

## **Rebate Principles and Process**

### **Background**

Primary care rebate schemes (PCRS) are contractual arrangements offered by pharmaceutical companies, or third-party companies, which offer financial rebates on prescribing expenditure.

Under the terms of such a scheme, the NHS is charged the Drug Tariff price for primary care prescriptions dispensed, the manufacturer then provides a rebate to the primary care organisation based on an agreed discount price. Such schemes are being offered to Clinical Commissioning Groups by the pharmaceutical industry in relation to named products.

Rebate agreements usually take the form of legal agreements between the manufacturer and CCG. It is important that NHS Derby and Derbyshire CCG has a process to support evaluation and sign off of rebate schemes to ensure that schemes are only signed off where they provide good value for money to the public purse and the scheme's terms are in line with organisation vision, values, policies and procedures and to ensure that the CCG is transparent in its process for considering these schemes.

This rebate process provides a framework for managing rebates in a legal and ethical way. The principles outlined in this document allow for the objective evaluation of schemes submitted to the CCG and a clear process for approving and scrutinising agreements.

### **Principles for Assessing Rebate Schemes**

NHS Derby and Derbyshire CCG will adopt the following principles when deciding whether to participate in a PCRS or not.

#### **Product Related**

Any medicine considered under a PCRS must be licensed in the UK. Where there is more than one licensed indication for a medicine, a scheme should not be linked to a particular indication for use.

Any device or nutritional supplement considered under a PCRS should be included within the relevant chapter of the Drug Tariff.

Products should not have a negative decision by NICE, or be included in the Joint Area Prescribing Committee Red or Black traffic light list.

Rebate schemes promoting unlicensed or off label uses will not be entered into. All recommendations for use of a medicine within a PCRS must be consistent with the Marketing Authorisation of the medicine in question.

PCRS are not appropriate for medicines in Category M and some medicines in Category A of the Drug Tariff. This is due to the potential wider impact on community pharmacy reimbursement.

### **Rebate Scheme Related**

Ideally the PCRS should not be linked directly to requirements to increase market share or volume of prescribing. A volume based scheme should only be agreed if clinically appropriate. However, the administrative burden of monitoring such a scheme should be carefully considered.

The primary care rebate scheme will not preclude the CCG from considering any other schemes subsequently offered by manufacturers of competitor drugs, should they wish to do so.

Suppliers should not make guideline or formulary positioning conditional to any rebate offer.

The administrative burden to the NHS of setting up and running the scheme must be factored into assessment of likely financial benefit of the scheme. Consideration should be given to audit requirements, financial governance, data collection, any other hidden costs and practical issues such as the term of agreement.

PCRS agreements should include a right to terminate on notice (without having to have any reason for doing so) with a sensible notice period e.g., three or six months.

There will be no requirement to collect or submit to the manufacturer any data other than volume of use as derived from ePACT data.

Primary care rebate schemes will not be entered into that requires provision of patient specific data.

Primary care rebate schemes will be subject to Freedom of Information (FOI) requests. The CCG will publish a list of the schemes it participates in on the CCG website where permission has been granted by the company. The full terms of the scheme may not be published depending on the nature of the rebate scheme contract.

## Approval and Rebate Management Process

