

Off-Contract Claims Best Practice Guidance

Natalie Bryson – Associate Regional Pharmacy Procurement Specialist (Southwest)

Tracy McMillan – Associate Regional Pharmacy Procurement Specialist (East of England)

The first stop for professional medicines advice

04/06/2025

Problems to Address

- Visibility of number and value of claims being made by Trusts
- Perceived lack of claims being made by Trusts in comparison to value of off-contract purchases coded as claimable through Exend+
- Variation in approach and criteria to approve off-contract purchases by suppliers (as reported by Trusts)
- Understanding of MPSC terms and conditions to clarify conditions of off-contract claims
- Amount of resource required in Trusts to maintain a successful off-contract claims process
- No clear guidance or best practice on how to run a successful off-contract claims process in Trusts

What do we want to achieve?

-  Consistent approach to off-contract claims by both suppliers and Trusts
-  Remove any unnecessary steps to make the process as streamlined as possible
-  Regular off-contract claims process standard practice in every Trust
-  Full visibility of number and value of claims being made by every Trust
-  Trust validated supplier performance data

Progress so far

- National audit to quantify off-contract claims being processed
- Launch of Exend+ Trust validation of contract variance
- Feedback and development on Exend+ embedded electronic off-contract claims form
- Trust interviews to determine what good looks like
- Meeting with MPSC for clarity on “terms and conditions” of the contracts and what this means for off-contract claims
- Meetings with industry trade body to discuss the process from their perspective
- Outline of “best practice” guidance and development of a supporting training video (to be launched after the webinar).

What is an Off-contract Claim?

An off-contract claim is a request for reimbursement submitted by NHS organisations to contracted suppliers on a MPSC framework to recover the additional costs incurred in sourcing alternative medicines due to a supply issue with the contracted medicine.

When can you claim?

When the supply issue involves a product on a generic framework

If you have an outstanding order with the contracted supplier for 14 days or more

When you notify the contracted supplier that you intend to buy off-contract and submit a claim

On demonstration of reasonable efforts to mitigate losses and source most cost-effective alternative

Claim Clarification

The 14-day period – what does this mean?

- The Trust enters a contract with the supplier when they place an order. This is day 1.
- In the NHS T&Cs, a reasonable period must be allowed to deliver the order. For the purposes of the contract this is 14 days.
- At day 14, the supplier has failed to deliver this original order in a reasonable time and the Trust is entitled to buy an alternative product in the same quantity as the original order. You must notify the supplier of your intent to do this.
- The Trust must also work in a 'reasonable' way. The original order must be in line with normal ordering patterns (usually around 2 weeks of stock) unless otherwise agreed with supplier e.g. long term out of stock period.
- The claim cannot be refused/reduced because stock is due imminently, as the claim is against the original order and to cover the preceding 14 days.

How often can you claim?

You can claim more frequently than every 14 days if this fits with normal order patterns.

Day	Order Placed	Claim
1		
7		
14		Claim for Day 1 order
21		Claim for Day 7 order
28		Claim for Day 14 order

What is best practice?



Robust Ordering Process

Send orders through eCommerce platforms (Powergate or Medecator)

- Review order replies from full EDI suppliers.
- Ensure back orders are activated with your wholesalers or that you have a process for manually putting contract lines on back order.
- Review distribution routes available for MPSC contracted line e.g. is it available from another wholesaler or direct from supplier.

