

September 2021

PSNC Briefing 032/21: New payment arrangements for ALL contractors following end to Pharmacy Earlier Payment Scheme (PEPS)

Introduction

PSNC has secured an opportunity for ALL contractors to receive an earlier advance payment from November 2021 (for prescriptions dispensed from October 2021), following a decision by the Department of Health and Social Care (DHSC) to end the Pharmacy Earlier Payment Scheme (PEPS).

From November 2021, to access advance payments approximately **20 days earlier** in comparison to the current payment timetable, contractors will be required to make their FP34C submission through the [Manage Your Service \(MYS\) portal](#) by the 5th of the month following that in which supply was made and dispatch their monthly paper prescription bundle to the NHS Business Services Authority (NHSBSA) by the same time.

The paper FP34C submission document will only be available until March 2022 (i.e. for prescriptions dispensed in February 2022). From April 2022 (i.e. for prescriptions dispensed in March 2022) MYS will be the only route for all monthly submissions. Contractors who continue to use the paper FP34C submission document (from November 2021 to March 2022) will **NOT** receive any earlier advance payments but instead will receive advance payments in accordance with the current payment timetable i.e on or around the 1st of the month following submission. **Therefore, contractors who use paper FP34Cs for their monthly submissions are strongly encouraged to start using the MYS portal to make their declarations.**

The final reconciliation payment date remains unchanged i.e. this will continue to be paid on the 1st working day of the month approximately two months after contractors have submitted the FP34C form and prescriptions for pricing.

PEPS pharmacy contractors should note that the final PEPS payments will be paid on 1 October 2021 and from 1 November, a 12-month transition arrangement has been agreed for existing PEPS pharmacy contractors to transfer over to the new earlier advance payment timetable available to **ALL** contractors from November 2021.

In addition to the notice of the end of the PEPS, the changes to the advance payment timetable and submission requirements, the published Drug Tariff determination for September 2021 also outlines:

- different payment arrangements for late submissions which will also incur administrative charges;
- an extension to the deadlines for submission of FP34C and dispatch of prescription bundle in months where a bank holiday occurs during the first five days of the month;
- contingency arrangements for contractors who are unable to submit FP34C through MYS; and
- requirements for prescriptions issued via Electronic Prescription Service (EPS) and token submission.

Please note that these changes are not reflected in the published version of the [September 2021 Drug Tariff](#).

Below is a summary of the key changes:

1. **Unwinding of the PEPS with a 12-month transition arrangement for customers to transfer to the new advance payment timetable**
2. **Advance payment timetable linked to timing and route of FP34C submission (see Table 1)**
 - a. **Advance payment to be brought forward by circa 20 days for FP34C submissions made through the MYS portal by the 5th of the month following that in which supply was made**
 - b. **Current advance payment timetable to apply for late FP34C submissions made through MYS**
 - c. **Current advance payment timetable to continue to apply for submissions made using the paper FP34C submission document (until March 2022 at which point paper FP34Cs will cease to exist)**
3. **Administrative charges for late FP34C and prescription bundle submissions to apply from April 2022 (for March 2022 prescriptions)**
4. **Extended deadline for submission of FP34C and dispatch of prescription bundle in months where a bank holiday occurs during the first five days of the month**
5. **Contingency arrangements in the event of local issues (e.g. internet outage) or MYS portal failure preventing timely FP34C submissions**
6. **Formalising requirements for prescriptions issued via EPS and token submission requirements**

1. End to the Pharmacy Earlier Payment Scheme (PEPS)

The contract between Taulia Inc. and NHSBSA for the PEPS ended on 30 June 2021. Without an alternative finance provider in place, the Department decided to bring the scheme to an end. Approximately, 2,000 pharmacies affected by this change will receive their **final PEPS payment on 1 October 2021**. From 1 November 2021, a 12-month transition period has been agreed to enable those contractors signed up to the PEPS to move across to the new early advance payment timetable outlined in **Table 1** below.

