

Category M Explained

How can I use learnings from the Accord Category M course to operate effectively?

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This document aims to provide you with information to:

- Understand how to use available resources to monitor Category M tariff changes
- Know how to utilise analysis tools to review the data and calculate what the impact means to your pharmacy/dispensary

How can I operate effectively?

To operate effectively, it would be beneficial to keep up-to-date on the changing reimbursement prices and there are various ways you can do this:

Monitor the changes to Category M reimbursement prices in Part VIIIA of the drug tariff

- Why not set up a webpage change alert, which can detect when changes are made to the site and notify you by email. This is an effective way of finding out when the new Category M is released, without manually checking the site for updates.
- Use your search engine to find websites that can monitor the change, there are various sites that offer this service without a fee.

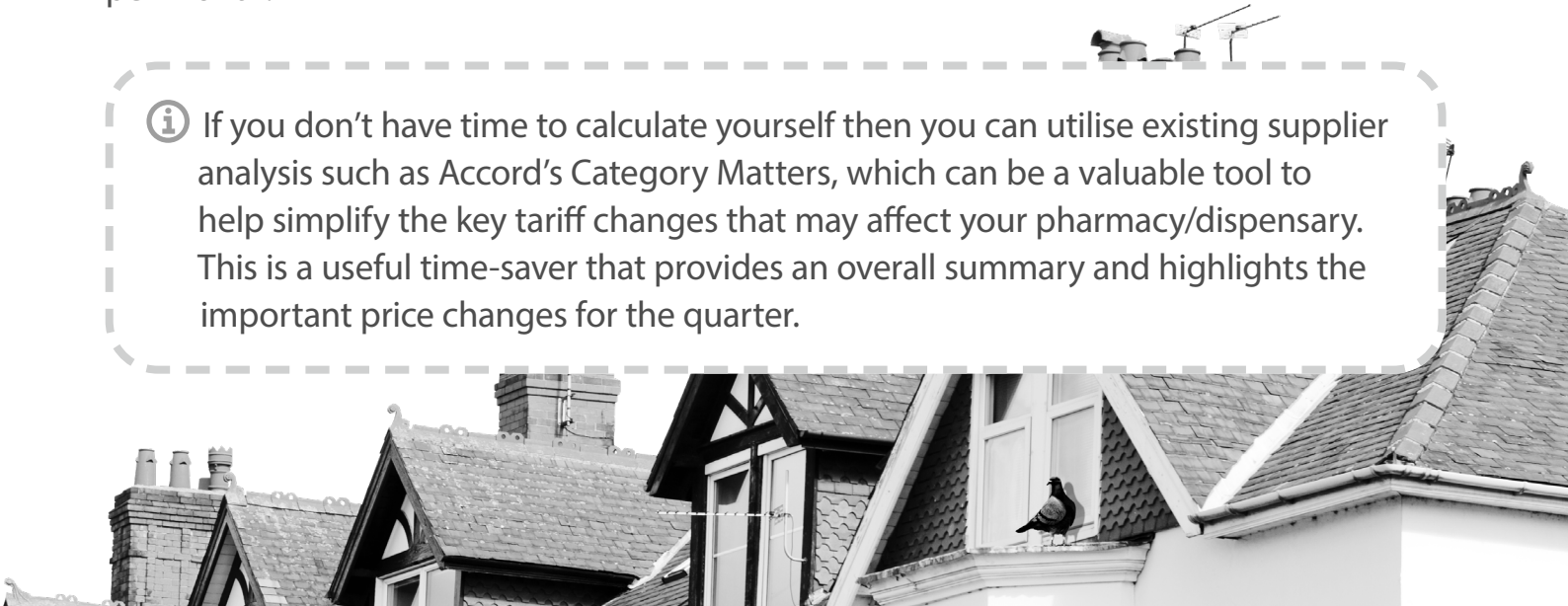
Monitor the price concessions applicable for the month

- Set up a website change alert to be notified when there are announcements, as these can be released more than once per month.
- Report any problems obtaining generic products at the set Drug tariff, using the online feedback form on the PSNC website.

Review the Category M data and identify the main price increases and decreases ahead of the coming month.

It is useful to review the new tariff prices against the previous prices, so you can filter the data into the information that is important to your pharmacy/dispensary - this may be a list of the overall top 20 increases and decreases, or your 10 highest dispensed medicines per month.

i If you don't have time to calculate yourself then you can utilise existing supplier analysis such as Accord's Category Matters, which can be a valuable tool to help simplify the key tariff changes that may affect your pharmacy/dispensary. This is a useful time-saver that provides an overall summary and highlights the important price changes for the quarter.



Easy Analysis

Accord have created a simple tool for comparing the tariff changes across all products in Category M.

You can access it via the Category M section of the Accord Partner Platform:

<https://www.accordpartnerplatform.co.uk/category-matters/>

You can use this tool to select your key lines that are dispensed and see how the changes to tariff are likely to impact your reimbursement, whether positively or negatively.

