

Price Concessions and Medicines Supply webinar

15th October 2026, starting at 7pm

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MS Teams



The background features a large teal rectangle in the center. Surrounding it are various smaller squares in teal, orange, and purple, some overlapping the main rectangle. The overall aesthetic is modern and geometric.

Overview

In our time together

- Put price concessions in the context of current environment
- Explore why price concessions is a difficult topic
- Explain how the current price concession process works
- Outline recent improvements made to the system
- Give a sense of what lies ahead
- Answer your questions

The background features a large, solid orange rectangle in the center. Surrounding this rectangle are several smaller squares in various colors, including teal, purple, orange, and dark green, scattered across the light blue background.

The Current Environment

What is a price concession?

- A price concession is a **discretionary, temporary adjustment** to the reimbursement price for a Part VIIIA generic medicine (or a Part VIII B and Drug Tariff specials), above the Drug Tariff-listed price for that month
- DHSC is under no obligation to grant a price concession
- DHSC sets the price after **consultation** with our team
- The price concession is only applicable to prescriptions dispensed and submitted for payment for the month in which it is granted
- Pharmacies are automatically reimbursed this price. **No additional endorsements are required** – 'NCSO' endorsement not in use since April 2013

Context around price concessions

- Pharmacy owners are working to manage **multiple pressures**, with medicines supply issues consistently reported as their **biggest concern** in our polling
- There have always been shortages and pricing issues, but it is **much worse now** because of shocks to world / UK economy
- Pharmacy businesses are given their financial position **less able to absorb fluctuations**
- The real challenge is not simply concessions, but the cumulative impact of **prolonged funding pressures** that are undermining the sustainability of many community pharmacies

Context around price concessions

- There is an **inherent tension** between individual and system-level perspectives
 - Pharmacy owners focus on avoiding dispensing losses
 - DHSC's priority is delivering the £1.1bn margin allowance across the sector as a whole
- CPE have been clear with DHSC that any dispensing at a loss is unacceptable and that more money is needed in the system
- DHSC have granted price concessions but in general focusses on reimbursing overall pharmacy owners fairly overall
- In 2022, several pricing and supply issues prompted a review of the price concession system

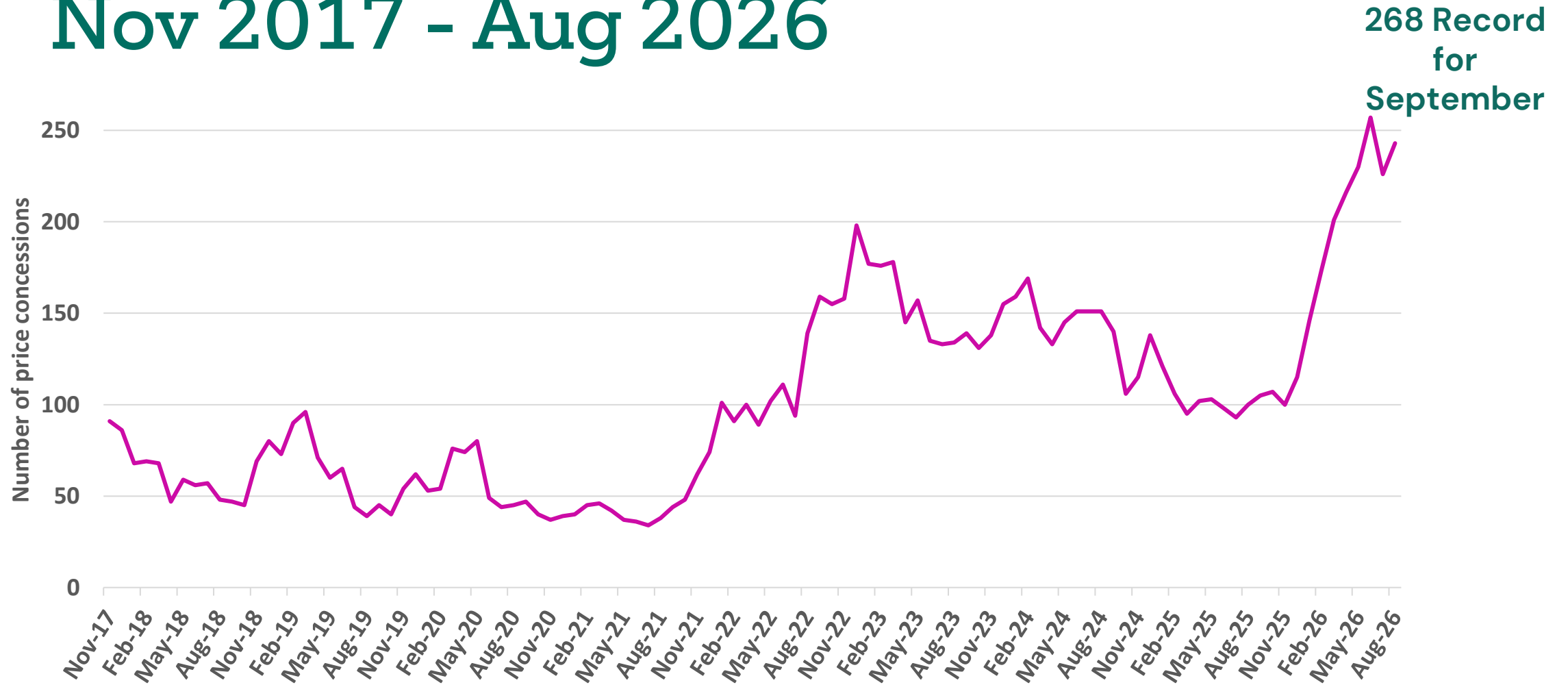
The Process

The background features a light teal gradient. A large, solid orange rectangle is centered on the page, containing the text 'The Process' in white. Scattered around this central rectangle are several smaller squares in teal, orange, and purple, some of which are partially overlapping the orange rectangle.

