

Using Your Schedule of Payments to Monitor Performance

In this factsheet PSNC's Dispensing and Supply team explain how to analyse your monthly Schedule of Payments to help you understand and manage your NHS pharmacy business more effectively.



PSNC encourages contractors to conduct their own internal audits by checking their Schedule of Payments as soon as possible after receipt to identify any unusual trends/potential errors. The following highlights sections of your account you may wish to check (please note this is not exhaustive):

1. What checks can I make to monitor monthly payments?

Monitoring the net payment figure alone is insufficient.

Looking at your monthly net payment figure solely is not an ideal parameter for understanding changes to patterns of payment over a period of time, since these figures are distorted by changes to the average item value (AIV) and by the advances which are issued and recovered each month.

Over time, monitoring the relevant totals and subtotals within the 'Drug and Appliance Costs' section, and 'Professional Fees' section, will provide a better understanding of any changes to pharmacy payments. As reimbursement prices for drugs and appliances can vary month-to-month, pharmacy drug/appliance purchasing costs may follow a similar pattern and it may be useful to compare the trend of procurement costs against the total of drugs and appliances reimbursed.

| DRUG AND APPLIANCE COSTS | | £ | £ |
|---|---------------|-----------|------------------|
| Total of basic prices at standard discount rate | | 52,400.82 | |
| Discount | @ 9.79 % | -5,130.02 | |
| Total of basic prices at zero discount | | 11,273.81 | |
| Sub total of basic prices | | | 58,544.21 |
| Out of Pocket expenses | | | 337.05 |
| Payment for consumables | 9480 @ 1.24 p | | 117.55 |
| Payment for containers | | | 518.00 |
| Total of drug and appliance costs | | | 59,514.81 |

The AIV is calculated using the total of drugs and appliance costs plus fees and less any MUR, AUR and NMS values; this figure is then divided by the total number of items for which a fee is paid. The AIV figure is important as it is used to calculate the Advance payment.

2. Was there anything unusual/different about the dispensing month this schedule refers to?

When looking at a Schedule of Payments it is important to think back to the actual dispensing month it relates to. For example, the total number of items dispensed may have been lower due to a Bank holiday that month or it was a shorter dispensing month due to fewer working days. Perhaps, it was during a month when some of the regular patients were away on holiday and had collected their items in the preceding months.

3. Has your average item value (AIV) changed?

A range of factors can affect the AIV including:

- a change to the profile of drugs dispensed; for example, if a regular patient with expensive items no longer visits the pharmacy
- local deprescribing initiatives reducing the total number of items dispensed by a pharmacy
- expiry of patents for high-volume or high-cost drugs
- prescribers requesting fewer or lower-value expensive items or, conversely, a high number of expensive items dispensed in a particular month
- a local change such as a competitor that has just opened or closed their business, or relocation of local GP practice
- changes to Category M prices (see our page [Retained margin \(Category M\)](#))
- Pharmaceutical Price Regulation Scheme (PPRS) branded medicine price changes
- a change to period of treatment (i.e. 28 versus 56-day prescriptions)

Data on national AIV trends can be found on the PSNC website (psnc.org.uk/statistics).

4. Are there higher than normal levels of prescription switching on your account?

Prescription switching statistics for each account can usually be found on page 3 of the Schedule of Payments. It is important to monitor this closely, to identify any staff training needs particularly if the pharmacy prescription switching figures are high. To avoid switching of prescriptions between exempt and chargeable groups, ensure that the prescription receipt SOPs are being followed by pharmacy staff, exemption checks and declarations are completed correctly where required, and that paper prescriptions are sorted and submitted in the correct group (exempt or chargeable) at the end of the month.

| ITEMS TRANSFERRED BETWEEN EXEMPT AND CHARGEABLE GROUPS | |
|--|---|
| Exempt to Chargeable | 5 |
| part 3 unsigned by patient/patient rep. | 5 |
| Exempt to Chargeable (old rate) | 0 |
| Chargeable to Exempt | 1 |
| declaration shows claim for exemption | 1 |
| 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. |

PSNC's [Prescription Switching Factsheet](#) contains tips on how to prevent prescriptions from being switched.

5. Are there any expensive items with a net ingredient cost (NIC) of over £100 missing from the itemised list on your schedule?

PSNC recommends, where possible, keeping a record of all expensive lines submitted to the NHSBSA every month and then reconciling these items with your Schedule of Payments; this might be done by keeping copies of such prescriptions.

Please note: If a broken bulk claim has been made for an expensive item, the schedule will only show the value of the prescribed quantity, even where the pharmacy has been paid for the full pack under the broken bulk arrangements.

| SUMMARY OF EXPENSIVE ITEMS | | | | |
|---|--|---------------------|-----|---------------|
| The total number of items reported may not always correspond with the number of "Expensive prescription fees" shown on the schedule of PPD authorised payments. This is due to the fact that any information in this Expensive Item List is reported at drug code level. The basic price values in the table below do not take into account any broken bulk adjustments credited/debited in the total basic prices included under Drug and Appliance Costs above. | | | | |
| DESCRIPTION | NUMBER OF ITEMS | TOTAL BASIC PRICE £ | | |
| Number of items over £ 100 and up to £ 300 | 44 | 6,736.05 | | |
| Number of items over £ 300 | 8 | 3,582.75 | | |
| Total of items over £ 100 | 52 | 10,318.80 | | |
| DETAILS OF ITEMS WHICH HAVE A BASIC PRICE EQUAL TO OR OVER £ 100 | | | | |
| FORM/ ITEM | DESCRIPTION | PACK SIZE | QTY | BASIC PRICE £ |
| A03867/1 | AP0-GO PFS 50MG/10ML INF PRE-FILLED SYRINGES 5 | 5.00 | 40 | 584.88 |

6. What's the best way to double-check for inputting errors?

PSNC advises contractors to check that:

- Dispense and claim notification messages are sent on time considering the EPS 5-day window (PSNC's [Claiming for EPS prescriptions on time factsheet](#) explains how EPS 5-day window affects timing of payment).
- The correct number of items are declared on your FP34C. PMR systems can generate reports showing the correct number of EPS and paper items to include on the FP34C.
- Any figures declared on the FP34C are clearly legible.
- It is advisable to photocopy your FP34C before sending it to NHSBSA.
- There is no significant discrepancy between the number of forms/items declared on the FP34C document and your Schedule of Payments (paying particular attention to your submitted EPS figures). The number of items used to calculate the Advance payment* should match the number of items declared on the FP34C for the relevant dispensing month.
- The number of FP57 refunds match your declaration.
- Payments for Advanced Service (MUR/NMS/AUR/NUMSAS) match your declaration.

* Discrepancies between the declared item totals and the actual items received by the NHSBSA total will have an impact on your Advance payment and balancing payment. This could lead to cashflow issues that may take time to stabilise. The correct declaration of items will help with prescription reconciliation.

For more information on Advance payments and how balancing payments are calculated, visit psnc.org.uk/schedule

The Manage Your Service (MYS) application (currently in pilot testing phase) offers a digital alternative to the current paper-based submission processes followed by contractors. To reduce risk of inputting errors, MYS has built-in validation to improve the accuracy of submissions.

If you believe there is an issue with your monthly payment (for example due to item count, charges count, expensive items, out of pocket expenses, switching etc), this should be reported to the NHSBSA and a re-check of a month or specific months' prescriptions can be requested in writing by completing the NHSBSA's prescription pricing enquiry form. Further information can be found at psnc.org.uk/rechecks.