As part of the transition arrangement, pharmacy contractors who are signed up to the PEPS, will receive a one-off payment on 1 November 2021 to bridge the gap between the current PEPS payment timetable and the new early advance payment timetable outlined above. The one-off payment will be set at 92% of the PEPS pharmacy contractor's payment which the contractor will have received on 1 October 2021. This one-off payment received on 1 November will be recovered in equal parts over 11 months, i.e. the last recovery will be on 30 September 2022. The 12-month transition period is intended to help ease any cashflow concerns and offer contractors time to review and discuss refinancing options with their banks or other lenders, if required.

Pharmacy contractors signed up to the PEPS are strongly advised to follow the new earlier timetable for advance payment as set out above to claim for November's prescriptions by submitting FP34Cs using MYS by 5 December 2021 and by dispatching prescription bundles by 5 December 2021. Failure to do so will result in a gap of one month between payments.

PEPS pharmacy contractors, who wish to opt out from the transition arrangements outlined above, must notify the NHSBSA by **15 October 2021** by emailing nhsbsa.pepscontractorpayments@nhs.net. PEPS pharmacy contractors, who choose to opt out of the transition arrangements, should note that they will experience a gap in payment between the last PEPS payment (i.e. made on 1 October 2021 for prescriptions dispensed in October) and the advance payment for prescriptions dispensed in November 2021 paid either

on 9 December 2021 (if they follow the new earlier timetable) or 31 December 2021 (if they follow the current payment timetable).

2. Changes to timing of advance payments

From November 2021 (for prescriptions dispensed in October 2021):

- Contractors who submit their FP34C declaration through MYS within the first 5 days of the month will receive **100% advance payments four working days after the submission deadline of the 5th** i.e. payments will be received **circa 20 days earlier** than the current payment timetable (for non-PEPS pharmacy contractors) which is on or around the 1st of the subsequent month. **See Appendix A**
- Contractors who submit their FP34C declaration through MYS **between the 6th and around the 20th of the month** following that in which supply was made will **NOT** receive any earlier advance payments but instead will receive advance payments as per the current payment timetable. **See Appendix B**
- Contractors who make a declaration using the paper FP34C submission document (until March 2022) will **NOT** receive an earlier advance payment but will be paid according to the current payment timetable. The paper FP34C submission document will cease to exist after March 2022; thereafter only MYS will be available for FP34C submissions. **See Appendix C**
- The 100% advance payments (for early and current timetables) will continue to be based on the items declared on the FP34C and the latest available Average Item Value (AIV) for that pharmacy, less the value of prescription charges declared on the submission document.
- Contractors using MYS for submissions must print off the populated FP34C from the portal and dispatch it alongside their bundle of paper prescriptions.
- No advance payment will be received for very late FP34C submissions (using either MYS or paper).
- The final reconciliation payment date remains unchanged** i.e. this will be paid on the 1st working day of the month approximately two months after contractors have submitted the appropriate FP34C form and prescriptions for pricing.

Table 1: New earlier advance payment timetable to apply from November 2021 (for October 2021 prescriptions)

Dispensing month	October 2021	November 2021	December 2021
Pharmacy submits FP34C through MYS by the 5th of the following month in which supply was made	by 5 November 2021	by 5 December 2021	by 5 January 2022*
Earlier advance payment date (4 working days after submission deadline)*	11 November (for submissions made using paper FP34C or for submissions through MYS after the 5th, advance would be paid on 1 December)	9 December (for submissions made using paper FP34C or for submissions through MYS after the 5th, advance would be paid on 31 December)	11th January* (for submissions made using paper FP34C or for submissions through MYS after the 5th, advance would be paid on 1st February)

Reconciliation payment date	31 December 2022	1st February 2022	1st March 2022
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*In months where one or more bank holiday occurs during the first five days of the month, contractors will be given an extra day to submit their FP34C and dispatch their prescription bundle to the NHSBSA. For these months, the advance payment date will remain as four working days from the extended submission/dispatch deadline of the 6th of the month.

