

# Understanding your Schedule of Payments

## Your payments

At the beginning of each month, pharmacy contractors send to NHS Prescription Services all the prescription forms for items dispensed the previous month to patients.

NHS Prescription Services then calculates the reimbursement and remuneration fees you are due based on the information on the forms and according to the reimbursement and remuneration rules set out in the NHS England and Wales Drug Tariff.

<http://www.nhsbsa.nhs.uk/prescriptions/drugtariff>

Once we've processed all contractors accounts we then arrange for a payment to be made directly into your bank account.

You will find more information about this in '**Calculating and Allocating Drug Costs**' on our website

<http://www.nhsbsa.nhs.uk/PrescriptionServices/928.aspx>

## Your schedule of payments

Before we make your payment, we will send you a schedule to provide confirmation of payments made to your pharmacy. Your schedule records your payments for drugs and appliances dispensed, fees and locally authorised payments from your Primary Care Trust.

The following pages explain key sections of your schedule.

The example schedule of payments we've included in this booklet is for June 2009 dispensed which we would have processed in July 2009 and sent you a schedule for in August 2009 for payment on 01 September. The pharmacy name and account used is a fictitious one.

# Schedule of Payments

<b>For:</b>	<b>A N CHEMISTS</b>	All of the details on your schedule relate to the dispensing month shown with the exception of the advance payment and certain locally authorised payments from your PCT.	<b>123 MAIN ROAD</b>
<b>T/A:</b>	<b>A N PHARMACY</b>		<b>NEW TOWN ESTATE</b>
<b>OCS code:</b>	<b>F9999</b>		<b>NEW TOWN</b>
<b>Dispensing Month:</b>	<b>Jun 2009</b>		<b>N12 13A</b>

**Net Payment made by PPD on 01 Sep 2009 by BACS** £ **72,791.64**

**SUMMARY OF PAYMENT AMOUNTS**

Total of drug and appliance costs		55,340.82
Total of all fees		17,938.99
<b>Total of drug and appliance costs plus fees</b>		<b>73,279.81</b>
Total of charges (including FP57 refunds)		-1,504.80
<b>Total of account</b>		<b>71,775.01</b>
Recovery of advance payment		-59,730.16
Recovery of advance payment in respect of a late registered batch		0.00
<b>Balance due in respect of Jun 2009</b>		<b>12,044.85</b>
Payment on account for Jul ( 8178 items less 222 charges)		59,771.77
Advance payment in respect of a late registered batch		0.00
Other adjustments		0.00
<b>Total amount authorised by PPD</b>		<b>71,816.62</b>
Total amount authorised by PCT		975.02
Total of other amounts authorised		0.00
<b>Net payment made by PPD</b>		<b>72,791.64</b>

Figures declared on the submission document.

The 80% advance is calculated using your average prescription value, or national average if no submission in the last three months.

**DRUG AND APPLIANCE COSTS**

Total of basic prices at standard discount rate		50,718.07
Discount @ 9.76 %		-4,950.08
Total of basic prices at zero discount		9,194.52
Sub total of basic prices		54,962.51
Out of Pocket expenses		131.20
Container allowance 7627 @ 3.24 p		247.11
Oxygen cylinders and masks		0.00
Oxygen expenses		0.00
Oxygen adjustment		0.00
Adjustment		0.00
<b>Total of drug and appliance costs</b>		<b>55,340.82</b>

The percentage deducted is based upon the SDR prices and the scale can be found in the Drug Tariff, Part V.

This is calculated using the out of pocket expenses value declared on your submission document (FP34C) and should not include the drug costs. Forms should be endorsed in the normal way.

Any adjustment to your account will be shown here or under other adjustments.

**PRESCRIPTION FEES**

Professional fee 7627 @ 90.00 p		6,864.30
Pharmacy contract transition payment		118.40
Repeat dispensing fee		125.00
Practice payment		5,407.54
Additional fees		0.00
2A extemporaneously dispensed preparations		0.00
2B elastic hosiery and trusses measured and fitted		0.00
2C extemp liquids ordered in more than one container		0.00
2D limited stability (<14 days) extra supplies		0.00
2E controlled drug schedules 2 and 3		741.28
2F expensive prescription fees 48		154.80
Manually priced		0.00
Establishment payment		2,091.67
Sub total of prescription fees		15,502.99
Other fees Medicines use reviews		2,436.00
<b>Total of all fees</b>		<b>17,938.99</b>

Banded payments paid in accordance with stated rates and criteria set out in the Drug Tariff, Part VIA.

This is calculated using the number of medicines use reviews (MURs) declared on your submission document (FP34C) and the fee rate stated in the Drug Tariff, Part VIC.

# Schedule of Payments

<b>For:</b>	<b>A N CHEMISTS</b>	<b>123 MAIN ROAD</b>
<b>T/A:</b>	<b>A N PHARMACY</b>	<b>NEW TOWN ESTATE</b>
<b>OCS code:</b>	<b>F9999</b>	<b>NEW TOWN</b>
<b>Dispensing Month:</b>	<b>Jun 2009</b>	<b>N12 13A</b>

<b>CHARGES</b>			£
Collected excluding elastic hosiery	213 @ 7.20	The number of charges should be compared to the figure declared on your submission document (FP34C) for the relevant dispensing month. These figures should be similar.	-1,533.60
	0 @ 7.10		0.00
Collected elastic hosiery			0.00
FP57 refunds			28.80
<b>Total of charges (including FP57 refunds)</b>			<b>-1,504.80</b>

