

PPRS Consultation
Mrs E Barnor
Department of Health
Medicines Pharmacy and Industry Group
456D Skipton House
80 London Road
London SE1 6LH

26th August, 2008

Dear Mrs Barnor

Ref: Consultation on a statutory scheme to control the prices of branded NHS medicines

The Devon Local Pharmaceutical Committee wish to respond to the above consultation, with the following comments relating to the first two questions contained therein.

1. Views are invited on the proposed level of price cut and the date from which it would apply. Should the level of price cut be equivalent to 5 per cent? Should it apply from 1st January 2009?

The 226 community pharmacy contractors represented by the Devon Local Pharmaceutical committee are in general agreement with the government on the principle of seeking the best value for the taxpayer in the purchase of medicines for the NHS. However, this needs to be done in an open and fair method which recognises and does not harm full and accurate remuneration and reimbursement of community pharmacy. For example, at present there are a number of items that are dispensed by community pharmacy where the NHS reimbursement is less than the purchase price paid by the pharmacy. This then causes a loss to the pharmacy, the number of instances where this occurs must not be allowed to continue.

In addition, another point that could be affected by the level of the price cut is the problem of availability of certain medicines that are controlled by 'manufacturer imposed quotas'. It is envisaged that too much of a decrease in the price of the medicines in comparison with European prices could increase exports of a medicine exacerbating procurement where there is already limited availability caused by 'imposed quotas'. To date, many of our contractors have mentioned difficulties encountered in obtaining rapid delivery of certain medicines which are controlled by these 'manufacturer imposed quotas'. The government must stop this lack of availability where a patient desperately needs a medicine rapidly and a pharmacy cannot obtain the item from a local wholesaler and has to source direct from the manufacturer which is delivered much later and is above reimbursement price.

Lastly, consideration for all the 10,600 pharmacies nationally which hold large stocks of branded medicines for their patients so that the patients can receive their medicinal treatment immediately. This stock of medicines could effectively be purchased at a dearer price in December 2008 and held in stock then dispensed in January 2009 where the

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pharmacy does not receive the full reimbursement of the price paid for the item. Therefore, the pharmacy is penalised for proactively seeking to fulfil patients wishes of having immediate access to their medicines. The government must continue to utilise the price change mechanism that is in place to stop such a situation occurring. The LPC would also recommend that any price changes are delayed until February 2009. Because of the Christmas and New Year holiday period and the demand by patients for treatment periods of two months at this time of the year, the LPC believe that patient care will be compromised as pharmacies will not wish (understandably) to hold stock at a more expensive price than they can expect to be reimbursed.

2. Should the prices of out of patent branded medicines be set at a price that is 1.5 times the reimbursement price of the equivalent generic price? If not, should the level of the price cut be adjusted to compensate for loss of savings?

It is the view of contractors represented by Devon Local Pharmaceutical Committee that the government must seek the best value in procuring medicines for the NHS and patients, a maximum price of out of patent medicines compared to generic medicines would be advantageous for this aim.

However, the use of out of patent brands in the NHS can harm community pharmacy as some primary care trusts are using the out of patent brands to cut the cost of their prescribing costs, as they promote prescribing of branded medicines which are cheaper than the same category M generic medicines. This method destroys the pharmacy and government agreed remuneration arrangement of category M and hence causes a direct loss of earned remuneration for the contractors whose primary care trusts engage in this practice.

The LPC does not wish to comment on any other aspects of the consultation. We trust the comments we have made will be taken into account by the Department of Health and look forward to seeing details of the final agreement.

Yours sincerely,



**Sue Taylor (Mrs)
Chief Officer
Devon LPC**