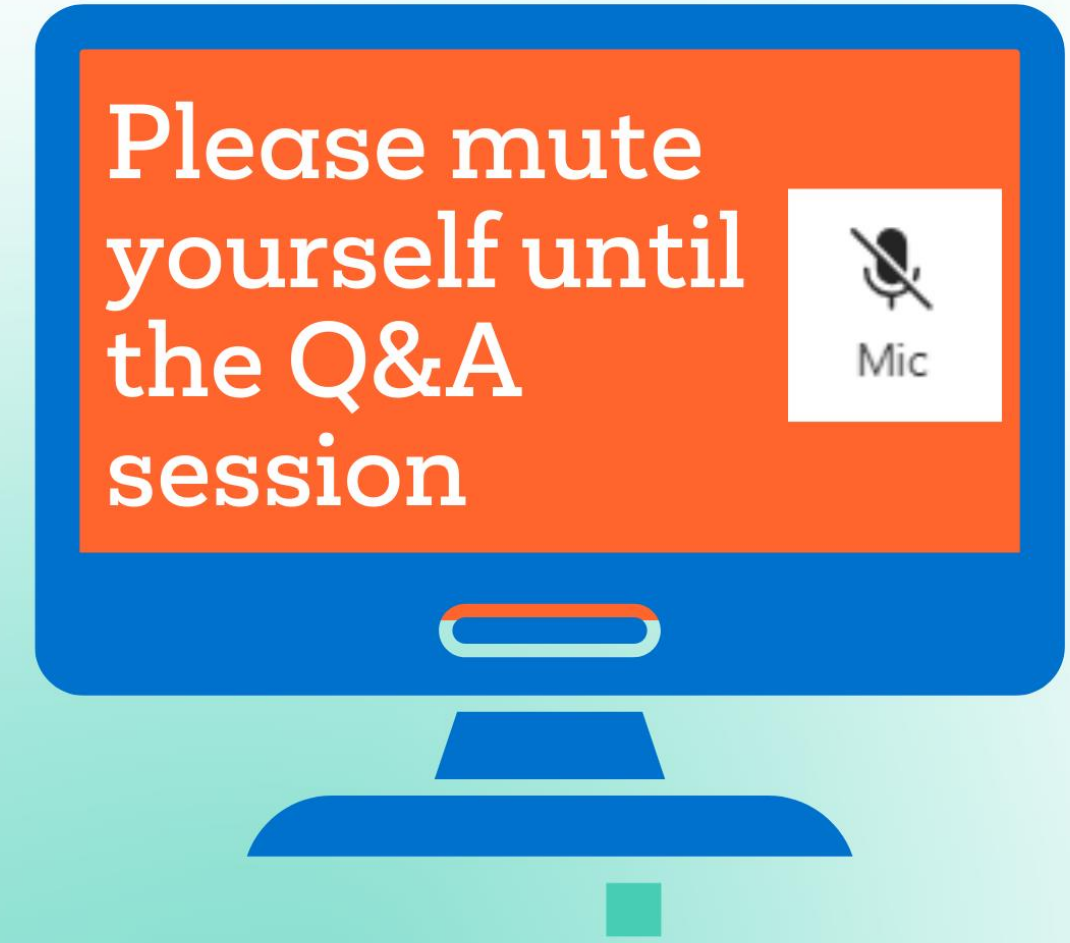
Fin McCaul, Community Pharmacy England Regional Representative and CPGM Board Member

Date: 16th June 2026

Community Pharmacy Greater Manchester

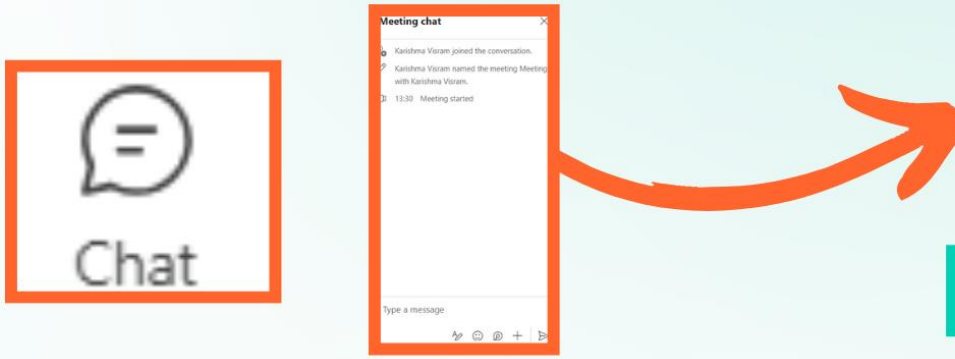
Housekeeping rules

Please mute yourself until the Q&A session



We want to hear from you

Please send us your questions or comments via the chat function



Upcoming Webinar

Delivered by Fin McCaul, Community Pharmacy England Regional Representative and CPGM Board Member

This is a MUST-ATTEND EVENT for Pharmacy Owners, Pharmacists, Technicians, Foundation Trainees and Pharmacy Team Members involved in dispensing, endorsing, submitting prescriptions and managing end-of-month processes.

Understanding Your FP34C: Tuesday 23rd June @ 7 – 8 pm

- This session will help pharmacy teams better understand the FP34C schedule and what it means for their pharmacy payments and claims

Scan to book your place

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Why Relationships Matter: Annual Networking Event

CPGM Connect

Date: Sunday 12th July @ 9:45am - 4:30pm

Venue: etc. venues Manchester, 11 Portland Street

Learning how to build strong professional relationships has never been more important. This FREE event is your chance to strengthen connections, share ideas and learn how neighbourhood working can help grow service and unlock future opportunities.

What to expect on the day:

- Building relationships that pay: An interactive workshop
- How to build great relationships: Practical insights and strategies
- How to run a successful Vaccination service: Real world examples of partnerships
- Meet our team + hear about our previous year's work (AGM) and future plans

Snacks, lunch and refreshments will be provided

Scan the QR code to secure your place

CPGM Connect September Conference

Date: Sunday 27th September

Venue: Central Manchester TBC

Join us for the CPGM September Conference for a day of learning, networking, and professional development.

What to expect on the day – Topics include:

- Clinical Workshops
- Private Services
- Conflict Resolution
- Independent Prescribing
- Understanding Business Finance
- Panel Discussion
  - And much more…

Overview of the 2026/27 settlement

Summary of the 2026/27 Funding Settlement

- **10.3% (£340m) funding uplift to £3,636 million** for the CPCF and Pharmacy First budgets (which will be combined) - **This includes a £200m uplift to retained margin to £1.1bn**
- **Write-off of net over-delivery of contract funding (margin)** earned up to the end of 2025/26 – up to £239m
- The **Single Activity Fee will increase by 6 pence to £1.52**
- **Independent Prescribing** to be added to Pharmacy First and PCS in the autumn
- **£20m Pharmacy Quality Scheme** with **80% Aspiration payment** payable on 1st September
- Agreement to **allow late payment claims** for Pharmacy First and NMS
- Pharmacies to be able to close **for training** for up to 4 hours a month
- A **reform agenda** to inform a Community Pharmacy Strategy

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Community Pharmacy Funding Distribution 2026/2027

Total Funding: £3.636bn

Fees & Allowances £2.563bn

Essential service fees (core)

- Single activity fee for every dispensed item (currently £1.52)
- Additional fees e.g. specials, CDs
- Expensive prescription fee

Pharmacy Access Scheme up to £20m (core)

Pharmacy Quality Scheme £20m (core)

PCARP: (Pharmacy First, Pharmacy Contraception Service, Hypertension Case Finding)

Retained Buying Margin £1.1bn (core)

Controlled through reimbursement prices for over 600 commonly dispensed medicines in Cat M of the Drug Tariff.

Price Concessions: CPE can apply for a price concession for any product in Part VIII of the drug tariff where it is only available above Drug Tariff reimbursement price. Monitored via CPE Margin Survey with DHSC.

CPE Indicative income calculator

- This tool allows pharmacy owners to input their own activity levels and circumstances to generate a bespoke estimate of expected monthly income for 2026/27
- Based on 'average' volumes of delivery in 2025/26 and 2026/27
- Also based on the national margin allowances within year – margin write offs are not included

Estimated monthly income for 2026/27 vs 2025/26

Volumes for items and services in the calculator below are based on the average delivered in 2025/26 and projected average for 2026/27. You can overwrite values in the green cells below to produce a personalised estimate for your pharmacy.