<b>DETAILS OF LOCAL AMOUNTS AUTHORISED BY ANY PCT</b>			£
Local Scheme 2		These payments are authorised by your local Primary Care Trust.	26.36
LPC - Statutory Levy			-68.23
Local Scheme 3			816.89
ETP Allowance			200.00
<b>Total amount authorised by PCT</b>			<b>975.02</b>

<b>DETAILS OF OTHER AMOUNTS AUTHORISED</b>			£
<b>Total of other amounts authorised</b>			<b>0.00</b>

PRESCRIPTION DATA

Total forms received (including electronic prescriptions)	3366	
Items at zero discount rate, for which a fee is paid	794	
Items at standard discount rate, for which a fee is paid (including oxygen)	6833	
Total of items, for which a fee is paid	7627	
Average item value	9.29	The average item value is calculated using the total of drug and appliance costs plus fees less any MUR value and adjustments divided by the total number of professional fees.
Referred back items	19	
Referred back forms	8	
Medicines use reviews declared	87	Information declared on your submission document (FP34C) for the relevant dispensing month.
Dispensing staff number of hours declared	100	
FP57 forms declared	2	

ITEMS TRANSFERRED BETWEEN EXEMPT AND CHARGEABLE GROUPS

Exempt to Chargeable	6	This section details items transferred between groups. Read the 'Charges' section of this document for information on what this means.
part 3 unsigned by patient/patient rep.	1	
part 2 contains charge rate	5	
Exempt to Chargeable (old rate)	0	
Chargeable to Exempt	0	
Chargeable (old rate) to Exempt	0	

Key      Part 2 - Prescription charge box on reverse of prescription form  
           Part 3 - Patient/representative signed declaration section on reverse of prescription form.



## How we calculate your advance and essential services payments

**Note:** The examples below are based on the example schedule included in this document.

### 80% advance

What we will pay you for your 80% advance is shown on page 1 of your schedule. The example below shows how we calculate what this will be.

Average prescription value £9.29\* multiplied by 80% = £7.43

Advance items 8178 multiplied by £7.43 = £60,762.54

\*(see the last section in this booklet 'Other terms explained')

£60,762.54 multiplied by 1% inflation factor = £61,370.17,

less number of prescription charges at current rate 222 x £7.20 =  
£1,598.40

£61,370.17 minus £1,598.40 = £59,771.77 Total advance payment.

### Essential service payments

**The transition payment** is calculated using the relevant table in the Drug Tariff Part VIA Clause 4. The rate for the example shown is £7.40 for every 500 fees, ie 7627, rounded up. 8000 divided by 500 multiplied by £7.40 = £118.40.

**The practice payment** is calculated using the relevant payment in the Drug Tariff Part VIA Clause 2 and is dependant upon the number of items and the pharmacy dispensing hours. The example shown is 7627 items multiplied by 70.9p = £5,407.54.

**The establishment payment** is calculated using the relevant table in the Drug Tariff Part VIA Clause 1 and is only payable over a certain number of items. The example shown is calculated by dividing the annual amount payable for over 2730 items, £25,100, by 12 which results in a payment of £2,091.67.

## Prescription charge deductions and switching

Before you send in your prescription forms you must sort them in to different piles, including one of forms where patients paid a prescription charge, and one of forms where patients were exempt from the charge. It is important to make sure that if patients are exempt that they (or their representative) have ticked and signed the declaration of exemption when required as set out in the NHS England and Wales Drug Tariff, otherwise we may deduct prescription charges from your payment.

We have information about how to sort your forms on our website, 'Prescription Charges and Your Reimbursement'

<http://www.nhsbsa.nhs.uk/PrescriptionServices/1690.aspx>

There are two different sections you need to look at on your schedule of payments. These are both on page 2.

### Charges

This is the most important section of the two that you should look at. The top of page 2 of your schedule '**Charges**' tells you how many charges we've deducted from your payment. The number of chargeable items shown should be similar to the number of chargeable items which you declared on your previous month's submission document (FP34C).

For the example schedule we've included in this booklet (June 2009 dispensed) you would need to look at your **June 2009** FP34C.

### Items transferred between exempt and chargeable groups

We transfer or 'switch' items between both exempt and chargeable groups when we identify that they are not in their correct group. The figure shown tells you how many items we needed to transfer, but this does not always mean that we have deducted a charge from your payment. You should always check the numbers and values in the '**Charges**' section.

## Other terms explained

### Local amounts authorised by any PCT

NHS Prescription Services makes payments on behalf of your Primary Care Trust for services you've provided in your local area. For payments described as 'Local Schemes' you will have been notified separately by the PCT what these schemes are for.

### Average item value

The average item value is calculated using the total of drug and appliance costs plus fees from page 1, less the value of medicine use reviews and adjustments, divided by the total number of professional fees from page 1. For example:

$£73,279.81 - £2,436.00 = £70843.81$  divided by 7627 = £9.29  
average item value.

For contractors who have not submitted for three months previously, a national average is applied.

### Summary of Expensive Items

The number and value of items over £100 and up to £300 is shown on your schedule. Only items with a basic price of over £300, before any adjustments for broken bulk, are displayed in full on the schedule.

## Need more information?



Our website has lots of useful information about how we calculate payments, when we make payments, endorsing. It has extra help such as an electronic version of the Drug Tariff and quizzes to test your knowledge on endorsing and charge status. [www.nhsbsa.nhs.uk/prescriptions](http://www.nhsbsa.nhs.uk/prescriptions)



Speak to one of our advisors on **0845 610 1171**.

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