What is Category M?

and why is it important to your business?

A brief and basic overview of the mechanics of Cat M.

For a more detailed description, please see the other resources available here on the Partner Platform

Drug tariff¹



Monthly publication

Electronic



Available to

- Pharmacists
- General practitioners
- Dispensing staff

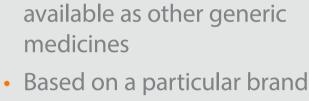


Sets out

- Dispensing rules
- Value of fees and allowances
- Drug and appliances prices paid

Drug tariff Categories²





Medicines are not as readily

or manufacturer



- Reimbursement price set
- quarterly Based on quarterly sales
 - and volume data obtained under the Health Service Products (Provision and Disclosure of Information) Regulations 2018* *Previously this price was based on a weighted average of the List Prices from 2 wholesalers and 2 generic manufacturers.



- Readily available medicines
- DHSC calculates the reimbursement price based on information submitted by manufacturers

Who is responsible for Category M medicines?3

NHS England

- Commissions pharmaceutical services Determines amount paid to pharmacy
- contractors for those services under the CPCF

Secretary of State Regulates NHS reimbursement prices

for the products dispensed

DHSC & CPE with NHS England Assess the medicine margin*



Impact for Pharmacists⁴ Category M medicines

set the reimbursement price and ensure that pharmacists receive a total annual retained buying

margin of £900m across all products dispensed in England

reimbursement price^{4, 5} Generic manufacturers • Pharmacies provide data

How DHSC calculates and sets



information to DHSC - level of a specific molecule - strength - presentation

and wholesalers provide

- pack size
- DHSC elevates the average
- If above retained margin figure - tariff prices reduce

monthly to Department

of Health and Social Care

If below retained

- granular product level - updates quarterly

actual selling price at a



- tariff prices increase

margin figure

• When the purchase price of a medicine is higher than the reimbursement price then it can result in dispensing at a loss Price concessions are a temporary tariff set by the DHSC

- to avoid this. A price concession only applies for the month in which it is granted
- **Product** Current drug tariff price paid for medicine



Thee para for medicine via wholesarer	22.10
Price concession granted for the current month	£2.50
Reimbursement with price concession	£0.10
Abbreviations	
 Community Pharmacy Contractual Framework – (CPCF) 	

- Department of Health and Social Care (DHSC) Community Pharmacy England – (CPE)

Price paid for medicine via Wholesaler

References

- ¹ https://www.nhsbsa.nhs.uk/pharmacies-gp-practices-and-appliance-contractors/drug-tariff Last Accessed April 2025 https://cpe.org.uk/dispensing-and-supply/dispensing-process/drug-tariff-resources/virtual-drug-tariff/ Last Accessed April 2025 https://www.england.nhs.uk/primary-care/pharmacy/medicines-reimbursement-prices/ Last Accessed April 2025
- ⁴ https://cpe.org.uk/funding-and-reimbursement/pharmacy-funding/funding-distribution/retained-margin-category-m/ Last Accessed April 2025 Accord Partner Platform 'What is the Drug Tariff and why is Category M important? https://www.accordpartnerplatform.co.uk/learning-hub/category-matters/ Last Accessed April 2025