	2025/26 inputs	Average 2025/26 monthly income	2026/27 inputs	Average 2026/27 monthly income
Average items per month	9,590		9,849	
SAFs		£14,001		£14,970
Other dispensing fees		£837		£860
Estimated average buying profit		£7,211		£8,815
NMS per month (part 1)	64	£896	69	£966
NMS per month (part 2)	34	£476	37	£518
HCFS clinic checks per month	27	£270	30	£300
HCFS ABPM per month	3	£153	3	£153
PCS consultations per month	8	£200	13	£325
EHC consultations per month	2	£40	6	£120
PF - UMS per month	15	£225	18	£270
PF - MI per month	9	£153	7	£126
PF - Clinical pathways consults per month	27	£459	32	£544
Pharmacy First fixed payment		£500		£1,000
DMS per month	2	£70	2	£70
AUR consultations per month	-	£0		£0
Stoma customisations per month	-	£0		£0
Smoking cessations patients per month	-	£0		£0
	Total	£25,491	**Total**	£29,038

Note on service caps

This calculator assumes all input values fall within the pharmacy's cap and are therefore remunerated. Please refer to the Drug Tariff / information published by NHSBSA if you are unsure of any caps or allowances for your pharmacy.

Note regarding margin write off

Margin comparison between 2025/26 and 2026/27 is based on nominal in year allowances of £900m and £1100m respectively. The write off of margin earned in historical periods is not shown in this comparison.

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Want to know more...

Join the **Community Pharmacy England's Regional Roadshow** on **Wednesday 1 July, 7:30pm–9:30pm** at the **Mercure Haydock Hotel**

Why attend?

- Learn what the **2026/27 CPCF** means for your pharmacy
- Share your views and help shape CPE's priorities
- Put your questions directly to the CPE Executive Leadership Team and Committee Members
- Network with pharmacy owners and teams from across the region
- **Free to attend** for pharmacy owners and team members, with a hot buffet and refreshments available from 6:45pm

Scan the QR Code to book your place

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Let’s get started

Where are you losing money?

- Price Concessions
- Claiming
- Disallowed and Refered back items
- FP10MDA prescriptions
- Specials
- Broken bulk
- Out of pocket expenses

And more…

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Aims of tonight's webinar

To provide pharmacy teams with a practical overview of the Drug Tariff and how it impacts reimbursement and pharmacy finances.

Topics will include:

- Understanding how the Drug Tariff works
- Key areas pharmacy teams should be aware of
- Common areas of confusion and error
- Endorsing and reimbursement considerations
- Practical tips to support accurate claiming and efficient dispensing

This session will help teams build confidence in navigating the Drug Tariff and understanding its impact on day-to-day pharmacy practice

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Price Concessions

Price concessions

A **price concession happens when the NHS reimbursement price (the Drug Tariff price) is lower than the actual market price pharmacies have to pay to obtain a medicine.**

So, pharmacy contractors lose money dispensing the item unless the reimbursement price is temporarily increased.

- A price concession can be requested by CPE for **any drugs listed in Part VIIIA, Part VIIIB and Part VIIID of the Drug Tariff** where pharmacy contractors report they cannot buy a medicine at or below the Drug Tariff (DT) price
- CPE requests a concession from DHSC
- If approved, DHSC sets a temporary higher reimbursement price for that month (the price is for the whole of the calendar month)
- **CPGM and CPE** encourage pharmacy teams to report pricing issues to using the form on the CPE website: Price Concessions

Top Tip:
If you're paying above DT price, don't assume someone else has reported it.

- The more pharmacies reporting supply issues, the stronger the evidence CPE has when negotiating concessions

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Community Pharmacy England

Monthly Concessions Cycle

How the price concession process progresses in a typical month.

Beginning

Pharmacies: Share reports of medicines unavailable to purchases at or below the listed Drug Tariff prices to Community Pharmacy England.

Community Pharmacy England

- Gathers information about pricing and availability of medicines reported to only be available above the Drug Tariff price.
- Collates reports and reviews prices against wholesaler prices.
- Submits initial price concession applications to DHSC.

DHSC: Receives concession applications from Community Pharmacy England.

Middle

DHSC: Receives price concession application from Community Pharmacy England

- Gathers pricing and stock information from suppliers under their data gathering powers.
- Uses actual sales and volume data gathered from manufacturers and wholesalers to determine concessionary prices.
- Shares proposed prices to Community Pharmacy England for further consideration.

Pharmacies:
Continue reporting medicines unavailable to purchase at or below the Drug Tariff price including any new products that Community Pharmacy England should consider for inclusion in the next price concession applications for that month.

Community Pharmacy England

- Reviews DHSC's decisions and proposed prices to determine whether they are acceptable by checking against the latest reports available.
- Where prices agreed, informs DHSC and works to co-ordinate publication of a price concessions update on its and the NHSBSA's websites.
- In some cases, Community Pharmacy England may accept DHSC's refusal to grant a price concession if this is supported by the reports and data.
- Where agreement is not reached on prices, Community Pharmacy England will review reports and submit a counterproposal of acceptable prices.
- New price concessions applications to DHSC are submitted throughout the month, where appropriate.

END

DHSC:

- If agreement on final prices cannot be reached, DHSC enacts a Ministerial approval process to impose prices (or refuse concessionary prices).
- Sends a letter to Community Pharmacy England confirming the prices set for all outstanding concession applications.
- Provides a list of price concessions eligible for rolling over to the following month.

Community Pharmacy England:

- Receives DHSC's letter and works to co-ordinate publication of a final price concessions update on its and the NHSBSA websites.
- Prices for certain products applied for at the end of the month may be rolled over into the following month.
- For certain imposed prices that are deemed to be very low, Community Pharmacy England may submit further representations to DHSC for a price re-determination.

Actual timings may vary; this timeline is for illustrative purposes only.

Claiming

Using MYS

The Manage Your Service (MYS) portal is used for more than monthly prescription submissions.

- Pharmacy teams use MYS to:
  - Submit claims for NHS pharmacy services
  - View and manage historical claims
  - Monitor referred-back and disallowed items
  - Track claim status and payment activity

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End of month submission checks

EPS prescriptions	Paper prescriptions
Check all EPS prescriptions are correctly **endorsed**	Ensure prescriptions are endorsed in the left-hand column. Strike through and endorse **'ND'** against any items not dispensed
Check any supplementary prescription information is **not** included in the dosage field	Check the reverse of all FP10 prescriptions are completed in full **including a signature**
Select the correct **exempt or paid declaration** before submitting the claim notification	Ensure the right-hand side of FP10MDA instalment prescription forms are endorsed in full
The DN should be submitted in the dispensing month, and CN should be submitted within the first 5 days of the following month.	Sort the forms into relevant **paid or exempt** groups and required forms are placed in the **red separator**

Top Tip:
Avoid leaving month-end submissions to one person:

- Ensure at least two team members understand the process to reduce risk during annual leave or sickness
- Process DNs immediately
- Will PMR allow CNs on pick-up?

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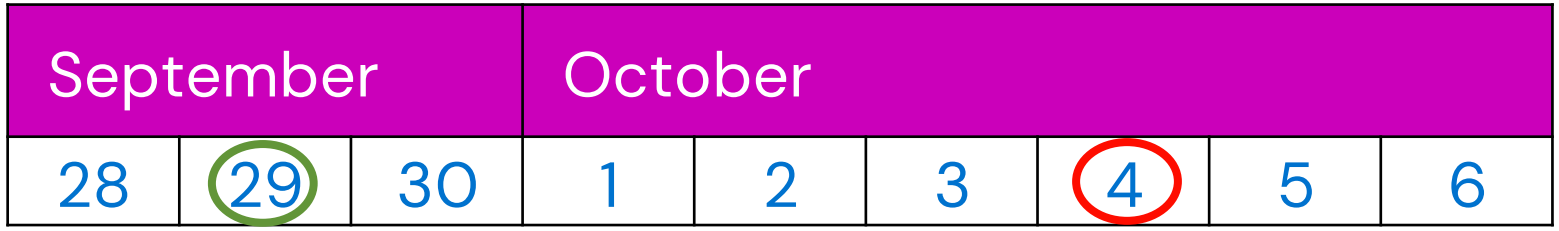
Reimbursement of EPS items