Medecator Order Replies

21/05/2025, 14:14	ASE0521364 6050114210566259	AAH Pharmaceuticals	Stores	✓ Sent	⚠ 4 exceptions
⚠ This order contains 2 stock exceptions. Click here for more details					
Stock Exceptions (2)					
Line no.	Local code / Product code	Product	Ordered qty	Reply	
7	D16207{00001{255{110 GEM0059G	GEMCITABINE 1 g in 10ml concentrate soln	40	⚠ SUPPLIER DELIVERY FAILURE ⚠ TO FOLLOW View To Follow list	
2	D15475{003.5{8{104 BOR167L	BORTEZOMIB 3.5 mg in 1.4ml Solution for	15	⚠ REGRET NO STOCK ⚠ TO FOLLOW View To Follow list	
21/05/2025, 12:48	RUH0521323 6050112210564752	AAH Pharmaceuticals	Stores	✓ Sent	⚠ 1 exception
⚠ This order contains 1 pricing exception. Click here for more details					
21/05/2025, 12:16	RUH0521322 2501105211279747	Kent Pharmaceuticals Overlabelled (cXML - EAN Code	Stores	✓ Sent	No exceptions
21/05/2025, 11:37	RUH0521334 6050111210562864	AAH Pharmaceuticals	Stores	✓ Sent	⚠ 1 exception
⚠ This order contains 1 pricing exception. Click here for more details					

Robust Ordering Process

Powergate Order Replies

rs > University Hospitals Bristol _Weston NHS Foundation Trust > Orders

Find: All Orders Find Now Standard inc item code/desc

Order No.	Requisition	Status	Supplier Name	Lines	Order Value (inc. VAT)	Order Type
WGH0523478		[imported]	NEWCASTLE-UPON-TYNE HOSPIT	1	£0.00	STANDARD 23
WGH0522473		Forwarded to recipient by GHX Exchange.	Phoenix Healthcare Distributi	13	£568.40	STANDARD 23
WGH0522472		Confirmed by supplier. [imported] 1 line(s) in aler	AAH Pharmaceuticals Ltd	24	£747.86	STANDARD 23
WGH0522471		Confirmed by supplier. [imported]	Alliance Healthcare (Distribut	32	£959.82	STANDARD 23
WGH0522468		Confirmed by supplier. [imported] 5 line(s) in aler	Mawdsley Brooks & Company	54	£3003.85	STANDARD 23
WGH0520441		[imported]	Mawdsley's Overlabelling	3	£0.00	STANDARD 23
BMD0523183		Forwarded to recipient by GHX Exchange.	DrugsRUs Ltd	2	£11.47	STANDARD 23
BMD0523181		Received by recipient.	Fresenius Kabi Ltd	1	£304.13	STANDARD 23
BMD0523157		Confirmed by supplier. [imported]	AAH Pharmaceuticals Ltd	4	£231.30	STANDARD 23
BMD0523156		Confirmed by supplier. [imported]	Alliance Healthcare (Distribut	5	£224.07	STANDARD 23
BMD0522155		Confirmed by supplier (Goods to Follow). [importe	Phoenix Healthcare Distributi	4	£53.65	STANDARD 23
BMD0522154		Confirmed by supplier. [imported] 1 line(s) in aler	Mawdsley Brooks & Company	13	£87.85	STANDARD 23
		Confirmed by supplier. [imported]	Alliance Healthcare (Distribution)	9	£1613.93	STANDARD 23
		Confirmed by supplier. [imported]	AAH Pharmaceuticals Ltd	11	£6132.66	STANDARD 23
		Received by recipient.	Fresenius Kabi Ltd	4	£2548.68	STANDARD 23
		[imported]	Phoenix Healthcare Distribution Lt	1	£0.00	STANDARD 23
		[imported]	AAH Pharmaceuticals Ltd	1	£0.00	STANDARD 23

Order Item Properties - 1113182 - TRIMETHOPRIM TABS 200MG CRESNT

General Schedule Other Notes Confirmation Goods Receipt Items Invo

View confirmation information about this order item here.