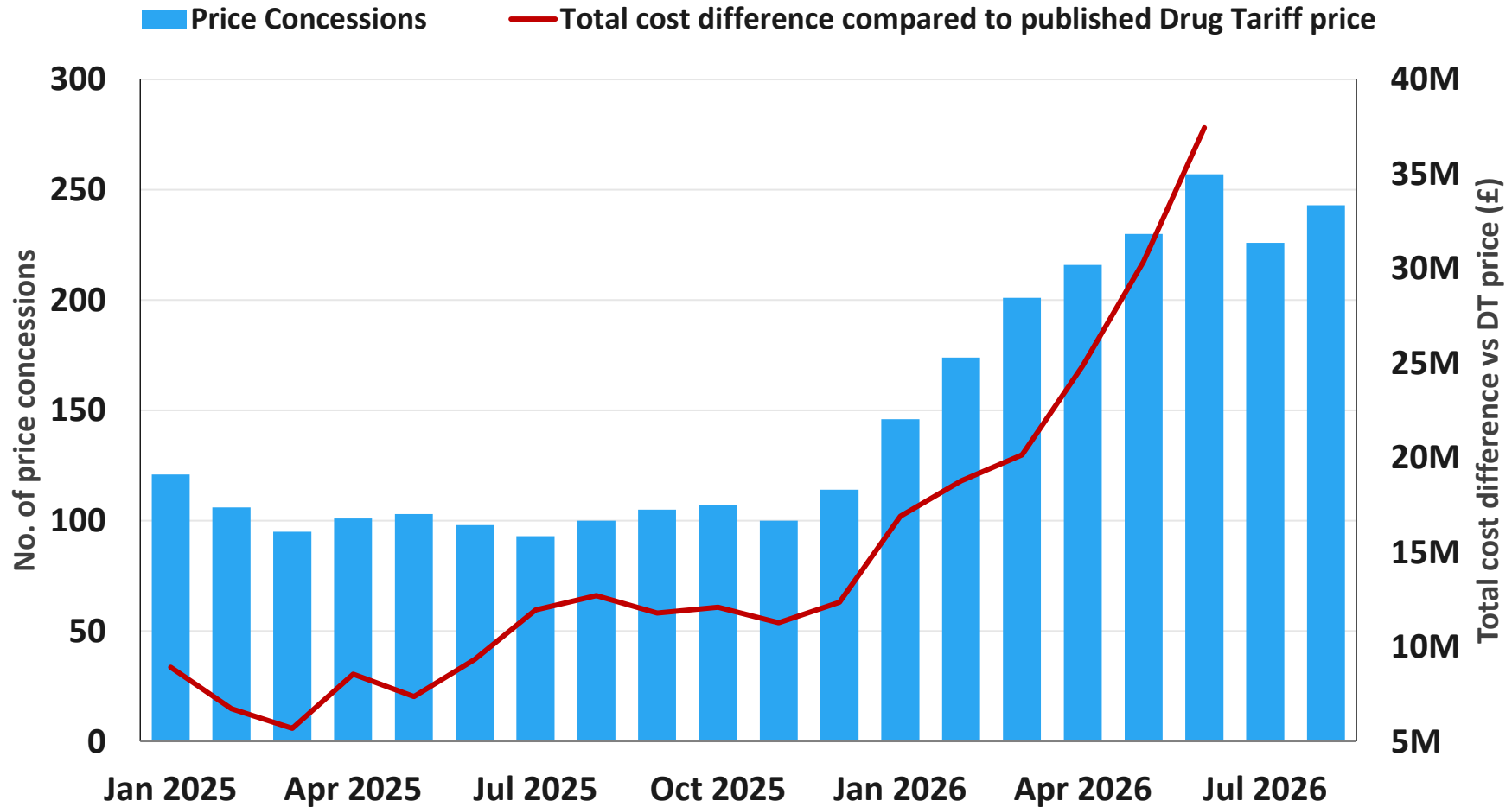
Why do we have so many price concessions?

- The UK medicines supply chain is highly complex, with many factors driving the volatility of pricing and supply in the market. Reimbursement prices have not kept pace with market prices due to several factors such as:
 - **Pharmacy funding pressures** as margin delivery has squeezed prices
 - **Macroeconomic effects** of global conflicts, fuel price increases and trade wars
 - **Rising inflationary pressures** affecting manufacturing and distribution costs
 - **High demand** for medicines affected by **supply disruptions** driving up their prices
 - **Tariff prices are set quarterly using lagged data** and therefore any price shocks will not be accounted for immediately in reimbursement prices

Price concessions granted between Nov 2017 - Aug 2026



Price concessions granted between Jan 25 – Aug 26



Price concessions granted between Sept 25 – Aug 26

In the 12 months between September 2025 and August 2026, it is estimated that price concessions have **cost NHS an additional £221m**

Record number of concessions announced in September 2026 (**268 products**) from June 2026 (**257 products**)

