About this Release
Dispensing contractors are contracted by NHS Scotland to provide a service in Scotland. This release updates what contractors are remunerated and reimbursed for this service. Information is shown by calendar year up to June 2011 and the first quarter of financial year 2011/12.

Key Points

• The gross total payments to Scottish dispensing contractors continue to increase year on year.
• The net ingredient cost (NIC) paid to dispensing contractors for drug reimbursement continues to increase, from £237 million in quarter 1 of 2010/11 to £244 million in quarter 1 of 2011/12. However, the cost for remuneration of services shows a decrease by almost 1 million (1.8%) from £51.5 million in quarter 1 2010/11 to £50.5 million in quarter 1 2011/12.
• The gross ingredient cost (GIC) paid to dispensing contractors for the first quarter of 2011/12, in respect of dispensing was £254 million. This is an increase of just under £3 million (1.1%) when compared to the first quarter of 2010/11.
• The number of prescription items for the first quarter of 2011/12 was 23.5 million. This is an increase of 722 thousand (3.2%) compared to the first quarter of 2010/11.
• The cost of a single prescription was reduced from £3.00 to £0.00 in April 2011.

Background
Dispensing contractors, i.e. community pharmacists, dispensing doctors and appliance suppliers, are contracted by NHS Scotland to provide a service to the populace of Scotland. To ensure drugs are available for dispensing when a patient arrives with a prescription, dispensing contractors purchase drugs in advance. Therefore, dispensing contractors receive two distinct types of payment; remuneration for the service they provide and reimbursement for the drugs they dispense. The fees and allowances have been revised from April 2011 as explained in the Scottish Government circular PCA2011(P)04 and these payments make up the majority of the increase.
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