Status:

Purchase Price: Confirmed Purchase Price:

Quantity: Confirmed Quantity:

Line Value: Confirmed Line Value:

☐ Verify ☐ Verify

Confirmed Notes

23/05/25> (Quantity to deliver : 0 Quantity back ordered : 2 Status : BO - Back Order).

stol _Weston NHS Foundation Trust > Orders > WGH0522473 Supplier: Phoenix Healthcare Distribution Ltd

Line	Supplier	Supplier Item Description	Order Qty	Purchase Unit	delivered	return
1	4007449	BUTEC PATCH 20MCG/H	1	4	0	
2	1125616	CHLORPHENAMINE TABS 4MG CRESNT	6	28	0	
3	2533099	CLOTRIMAZOLE CREAM 1% CARE 05576	13	20G	0	
4	1203637	DESOGESTREL T 75MCG ZENTVA	17	84	0	
5	1202878	FUROSEMIDE TABS 20MG CRESNT	3	28	0	
6	3703113	ZERODERM OINT	1	500G	0	
7	2246361	SANATOGEN A-Z COMPLETE	1	30	0	
8	8889875	SEVOFLURANE 250ML 20008399	1	9PK	0	
9	1121789	SIMVASTATIN TABS 40MG CRESNT	1	28	0	
10	1113182	TRIMETHOPRIM TABS 200MG CRESNT	2	14	0	
11	1088657	WARFARIN TABS 3MG CRESNT	2	28	0	
12	1088640	WARFARIN TABS 1MG CRESNT	2	28	0	
13	1265578	HYOSCINE BUTYLBROMIDE T 10MG MSID	4	56	0	

Is there a supply issue?

When you find an issue with a contracted line it's important to establish the scale and duration of the issue

- Refer to MPSC supplier issues spreadsheet (distributed fortnightly)
- Review SPS Medicines Shortages Tool
- Contact the MPSC contracted supplier for further information. They may be able to direct you to stock or ask for wholesaler branch transfers. **Ongoing communication with your contracted suppliers is essential for a successful off-contract claims process.**
- Further information on managing a potential supply issue can be found here: [Navigating a potential supply issue Procurement Guidance – SPS - Specialist Pharmacy Service – The first stop for professional medicines advice](#)

Managing back orders and available stock in your Trust

- Your order must remain on back order (this is your contract with the supplier)
- Your back orders must be in line with normal order patterns and quantities
- Review all locations the medicine is kept in to determine if further back orders need to be placed



Don't run out of stock!

You may need to order small quantities of an alternative product to reach the 14-day point.

You will not be able to make a claim for any stock purchased in this window.

Outstanding Order Management

Trusts need a robust outstanding order management process to identify when orders have been outstanding for 14 days or more and manage stock levels up until this point. **This is crucial to a successful off-contract claims process.**



- None of the pharmacy systems used in England seem to have one report that fully covers this need.
- There is huge variation in how Trusts manage this and the solutions that have been developed, dependent on available IT support and access to systems.
- Work with your A/RPPS to investigate how other Trusts are managing this process and the custom reports/systems they are using to find the best solution for your Trust.