Reimbursed based on the September Drug Tariff



Dispense notification sent 29 September

Electronic claim message received before midnight on 5 October

Reimbursed based on the October Drug Tariff

Dispense notification sent 29 September

Electronic claim message received after midnight on 5 October

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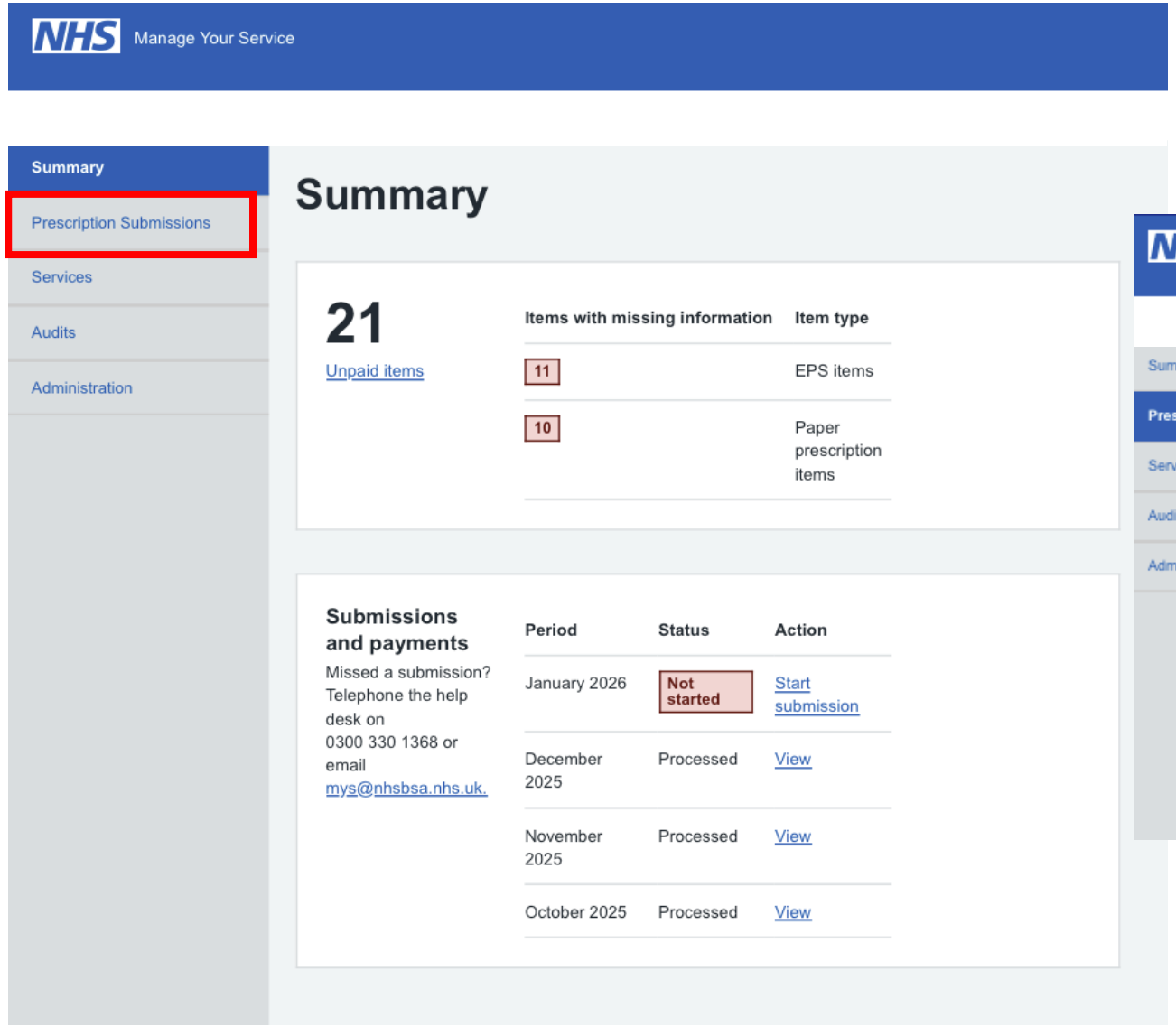
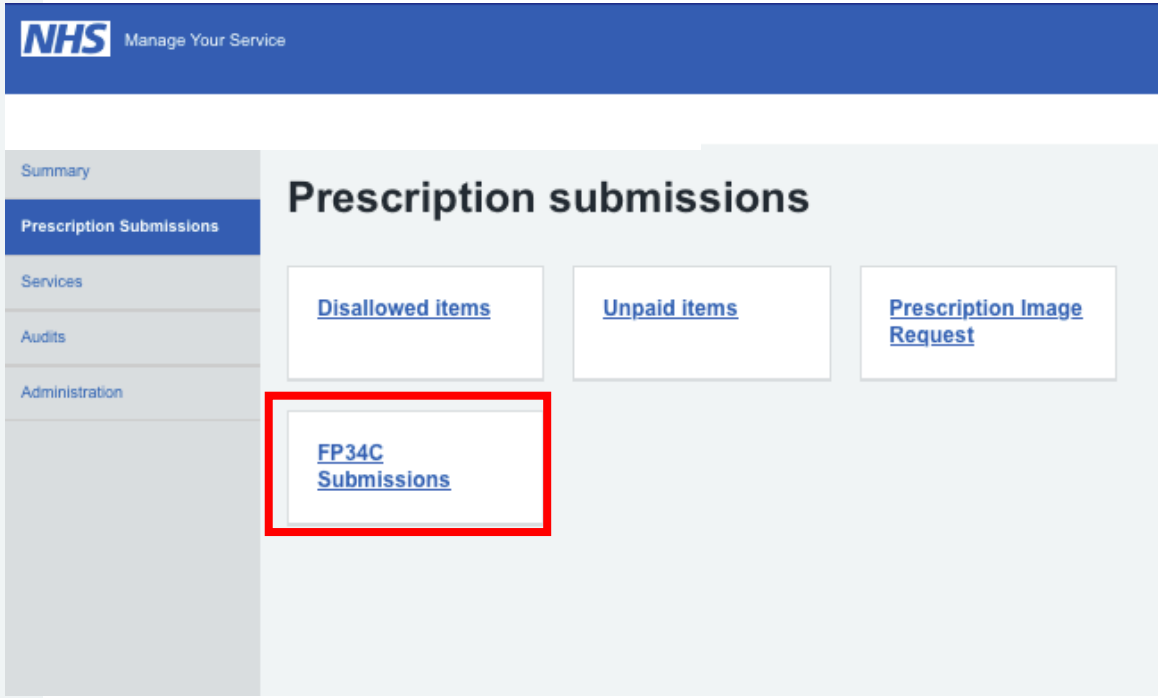
Manage Your Service (MYS)





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What to declare separately on your FP34C form

- **Total number of EPS and paper prescription forms and items**
- **Number of FP57 refund forms and the value of the refunded amount**
- **Claims for Serious Shortage Protocol (SSPs)**
- **Number of Advanced Services delivered during the month**:
  - Appliance Use Reviews (AURs)
  - New Medicine Service (NMS) provided – both intervention and follow-up consultations

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Item Advance Payments

FP34C submission date	Payment
By 5th of the following month (or 6th if Bank holidays occur in first five days of month)	Early advance payment paid 4 working days after submission deadline (typically between days 10 – 12 of the month following dispensing month)
After 5th of the month	**No early advance payment** Normal advance payment is received approximately 1 month after the end of the dispensing month
After 20th of the month	**No advance payment received** Final reconciliation payment is received 2 months after the end of the dispensing month

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Service Fee Advance Payments

- Service fee advances are paid on the same day as the early advance fee and includes consultation fees for the activity claimed for:
  - Flu (adult)
  - Covid-19
  - Pharmacy Contraception Service (including Emergency Contraception)
  - Hypertension Case-Finding Service (HCFS)
  - Pharmacy First
- Displayed in the payment schedule as “Service fee advance”

Late payment claims now permitted for PF and NMS

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Other Service Claims via MYS

Services claimed through MYS:

- Pharmacy First (CPCS)
- Flu and Covid-19 Vaccination Service
- Smoking Cessation Services (SCS)
- Pharmacy Contraception Service
- Hypertension Case-Finding Service
- Discharge Medicines Service

Top Tips

Reconcile service activity every month:

- Compare your clinical system reports against MYS claims before payment deadlines

Know your submission deadlines:

- Services have strict cut-off dates – if you miss them, you won't get paid

A service isn't paid because it was delivered — it's paid because it was delivered, recorded and claimed correctly. MYS should be part of your routine business checks

