



Independent community pharmacies

Invitation to join the Performance Based Remuneration (PBR) Network

Objective of the PBR Network

This model will ensure an increase in revenue for pharmacists, lower out-of-pocket expenses for members, and ensure sustainability of Scheme funds. The PBR model allows for a higher dispensing fee rate to be applied to claims for pre-approved Chronic Illness Benefit medicine that fall within a formulary and benchmark price. It also allows for a lower dispensing fee to be applied where medicine that falls outside the benchmark fee is dispensed instead.

Current network dispensing fee models

A choice of two networks with standard dispensing fees for all medicines

Community network	36% capped R59.40 (VAT incl.)
OR	
Corporate network rate	30.78% capped R30.78 (VAT incl.)

PBR model

When your pharmacy participates in the Performance Based Remuneration network, the variable PBR dispensing fee starts to apply the next calendar month as soon as your pharmacy's compliance factor equals or exceeds the 45% compliance threshold for Chronic Illness Benefit claims.

PBR variable dispensing fees

Formulary and benchmark products	46% capped at R98 with a minimum of R7.15 (VAT incl.)
Non-benchmark products	36% capped at R45 (VAT incl.)

What happens if your pharmacy falls below the compliance threshold

If your pharmacy falls back below the 45% threshold, the dispensing fee simply reverts back to the chosen standard network dispensing fee.

Exclusions

- KeyCare and Delta plans
- Non-SEP items: Unregistered medicine, Schedule 0 medicines and surgicals
- Claims paid from other benefits than the Chronic Illness benefit such as HIV, oncology and acute.

Information on the PBR contract

- Participation will be based on a willing provider network with a termination period of one calendar month.
- To be eligible for the PBR Network, pharmacies need to participate as a non-exclusive designated service provider (DSP) in the Discovery Health pharmacy networks (either in the community or corporate pharmacy network).
- There are two contracts that pharmacies need to sign and submit to Discovery Health to participate in the PBR network:
 1. Appointment as non-exclusive independent community pharmacy designated service provider (DSP)
 2. Application to join the Performance Based Remuneration Pharmacy Network
- Participating pharmacies will be receiving their current compliance rates monthly from Discovery Health in future. Please provide a dispensary email address on the application form for this purpose. This will allow each pharmacy to assess their individual performance about the previous month's formulary and benchmark compliance.
- Discovery Health is currently working with the pharmacy system vendors so that the affected items will be easily identifiable at the time of dispensing.
- Discovery Health will prepare PBR reconciliation reports on a three-monthly basis for participating pharmacies that have qualified by reaching or exceeding the compliance threshold for any month within the three-monthly period. This will be done by retrospectively reviewing the pre-approved Chronic Illness Benefit claims falling within the *next* calendar month (after reaching or exceeding the compliance threshold) by stripping the standard network dispensing fee and re-applying the new PBR variable dispensing fee where applicable. Settlement will follow on a three monthly basis.

Please note that no amendments to the current submission codes or rates are required. The current rates and codes remain unchanged as the adjustments will be applied retrospectively.