Initiating an Off-contract Claim

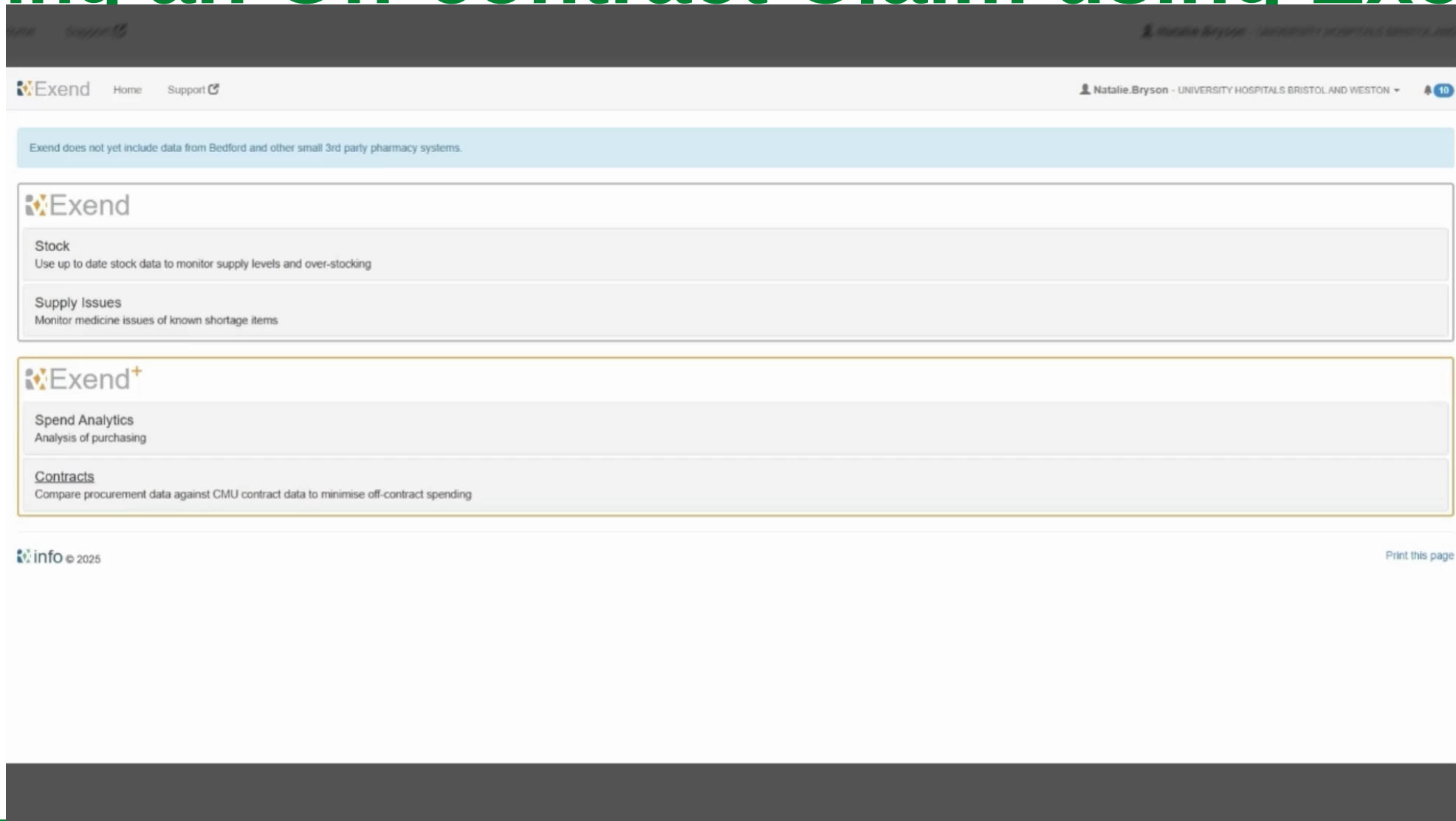
- On day 14 (or later), check wholesalers and any other suppliers for a direct alternative product. Identify the most cost-effective alternative to purchase. Record product details including the price.
- Contact the contracted supplier by email or telephone (details can be found on Exend+ in the contract details for that product) to request a claims reference number (CRN).
- We are asking suppliers to respond to a request within 24 hours.
- It is best practice to have a template email written that can be quickly amended with the details of the product you wish to claim for
- Whilst you are in contact with the contracted supplier, request further information on stock availability.

You must inform the supplier of your intention to terminate your contract (order) with them and purchase off-contract (even if they don't respond to your request for a claims reference number).