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Disallowed & Referred Back Items

Disallowed items

- Disallowed items are those that have not been passed for payment by the NHSBSA
- Items may be disallowed for several reasons – e.g. if the product is not permitted on an NHS prescription
- Disallowed items are not returned to the pharmacy to provide further information

In July 2025:

- Over 1,802 items dispensed by pharmacies were disallowed
- 20% (360) of all disallowed items were on NHS FP10D dental prescriptions for items not listed in the Dental Practitioner's Formulary (DPF)
- The most common reason for disallowed items is prescribed appliances not listed in Part IX of the Drug Tariff

The most common reason for an item being disallowed is for an appliance which has been deleted from the Drug Tariff

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Reducing risk of disallowed items

Pharmacy teams are advised to carry out the following checks to reduce the risk of dispensing disallowed items:

- The item must be permitted for prescribing on the NHS. Products not allowed on an NHS prescription can be found in Part XVIIIA of the Drug Tariff – previously known as the 'Blacklist'
- The item must be prescribed by a healthcare professional legally entitled to prescribe the product on an NHS prescription form.
- The item must be issued on a valid NHS prescription form
- Medical devices/appliances can only be prescribed if listed in Part IX of the Drug Tariff. Devices can be identified by the UKCA symbol or CE symbol

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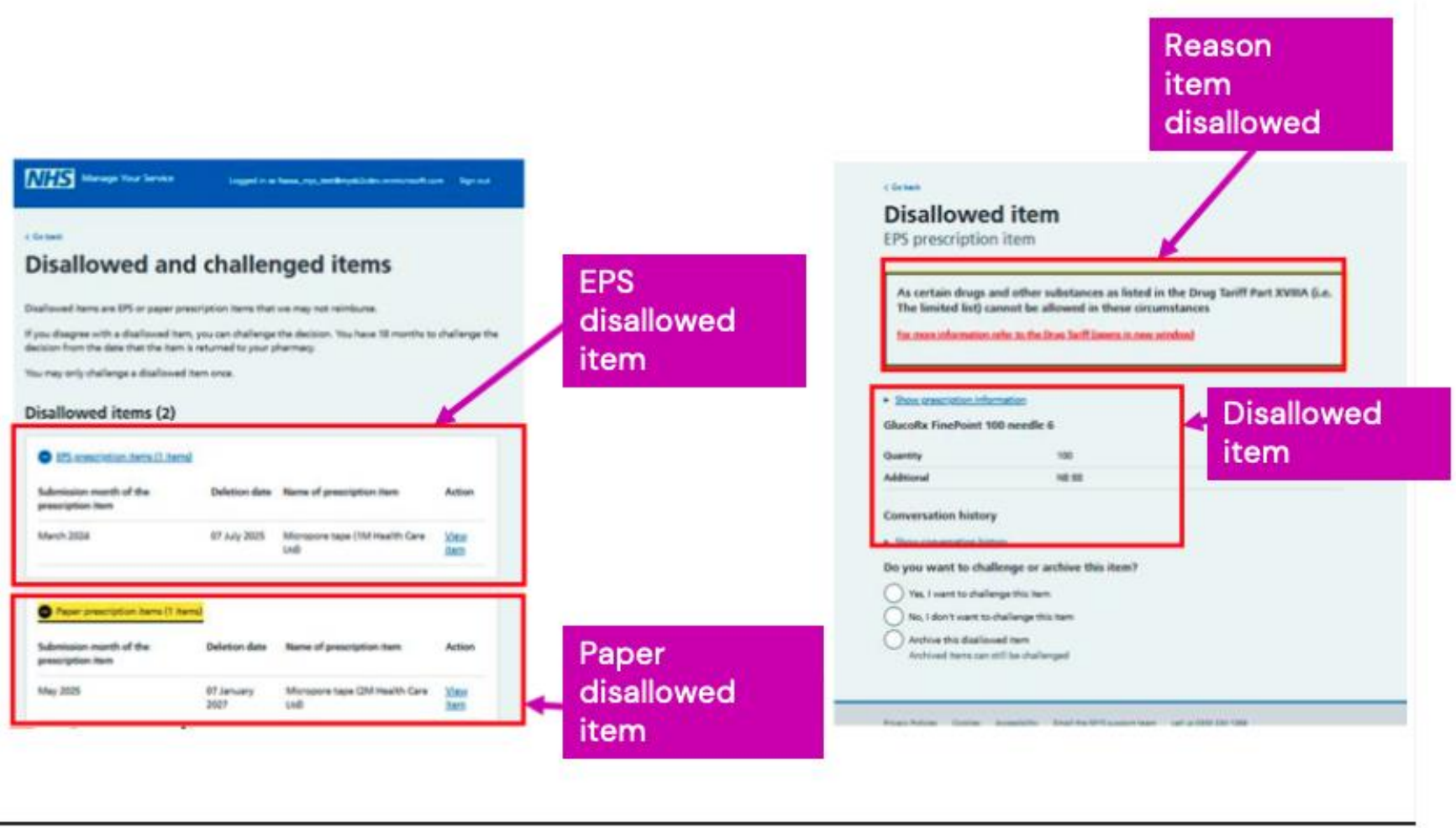
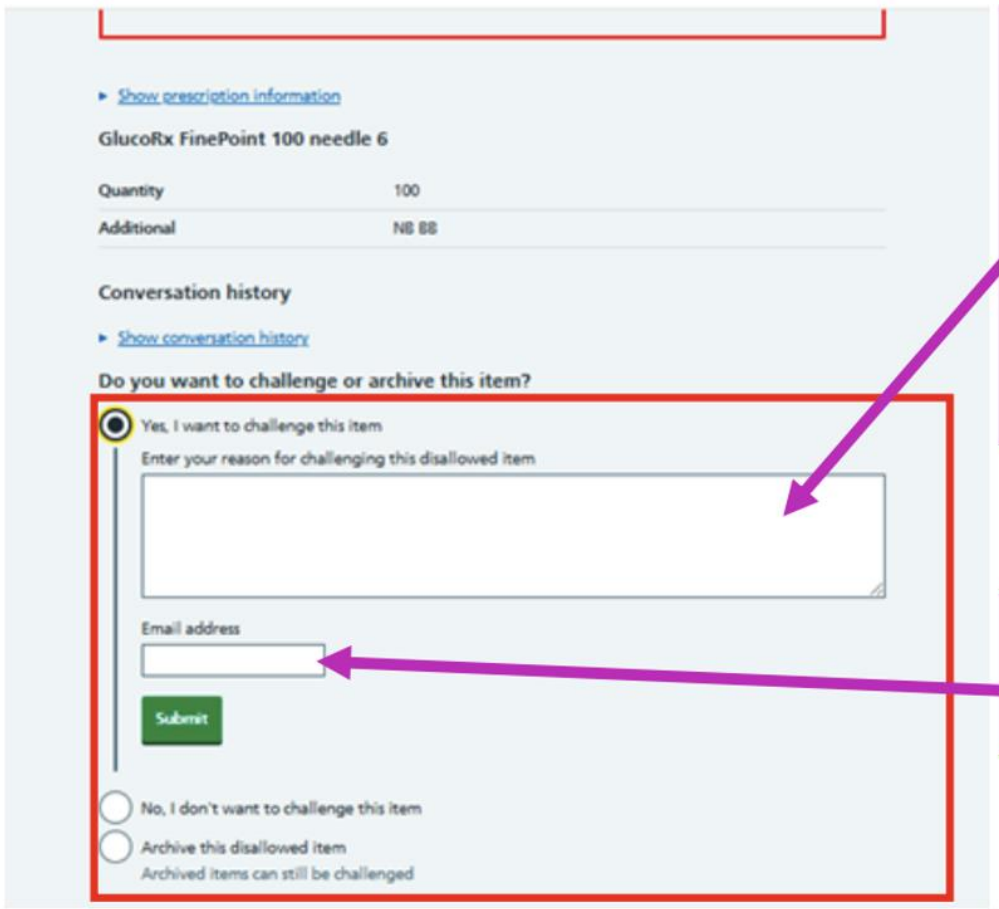
Disallowed items in MYS

