



UK

Pricing

- **Price policies for pharmaceuticals**
Voluntary agreement with industry (PPRS) - Prices regulated by profit cap. Allows freedom of pricing at launch for new molecules, prices frozen thereafter, subject to profit levels.
- **Wholesale mark-ups**
Notional 12.5% margin for branded medicines, but wholesalers allowed to set own margins.
- **Pharmacy mark-ups**
Pharmacy margins are not regulated, but are monitored and counted towards pharmacy income.
- **VAT**
Zero rated for NHS medicines dispensed by pharmacies. Drugs dispensed in hospitals subject to standard rate (17.5%).
- **Reforms**
Reform of generics reimbursement price arrangements in 2005.

Reimbursement

- **Positive list**
No - All medicines prescribed by doctors fully reimbursed except those on the 'black' or 'grey' list.
- **Reference Price System**
No.
- **Co-payment**
Flat charge of £6.85 per prescription item (except Wales where there is no charge). Also, annual 'season ticket' @ £98.
- **Mechanisms for vulnerable groups**
Exemption from prescription charges for children, older people, low incomes, war veterans, and certain medical conditions.