

## NHS England and NHS Improvement Board meetings held in common

<b>Paper Title:</b>	<b>Community pharmacy reform</b>
<b>Agenda item:</b>	9
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<b>Paper type:</b>	For information

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### **Summary/recommendation:**

In July a landmark community pharmacy deal was reached. This note draws out the main points. Further information is available on the reading room shelf.

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### **The recent context**

1. The English NHS currently spends **a fixed sum of £2.6 billion a year on a network of 11,569 community pharmacies - principally to supply and dispense NHS medicines.** The bulk of their total income – the range is 68-85% - comes from the NHS. Around 60% are part of multiples, with the remaining 40% independents or small chains of less than 6 outlets. Following Government liberalisation of market entry, there are nearly 2,000 more pharmacies than 15 years ago. 40% of pharmacies are located within a 10 minute walk of two of more other pharmacies.
2. National responsibility for community pharmacy is shared with the Department of Health and Social Care. The system is governed by statutory arrangements, known as the Community Pharmacy Contractual Framework, which provides remuneration. The budget was reduced from £2.8 billion in 2015/16, to £2.687 billion in 2016/17, and £2.592 in 2017/18. In 2018/19 the budget remained at £2.592 billion.

### **The opportunity for reform**

3. Considerable **scope exists: (i) make better use of the skills and expertise of pharmacists in different settings – including clinical pharmacists as an integral part of the core GP team; (ii) better utilise the network, through introducing new services for the benefit of patients and the wider NHS; and (iii) unlock major efficiency savings through the transformation and reform of dispensing – automation, online, and supervision.**
4. Relations with the Pharmaceutical Services Negotiating Committee have improved considerably over the past 18 months, following their failed legal challenge over efficiencies and budget reductions. This is clearly demonstrated in the way all parties have sought to come together and work constructively. Following sustained effort by all sides, a deal was unlocked with the PSNC that constitutes the most substantial community pharmacy reform package in NHS

**NHS England and NHS Improvement**



history. The deal document is published on the NHS England website. **Flat cash over five years** provides long-term financial certainty to the sector. Over £1 billion of the £13 billion will be freed up for additional clinical services, with future rebalancing between dispensing and services expected to come on top.

## New services for the NHS

5. **The community pharmacy network becomes a more central channel for how the NHS manages urgent care.** Community pharmacies will become a place to go for urgent care minor illness.
6. **October sees the nationwide launch of a new Community Pharmacist Consultation Service (CPCS),** offering same-day consultations for minor illnesses such as earache, sore throats, skin rashes, coughs and colds – and for patients with urgent medicines supply needs. Across the country, community pharmacies will take booked referrals for patients from NHS 111 initially, following a successful pilot in the north east as part of the Urgent and Emergency Care Vanguard. Referrals from other parts of the NHS will then follow. The next stage – currently being tested – is booked referral from GP practices, with further extensions planned to 111 online, urgent treatment centres and A&E. Pharmacies are being paid a £14 item of service fee per consultation. The total costs come out of the nationally fixed £2.592bn.
7. **All pharmacies will expand their focus on prevention.** From 2020 they will meet the requirements to become a ‘healthy living pharmacy’ which includes **providing advice on smoking, weight management, wellbeing and self-care.** In 2019/20, we **introduce Hepatitis C testing** in community pharmacies for people using needle and syringe programmes to support the national Hepatitis C elimination programme. The **mandated annual health campaigns** that community pharmacies take part in will be extended and aligned to the equivalent campaigns in general practice. Under the deal a range of additional prevention and detection services will also be tested, which if found to be effective and best delivered by community pharmacy, will be introduced over the course of the settlement period – for example a **model for detecting undiagnosed cardiovascular disease (CVD)** in community pharmacy and referral to treatment within primary medical care, complementing the CVD service specification in the new GP Primary Care Network contract.
8. **The deal will drive quality requirements.** The newly strengthened Pharmacy Quality Scheme will in 2019/20 incentivise engagement with Primary Care Networks, a reduction in sugar-sweetened beverages sold in pharmacies (as aligned with actions elsewhere in the NHS), training on spotting sepsis, more action on dementia, and a series of other interventions focused on medicines safety. Changes planned for 2020 include suicide awareness training by pharmacy staff and audits focused on inhaler technique and anticoagulation. A new medicines reconciliation service will also support prescribing safety.

## Dispensing reform

9. **Large, automated hubs can industrialise the dispensing process offering more efficient and safer dispensing, whilst freeing up clinicians' time.** At present only the largest multiples can benefit from this. They are allowed to set up their own hubs, for their own pharmacies. Longstanding regulations did not envisage the possibility of small independent pharmacies making use of automated hubs run by other organisations. The deal agrees that these regulations should change to level the playing field.
10. **The growth of online pharmacy will disrupt fundamentally the existing business model.** Some services, such as dispensing for people with long term conditions on stable medication, can be delivered in different ways. The deal commits to exploring whether changes to fee structures could support more efficient dispensing, such as for 90 day dispensing for people with chronic conditions, linked to changes to GP prescribing and medication review services.
11. **The deal also commits to workforce regulatory reform, to optimise use of pharmacist time – through** pursuing legislative changes that will allow for better use of the skill mix in pharmacies, linked to a wider array of regulatory improvements.

## Further reforms

12. In addition to remuneration reform through this 5 year deal, NHS England and NHS Improvement are working with the Department of Health and Social Care on an array of reforms to **community pharmacy drug reimbursement arrangements**, to improve equity and secure better value for money for the NHS. The Department launched a wide-ranging consultation in July, covering matters like 'specials', appliances, 'branded generics', and more accurate calculation of the medicines margin. NHS England is also going to explore the opportunity for appropriate pharmacist supply of a wider range of medicines, including a review of statins being undertaken by Keith Ridge and Dr Nikki Kanani.
13. The changes to community pharmacy suggest that NHS England and NHS Improvement should also look to examine the arrangements in the rest of the dispensing sector to ensure they remain fit for purpose. This is a complex and neglected area, worthy of fuller and careful analysis.