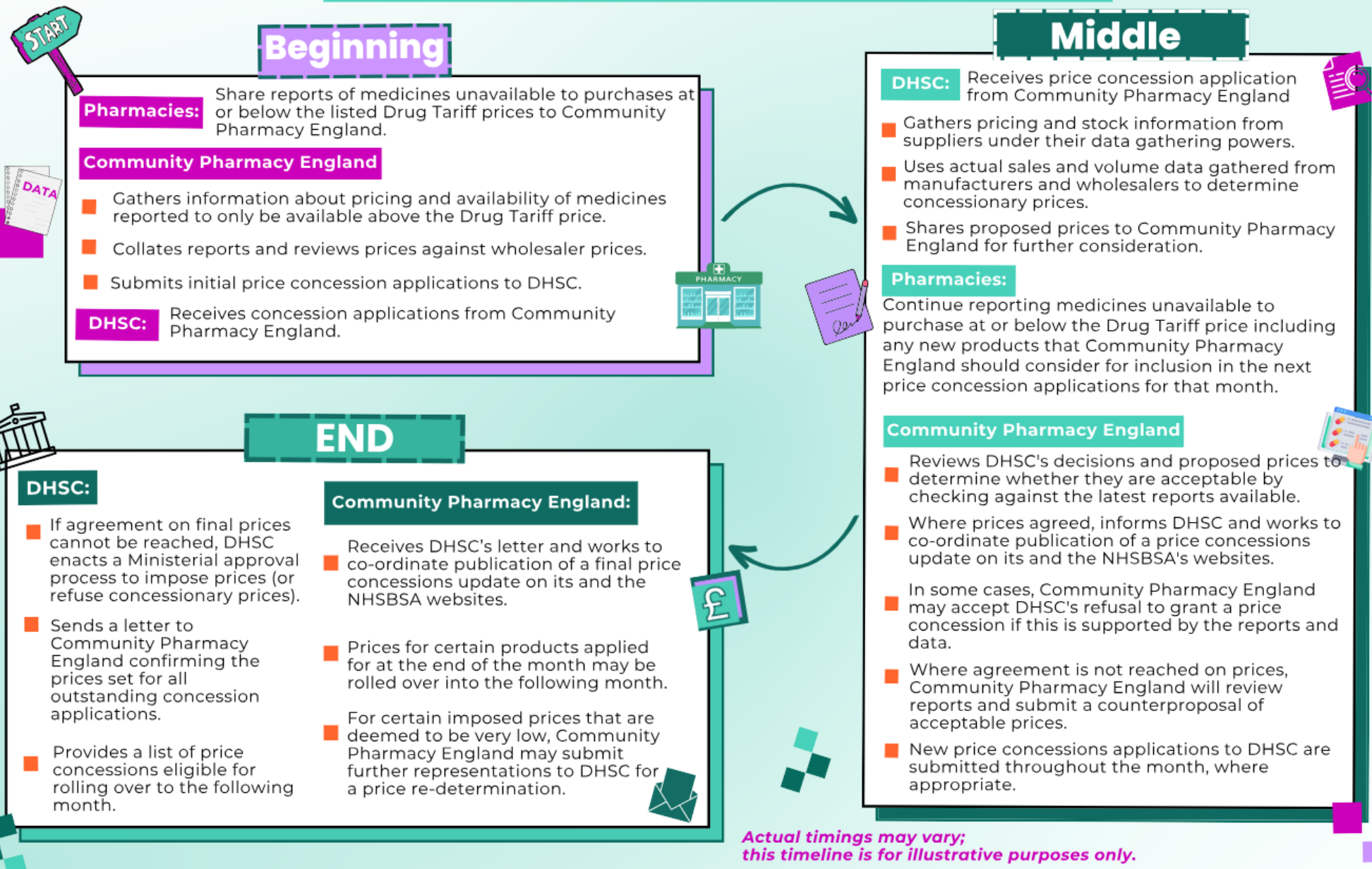
In the 12 months between September 2025 and August 2026, a total of **2119 price concessions granted by DHSC**

Our team regularly receive over **300k reports** of purchases above Drug Tariff prices each month

According to our 2026 Pharmacy Pressures Survey, just **99% say medicine reimbursement prices do not cover costs**. CPE keeps making this point to government

Monthly Concessions Cycle

How the price concession process progresses in a typical month.



Reporting generic drugs over Drug Tariff price

Our price concession reporting tools include:

- Automated weekly over Drug Tariff purchase reports **via certain cascade purchasing systems**
- via our **online reporting form** – cpe.org.uk/pcreporting
- **email** concessions@cpe.org.uk (use our MS Excel spreadsheet for reporting multiple drugs)

Report product(s) purchased over Drug Tariff price

Published on: 23rd July 2013 | Updated on: 11th May 2026

Please complete the reporting form below if you are having problems obtaining a Part VIII product at or below the published **Drug Tariff price**. Please include full details of the supplier and price paid for any products sourced above the published Drug Tariff price. We will investigate the extent of the problem and, if appropriate, submit a price concession application to DHSC. Any prices granted by DHSC, will only be agreed by Community Pharmacy England if they are supported by the reports received by our team. See our **Price Concessions** page to view current/previously granted price concessions.

Reporting single items?

Please complete the feedback form below:

(Note: to report multiple items purchased over Drug Tariff price, you can use the spreadsheet provided below).

