

## **DISPENSING ENDORSEMENT GUIDANCE FOR DISPENSING PRACTICES**

### **1. INTRODUCTION**

In the year to 31 March 2005 the PPA received 695 million prescription items from dispensing contractors, 50 million of these were submitted by dispensing doctor practices. The volume of prescription items is growing at a rate of between 5% and 6% each year and to meet this growth the PPA is investing in new technology and business processes that will allow us to process prescriptions more efficiently. These new systems scan the prescription form and use intelligent character recognition software to capture details about the prescribed product and the prescribed quantity.

As the Statement of Financial Entitlement (SFE) will be updated with effect 1 April 2006 and the PPA moves towards the use of new technology it is pertinent to update the dispensing endorsement guidance for practices.

The SFE, paragraph 17.3, sets out how the dispensing payments to doctors are calculated and now explicitly makes the link to the Drug Tariff Part II Clauses 7, 8, 10, 11, 12 and 13 that explain the requirements to enable the reimbursement calculation to be made. This does not reflect any change to how the PPA calculates the reimbursement due to dispensing practices but makes the existing process more transparent.

### **2. DISPENSING REIMBURSEMENT**

The Drug Tariff sets out the basis of the reimbursement price that will be paid to dispensing contractors, it is summarised in the following table:

<b>Prescribed Product</b>	<b>Basis of the Reimbursement Price</b>
Generic medicines listed in Part VIII of the Drug Tariff	Price listed in Part VIII of the Drug Tariff
Generic medicines NOT listed in Part VIII of the Drug Tariff AND proprietary or branded medicines	Price listed in manufacturer or supplier catalogue
Medical devices & appliances listed in Part IX of the Drug Tariff	Price listed in Part IX of the Drug Tariff

The quantity of the product on which reimbursement is calculated is based on the exact quantity prescribed, except where the product is packaged as a special

container or as a calendar pack. In these cases, the PPA applies the appropriate rounding rules, however the payment calculation is more transparent to the dispensing practice if a complete pack is prescribed for these products.

### 3. DISPENSING ENDORSEMENTS

There are a very limited number of circumstances when dispensing endorsements are required, the details are included in the Drug Tariff. To ensure that we calculate your payment using the price of the correct pack size you should add a dispensing endorsement as listed in the table below:

Prescribed Product	Dispensing Endorsements required	
	Manufacturer or Supplier	Pack Size
Generic medicines listed in Part VIII of the Drug Tariff AND proprietary or branded medicines AND medical devices & appliances listed in Part IX of the Drug Tariff	NOT required	NOT required unless more than one pack size is listed in the Drug Tariff (Part VIII or Part IX) or more than one pack size is listed in the manufacturer catalogue
Generic medicines NOT listed in Part VIII of the Drug Tariff	Yes	NOT required unless more than one pack size is listed in the manufacturer catalogue

The only situation in which a dispensing endorsement of manufacturer or supplier is required is if a generic medicine NOT listed in Part VIII of the Drug Tariff is prescribed.

In the limited number of circumstances in which you do need to add a dispensing endorsement to the prescription form it is important that you write or print it in the designated column to the left hand side of the form. Any endorsements outside this area will mean that our scanning equipment will be unable to read the prescription details correctly and our staff will have to manually correct the scanned image.

It is important that if a doctor wishes a patient to receive a medicine produced by a specific manufacturer, whether this is a proprietary medicine or a generic medicine, that this is specified at the time of prescribing. In addition to meeting the patient's requirement this also ensures that we reimburse you correctly. A small number of practices erroneously think that if a medicine is prescribed using a generic name and a proprietary dispensing endorsement is added that we will record this as generic prescribing in PACT data and reimburse at the proprietary price. This is not the case.

**Remember: Don't add unnecessary dispensing endorsement  
Prescribe clearly the product you wish the patient to receive**