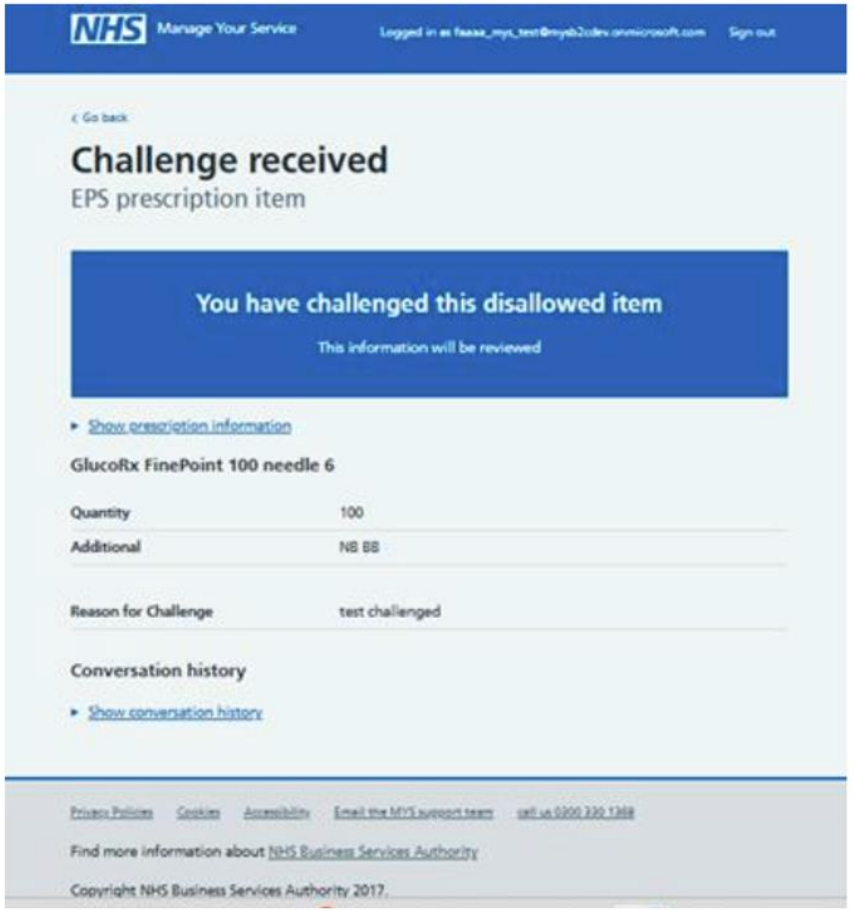


Challenging disallowed items



Enter the reasons why you believe the item was incorrectly disallowed

Enter email address



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Referred back items

- Referred back items are also known as 'Unpaid items' or 'Returned items' are returned by the NHSBSA if the item cannot be processed for payment due to missing or insufficient endorsed information
- Pharmacy teams must add the missing information before the item can be re-submitted to the NHSBSA for payment
- Most common reasons for unpaid items are due to the following missing endorsements:
  - Manufacturer/supplier/brand name
  - Pack size
  - Price
  - Formulation or presentation

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Top Tip: Double check your referred back items when doing your end of month submission

Financial impact of referred-back items

- **In 2024/25:**
  - Approx. **1m items** were referred- back to community pharmacies
  - Est. **£9m per year** held up due to unpaid items (figure based on average national item value AIV)
  - On average, at an individual pharmacy level, this works out to c.£**900 per year** in delayed or late payments due to unpaid items

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Referred Back data from Greater Manchester, Cheshire, Mersey and Lancs

ICB Region	Total number of re-subs outstanding	Value*	Highest individual pharmacy	Number of re-subs outstanding over 6 months	Value*	Highest individual pharmacy
Greater Manchester	22696	£226,960	812	4747	£47,470	459
Cheshire & Mersey	12053	£120,530	282	1356	£13,560	201
Lancashire	6668	£66,680	174	1372	£13,720	107
Total	**41417**	**£414,170**		**7475**	**£74,750**	

*assuming average item value =£10

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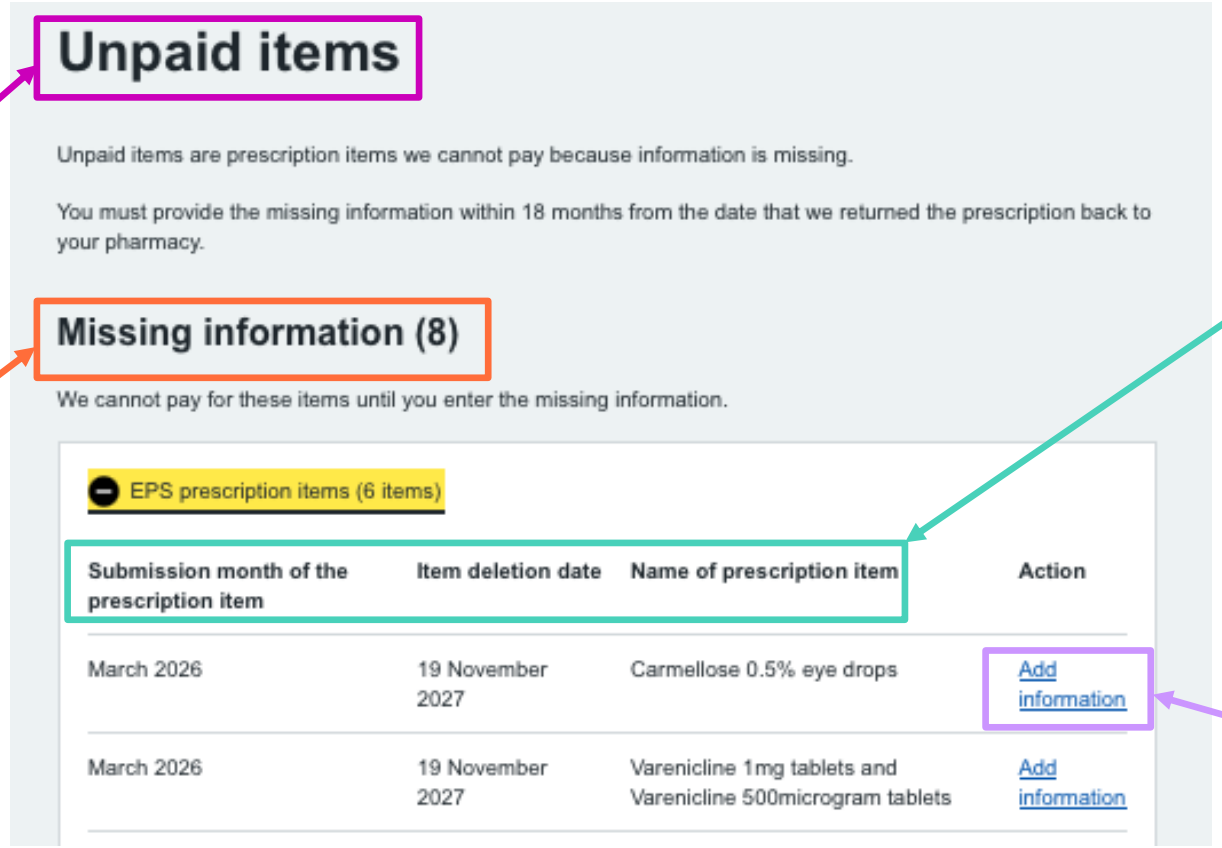
Referred back items in MYS

- Referred back items can be found under the "**Unpaid items**" tab

- EPS and paper items with missing information can be found under the "**Missing information**"



- For each unpaid item:
  - **name of the unpaid item**
  - **original submission month**
  - **deadline for completion**

