

Part VI

Net Ingredient Cost Scale For Chemist Contractors

From January 2024 prescriptions, the discount deduction applied to pharmacy contractors monthly total of reimbursement prices will be transitioning to new arrangements.

Under the new arrangements, which will be fully in place by April 2025, there will be three product groups each with their own fixed deduction rates which will be applied to monthly reimbursement prices of the products in that group, as set out in the table 1 below:

Table 1: Discount deduction rates

Group	Definition and products covered by the definition	Discount Deduction rate
Discount rate 1: Generics	Products listed in Part I, Category A and M of the Drug Tariff (excludes products granted price concessions for the given dispensing month)	18.48%
Discount rate 2: Appliances	Products listed in Part II or Part III of the Drug Tariff This includes: <ul style="list-style-type: none"> • Appliances listed in Part III e.g. dressings, elastic hosiery • Incontinence Appliances listed in Part III • Chemical Reagents listed in Part II <p>The Appliances deduction rates applies whether the appliance is prescribed by brand name or generic name.</p>	10.39%
Discount rate 3: Brands	Products not covered by Appliances and Generics definition above. This includes: <ul style="list-style-type: none"> • Products listed in Part I, Category C of the Drug Tariff • Products prescribed by brand name, including branded generics • Products in Category A and M granted concessionary prices for a given dispensing month • Products NOT listed in Part I of the Drug Tariff i.e. non-Part I 	5.27%

To note, those products which are listed on the “Zero Discount” list, [Zero Discount \(hscni.net\)](https://www.hscni.net), are exempt from the revised discounting arrangements, as they are from the current arrangements

The new system will not fully come into place straight away. There will be a transition to the new system over six financial quarters, beginning with January '24 prescriptions (February '24 payment) and concluding with March'25 prescriptions (payment in April 2025). This means the new system will be fully implemented by April 2025. However, this timetable will be kept under review

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Table 2: Transition Period

Prescription month	Prior to Jan'24	Jan-March'24	April-June'24	July-sept'24	Oct-Dec' 24	Jan-March'25	April'25 onwards
Old system weight	100%	85%	70%	50%	30%	15%	0%
New system weight	0%	15%	30%	50%	70%	85%	100%

During the transition, two calculations will be made, the discount at the old rate will be calculated according to Table 3 below, using the monthly total of reimbursement prices to establish the rate that should be applied, and the new rate will be calculated in accordance with the rates as set out in Table 1. The weighting during each quarter will be a varying proportion of the old and new rate as outlined above in Table 2.

From April 2025 prescriptions, the transition period will be complete, and contractors discount will be calculated solely using the new three fixed rates.

Table 3: Discount arrangements up to December 2023 prescriptions (and also applicable during the transition period between January 2024 – March 2025 prescriptions)

Monthly Total of Prices £		Deduction Rate	Monthly Total of Prices £		Deduction Rate
From	To	%	From	To	%
1	125	5.63	3126	3250	6.07
126	250	5.65	3251	3375	6.08
251	375	5.66	3376	3500	6.10
376	500	5.68	3501	3625	6.12
501	625	5.70	3626	3750	6.14
626	750	5.72	3751	3875	6.15
751	875	5.73	3876	4000	6.17
876	1000	5.75	4001	4125	6.19
1001	1125	5.77	4126	4250	6.21
1126	1250	5.79	4251	4375	6.22
1251	1375	5.80	4376	4500	6.24
1376	1500	5.82	4501	4625	6.26
1501	1625	5.84	4626	4750	6.28
1626	1750	5.86	4751	4875	6.29
1751	1875	5.87	4876	5000	6.31
1876	2000	5.89	5001	5125	6.33
2001	2125	5.91	5126	5250	6.35
2126	2250	5.93	5251	5375	6.36
2251	2375	5.94	5376	5500	6.38
2376	2500	5.96	5501	5625	6.40
2501	2625	5.98	5626	5750	6.42
2626	2750	6.00	5751	5875	6.43
2751	2875	6.01	5876	6000	6.45
2876	3000	6.03	6001	6125	6.47
3001	3125	6.05	6126	6250	6.49

Monthly Total of Prices £		Deduction Rate
From	To	%
6251	6375	6.50
6376	6500	6.52
6501	6625	6.54
6626	6750	6.56
6751	6875	6.57
6876	7000	6.59
7001	7125	6.61
7126	7250	6.63
7251	7375	6.64
7376	7500	6.66
7501	7625	6.68
7626	7750	6.70
7751	7875	6.71
7876	8000	6.73
8001	8125	6.75
8126	8250	6.77
8251	8375	6.78
8376	8500	6.80
8501	8625	6.82
8626	8750	6.84
8751	8875	6.85
8876	9000	6.87
9001	9125	6.89
9126	9250	6.91
9251	9375	6.92
9376	9500	6.94
9501	9625	6.96
9626	9750	6.98
9751	9875	6.99
9876	10000	7.01
10001	10125	7.03
10126	10250	7.05
10251	10375	7.06
10376	10500	7.08
10501	10625	7.10
10626	10750	7.12
10751	10875	7.13
10876	11000	7.15
11001	11125	7.17
11126	11250	7.19
11251	11375	7.20
11376	11500	7.22
11501	11625	7.24

