

CPC

PSNC Issues

Big issues

- 12/13 settlement
- Margin
- NMS funding
- Contract numbers

12/13 settlement

- Settlement likely to reflect outcome of CoSI
- No new money likely to be forthcoming
- DH seeking to reflect all excess margin including that of multiples
- Changes likely to be made in October as usual

Margins

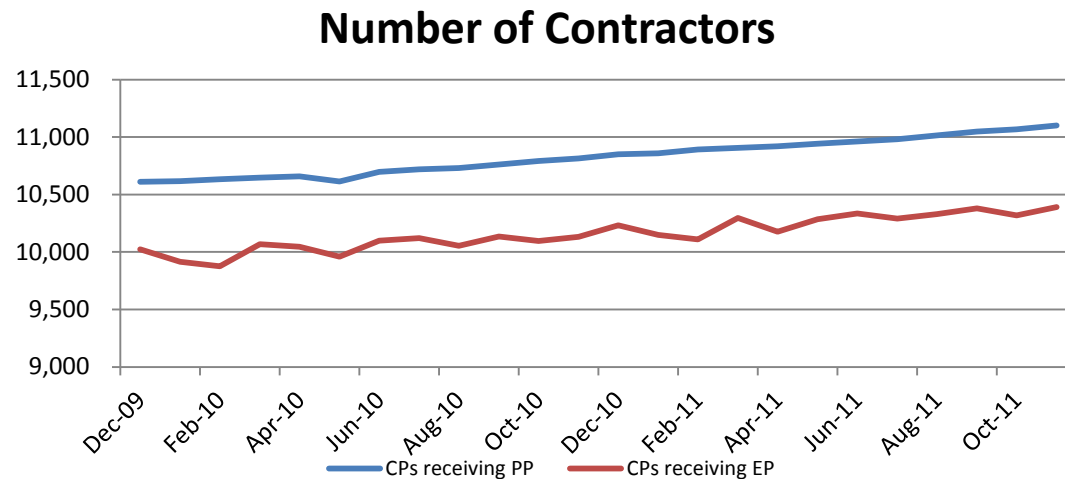
- DH seeking to recover all excess margin
 - Meetings held with 4 large multiples and other chains to assess measurement process
 - Lansley committed to removing regulatory lag
- Atorvastatin comes off patent in May
 - DH plan to manage tariff prices actively
 - Any excess margin is likely to be recovered hence adding significantly to funding instability for little net gain

NMS funding

- New arrangements apply from 1st May
 - NMS from May onwards paid according to new scales:
 - Below the 20% target will be paid at £20 each
 - At 20% target all interventions will be paid at £25 each
 - At 40% target all interventions will be paid at £26 each
 - At 60% target all interventions will be paid at £27 each
 - At 80% target all interventions will be paid at £28 each (subject to max 0.5% eligible scripts)
 - Claimed NMS from October 2011 to April 2012 will be topped up
 - £20 for every full service intervention that contractors provided which fell below their 20% target
 - £25 for every full service intervention that contractors provided which fell between any of the target levels or over the 80% target.

Contract numbers

- Contract openings and applications continue to rise



- These are absorbing considerable amounts of funding
- It is unclear what level DH / NHS will fund in future

Questions?