The Importance of using Exend+

- We know many Trusts already have an excellent system for managing off-contract claims. But we have no visibility of the number or value being made, or how many are paid successfully.
- Using Exend+ gives us visibility to see how much is being claimed back and issues with certain suppliers in either approving a claim or making payment.
- MPSC are moving to value-based procurement where quality measures can be included in framework awards. Compliance with off-contract claims can be included but only if we have visibility through Exend+

Logging an Off-contract Claim using Exend+



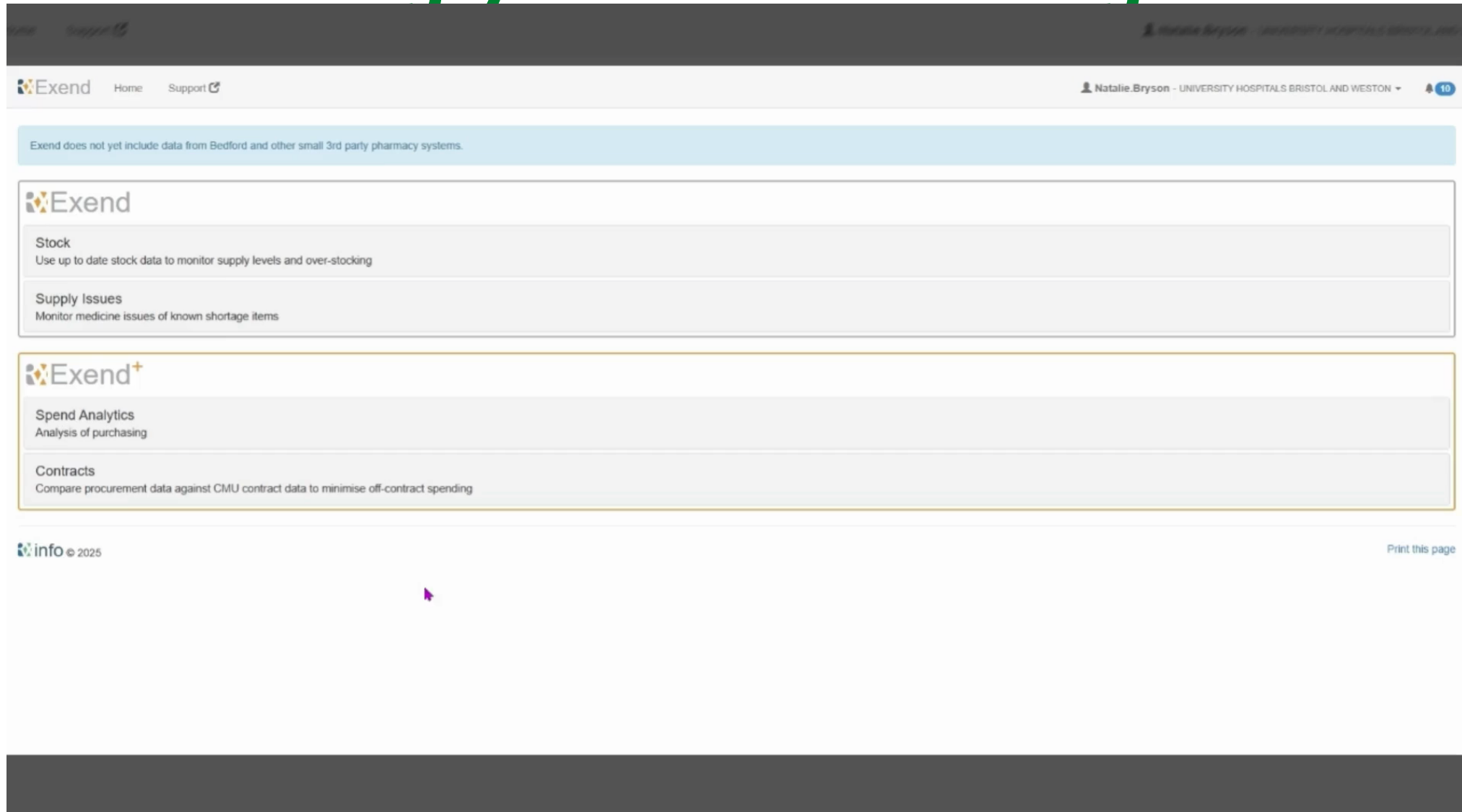
The screenshot displays the Exend+ web application interface. At the top, a dark header bar contains the user's name, 'Natalie Bryson', and their affiliation, 'UNIVERSITY HOSPITALS BRISTOL AND WESTON', along with a notification bell icon showing '10'. Below this, a light blue banner states: 'Exend does not yet include data from Bedford and other small 3rd party pharmacy systems.' The main content area is divided into two sections. The first section, titled 'Exend', contains two sub-sections: 'Stock' with the description 'Use up to date stock data to monitor supply levels and over-stocking', and 'Supply Issues' with the description 'Monitor medicine issues of known shortage items'. The second section, titled 'Exend+', contains two sub-sections: 'Spend Analytics' with the description 'Analysis of purchasing', and 'Contracts' with the description 'Compare procurement data against CMU contract data to minimise off-contract spending'. The footer of the page includes the 'info' logo and the text '© 2025' on the left, and a 'Print this page' link on the right.