3. Administrative charges for late submissions from April 2022

From April 2022 (for March 2022 prescriptions), an administrative charge of £25 will apply to pharmacy contractors who cannot provide evidence that they submitted their FP34C through MYS and dispatched their prescription bundle by the 5th of the month following that in which supply was made.

Where evidence is provided by a contractor confirming that the correct submission requirements were followed, no administrative deduction will be made by the NHSBSA. If no evidence is provided, then an administrative deduction of £25 will be made from the contractor's next Schedule of payments.

In instances where the contractor does not provide any evidence, but the correct claiming process was followed as outlined in the Drug Tariff, the contractor will have an opportunity to overturn NHSBSA's decision to apply an administrative deduction, by providing evidence and submitting it alongside an appropriate claim form available on NHSBSA's website. The contractor will need to submit the evidence and the appropriate form no later than one month after the month in which the administrative deduction was made.

For submission of prescriptions bundles to the NHSBSA, contractors are advised to use a reliable and secure courier or postal service that offers track and trace (as outlined in Clause 5A of the Drug Tariff). After dispatching the prescription bundle, contractors should track the delivery to confirm it has been accepted by the NHSBSA. If the prescription bundle has not arrived as expected, contractors should make enquiries with the courier to establish the whereabouts of the bundle and notify the NHSBSA as soon as possible. Proof of postage by the 5th and/or delivery confirmation should be retained as evidence in case there are any issues e.g. If a prescription bundle goes missing or is delayed in transit to the pricing division etc.

It is also important to note that any pharmacy contractor who fails to submit their FP34C and dispatch their bundle by the 5th of the month following that in which the supply was made, will **NOT** receive early advance payments for their late FP34C submission but instead will receive advance payments in accordance with the current payment timetable i.e on or around the 1st of the month following submission. The deduction of £25 reflects the administrative costs involved in NHSBSA calculating and making these payments.

If the FP34C and prescription bundle is received very late by the NHSBSA (usually after the 20th of each month), contractors will not receive any advance payment but instead will only receive the final reconciliation payment. For each month, the FP34C submission cut-off dates for normal advance payments will be published on the NHSBSA's website.

4. Extended submission deadlines for bank holidays

In months where one or more bank holiday occurs during the first five days of the month, contractors will be given an extra day to submit their FP34C and dispatch their prescription bundle to the NHSBSA. For example, with New Year's Day in 2022 falling on a Saturday and its substitute day (Monday 3rd January) occurring in

the first five days of the submission window, contractors will have until the 6th of January to complete their monthly submission and dispatch their prescription bundle to the relevant pricing division at the NHSBSA. For these months, the advance payment date will remain as four working days from the extended submission/dispatch deadline of the 6th of the month.

Note: The requirement to submit electronic Claim Notification (CN) messages or Electronic Reimbursement Endorsement Messages (EREMs) within the first 5 days remains unchanged.

5. Contingency arrangements for submissions using the MYS portal

In exceptional circumstances, where a contractor through no fault of their own is unable to submit the FP34C form through the MYS portal, contractors are advised to contact the NHSBSA either by emailing nhsbsa.mys@nhs.net or by contacting the MYS helpdesk number (0300 330 1368) between Monday – Friday (excluding bank holidays). Contractors should note that this route is available only for emergencies, which are related directly to the contractor (for e.g. connectivity issues/internet outage in the contractor's area), and unrelated to the MYS platform itself.

Contractors, who will be using the email route, are advised that they must apply an electronic signature to the email to secure payment. Contractors, using the telephone route, are advised that the NHSBSA will contact the contractor via their preferred email address (provided to NHSBSA during the call), for them to confirm that the claim the NHSBSA noted via the phone call was correct, and the contractor must apply an electronic signature to the confirmation email to secure payment. An electronic signature may include a scanned image of handwritten signature added to the email sent to the NHSBSA. In case of the MYS platform being down, there will be instructions for contractors on the NHSBSA's website on what to do.