Monthly Total of Prices £		Deduction Rate
From	To	%
11626	11750	7.26
11751	11875	7.27
11876	12000	7.29
12001	12125	7.31
12126	12250	7.33
12251	12375	7.34
12376	12500	7.36
12501	12625	7.38
12626	12750	7.40
12751	12875	7.41
12876	13000	7.43
13001	13125	7.45
13126	13250	7.47
13251	13375	7.48
13376	13500	7.50
13501	13625	7.52
13626	13750	7.54
13751	13875	7.55
13876	14000	7.57
14001	14125	7.59
14126	14250	7.61
14251	14375	7.62
14376	14500	7.64
14501	14625	7.66
14626	14750	7.68
14751	14875	7.69
14876	15000	7.71
15001	15125	7.73
15126	15250	7.75
15251	15375	7.76
15376	15500	7.78
15501	15625	7.80
15626	15750	7.82
15751	15875	7.83
15876	16000	7.85
16001	16125	7.87
16126	16250	7.89
16251	16375	7.90
16376	16500	7.92
16501	16625	7.94
16626	16750	7.96
16751	16875	7.97
16876	17000	7.99

Monthly Total of Prices £		Deduction Rate
From	To	%
17001	17125	8.01
17126	17250	8.03
17251	17375	8.04
17376	17500	8.06
17501	17625	8.08
17626	17750	8.10
17751	17875	8.11
17876	18000	8.13
18001	18125	8.15
18126	18250	8.17
18251	18375	8.18
18376	18500	8.20
18501	18625	8.22
18626	18750	8.24
18751	18875	8.25
18876	19000	8.27
19001	19125	8.29
19126	19250	8.31
19251	19375	8.32
19376	19500	8.34
19501	19625	8.36
19626	19750	8.38
19751	19875	8.39
19876	20000	8.41
20001	20125	8.43
20126	20250	8.45
20251	20375	8.46
20376	20500	8.48
20501	20625	8.50
20626	20750	8.52
20751	20875	8.53
20876	21000	8.55
21001	21125	8.57
21126	21250	8.59
21251	21375	8.60
21376	21500	8.62
21501	21625	8.64
21626	21750	8.66
21751	21875	8.67
21876	22000	8.69
22001	22125	8.71
22126	22250	8.73
22251	22375	8.74

Monthly Total of Prices £		Deduction Rate
From	To	%
22376	22500	8.76
22501	22625	8.78
22626	22750	8.80
22751	22875	8.81
22876	23000	8.83
23001	23125	8.85
23126	23375	8.88
23376	23625	8.92
23626	24000	8.97
24001	24250	9.01
24251	24625	9.06
24626	24875	9.09
24876	25250	9.15
25251	25500	9.18
25501	25875	9.23
25876	26125	9.27
26126	26375	9.30
26376	26750	9.36
26751	27000	9.39
27001	27375	9.40
27376	27625	9.41
27626	28000	9.41
28001	28250	9.41
28251	28625	9.42
28626	28875	9.42
28876	29250	9.43
29251	29500	9.43
29501	29875	9.44
29876	30125	9.44
30126	30500	9.45
30501	30750	9.45
30751	31125	9.46
31126	31375	9.46
31376	31750	9.47
31751	32000	9.47
32001	32375	9.48
32376	32625	9.48
32626	32875	9.49
32876	33250	9.49
33251	33500	9.49
33501	33875	9.50
33876	34125	9.50
34126	34500	9.51

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Monthly Total of Prices £		Deduction Rate
From	To	%
34501	34750	9.51
34751	35125	9.52
35126	35375	9.52
35376	36000	9.53
36001	36500	9.54
36501	37250	9.55
37251	37750	9.56
37751	38500	9.57
38501	39250	9.58
39251	39750	9.59
39751	40500	9.60
40501	41000	9.61
41001	41750	9.62
41751	42250	9.63
42251	43000	9.64
43001	43750	9.65
43751	44250	9.66
44251	45000	9.67
45001	45500	9.68
45501	46250	9.69
46251	46750	9.70
46751	47500	9.71
47501	48250	9.72
48251	48750	9.73
48751	49500	9.74
49501	50000	9.75
50001	50750	9.76
50751	51250	9.77
51251	52000	9.78
52001	52750	9.79
52751	53250	9.80
53251	54000	9.81
54001	54500	9.81
54501	55250	9.83
55251	55750	9.83
55751	56500	9.85
56501	57250	9.86
57251	57750	9.86
57751	58500	9.88
58501	59000	9.88
59001	59750	9.89
59751	60250	9.90
60251	61000	9.91