Ordering alternative stock

- Order the alternative product as a single line order. This makes submitting the invoice as part of your off-contract claim documentation much easier.
- Once ordered, remember to change your product mapping on Powergate or Medecator back to the contracted line.



Submitting your claim using Exend+



The screenshot displays the Exend+ web application interface. At the top, a dark header bar contains the user's name 'Natalie Bryson' and the organization 'UNIVERSITY HOSPITALS BRISTOL AND WESTON'. Below this, a navigation bar includes the 'Exend' logo, 'Home', and 'Support' links. A light blue banner message states: 'Exend does not yet include data from Bedford and other small 3rd party pharmacy systems.' The main content area is divided into two sections. The first section, titled 'Exend', contains two items: 'Stock' (Use up to date stock data to monitor supply levels and over-stocking) and 'Supply Issues' (Monitor medicine issues of known shortage items). The second section, titled 'Exend+', contains two items: 'Spend Analytics' (Analysis of purchasing) and 'Contracts' (Compare procurement data against CMU contract data to minimise off-contract spending). The footer of the application shows 'info © 2025' on the left and a 'Print this page' link on the right.

Off-contract claim documentation



- Gather the required documents to be able to submit the claim. This will be a copy of the original order, invoice for the alternative stock and completed Exend+ form (Or BGMA form if your Trust does not have access to Exend+). Both types of form must be accepted by the supplier.
- Claims must be submitted within 90 days of obtaining the CRN. It is best practice to submit them as they are completed but you may wish to collate those with a lower value for each supplier so that one invoice can be raised to cover a number of claims.
- It is suggested that a minimum value of £50 is raised on an invoice due to the admin time involved through the process.

Managing Pharmacy IT Systems

- Once you receive the claim reference number, cancel the original back order to ensure your pharmacy system does not become clogged up with old orders.
- If the supply issue with the contracted product is likely to continue, consider whether you need to place a new back order that you can claim against in another 14-days.



Raising a Trust invoice for Off-contract claims

Advantages of raising an invoice for an off-contract claim:

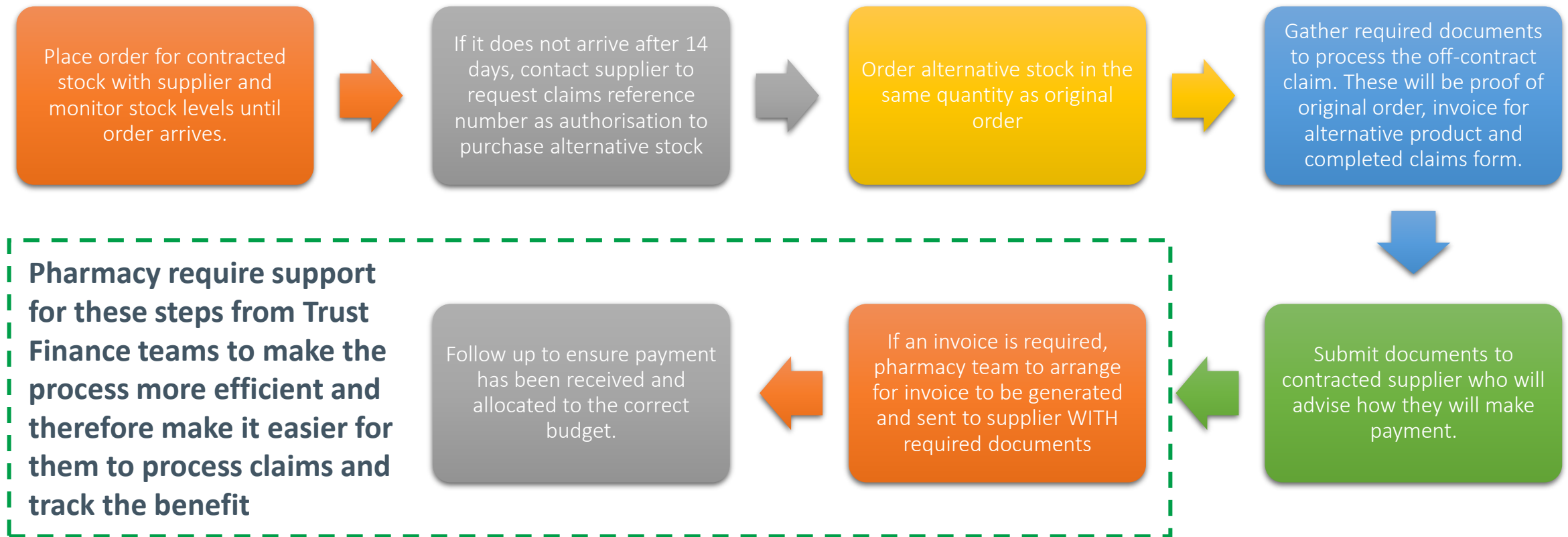
- Allows the payment to be received into the correct Trust budget code.
- Provides an audit trail to be able to track and follow up on outstanding payments.
- It is easier for the supplier to track through their processes so makes them more likely to pay in a timely manner.
- Aligns with Anti-Bribery & Corruption audit requirements
- It's likely this will become the main form of payment so develop a process now.



Work together with your Trust finance team to agree a system. This could be pharmacy staff members with access to raise invoices and check payment or assigned finance colleagues to support with this.

Finance Support for Off-contract Claims

We are also reaching out to finance teams to ask for support...



What are we asking of finance teams?

1

Access to Trust finance systems to raise invoices and track payments.