Pharmacy F-code/ODS code *

Name of your pharmacy *

Your postcode *

	A	B	C	D	E	F	G	H	I	J	K
1	Please complete this form as fully as possible and email it to medicines.shortages@psnc.org.uk . For more information on generic shortages, please visit psnc.org.uk/ncso										
2	Your name	Pharmacy name	Postcode	Email address	Name of generic product	Strength	Form	Have you been able to obtain this product?	What price did you purchase the product at?	What pack size did you purchase?	Which wholesalers did you try to obtain the product from?
3	A Pharmacist	Acme Pharmacy	PH1 6RM	pharmacist@pharmacy.com	Paracetamol	500mg	Tablets	Yes	£1.00	100	AAH, Alliance, Colorama
4											
5											
6											
7											
8											
9											

What do we do with the pricing reports?

We rely on reports and data received to assess each line and the extent of the problem

We also consider the wider market context for e.g. any ongoing supply disruptions

In general, pharmacy owners only report purchases above Drug Tariff prices to us

An application for a price concession is not submitted if we are confident that stock is available to purchase at or below the listed Drug Tariff-listed price

Application for a price concession

 At the start of each month, we identify the medicines that need improved prices based on:



Reports submitted by pharmacy teams via our **online reporting tool**



Automated reports of purchases over Tariff prices generated by **ordering systems / buying portals**



Wholesaler ordering systems, supplier price lists and price change notifications



We continue monitor and feed in any **new reports received throughout the month**



Further price concession applications are submitted following checks carried out the team

What data does DHSC gather to determine concessionary prices?

- Each month, the Department gathers its own data to support the concessionary price setting process
- DHSC's data gathering powers are afforded by [The Health Service Products \(Provision and Disclosure of Information\) Regulations 2018](#)
- Under these regulations, suppliers (manufacturers, importers and wholesalers) are **legally required** to provide information on **volumes and prices of specified medicines** upon request
- The regulations require suppliers to provide this information **within 2 working days of the request**

DHSC's price-setting approach

- In general, DHSC applies an **uplift to the data they've gathered using a weighted formula**
- The uplift is designed to cover supply chain (including pharmacy owners') margin
- **Based on exchange of information and negotiation with DHSC, discretion** may then be applied before the final concession price is determined
- Even though the Department determines the final concessionary prices each month, the reports provided by pharmacy owners supports CPE's negotiating position to request improved prices

Price negotiation process - 1

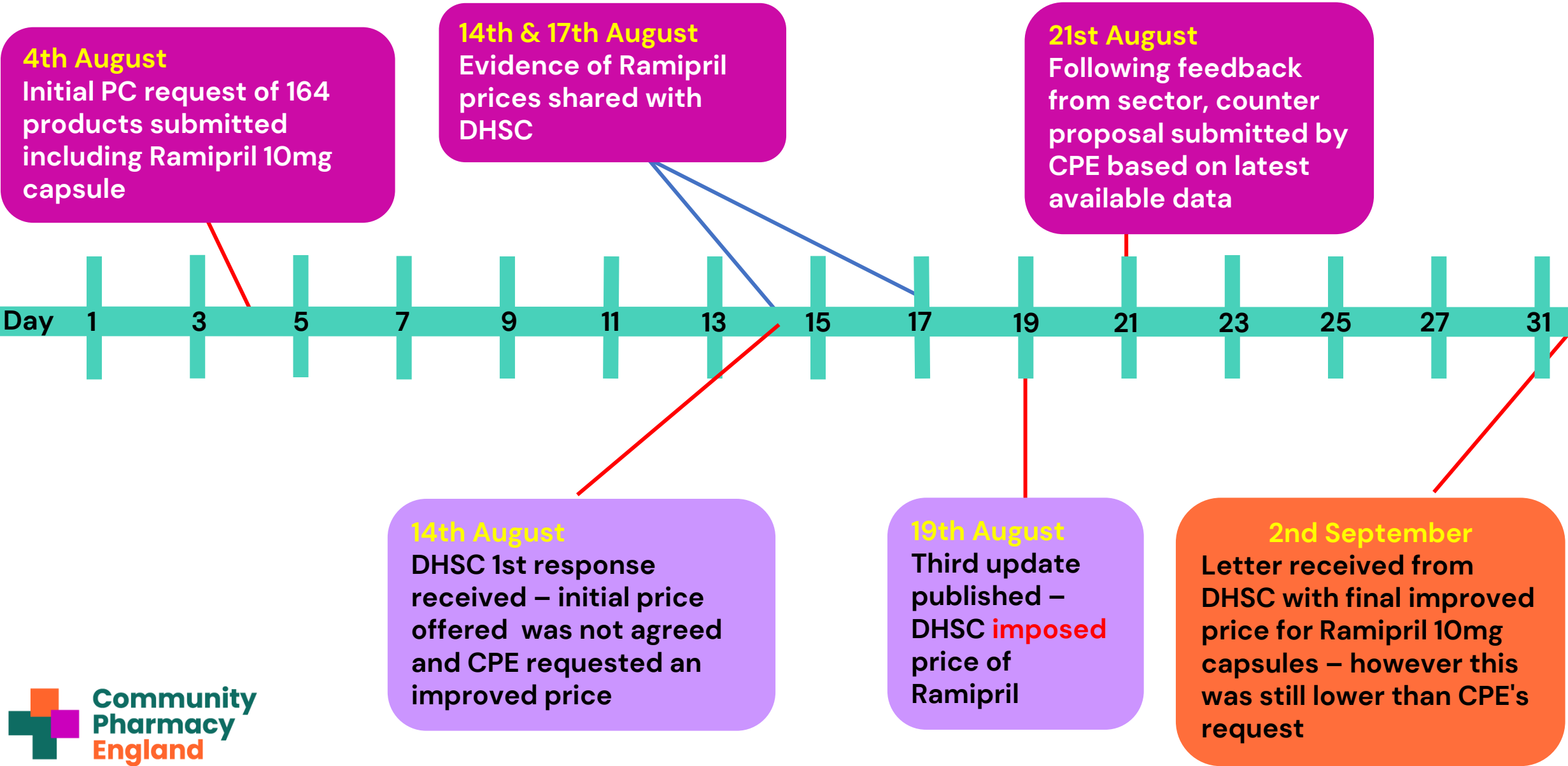
- Following their initial investigation, DHSC will propose a concessionary price or grant no price concession at all
- We will then either **agree/disagree** with the offered price based on the data reported to us by pharmacy owners
- Where we cannot accept DHSC's initial price proposal, we will put forward a counter-proposal for an acceptable concessionary price
- DHSC may then either:
 - **agree the initial counterproposal price**; or
 - **offer a lower concessionary price** to our initial counterproposal; or
 - **offer no price concession**

