

## Norfolk and Waveney CCG

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# Policy for managing Primary Care Rebate schemes offered by the Pharmaceutical Industry

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**Document Control Sheet**

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<b>Name of document</b>	Policy for managing Primary Care Rebate schemes offered by the Pharmaceutical Industry
<b>Version</b>	2
<b>Date of this version</b>	19 May 2022
<b>Produced by</b>	Medicine Management
<b>What is it for?</b>	The CCG Policy for managing primary care rebate schemes offered by the Pharmaceutical Industry is to provide transparency and governance to this area of work.
<b>Evidence base</b>	Not applicable
<b>Who is it aimed at and which settings?</b>	It applies to the CCG and AGEM CSU.
<b>Consultation</b>	
<b>Impact Assessment:</b>	No impact on patients as the rebate comes from prescriptions already written. This also means that it does not influence the writing of prescriptions, it remains for the prescriber to determine their formulary choices.
<b>Other relevant approved documents</b>	
<b>References:</b>	<a href="#">NHS PrescQIPP Pharmaceutical Industry Scheme Governance Review Board's Operating Model</a>  <a href="#">NHS PrescQIPP Pharmaceutical Industry Scheme Governance Review Board</a>
<b>Monitoring and Evaluation</b>	The policy will be monitored via the medicine's optimisation team, monthly finance reports and Annual Report to the Finance Committee.
<b>Training and competences</b>	None required.
<b>Reviewed by:</b>	Either CO/CFO on behalf of the CCG or Chair of the Audit Committee on behalf of the Audit Committee.
<b>Approved by:</b>	Audit Committee
<b>Date approved:</b>	21 July 2020
<b>Signed:</b>	
<b>Dissemination:</b>	
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<b>Contact for Review:</b>	Medicine Management / Corporate Affairs

**Version Control**

<b>Revision History</b>	<b>Summary of changes</b>	<b>Author(s)</b>	<b>Version Number</b>
18/05/2022	Amended to include sign off required by the Chief Finance Officer if the rebates relate to a continuation of service	Nikki Bartrum, on behalf of Finance Committee	2

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## 1 INTRODUCTION

- 1.1 Within the NHS medicines are generally purchased in one of two ways:
- In primary care, medicines are paid for through the Prescription Pricing Division of the NHS Business Services Authority who reimburses pharmacists for the drugs they dispense on the NHS at drug tariff prices.
  - In hospitals drugs are purchased direct from the manufacturers (or through purchasing hubs) and as a result are able to tender their business and obtain discounts through therapeutic tendering.
- 1.2 Over the past few years the pharmaceutical industry has sought to emulate the hospital model through offering retrospective discounts to commissioners based on sales in the community that is on volume of drug prescribed and dispensed on NHS prescriptions.
- 1.3 In recent years commissioners within primary care have seen the introduction, and significant increase in numbers, of rebates offered within primary care. At present there are tens of schemes offered by companies ranging from the smallest to the largest, with schemes varying in composition and size.
- 1.4 Primary care rebates could provide significant efficiency savings if correctly and transparently governed. Failure to ensure transparency and governance could perversely affect local prescribing and affect the reputation of the CCG.
- 1.5 To address the issues of transparency and governance NHS Norfolk and Waveney CCG (the CCG) have developed this policy. The overarching principle of which is that drugs which are currently on the primary care formulary will be considered. The availability of a rebate does not override the clinical decision making process in relation to formulary choice. This policy notes the obligations of the CCG, its staff, Governing Bodies and committee members with regard to the Bribery Act 2010.
- These drugs should in the main have been assessed by the PrescQIPP NHS Programme's Pharmaceutical Industry Scheme Governance Review Board (Review Board) and given either **GREY** or **AMBER** status. In exceptional circumstances, where the drug is first line on the CCG formulary and has yet to be evaluated by PrescQIPP the medicines optimisation team will review the scheme using PrescQIPP's assessment tool as detailed in appendix A of the Review Board's [Operating Model](#); and make recommendations for the Finance Committee based on the outcome of this assessment.
- 1.6 In 2012, the [PrescQIPP NHS Programme](#) established the Pharmaceutical Industry Scheme Governance Review Board, then offering governance on behalf of PCTs, which has now grown to be the largest governance provider on behalf of the majority of CCG in England, Health and Social Care Board Northern Ireland and the Health Boards of Wales.

## 2 SCOPE AND PURPOSE

- 2.1 This policy outlines NHS Norfolk and Waveney CCG's mechanism and governance arrangements for agreement to participate in any primary care pharmaceutical industry rebate scheme.

