Prescribing & Medicines: Reimbursement and remuneration paid to dispensing contractors
Calendar and financial years 2007-2012
Publication date – 20 December 2011

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 September 2011 and the first two quarters 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 £478 million in the first 6 months of 2010/11 to £490 million in the first 6 months of 2011/12. However, the cost for remuneration of services shows a decrease by about £2.2 million (2.2%) from £102.5 million in the first 6 months of 2010/11 to £100.3 million in the first 6 months of 2011/12.
- The gross ingredient cost (GIC) paid to dispensing contractors for the first 6 months of 2011/12, in respect of dispensing was £509 million. This is an increase of just under £2 million (0.4%) when compared to the first 6 months of 2010/11.
- The number of prescription items for the first 6 months of 2011/12 was 47.1 million. This is an increase of just under 1.5 million (3.2%) compared to the first 6 months 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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**Further Information**

Further information can be found in the [Full Publication Report](#) or on the [ISD website](#).

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