



When is a PA Not a PA?

Personally administered items and NHSBSA reimbursement have caused confusion to many dispensaries, over many years. The words “Personally Administered” seem to be a contributing factor driving this confusion. In addition, as NHSBSA and HMRC have separate rules for how they deal with these items, it can seem even more complex.

In this article, I am only going to deal with medication that is deemed personally administered by NHSBSA, but is deemed to be Zero-Rated from a VAT perspective and thus you can claim the full VAT back from HMRC.

To check whether a product is deemed personally administered by NHSBSA, you will need to check the Dictionary of Medicines and Devices (DM+D). Click [HERE](#) for the link to the DM+D Search browser. Using Otigo®, a treatment for acute otitis media, which comes in a 15ml bottle with a dropper, if you search and click on Otigo® on the right-hand side (AMPs), you will get a page which shows the Pack size and Indicative Price.

Actual Medicinal Product Pack (AMPP) information

Pack Size	Indicative Price	Discontinued
15ml	892	

It is very important to click on the Pack size – 15ml, which takes you to the page which shows Prescribing Information and Reimbursement Information.

Prescribing information

PADM indicator	Attracts an Administration Fee
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Reimbursement information

Prescription Charges	1
Dispensing fees	1
Special container	Special container

If there is a PADM Indicator which says, “Attracts an Administration Fee” (AAF), then it is considered a PA by NHSBSA. When processing, that prescription will automatically recognise it as an AAF and you will automatically be reimbursed the Basic price, minus clawback, plus a VAT Equivalent fee. The VAT Equivalent is automatically calculated as 20% of the Basic price minus the clawback. You do not necessarily need to add PA to the script. Scripts not batched with other PAs will still be recognised and the reimbursement will happen automatically. It is very important to note that “Attracts an Administration Fee” applies ONLY to GPs, whether they are dispensing doctors or non-dispensing doctors, and does NOT apply to pharmacies.

The rules around AAFs are:

- The VAT Equivalent will be calculated and reimbursed automatically
- There is no need to add PA to the script

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- All AAFs dispensed by GPs should be free of charge, if patients pay for their prescription. If they collect the same prescription from a pharmacy, they will need to pay the prescription charge if they do not qualify for free prescriptions.
- All AAFs can be dispensed to both dispensing and non-dispensing patients

To calculate reimbursement, using Otigo® as an example (as Otigo® contains the local anaesthetic lidocaine, it is deemed as AAF by NHSBSA)

Basic price = £8.92
 Discount clawback (11.18%) = £1.00
 VAT Equivalent = 20% x (Basic price minus clawback)
 = 20% x (8.92 - 1.00)
 = £1.58

Reimbursement = Basic price minus clawback plus VAT equivalent
 = £8.92 - £1.00 + £1.58
 = £9.50

As Otigo® is Not Actually administered in the practice, but is taken away from the practice in a bag, it is deemed to be Zero-rated from a VAT perspective and thus you can claim the full VAT paid on the discounted price back from HMRC.

As Otigo® currently has a full Wholesaler discount from Alliance, the discounted price is £7.85. As you can see the Margin on Otigo® is £1.66.

And you need do nothing more than dispense the medication and ensure that it is not added to the list of drugs which are VAT Exempt, such as flu jabs, Hydroxocobalamin, Depo-provera etc, for which you CANNOT reclaim VAT.

	Basic price	Clawback	VAT	Reimbursement	Cost	Discount	Net cost	Margin	% Profit
Otigo® x 15ml	8.92	1.00	1.58	9.50	8.92	1.07	7.85	1.66	18.58%

Next month we will deal with AAFs that are VAT Exempt, and might have some news about a possible MDS for Otigo®.

Category M Update

Category M prices for October have been published and it does not make good reading.

Another Category M kick in the teeth:

There are 3 new Category M products –

Product	Pack Size
Fluticasone propionate 50micrograms/dose / Azelastine 137micrograms/dose nasal spray	120
Sitagliptin 50mg / Metformin 1g tablets	56
Venlafaxine 37.5mg modified-release capsules	28

There are 45 products whose price has **DECREASED** buy £2.00 or more.

Login [here](#) to read more.

Generics Costing More Than Tariff

Generics Costing More Than Tariff updated with October data. Note that there are fewer generics on the list as we are now using the e-CASS best prices. Click [here](#) to login to view the generics table.

Recent Active SSPs Updates

Name of SSP \ ref no.	Start and end date	Supporting guidance
SSP082 Estradot® 25 microgram patches (PDF 218KB)	03 April 2025 to 05 December 2025 This SSP was amended on 01 October 2025	Estradot® 25 microgram patches supporting guidance plus Q&A (PDF 119KB)
SSP081 Estradot® 100 microgram patches (PDF 215KB)	19 December 2024 to 05 December 2025 This SSP was amended on 01 October 2025	Estradot® 100 microgram patches supporting guidance plus Q&A (PDF 118KB)
SSP080 Estradot® 75 microgram patches (PDF 219KB)	19 December 2024 to 05 December 2025 This SSP was amended on 01 October 2025	Estradot® 75 microgram patches supporting guidance plus Q&A (PDF 119KB)
SSP079 Estradot® 50 microgram patches (PDF 219KB)	19 December 2024 to 05 December 2025 This SSP was amended on 01 October 2025	Estradot® 50 microgram patches supporting guidance plus Q&A (PDF 120KB)