

## Dispensing Doctors in England & Wales Feescale changes 1<sup>st</sup> October 2010

### 2010/11

The agreed changes for 2010/11 are outlined below and are effective from 1 October 2010:

- the dispensing envelope is £168.7 million - the [agreed feescales for 2010/11](#) were calculated to deliver this amount
- the average volume increase of fees is 2.975 per cent
- changes to each of the bandings in the feescales and a 0.5 per cent reduction to each fee, so the new fees will deliver the remaining fee envelope
- if the financial envelope is exceeded or underspent by one per cent, GPC and the NHS Employers GPC will discuss the reasons why and, depending on the reasons, this may lead to an alteration in that year's payments.

See the [IC's website](#) for the Committee's full report, Proposed Dispensing Feescales for GMS Contractors in England & Wales from 1 October 2010.

The Department of Health has updated the [Statement of Financial Entitlements](#) (SFE) to reflect these changes.

### 2009/10

The 2009/10 feescale runs from 1st October 2009 until 30 September 2010. The agreed changes for 2009/10 were:

- the dispensing envelope for 2009/10 was £165.8 million
- the new feescale is 8.7 per cent lower than the previous one but, over the 2009/10 financial year, it equated to a 4.9 per cent drop because it was introduced mid-year (from 1 October 2009)

## Method for calculating dispensing feescales

Since the feescale was first introduced, the number of items being dispensed had increased by 5.7 million but the feescale had not changed, leading to an increase in costs.

In 2009, NHS Employers and the General Practitioners Committee (GPC) agreed a new mechanism to uplift the feescale annually, starting in 2009/10. The feescale now reimburses dispensing practices for the increased volume of items, whilst limiting the 'profit' element of the payment.

### Mechanism for agreeing all future feescales

The new mechanism is now being used to calculate future ones, as follows:

- the mechanism splits the feescale into a 'cost' and 'profit' element
- the 'cost' element will be uplifted every year to allow for the annual increase in volume - the volume will be calculated by the NHS Information Centre using data on historic increases

- the 'profit' element will be uplifted by the annual Doctors and Dentists Review Body (DDRB) award
- this mechanism is designed to align profits with the uplift for all GP practices through the DDRB process, whilst recognising the increase in dispensing volume and the associated costs

### **Cost of service enquiry (COSI)**

As part of the changes, the Department of Health agreed to carry out a 'cost of service inquiry' (COSI) to get a full picture of the costs of providing dispensing services; this work is ongoing.