Price negotiation process - 2

For products where initial agreement on prices cannot be reached:

- We go through **several rounds of negotiations** over a series of meetings throughout the month with DHSC to try and reach a **compromise** on prices
- If prices increase during the month, we may submit a revised proposal to DHSC. Conversely, if reports indicate that prices have dropped during the month, we may lower our expectations
- If we are still unable to reach agreement on the final price, DHSC, following Ministerial approval, will **impose** a price they feel is reflective of the market based on the data they have access to

Timeline showing price negotiation journey for Ramipril 10mg capsule – August 2026



Communication of price concessions

- You can visit our website
- Receive an alert via email once an update is issued
- To receive alerts, sign up at cpe.org.uk/newsletter

Pharmacy News



September 2026 Price Concessions 1st Update

16th September 2026

2026 Community Pharmacy Workforce Survey

14th September 2026

New regulations to support prescribing, closures for learning and other CPCF changes

11th September 2026

Reminder: BD and Novofine pen needles deleted from September 2026 Drug Tariff

11th September 2026

Reminder: Supply of unlicensed Propranolol modified-release capsules

10th September 2026

[See all news](#)

Two SSPs issued for Lansoprazole 15mg and 30mg orodispersible tablets

In response to a significant ongoing disruption to the supply of Lansoprazole 15mg orodispersible tablets and Lansoprazole 30mg orodispersible tablets, two Serious Shortage Protocols (SSPs) have been issued by the Department of Health and Social...

9th September 2026

Price Concessions

Published on: 28th February 2020 | Updated on: 16th September 2026

What is a price concession?

When community pharmacies cannot source a drug at or below the reimbursement price as set out in the Drug Tariff, the Department of Health and Social Care (DHSC) can introduce a price concession at the request of Community Pharmacy England. A price concession can be requested for any drugs listed in Part VIIIA, Part VIIIB and Part VIIID of the Drug Tariff. For any drugs granted price concessions, contractors are automatically reimbursed at the new prices for that month.

Report a pricing issue

The following

The following



Price Concessions Announcement

16th September 2026

September 2026 Price Concessions

Retrospective Price Redeterminations

Following publication of final prices, some of which are imposed by DHSC, we occasionally receive feedback from pharmacies about certain prices being too low:

- CPE collates and shares this feedback with DHSC, along with evidence of wholesaler prices, including actual pharmacy purchase invoices
- If a concessionary price is deemed too low, we request DHSC to review and redetermine the price based on the evidence provided
- **In the last 12 months (Oct 2025 to Sept 2026), CPE has secured 23 price redeterminations** i.e. improvements to the final prices granted
- There is an additional safeguarding mechanism in place with retrospective top-up payments – explained later

Where we currently stand

- CPE negotiate hard and **generally reach agreement** on the prices of most medicines
- However, in recent months we have remained **far apart** on the prices for many medicines
- The market prices are **not reflective** of reimbursement/concessionary prices for many medicine
- We have highlighted these concerns to DHSC
- Thanks to reports from you we have provided a wealth of **evidence** of prices in the market along with **pharmacy feedback** to demonstrate the impact of imposed concessions on pharmacy cashflow

Challenges CPE face

- Despite several challenges and representations from us, DHSC remains confident with their price-setting approach stating that '***according to data held by the Department, a considerable amount of stock was available at or below the proposed concessionary prices at some point during the month..***'
- DHSC is concerned that setting inflated concessionary prices would encourage gaming in the market at the taxpayers' expense
- However, our position is that pharmacies **cannot continue to subsidise the NHS medicines bill**
- The concessions system is no longer coping with the **current price volatility** in the market and the global shocks

Factors affecting pharmacy pricing

- Devolved buying means community pharmacies are used to squeeze the whole supply chain
- Better buying should enable better access to margin
- The **global medicines supply chain** – these are worldwide commodity markets drive by geopolitical factors
- **Regional variation** – local prescribing patterns and wholesaler availability leading to variation in dispensing mix
- Independent pharmacy owners buying at varying prices
- Wholesaler ties can affect access and price

Price concessions – getting the price right

The final price covers the whole month

Getting the price right depends on a numbers of factors for example number of reports, market volatility, medicine stock levels, quality of DHSC data

Sometimes, imposed prices do not reflect market availability

Where final imposed prices are significantly below market prices, we will submit written representations to the Department seeking a review of the prices

DHSC will re-investigate and may re-determine the price

Are DHSC's data gathering powers working effectively ?