- Click here on "**Add information**" to provide the missing information

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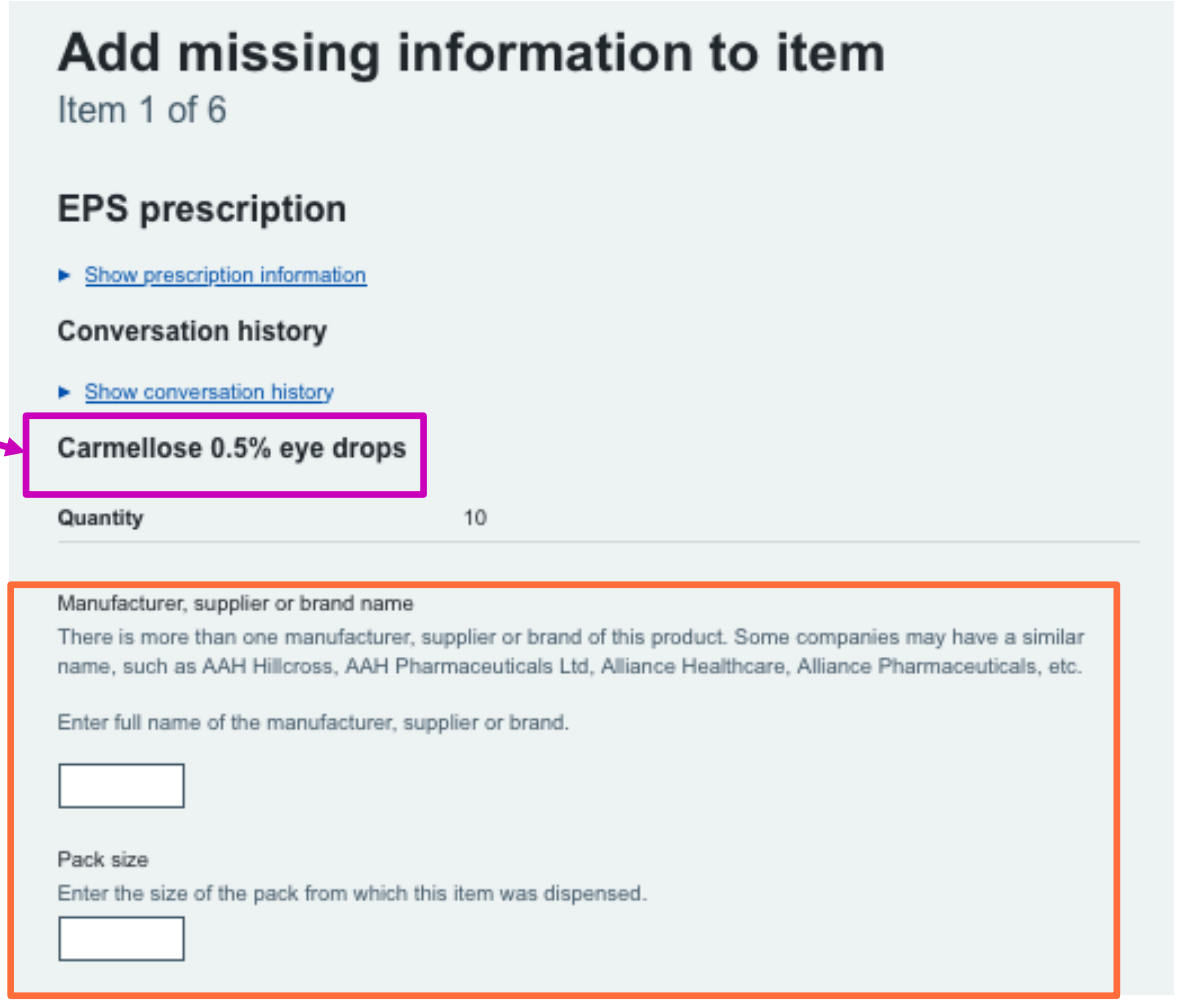
Referred back items in MYS

- Any missing information to be added in this section
- This example shows unpaid item **Carmellose 0.5% eye drops**
- **Supplier name and pack size details required** for NHSBSA to confirm payment



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Notification of referred-back items

- Pharmacy owners are notified via email if the NHSBSA has sent any referred -back items
- Referred- back items for both electronic and paper prescriptions are received via the Manage Your Service (MYS) portal
- All unpaid items must be completed and submitted via MYS
- Referred-back items remain in MYS portal for 18 months
- Recommended to complete and resubmit unpaid items as soon as they are received
- If the missing information has not been submitted within 18 months, the referred -back item will be permanently deleted after the 'Item deletion date' displayed in MYS

Are you receiving your emails from the NHSBSA?

Who is responsible for checking?

Note: Your NHS Shared mailbox should be checked at least daily and information shared with the pharmacy team where relevant.

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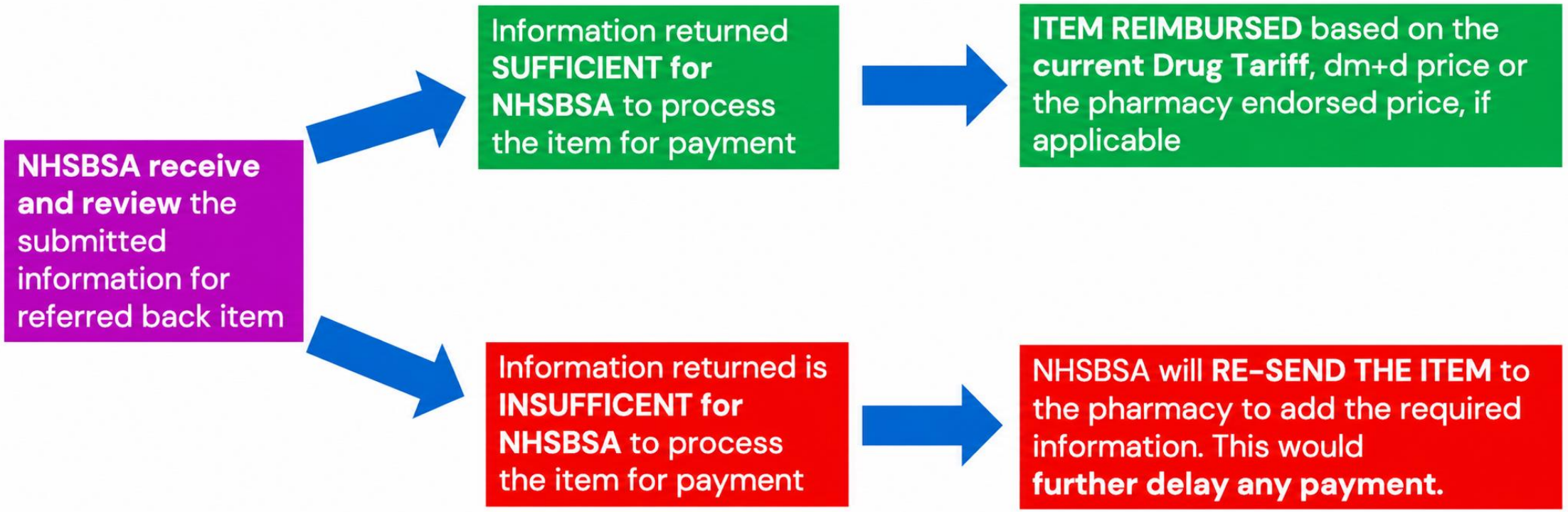
Submitting missing information to NHSBSA



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How to avoid referred-back items

Scenario	Required Endorsement
Brand/supplier endorsed does not have an NHS list price on dm+d	Brand/supplier, pack size, and pack price
Non-Drug Tariff item prescribed by brand with no NHS list price on dm+d	Pack price, quantity dispensed, and pack size used
Generically prescribed appliance with multiple suppliers listed in Part IX	Brand/supplier listed in Part IX and the pack size used
Non-Tariff special	Quantity dispensed, invoice price per pack (excluding discount/rebate), manufacturer/importer 's licence number, batch number, and SP
Handwritten prescription with missing presentation, strength or quantity	Full product details supplied, including the formulation

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Top Tip: Review unpaid items with the whole team
Real examples are often the best form of endorsement training

Simplified Processes (Efficiency)

Original Pack Dispensing (OPD)

- Allows pharmacists to supply up to **10% more or 10% less** than the prescribed quantity when this enables dispensing in the **manufacturer's original pack**
- Example: A prescription for **28 tablets** can be supplied as a **pack of 30 tablets**
- Introduced to:
  - Improve **patient safety**
  - Increase **dispensing efficiency**
- Since **1 January 2025**, pharmacists must consider whether using the ±10% flexibility is **reasonable and appropriate**
- Application is **not mandatory** and should be based on **professional judgement** and the individual patient's needs

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OPD in scope / out of scope

In scope	Out of scope
POMs	Part IX Appliances (listed in Part IXA, IXB, IXC and IXR) Schedule 1-4 Controlled Drugs (Sch 1-4 CDs)
Schedule 5 Controlled Drugs	Unlicensed specials (Part VIIIB, Part VIIID and non-Tariff specials)
Non-POMs (P, GSL, non-medicines including ACBS products, food supplements, cosmetics, toiletries etc.)	Special Containers
	Products supplied in accordance with Serious Shortage Protocols
	Products supplied in accordance with Patient Group Directions (PGDs)