6. Formalising requirements for EPS

The September 2021 Drug Tariff formalises the following requirements for prescriptions issued via EPS:

- Contractors must ensure that the Electronic Reimbursement Endorsement Messages (EREMs) are correctly endorsed as per the Drug Tariff requirements (Clause 9, Part II).
- The correct exemption or paid status should be marked on the EREM. Unless an automatic exemption applies, the NHSBSA deduct prescription charges based on the paid/exempt status annotated on the EREM. Automatic exemptions include age exempt prescriptions, prescription forms with only free-of-charge sexual health medication and/or contraceptives, where Real Time Exemption Checking (RTEC) confirms an exemption and where a smaller quantity (in comparison with the prescription) of a drug is supplied in accordance with an SSP.
- Contractors must annotate the number of submitted EPS items (EREMs) on the FP34C form.
- Contractors should be mindful of the EPS five-day window when completing their FP34C declaration. The dispensing month in which an EPS prescription is submitted and counted for payment is determined by two key dates: the dispense notification (DN) date and the claim notification (CN) or EREMs date. For more information on the EPS five-day window see our [Factsheet: Claiming for EPS prescriptions on time](#).
- The Dispense Notification (DN) message must be sent before the CN or EREMs
- Where a DN message is sent before midnight on the last day of the dispensing calendar month, the accompanying EREM must be received by the NHSBSA before midnight on the 5th of the following month to be counted towards the total items for the actual dispensing month.

- If the EREM is submitted later than the 5th of the following month in which supply was made, the item will NOT be counted towards the actual dispensing month. EREMs submitted after the 5th of the following month will be priced with next month's claim.
- Contractors are encouraged to send EREMs frequently throughout the month. If EREMs are submitted in batches at the end of the month, there is a risk of delayed payments if a technical issue prevents the successful transmission of claims to the NHSBSA.
- Aim to submit the EREM soon after the final DN has been sent, and before the 180-day (six months) prescription claiming deadline. EREMs submitted later than 180 days after the DN was sent, will not be subject to payment.

Token submission requirements

The FP34C outlines requirements to submit certain EPS tokens for non-payment to the NHSBSA together with the monthly prescription bundle.

- Unless an automatic exemption applies, it is a condition of entitlement to exemption from prescription charges that the patient or their representative claiming exemption must make and duly complete a declaration of entitlement on the EPS token.
- Where applicable, the declaration made on the token must be transferred to the EREM before it is submitted for payment.
- Each month, contractors must submit tokens for electronic prescriptions (except those for age exempt patients, prescriptions where only free-of-charge (FOC) items are prescribed and where Real Time Exemption Checking (RTEC) confirms an exemption). FOC items include FS-endorsed sexual health medication and contraceptives listed in the Drug Tariff.
- Tokens must be sorted separately from FP10 paper prescriptions and dispatched with the prescription bundle no later than the 5th of the month following that in which supply was made.
- EPS Tokens may be checked against claims for payment for audit purposes and possible enforcement action taken if NHSBSA's checks cannot confirm a patient's entitlement to free prescriptions.

If you have queries on this PSNC Briefing or you require more information, please contact info@psnc.org.uk.

Appendix A

Early advance payment for MYS FP34C submissions made between 1st and 5th of the month

Images 1 and 2 below illustrate the advance payment timetable for FP34C submissions made through MYS during first 5 days of the month following that in which supply was made. For example, for prescriptions dispensed in October 2021, a contractor who submit their FP34C declaration through MYS during the first 5 days of November 2021 will receive an early advance payment four working days after the submission/dispatch deadline of the 5th (i.e on 11 November 2021). Pharmacy contractors who wish to take advantage of the new advance payment timetable must:

- submit their FP34C through MYS by the 5th of the month following that in which the supply was made;
- submit their electronic Claim Notification (CN) messages or Electronic Reimbursement Endorsement Messages (EREMs) throughout the month and no later than the 5th of the following month in which the supply was made; and
- dispatch their paper prescriptions bundles by the 5th of the month following that in which the supply was made.

