**Pharmaceutical Services Negotiating Committee**

**Funding and Contract Subcommittee Minutes**

**of the meeting held on Wednesday 6th February 2019 at 13.30**

**at Aylesbury room, 14 Hosier Lane, London, EC1A 9LQ**

**Members:**  David Broome, Peter Cattee (Chairman), Tricia Kennerley, Andrew Lane, Margaret MacRury, Has Modi, Garry Myers, Bharat Patel, Adrian Price, Anil Sharma

**In attendance:** Simon Dukes,Mike Dent, Jack Cresswell, Suraj Shah, Komal George

1. Welcome from chair
2. Apologies for absence: Margaret MacRury
3. Conflicts of Interest/minutes: None
4. Minutes of previous meeting and matters arising

The minutes of the meeting held on 9th October 2018 set out in **Confidential Appendix FCS 01/01/19** were approved. Peter Cattee commented that the new layout of documents looked much better.

**Agenda and subcommittee work**

1. Work plan for 2019

The subcommittee considered and approved the work plan for 2019 shown in **Confidential Appendix FCS 02/01/19,** subject to the addition of an extra point on the provision of support to LPCs to ensure they are better prepared for PCNs.

1. Remuneration
2. 2018/19 contract sum forecast

The subcommittee considered the 2018/19 contract sum forecast shown in **Confidential Appendix FCS 03/01/19**.

1. 2018/19 fee rates

The subcommittee considered the update on 2018/19 fee rates showing in **Confidential Appendix FCS 04/01/19**.

Mike Dent provided a verbal update regarding DHSC’s proposals to decrease SAF. Garry Myers asked if the prescription item volume was projected to stay relatively flat into 2019/20. Mike Dent replied that the item volume has not declined as expected; Brexit may have contributed to this. Forecasting next year will be tricky.

1. VAT

Mike Dent gave a verbal update on VAT, praising the support received from VAT experts at Boots and Lloyds.

1. Reimbursement

1. Retained margins 2017/18

The subcommittee considered the paper on retained margins 2017/18 shown in **Confidential Appendix FCS 05/01/19**.

A debate with the full committee was scheduled for Thursday’s meeting. Updated figures would be circulated in a presentation in advance.

1. Margins survey methodology 2018/19

The subcommittee considered the update on margins survey methodology shown in **Confidential Appendix FCS 06/01/19.**

1. Retained margins forecast 2018/19

The subcommittee considered the update on retained margins forecast for 2018/19 show in **Confidential Appendix FCS 07/01/19.**

1. Work with GPC / DDA

The subcommittee considered the update on work with GPC/DDA shown in **Confidential Appendix FCS 08/01/19**.

1. EPS implementation

The subcommittee considered the verbal update on EPS implementation.

1. Price concessions

1. November 18 price concessions

The subcommittee considered the update on November 18 price concessions shown in **Confidential Appendix FCS 09/01/19.**

1. Price concession system

The subcommittee considered the update on the price concession system shown in **Confidential Appendix FCS 10/01/19.**

The subcommittee were happy with the letters that were sent by Simon Dukes and Mike Dent to DHSC on price concessions.

1. DHSC proposals

1. Late batches

The subcommittee considered the update on late batches as shown in **Confidential Appendix FCS 11/01/19**.

1. Changes to FP10 form – exemptions

The subcommittee considered the update on changes to exemptions on FP10 form shown in **Confidential Appendix FCS 12/01/19.**

**Report**

1. General funding update

The subcommittee noted the general funding update shown in **Appendix FCS 13/01/19.**

1. Statistics

The subcommittee noted the statistics shown in **Appendix FCS 14/01/19.**

1. Any Other Business
Adrian Price remarked that service income is falling for both local and national services, driven partly by a lack of capacity in pharmacies.

Flu vaccination payments

Alastair Buxton updated the subcommittee on the flu service.

Funding for SSPs

Garry Myers stated that there are indemnity issues to consider, additional clinical skill and responsibility involved and therefore additional funding should be on the table.

Richard Bradley asked whether there was an increase in the number of imposed concession prices in January. The January concessions seemed less generous.

Garry Myers advocated an intermediate payment mechanism to deal with late collection of an EPS item.