- Summary of findings of the latest Annual Review of the regulations (published February 2026, which considers the extent to which the DHSC's data gathering powers have achieved their intended objectives (for the review period July 2022 – June 2025):
 - approximately **155 companies** are contacted each month with a request for volume and price information
 - DHSC considers regulations are effective and their objectives appropriate
 - DHSC proposes broader data, stronger supply and compliance management, and two-yearly reviews
- Awaiting the outcome of a consultation into proposed improvement to the information regulations

Are DHSC's data gathering powers working effectively?



Compliance – is NHSBSA reaching out to all suppliers? how many are not providing requested data and how many are taking longer than 2 working days to provide it? Is DHSC enforcing these regulations and issuing suppliers with penalties for non-compliance?



Data quality – are suppliers providing accurate and complete information to provide a true reflection of the market? Is this data cleansed by DHSC?



Data points – is DHSC getting a view of price changes throughout the month or is it only a snapshot of prices at the time the data was requested from suppliers?



Data coverage – for each medicine, is the market coverage of data gathered sufficient for DHSC to confidently set concessionary prices each month?

Challenges around data transparency

- Can DHSC disclose details of the supplier who has stock at the concession price?

No

- Can DHSC share any of the data It has gathered under the Information Regulations confidentially with Community Pharmacy England? **No**

- Can pharmacy owners/public request this data under the Freedom of Information Act? **DHSC considers that it would not be in the public interest to disclose this data because:**

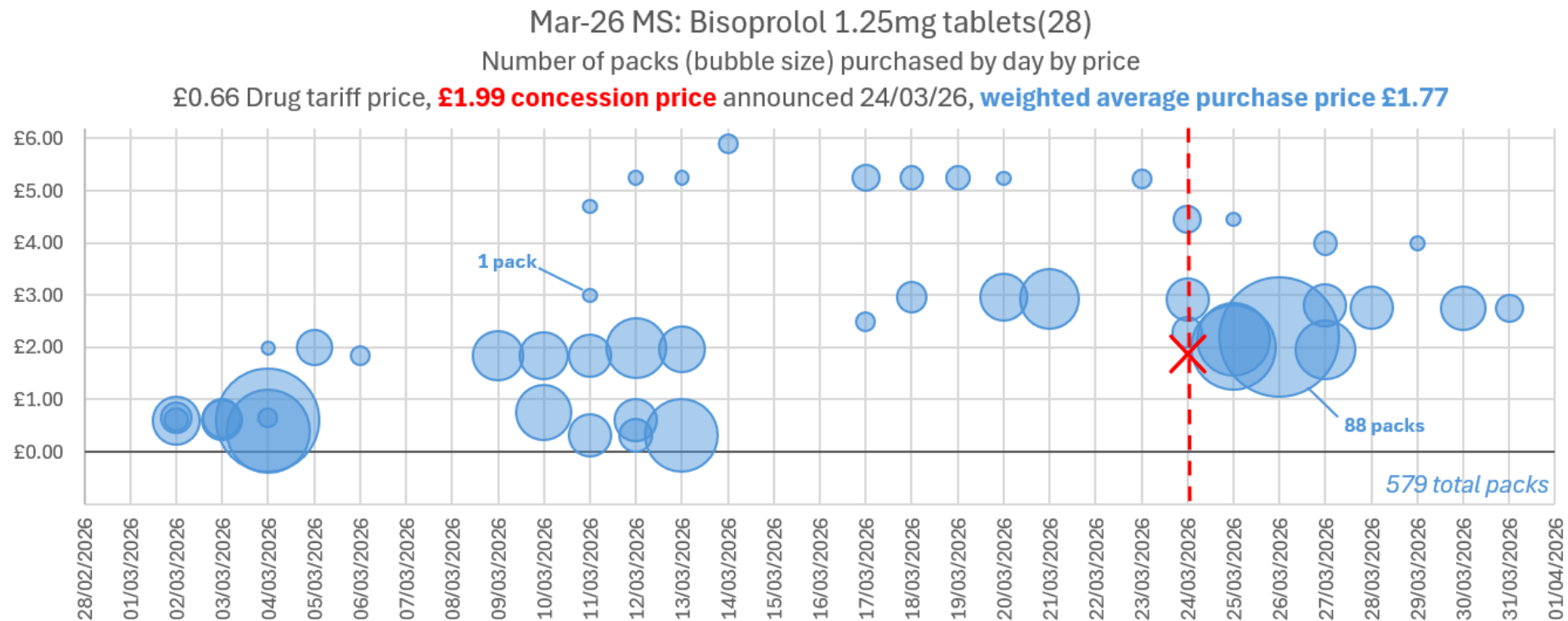
- **it is obtained from suppliers and as such is commercially sensitive**
- **disclosure would be likely to prejudice the commercial interests of suppliers**