Image 1: Submission requirements for early advance payment from November 2021 (for prescriptions dispensed from October 2021)

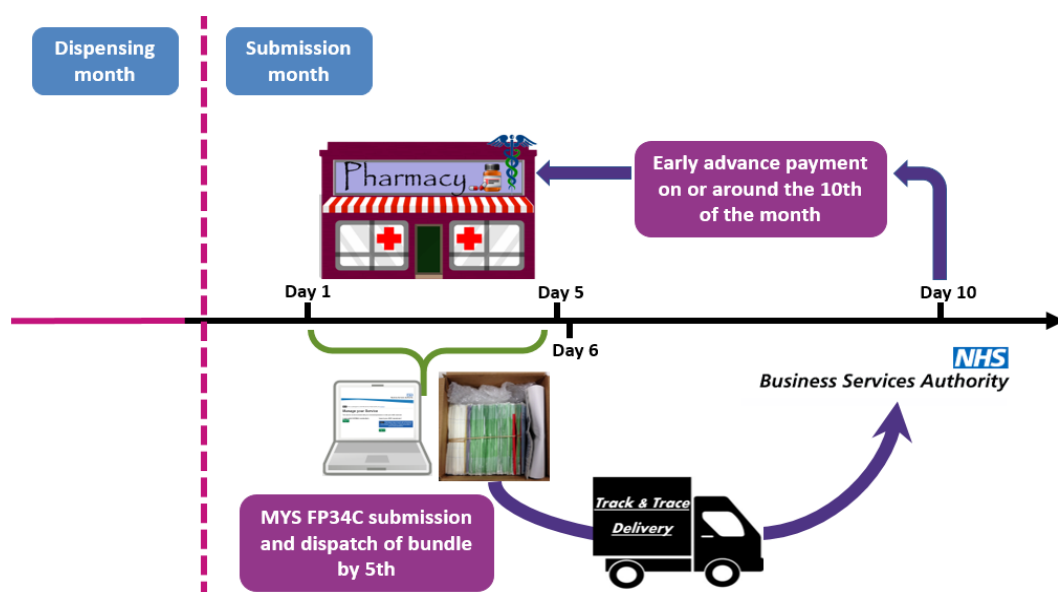
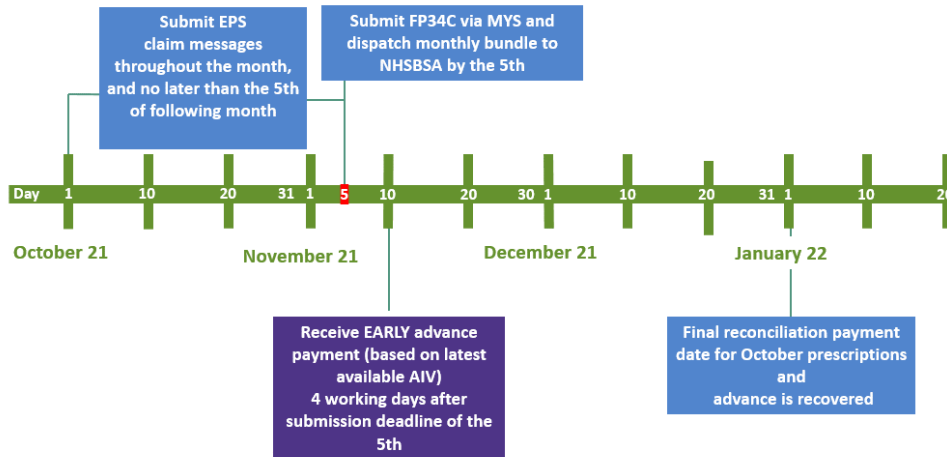


Image 2: FP34C submission through MYS and payment timeline from November 2021 (for prescriptions dispensed from October 2021)



Note: The final reconciliation payment date remains unchanged.