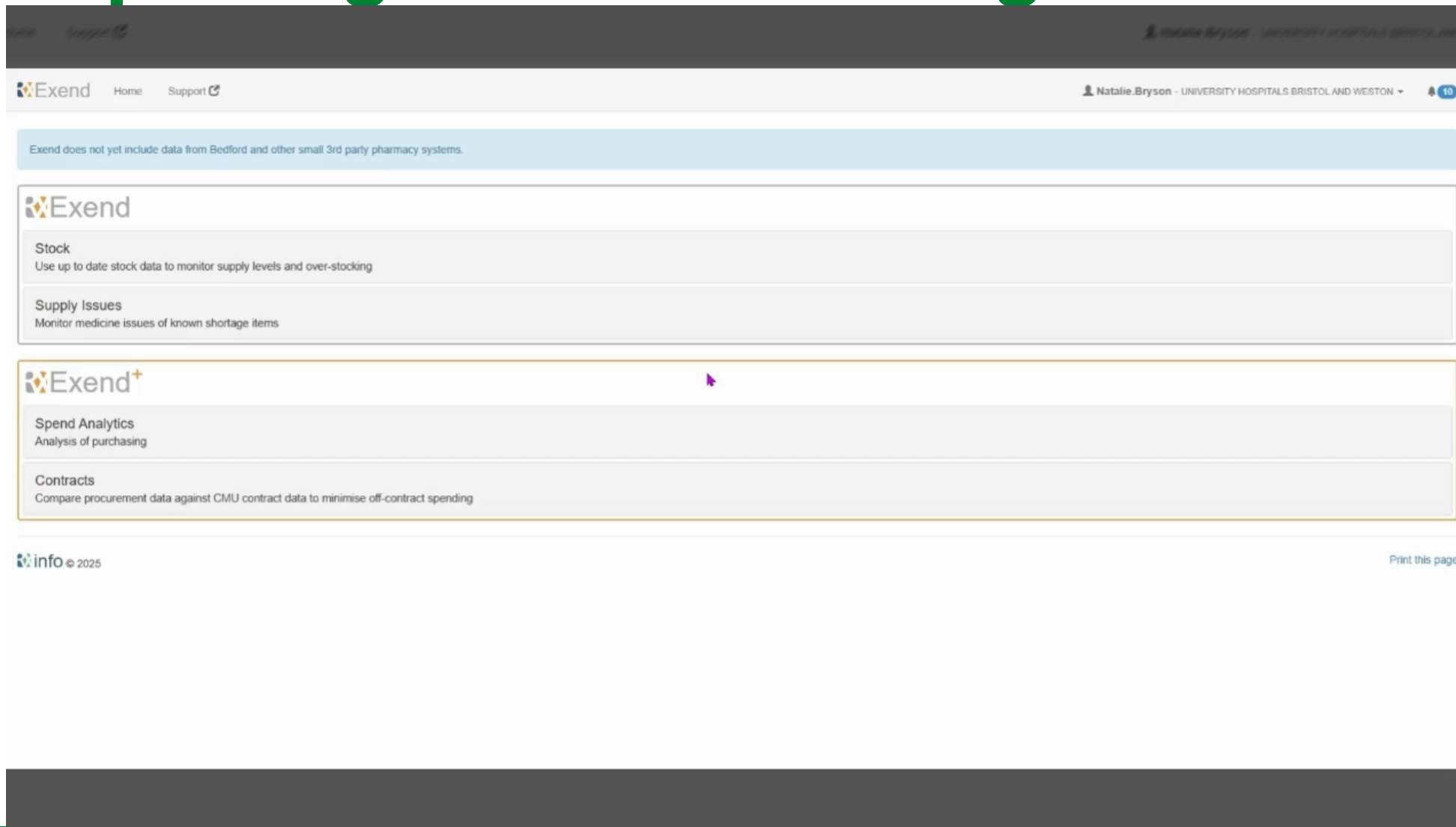
2

Develop working relationship between finance and pharmacy teams

3

Agree which budget payments will go to and tracking recovered funds.

Completing the Exend+ log



The screenshot displays the Exend+ web application interface. At the top, a dark header bar contains the user's name, 'Natalie Bryson', and their affiliation, 'UNIVERSITY HOSPITALS BRISTOL AND WESTON'. Below this, a navigation bar includes the 'Exend' logo, 'Home', and 'Support' links. A light blue banner message states: 'Exend does not yet include data from Bedford and other small 3rd party pharmacy systems.' The main content area is divided into two sections. The first section, titled 'Exend', contains two sub-sections: 'Stock' (Use up to date stock data to monitor supply levels and over-stocking) and 'Supply Issues' (Monitor medicine issues of known shortage items). The second section, titled 'Exend+', contains two sub-sections: 'Spend Analytics' (Analysis of purchasing) and 'Contracts' (Compare procurement data against CMU contract data to minimise off-contract spending). The footer of the application shows the 'info' logo, the year '© 2025', and a 'Print this page' link.

Our Next Steps...

- Feedback from today will be used to help finalise the best practice guidance information to be published on the SPS website.
- Continue to work with MPSC to review contract framework terms and conditions
- Under the new Procurement Act, moving towards value-based procurement
- Supporting Trusts in moving to using Exend+ to record all off-contract claims to give national visibility.