### 3 DEFINITIONS

<b>Primary Care Formulary</b>	List of agreed cost-effective drugs for use first line in primary care.
<b>PrescQIPP NHS Programme's Pharmaceutical Industry Scheme Governance Review Board</b>	A board consisting of pharmacists' representatives from primary and secondary care; East Anglia Medicines Information Service and procurement specialist pharmacist and a PrescQIPP project manager. The board works to a standard operating model and assess the schemes using a standardised assessment tool encompassing a clinical assessment; a contractual assessment and a financial assessment.
<b>Pharmaceutical Industry Scheme - Rebate</b>	Rebate schemes are predominantly offered by medicines manufacturers as a way of reducing the effective price of a medicine to a CCG without affecting the list price.

### 4 ROLES AND RESPONSIBILITIES

#### 4.1 Medicines Optimisation Team

The Medicines Optimisation Team will:

- Identify primary care formulary drugs for which it would be appropriate to consider a rebate
- Review rebate schemes that have been through NHS PrescQIPP Pharmaceutical Industry Scheme Governance Review Board
- Review the detail of the contract
- Send rebates to the CCG's GP Prescribing Lead for their approval to proceed and signature
- Once the GP Prescribing Lead has approved and signed the rebate the Medicines Optimisation Team will send the rebate to the Finance Committee for final approval and Chief Finance Officer / Director of Commissioning Finance signature
- Manage the process including record keeping; providing data for finance team to raise appropriate invoices; identify opportunities and report to the relevant groups and committee
- Submit an annual report to the Audit Committee and Finance Committee.

#### 4.2 Finance Committee

- Seek assurance with regards to transparency and governance in relation to Pharmaceutical Industry Rebate Schemes
- Review, and where appropriate agree, rebate schemes proposed by the Medicines Optimisation Team
- Receive monthly updates on performance (contained within the monthly finance report)
- Review impact of rebate schemes on primary care prescribing patterns
- Seek assurance with regards to transparency and governance
- Receive an annual report from the Medicines Optimisation Team

#### 4.3 Audit Committee

- Monitor compliance with this policy
- Review this policy

- Receive an annual report from the Medicines Optimisation Team

#### 4.4 Governing Body Sponsor

Chief Finance Officer / Director of Commissioning Finance, who will be the signatory to the rebates

#### 4.5 Policy Authors

Review and update policy at intervals not exceeding two years from date of approval (or sooner should circumstances dictate this is necessary) on behalf of the Audit Committee

## 5 PROCESS / REQUIREMENTS

### 5.1 Governance Process

#### **NHS PrescQIPP Pharmaceutical Industry Scheme Governance Review Board**

NHS PrescQIPP has established a Pharmaceutical Industry Scheme Governance Review Board which provides a central function, to ensure that this is managed with a focus on open, quality-oriented, robust decision-making around rebates. This process also allows greater efficiencies through economies of scale, and reduces challenges from other pharmaceutical companies by providing comprehensive and transparent assessments.

The primary output of the Review Board is an Advisory Note summarising the recommendations for the Scheme submitted. Each Advisory Note includes a Red, Amber or Grey Status depending on the outcome of the assessment stage. The classification of the three colours is as follows:

**Grey** – Scheme Considered; No issues identified

**Amber** – Scheme Considered; Not fully appropriate

**Red** – Scheme Considered; Inappropriate

Submitted schemes have to demonstrate compliance with the following five principles in order to achieve a Grey/Amber Status:

- The therapeutic initiative has a place in clinical practice;
- A long term view of appropriateness is evident;
- There is a transparent, sensible plan for payment and tracking;
- The governance on what the Scheme is, and is not, going to be used for is robust;
- There is a plan for on-going review.

The process of reviewing Schemes submitted by pharmaceutical companies consists of 6 major stages:

1. Submission (Online)
2. PrescQIPP Assessment
3. Independent Review
4. Board Assessment
5. Response
6. Ratification
7. Publication

Full details can be found in the Operating Model

## **5.2 Finance Process**

Sign off by the Chief Finance Officer is required if the rebates relate to a continuation of service.

The Finance Committee will review the rebates proposed by the Medicines Optimisation Team. The Committee will ensure that any approved rebates meet the CCG's prescribing priorities and conform to the CCG's formulary.

## **5.3 Dissemination and Communication to Staff**

This policy will be available on the CCG's public [website](#)

This policy will be highlighted in the Prescribing Update

## **5.4 Document Control Including Archiving Arrangements**

Document owned by Medicines Optimisation Team

## **5.5 Implementation Plans**

Named responsible person within Medicines Optimisation Team will manage process including horizon scanning and preparing relevant documents and reports.

## **6 MONITORING EFFECTIVENESS**

- Finance Committee
- Monthly finance reports
- Policy oversight by the Audit Committee
- Annual report to the Audit Committee and Finance Committee

## **7 REVIEW**

7.1 The CCG in conjunction with the Medicines Optimisation Team will be responsible for monitoring and reviewing this policy.

7.2 Policy will be reviewed and refreshed at intervals not exceeding two years from the date of approval.