Rounding rules

Prescription ordering	10% of the prescribed quantity	Rounding up or down to supply an original pack
28 tablets	10% of 28 = 2.8 tablets	2.8 must be rounded up to 3 to enable pharmacists to provide +/- 3 tablets if it allows supply of an original pack
42 tablets	10% of 42 = 4.2 tablets	4.2 must be rounded down to 4 to enable pharmacists to supply +/- 4 tablets if it allows supply of an original pack
15 tablets	10% of 15 = 1.5 tablets	Following half-way rule, 1.5 must be rounded down to 1 to enable pharmacists to provide +/- 1 tablet, if it allows supply of an original pack

Reimbursement arrangements

Scenario	Reimbursed for
If the dispensed quantity is the same as the prescribed quantity	Prescribed quantity
If the dispensed quantity is within +/-10% of the prescribed quantity	Dispensed quantity
If the dispensed quantity is lower than 10% the prescribed quantity	Dispensed quantity
If the dispensed quantity is more than 10% of the prescribed quantity	Prescribed quantity

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Claiming for OPD supplies

- Only applies to EPS prescriptions – paper prescriptions excluded
- No additional endorsements required
- NHSBSA will capture the dispensed quantity information from the EPS claim message (or EREM) and reimburse accordingly
- Check if your PMR system supports OPD functionality

FP10MDA

Endorsing FP10MDA forms correctly

- Record each FP10MDA instalment with the **date supplied, item name, quantity supplied, and pharmacist's initials**
- Ensure quantities recorded match the **actual amount dispensed**
- If an instalment is missed, write **"Not Dispensed"** in the item and quantity boxes and cross out the entry
- Do **not** use abbreviations such as **DNA** or **NC**, as they may be mistaken for initials
- Enter all information on the form itself; **extra attached sheets will not be considered by NHSBSA for payment**

Endorsing FP10MDA forms correctly

- A **Packaged Dose (PD) fee of 55p** ,may be claimed for each additional separately packaged dose of **oral liquid methadone only**
- The number of additional packaged doses to supply should equal to the total number of days' supply given minus the number of patient interactions
- Endorse the prescription with **"PD n"**, where **n = total packaged doses – patient interactions**
- Example: 14 dose containers supplied over 2 collections = **PD 12** (claim £6.60)
- Only the format **"PD n"** is accepted; variations such as **"nPD"** or **"Packaged Dose n"** will not be paid
- If only **"PD"** is written, only **one 55p fee** will be paid
- No PD fee is payable if the number of collections equals the number of packaged doses
- PD fees can be claimed on **FP10 or EPS prescriptions for oral liquid methadone only**, not for other controlled drugs

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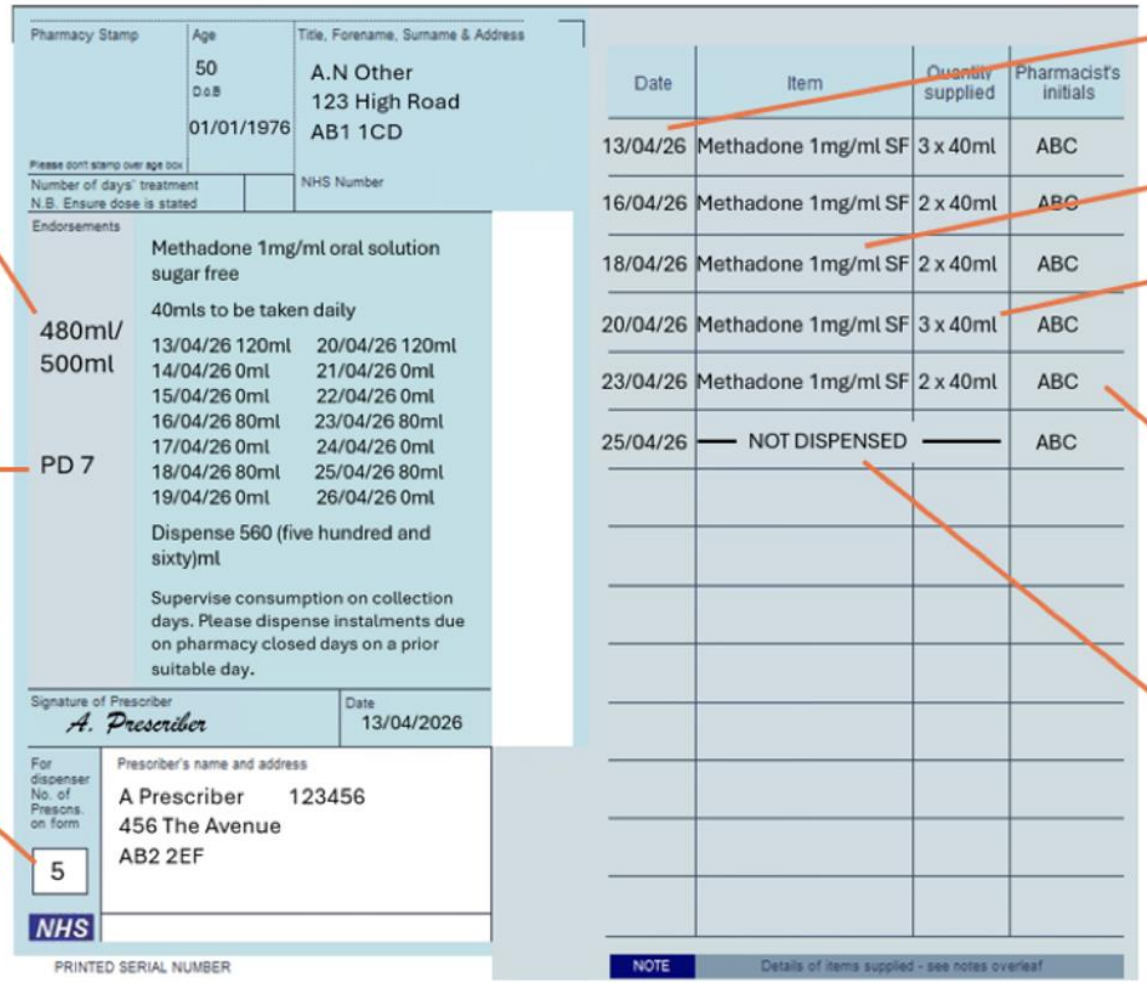
Endorsing your FP10MDA forms correctly



Dispenser endorsement area to endorse **total volume** (if different to total prescribed quantity)

PD Fee - 55p per instalment*

Packaged dose fee endorsed as PDn (where applicable)

The number entered in this box should only reflect the **number of patient interactions/ "pick-ups"** from the pharmacy. This is for pharmacy audit purposes only

Date of interaction

Item suppled

Quantity supplied for each dispensing episode

Pharmacist's initials

If a patient **misses** a collection, the entry should be marked with words **Not Dispensed'**

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* A **Packaged Dose (PD) fee of 55p** ,may be claimed for each additional separately packaged dose of **oral liquid methadone only**

The Drug Tariff Part VIII

The Drug Tariff

- Published monthly on the NHSBSA website on behalf of the DHSC
- The Drug Tariff sets out:
  - **Payment arrangements for NHS pharmaceutical services including dispensing**
  - **Indicative reimbursement prices** of drugs and appliances supplied against NHS prescriptions
  - **Renumeration** e.g. professional fees and allowances covered by the Community Pharmacy Contractual Framework (CPCF)

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Part VIII

- Sets out reimbursement arrangements for products dispensed against NHS prescriptions
- Split into separate parts: **Part VIIIA, Part VIIIB, Part VIIIC, Part VIIID** and **Part VIIIE**
- **Part VIIIA** is the largest section and includes the basic reimbursement prices for generically prescribed drugs
- The drugs listed in Part VIIIA are divided into 4 categories: Category A, C, H and M

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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 margin2026/27 allowance = £1.1bn
- Margin survey informs adjustments
- 20% discount deduction unless Discount Not Deducted (DND)
- Broken Bulk allowed if smallest pack size listed is over £50
- Out of Pocket (OOP) expense claims NOT permitted

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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

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Category H

- Former Category C products with multiple suppliers (introduced March 2026)
- 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

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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

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Part VIIID 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

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Part VIIIC

- Covers products centrally procured by DHSC/NHSE or supplied under commercial arrangements
- Currently the only product listed is Inclisiran (Leqvio®)

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Part VIII 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 VIIIB	Manufactured specials/non-solid dosage forms	5%	No	No	SP/ED £20
Part VIIID	Mainly solid-dose unlicensed medicines	5%	Yes*	No	SP £20
Part VIIIC	Centrally procured products	Product-specific	n/a	n/a	n/a

