NHS
Derby and Derbyshire
Clinical Commissioning Group

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 DNP 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

PrescQIPP	**PrescQIPP is a CIC NHS Programme to support quality, optimised medicines management within the NHS. Their Pharmaceutical industry scheme governance review board assesses any rebate schemes for clinical, financial and contractual issues to support CCGs in addressing the risk of perverse incentives from such schemes.**
Rebate Offer	**It is expected that the majority of rebates will be considered following the Prescqipp assessment. Rebates outside of the Prescqipp process will be considered on an individual basis.**
Senior Medicines Management Team (SMMT)	**The SMMT will assess schemes against the Derbyshire rebate principles, making a recommendation to the Derbyshire Prescribing Group.**
Derbyshire Prescribing Group (DPG)	**DPG will review rebate recommendations from the SMMT, providing oversight and assurance.**
Chief Finance Officer (CFO)	**The CFO has designated responsibility for the CCG. The CFO will ensure that due process has been followed and will sign off all contracts.**
Medicines Management Team (MMT)	**The MMT will activate and monitor contracts with the company supported by the CCG finance team. Approved rebate schemes will be published on the Derbyshire Medicines Management website. MMT will liaise with SMMT, DPG, CFO regarding contract expiries, renewals and terminations.**