Price concessions and margins survey

- Overall margin is monitored and managed via the margins survey
- The survey works by gathering data from **actual purchase invoices** from a sample of **independent** pharmacy owners
- **ALL** price concession lines are automatically included in the survey and their financial impact is accounted for in the final margin survey result
- Results from recent surveys shows that sampled independent pharmacies still made **positive margin** on price concession lines, albeit less than what is normally made on 'normal' generic drugs

Price concessions and margins survey

- The graph below shows an example of a concession line captured by margin survey data



Price concessions: **Effective Buying**

- According to reports and Margins Survey, there can be **significant variations in purchase prices**
- In some cases, this is sufficiently extreme as to make setting a price concession very difficult. This variation means it is virtually impossible for a concession price to satisfy every pharmacy owner
- **Data shows that shopping around using multiple wholesalers results in better outcomes**
- **There are different automated ordering systems available** to support effective buying. Some systems also automate reports of any over Tariff purchases to Community Pharmacy England



Improving the price concession system

Improving the price concession system

In 2022/2023, Community Pharmacy England demanded improvements to the existing system to allow prices to be:

- **more responsive** to changes in the market
- **agreed more quickly** to provide pharmacy owners with certainty of reimbursement
- **set using high-quality data** that reflects the reality presented by pharmacy owners on the ground; and
- **set balancing pharmacy owners' duty to supply** with a reasonable purchase risk

Price concessions review – package of measures



From April 2023, products granted a concessionary price are classified as **'discount not deducted' (DND)** for the month(s) they are on concession.



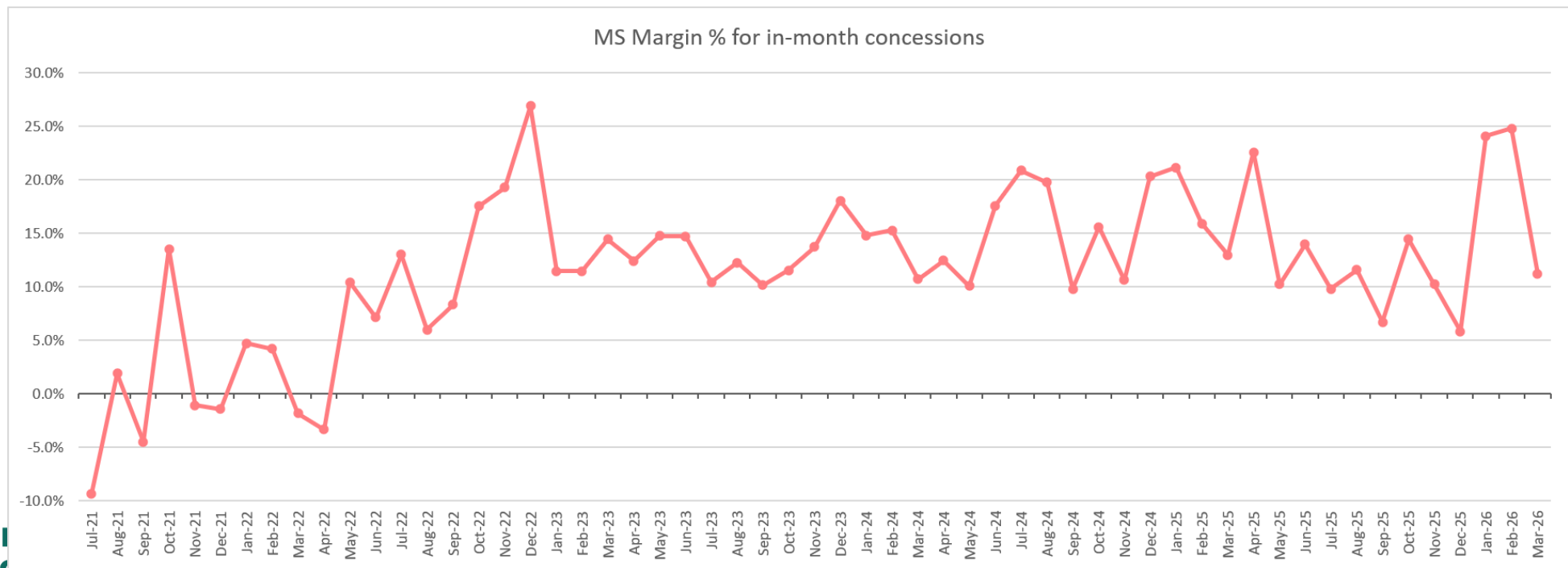
Rolling forward price concessions to the following month – products requested after the 23rd of the month.