Monthly Total of Prices £		Deduction Rate
From	To	%
61001	61750	9.93
61751	62250	9.93
62251	63000	9.94
63001	63500	9.95
63501	64250	9.96
64251	64750	9.97
64751	65500	9.98
65501	66250	9.99
66251	66750	10.00
66751	67500	10.01
67501	68000	10.02
68001	68750	10.03
68751	69250	10.04
69251	70000	10.05
70001	70750	10.06
70751	71250	10.07
71251	72000	10.08
72001	72500	10.09
72501	73250	10.10
73251	73750	10.11
73751	74500	10.12
74501	75250	10.13
75251	75750	10.14
75751	76500	10.15
76501	77000	10.16
77001	77750	10.17
77751	78250	10.18
78251	79000	10.19
79001	79750	10.20
79751	80250	10.21
80251	81000	10.22
81001	81500	10.23
81501	82250	10.24
82251	82750	10.25
82751	83500	10.26
83501	84250	10.27
84251	84750	10.28
84751	85500	10.29
85501	86000	10.29
86001	86750	10.31
86751	87250	10.31
87251	88000	10.33
88001	88750	10.34

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Monthly Total of Prices £		Deduction Rate
From	To	%
88751	89250	10.34
89251	90000	10.36
90001	90500	10.36
90501	91250	10.37
91251	91750	10.38
91751	92500	10.39
92501	93250	10.41
93251	93750	10.41
93751	94500	10.42
94501	95000	10.43
95001	95500	10.44
95501	96000	10.45
96001	96500	10.45
96501	97000	10.46
97001	97500	10.47
97501	98000	10.48
98001	98500	10.49
98501	99000	10.49
99001	99500	10.50
99501	100000	10.51
100001	100500	10.52
100501	101000	10.52
101001	101500	10.53
101501	102000	10.54
102001	102750	10.55
102751	103250	10.56
103251	103750	10.57
103751	104250	10.57
104251	104750	10.58
104751	105250	10.59
105251	105750	10.60
105751	106250	10.60
106251	106750	10.61
106751	107250	10.62
107251	107750	10.63
107751	108250	10.63
108251	108750	10.64
108751	109250	10.65
109251	109750	10.66
109751	110500	10.67
110501	111000	10.68
111001	111500	10.68
111501	112000	10.69

Monthly Total of Prices £		Deduction Rate
From	To	%
112001	112500	10.70
112501	113000	10.71
113001	113500	10.71
113501	114000	10.72
114001	114500	10.73
114501	115000	10.74
115001	115500	10.74
115501	116000	10.75
116001	116500	10.76
116501	117000	10.77
117001	117500	10.77
117501	118000	10.78
118001	118750	10.79
118751	119250	10.80
119251	119750	10.81
119751	120250	10.82
120251	120750	10.82
120751	121250	10.83
121251	121750	10.84
121751	122250	10.85
122251	122750	10.85
122751	123250	10.86
123251	123750	10.87
123751	124250	10.88
124251	124750	10.89
124751	125250	10.89
125251	125750	10.90
125751	126500	10.91
126501	127000	10.92
127001	127500	10.93
127501	128000	10.93
128001	128500	10.94
128501	129000	10.95
129001	129500	10.96
129501	130000	10.97
130001	130500	10.97
130501	131000	10.98
131001	131500	10.99
131501	132000	11.00
132001	132500	11.00
132501	133000	11.01
133001	133500	11.02
133501	134000	11.03

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Monthly Total of Prices £		Deduction Rate
From	To	%
134001	134750	11.04
134751	135250	11.05
135251	135750	11.05
135751	136250	11.06
136251	136750	11.07
136751	137250	11.08
137251	137750	11.08
137751	138250	11.09
138251	138750	11.10
138751	139250	11.11
139251	139750	11.11
139751	140250	11.12
140251	140750	11.13
140751	141250	11.14
141251	141750	11.14
141751	142500	11.16

Monthly Total of Prices £		Deduction Rate
From	To	%
142501	143000	11.16
143001	143500	11.17
143501	144000	11.18
144001	144500	11.19
144501	145000	11.19
145001	145500	11.20
145501	146000	11.21
146001	146500	11.22
146501	147000	11.22
147001	147500	11.23
147501	148000	11.24
148001	149000	11.25
149001	150000	11.27
150001	160000	11.42
160001	& above	11.50

Subject to change, which may arise as a result of discussions with CPNI on implementation of the Northern Ireland Drug Tariff.

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