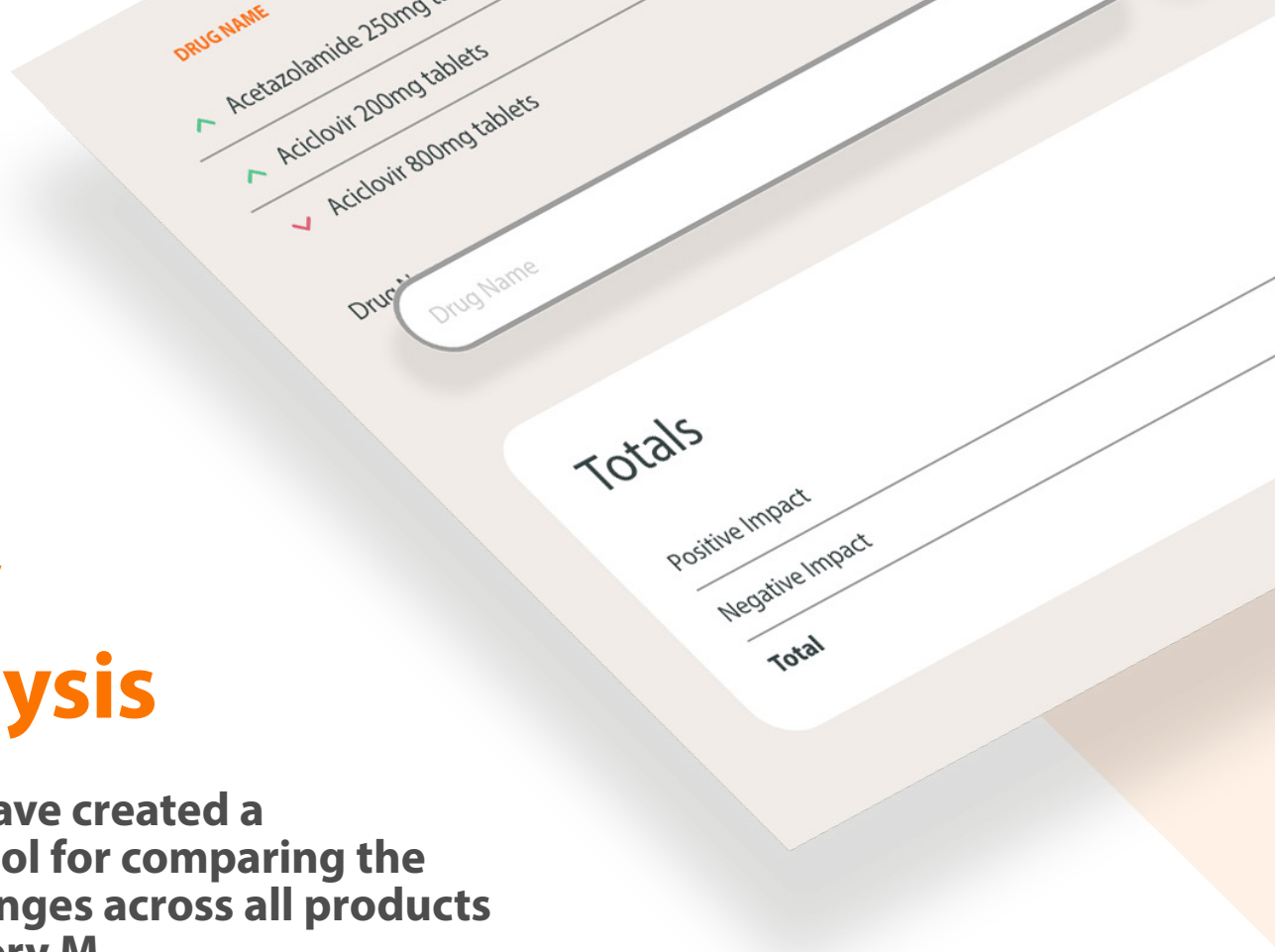
Calculate by inputting your average dispensed quantity per month for as many products as you would like to review and this will calculate the impact.

Activity 1

Use Accord's Category M calculator tool to select the top 10 dispensed products in your pharmacy/ dispensary.

Activity 2

Based on the average monthly volumes for your pharmacy/ dispensary, what price difference could the change in reimbursement mean overall for you across these 10 products?



How to operate effectively

How can I use this information?

Once you have obtained a copy of the Category M tariff and have done your own analysis (or used another provider's), you will have a better idea of the changes that are due to take effect for the following month. Manufacturer prices may align with the tariff movements, so you may see increases and decreases in the purchase price of products for the following month.

You can help mitigate any impact by reviewing the stock you hold on these products and adjusting your ordering accordingly.

For example:

If Product A is due to increase in tariff next month then purchasing at the current price may be beneficial, if you have the space to do so.

In a typical Category M quarterly update, there may be products that do not change or only have a minor price increase/decrease. These are likely to have minimal impact, so you may decide to ignore them from your considerations.

Useful Links

Category M Tariff

<https://www.nhsbsa.nhs.uk/pharmacies-gp-practices-and-appliance-contractors/drug-tariff/drug-tariff-part-viii> (This is an external site not the responsibility of Accord-UK Ltd)

Scottish Tariff Adjusted Prices

<https://www.communitypharmacyscotland.org.uk/nhs-services/remuneration/drug-tariff/adjusted-prices> (This is an external site not the responsibility of Accord-UK Ltd)

Price Concessions

<https://psnc.org.uk/dispensing-supply/supply-chain/generic-shortages/> (This is an external site not the responsibility of Accord-UK Ltd)

Category M Calculator

<https://www.accordpartnerplatform.co.uk/category-matters/>