Tariff News Tip: Drug Tariff Category A changes starting 1st April 2024

There is going to be a change to the reimbursement prices of part VIIIA Category A drugs in the England and Wales Drug Tariff from the 1st of April 2024.

In Part VIIIA of the Drug Tariff, there are three categories of drugs: A, C, and M.

Category A: These are readily available generic medicines, typically including lower volume generics that do not meet the qualifying criteria for Category M.

Category M: These are also readily available generic medicines, but they are dispensed more frequently.

Category C: These are drugs generally not available as generics or those that do not meet the criteria for Category A or M; their price is based on a particular brand or manufacturer.

**How will the new prices for Cat A is to be calculated?**

The prices will be determined using actual purchase sales, using volume information obtained by the Department of Health and Social Care (DHSC) in the quarterly collection under the Health Service Product (Provision and Disclosure of Information) Regulations 2018. All pack sizes of licensed generics will be considered. The reimbursement prices for April 2024 will be based on submissions by suppliers between October - December 2023, using actual volume and sales information. The new arrangements will be brought in over six financial quarters from April 2024 until July 2025, as shown in the table below, moving away from the use of list prices to these new arrangements. This will align it to the same cycle as the cat M pricing (January, April, July and October).

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| **Quarter** | **New system** | **Old system** |
| April-June 2024 | 15% | 85% |
| July-September 2024 | 30% | 70% |
| October-December 2024 | 50% | 50% |
| January-March 2025 | 70% | 30% |
| April-June 2025 | 85% | 15% |
| July 2025 | 100% | N/A |

Community Pharmacy England did not support the introduction of the changes of Cat A, they believe that although the current approach is flawed, setting a price system like Cat M should not be adopted for medicines in Cat A which are much lower volume generics.

For more questions and answers on the new changes to Cat A, please see the Community Pharmacy England FAQ link below:

<https://cpe.org.uk/wp-content/uploads/2024/03/Briefing-006.24-Category-A-drug-reimbursment-reforms-FAQs.pdf>