Retrospective 'top-up' payments granted for concessions found to be too low

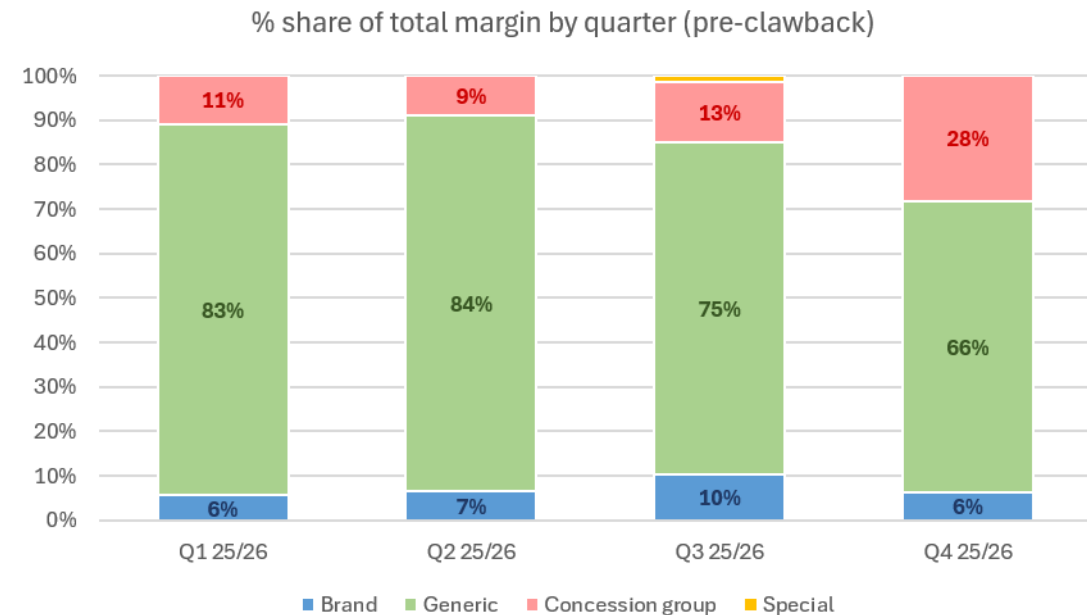
Impact of improvements on overall margin

- Analysis of the **independent** pharmacy data from the Margins Survey shows that overall margin levels on concession products have increased noticeably since the price concession review:



Impact of improvements on overall margin (2)

- Increasing margin on concessions is a double-edged sword, because we have an overall fixed margin allowance, and the margin made on concessions contributes to the overall amount that is measured.
- As concession margin rates have increased, the proportion and quantum of margin from concession lines has gone up, putting pressure on the allowed margin budget.



Price concessions review – ideas for more fundamental reform

- **Inject more cash into the system** – wean NHS off cheap generics
- **Remove or soften obligation to supply by amending the terms of service** so pharmacy owners do not need to supply at a loss
- **NHS guarantee to pay directly** for any purchase cost above the Drug Tariff prices
- **More radical options such as give up buying for those that want to?**

Retrospective Top up Payments

Retrospective Top-up payments

Since top-up payments were introduced in April 2023:

- **78 price concessions have received a top-up payment** (up to October 2026) because the original prices granted by DHSC were inappropriately low
- The total value of all concession top-up payments or additional reimbursement made over the same reporting period is **£8.1m**
- Payments will be displayed in the Schedule of Payments under 'Details of other amounts authorised' with the heading '*Concessionary price top-up payment*'

Top-up payments

- Payments will appear in line with the payment timetable outlined below

Items dispensed in the following months	Top-up payment month
April – June	January in the following year
July – September	April in the following year
October – December	July in the following year
January – March	October in same year

- Shown on the Schedule of Payments under 'Details of other amounts authorised' with the heading '*Concessionary price top-up payment*'

The Outlook

What we are doing next

Part of our asks for CPCF 2026/27 we are seeking **further improvements** to the price concession system including:

- Implement solutions for dealing with long term price concessions i.e. products trapped in the price concession process for an extended period
- Extend concessions to products unavailable to purchase at or below the Drug Tariff price after discount deduction
- Extend criteria to allow more price concessions to be rolled-over to the following month
- Allow price concessions for Part IX appliances/devices unavailable to purchase at or below the published Drug Tariff price

Key points to take away

- Although DHSC does grant price concessions, in general its focus is on reimbursing the community pharmacy sector as a whole
- Following the review, a number of improvements have been made to the current price concessions system
- Overall concessions margin has increased, and this is putting significant pressure on the overall £1.1bn allowance – DHSC needs to inject more funding
- Data shows that shopping around using multiple wholesalers results in better outcomes – consider ordering portals/cascade systems

Useful resources

cpe.org.uk/priceconcessions

Price Concessions

Published on: 28th February 2020 | Updated on: 16th September 2026

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Report a pricing issue

The following price concessions have been granted for September 2026 +

The following price concessions have been granted for August 2026 +

cpe.org.uk/pcarchive

Price concessions archive

Published on: 1st August 2019 | Updated on: 10th September 2026

The following list is an archive of price concessions granted.

[Price concession archive spreadsheet](#)

Price concessions dashboard

August 2026

July 2026

June 2026

May 2026

April 2026

March 2026

cpe.org.uk/pcreporting

Reporting single items?

Please complete the feedback form below:
(Note: to report multiple items purchased over Drug Tariff price, you can use the spreadsheet provided below)

Pharmacy F-code/ODS code *

Name of your pharmacy *

Your postcode *

Generic product *

Strength of the generic product *

Form of the generic product *

Tablets

cpe.org.uk/medicines-supply-resources

Medicines Supply and Price Concessions Resources

Published on: 18th October 2023 | Updated on: 10th May 2026

While the concessions system aims to mitigate the impact of supply or pricing challenges on pharmacy businesses, the persistent instability in medicines supply continues to be a major cause of concern for pharmacy owners, their teams, and their patients. This page provides clarity on how the concessions system operates and the procedures when pharmacy owners report price increases to us. It also contains resources that pharmacy teams can use to educate patients and prescribers about medicine supply issues.

Informative resources for pharmacy owners



Medicines Supply and Concessions Briefing Webinar



Price concession application process



Monthly concessions cycle



Our role in price concessions

Committee Members