Appendix B

Normal advance payment for late MYS FP34C submissions (ie between the 6th and 20th* of the month)

Any pharmacy contractor who fails to submit their FP34C and dispatch their bundle by the 5th of the month following that in which the supply was made, will be paid in accordance with the current payment timetable. Image 3 below illustrates the **advance payment timetable** for FP34C submissions made through MYS **after the 5th of the month** following that in which supply was made.

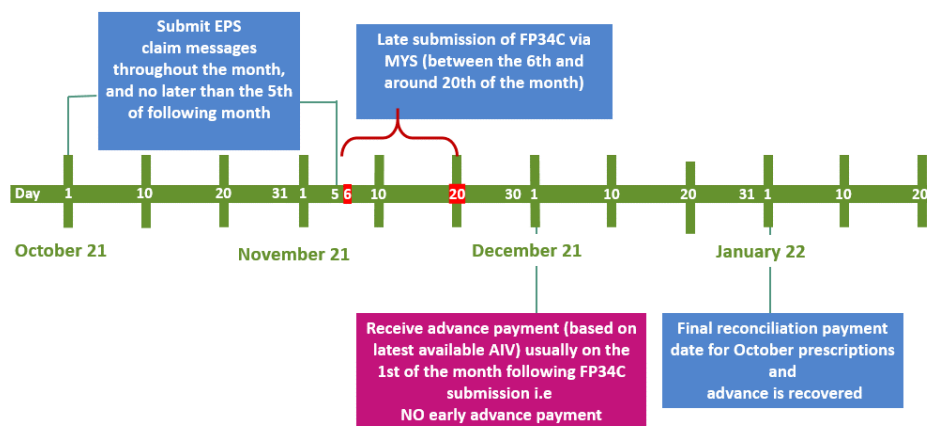
For example, for prescriptions dispensed in October, a contractor who submits their FP34C declaration using MYS **on or after the 6th of November 2021 but no later than 23rd November** will **NOT** receive early advance payments for their late FP34C submission but instead will receive advance payments in accordance with the current payment timetable i.e on or around the 1st of the month following submission.

If the FP34C is received very late by the NHSBSA (usually after the 20th of each month), contractors will not receive any advance payment but instead will only receive the final reconciliation payment.

*For each month, the FP34C submission cut-off dates for normal advance payments will be published on the NHSBSA's website.

Note: The final reconciliation payment date remains unchanged.

Image 3: Late FP34C submission through MYS and payment timeline from November 2021 (for prescriptions dispensed from October 2021)



Appendix C

Normal advance payment for paper FP34C submissions until March 2022 (for prescriptions dispensed until end of February 2022)

Any pharmacy contractor who uses the **paper FP34C submission document** to submit their monthly declaration by the 5th of the month following that in which the supply was made, will be paid in accordance with the current payment timetable. Image 4 below illustrates the advance payment timetable for paper FP34C submissions (until March 2022 after which MYS will be the only route for all FP34C submissions). For example, contractors who submit their October declaration using the paper FP34C submission document will **NOT** any receive early advance payments but instead will receive advance payments in accordance with the current payment timetable i.e on or around the 1st of the month following submission.

If FP34C's are received very late by the NHSBSA (usually after the 20th of each month), contractors will not receive any advance payment but instead will only receive final reconciliation payment. For each month, the FP34C submission cut-off dates for normal advance payments will be published on the NHSBSA's website.

Pharmacy contractors should note that currently, [over half](#) of all contractors are using MYS to submit their end-of-month FP34C figures. From April 2022 (for March 2022 prescriptions) the submission of the FP34C through MYS will become compulsory and the paper FP34C submission document will no longer be sent to pharmacy contractors. Therefore, contractors who use paper FP34Cs for their monthly submissions are strongly encouraged to start using MYS to make their declarations.

Note: The final reconciliation payment date remains unchanged.

Image 4: Paper FP34C submission and payment timeline until March 2022 (for prescriptions dispensed until end of February 2022)