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Discount Deduction

Discount Deduction

- The current discount deduction system is split into three groups: ‘Generics’, ‘Brands’, and ‘Appliances’. The deduction rate for each group is a fixed value. The deduction rate for each group is:
  - Generic medicines (excluding those granted a price concession*) – 20.00%
  - Branded products – 5.00%
  - Appliances – 9.85%
  - Discount Not Deducted - Zero-discount (Fridge, CDs, Price concessions, some food)
- Discount deduction is less on average than actual margins achieved by pharmacy owners. The margin retained by pharmacy owners is measured using the margins survey and forms part of the overall margin pharmacies are allowed to retain as part of the contract sum each year

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** Discount deduction does not apply to price concessions for the month in which they are granted*

Discount Deduction Rates

	Discount deduction rate	Rate
Generics	**Products listed in Category A and M of Part VIIIA of the Drug Tariff** (excludes products granted price concessions for the given dispensing month)	**20%**
Brands	**All products not covered by Appliances and Generics groups** ▪ Products listed in **Category C and H** of Part VIIIA of the Drug Tariff ▪ Products **prescribed by brand name**, including **branded generics** ▪ Products **NOT** listed in Part VIII of the Drug Tariff i.e. non-Part VIII ▪ Generic medicines ordered with manufacturer name (rINN+MAH) for e.g. Atenolol 100mg tablets (Accord Healthcare Ltd) ▪ All specials listed in **Part VIIIB** and **Part VIIID** of the Drug Tariff. Note non-Tariff specials are not subject to any discount deduction	**5%**
Appliances	**Products listed in Part IX of the Drug Tariff** ▪ Appliances listed in Part IXA e.g. dressings, elastic hosiery ▪ Incontinence Appliances listed in Part IXB ▪ Stoma Appliances listed in Part IXC ▪ Chemical Reagents listed in Part IXR The Appliances deduction rates applies whether the appliance is prescribed by brand name or generic name	**9.85%**

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Where to find your discount deduction

DISCOUNT ON SCHEDULE	BASIC PRICE	DISCOUNT RATE	DISCOUNT	PRICE AFTER DISCOUNT
	£	%	£	£
Generic	6,381.66	20.00	-1,276.33	5,105.33
Branded	19,283.01	5.00	-964.15	18,318.86
Appliances	2,436.53	9.85	-240	2,196.53
DND	17,607.20	0.00	0.00	17,607.20
Sub total (Prescriptions)	**45,708.40**		**-2,480.48**	**43,227.92**
Generic (PFCP)	389.57	20.00	-77.91	311.66
Branded (PFCP)	80.16	5.00	-4.01	76.15
Appliances (PFCP)	0.00	9.85	0.00	0.00
DND (PFCP)	213.44	0.00	0.00	213.44
Sub total (PFCP)	**683.17**		**-81.92**	**601.25**

The **"Discount on Schedule"** section of the FP34 Schedule of Payments provides a breakdown Deductions are shown separately for each product group.
The Schedule also provides a separate breakdown of discount deductions for medicines supplied under **Pharmacy First (PFCP)**.

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Where does margin come from

- The total allowed margin is £1.1bn under the new contract
- The total volume of prescriptions items dispensed is approximately 1.2bn
- The average margin per item is 91p
- **Pharmacy Example:** 10,000 items/ month = £9100 margin
- The majority of margin is from generic purchases, with some from brands and appliances

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Dispensing at a loss

- In some cases, the **purchase cost of a product exceeds the reimbursement received**, meaning the pharmacy dispenses the item at a loss
- This can occur with **brands, generics and appliances**

National vs Individual Impact

- The Community Pharmacy Contractual Framework guarantees **£1.1 billion of retained margin nationally**
- This national protection is monitored through the **margin survey**, which tracks actual purchase prices paid by pharmacies
- However, individual pharmacies may still be disadvantaged if they dispense a higher-than-average number of products that attract little or no supplier discount and are not exempt from discount deduction

Common Endorsing Errors

Common Endorsing Errors: SSPs

Topic	What it is	Key Requirements	Common Errors / Risks	Payment & Reimbursement Notes
SSPs (Serious Shortage Protocols)	Allows pharmacists to supply an alternative medicine, quantity or formulation during approved medicine shortages without referring the patient back to the prescriber.	Endorse prescription with: ▪ SSP + 3-digit SSP reference number ▪ product supplied ▪ quantity supplied pack size (best practice) ▪ invoice price if no dm+d list price available ▪ Record SSP totals and submit monthly via MYS/FP34C	▪ Wrong SSP number ▪ endorsing original product instead of SSP product ▪ claiming when no active SSP exists ▪ incorrect quantity endorsed ▪ claiming after SSP expiry	SSP claims must be declared on FP34C. Payment depends on correct endorsement and submission within SSP validity period.

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Common Endorsing Errors: Broken Bulk

Topic	What it is	Key Requirements	Common Errors / Risks	Payment & Reimbursement Notes
Broken Bulk (BB)	Allows reimbursement where a pack must be opened and the remainder cannot reasonably be reused before expiry	Endorse prescription with BB where permitted	Claiming BB where not allowed (e.g. some special containers or Part VIIIB specials)	Allowed for: ▪ Part VIIIA Category A & Category M (if smallest listed pack size is £50+) ▪ Category H (excluding special containers) ▪ Category C ▪ Part VIIID Specials

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Common Endorsing Errors: FS Endorsement

Topic	What it is	Key Requirements	Common Errors / Risks	Payment & Reimbursement Notes
FS Endorsement	Prescriber endorsement indicating sexual health treatment should be supplied free of charge	▪ FS can only be added by the prescriber ▪ On EPS, FS appears against the item ▪ On paper prescriptions, FS must be countersigned/initialled by prescriber. ▪ Use exemption code 0017 for EPS claims containing only FS items	▪ FS entered in dosage field (not recognised by NHSBSA) ▪ pharmacy staff adding FS themselves ▪ using exemption code 0017 when non-FS items are also on the prescription	FS items supplied free to the patient. Non-FS items on the same prescription may still attract a prescription charge. Paper FS prescriptions should be placed in the red separator.

Common Endorsing Errors: Out of Pocket Expenses

Topic	What it is	Key Requirements	OOP expenses can be claimed for	OOP expenses cannot be claimed for
Out-of-Pocket (OOP) Expenses	Claims for exceptional costs incurred obtaining NHS-prescribed product.	Cost must exceed 50p and be exceptional, infrequent, and unavoidable. Endorse EPS prescriptions with XP and paper prescriptions with OOP. Include expense type and amount claimed. Keep supporting evidence.	▪ Part VIIIA Category C ▪ Part VIIIA Category H ▪ Readily available medicinal products ▪ outside of Part VIIIA (including ACBS) ▪ Part IXB ▪ Part IXC	▪ Part VIIIA Category A ▪ Part VIIIA Category M ▪ All unlicensed specials and imports ▪ including those in Part VIIIB and Part ▪ VIIID*,** ▪ Part IXA ▪ Part IXR

*OOP expenses cannot be claimed for unlicensed specials. The 'SP' endorsement should be applied to prescriptions for specials to claim a fixed fee of £20. *As an exception a fixed OOP expense payment of £50 will be automatically applied to NHS prescriptions for unlicensed Cefuroxime 5% eye drops preservative free. See cpe.org.uk/oop for more information.

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Questions & Answers

Further Information

- Using the CPE Drug Tariff webpage and factsheet
- CPE Funding & Reimbursement Shorts: cpe.org.uk/frshorts
- https://cpe.org.uk/dispensing-and-supply/supply-chain/ssps/
- CPE SSP Factsheet: https://cpe.org.uk/wp-content/uploads/2023/08/Briefing-factsheet-Seven-steps-to-check-your-Serious-Shortage-Protocols-SSPs-totals.pdf
- Dispensing Factsheet: Prescriber 'FS' endorsement for free supply of Sexual health treatment – https://cpe.org.uk/fsfactsheet
- Out of pocket expenses page: https://cpe.org.uk/funding-and-reimbursement/reimbursement/fees-allowances/oop/
- Community Pharmacy England OPD webpage – https://cpe.org.uk/dispensing-and-supply/prescription-processing/original-pack-dispensing/
- Funding Settlement 2026/27: https://cpe.org.uk/wp-content/uploads/2026/05/Briefing-009.26-CPCF-arrangements-for-2026-27.pdf