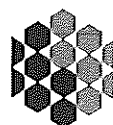


FROM THE MINISTER FOR HEALTH,
SOCIAL SERVICES AND PUBLIC SAFETY
Jim Wells MLA



Department of
**Health, Social Services
and Public Safety**

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Ms Judith Cochrane MLA
342 Upper Newtownards Road
BELFAST
BT4 3EX

Our Ref: SUB/226/2015

Date: 23 March 2015

Dear Judith

I refer to your written Assembly Question (AQW 35616/11-15) in which you sought the assessment of my predecessor, Edwin Poots, of the current system for determining the value of generic drugs which determines the amount recuperated by community pharmacies and whether it is appropriate to use cost predictions made in England.

The original response advised that to ensure that the Northern Ireland Tariff provides fair and reasonable reimbursement for generic medicines a collaborative investigation between Government and community pharmacy contractors into the profit margin from generic medicines, known as the Ongoing Margin Survey (OMS), had been ongoing since 2011. It further advised that the OMS results showed that the level of profits retained by community pharmacy contractors in Northern Ireland of 40.6% was in line with profit levels achieved by contractors in other parts of the UK.

I wish to advise you of an amendment to the original reply. It has been decided that in this particular case there was no need to include a specific figure on the overall profit levels achieved by contractors. The revised response is attached at **Appendix 1**.

I trust this information is helpful, and I apologise for any inconvenience this may have caused. I have copied this letter to the Assembly Library Services for their information.

Jim Wells MLA
Minister for Health Social Services and Public Safety

Appendix 1

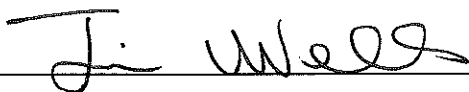
REVISED RESPONSE TO AQW 35616/11-15

Judith Cochrane (East Belfast): To ask the Minister for Health, Social Services and Public Safety for his assessment of (i) the current system for determining the value of generic drugs which dictates the amount recuperated by community pharmacists who dispense them; and (ii) it is appropriate to continue to use cost predictions made in England in relation to generic drugs, given market differences and additional costs of transportation and delivery to Northern Ireland, in the context of a devolved health administration.

Jim Wells

Reimbursement prices for generic medicines are set by the Department of Health in England and listed in the English Drug Tariff. The Northern Ireland Drug Tariff has been informed by the English Drug Tariff since 1 April 2011.

In order to ensure that the Northern Ireland Drug Tariff provides fair and reasonable reimbursement for generic medicines, a collaborative investigation between Government and community pharmacy contractors into available profit margin from generic medicines, known as the Ongoing Margin Survey (OMS), has been ongoing since 2011. The results of the OMS show that the level of profits retained by community pharmacy contractors in Northern Ireland is in line with profit levels achieved by contractors in other parts of the UK.



Date: 20/3/2015

Signed and approved by the Minister for Health, Social Services and Public Safety