



Department  
of Health

# Community Pharmacy in 2016/17 and beyond - proposals

Stakeholder briefing sessions

# Contents

**This presentation describes our vision for community pharmacy, and outlines proposals for achieving that vision, whilst inviting views and comments from stakeholders.**

- |   |  |              |
|---|--|--------------|
| 1 | Introduction                               | Slide 3      |
| 2 | Pharmacy at the heart of the NHS           | Slide 4      |
| 3 | Efficiency in Community Pharmacy           | Slides 5-6   |
| 4 | Proposals for change in Community Pharmacy | Slides 7-14  |
| 5 | Consultation Process                       | Slides 15-16 |

## The role of community pharmacy

### Community pharmacy already plays a vital role in:

- Dispensing medicines
- Advising on medicines use
- Promoting good health and supporting the prevention agenda
- Supporting people to look after themselves

### But it could play an even greater role, as part of more integrated local care models, in:

- Optimising medicines usage
- Supporting people with long term conditions
- Treating minor illness and injuries
- Taking referrals from other care providers
- Preventing ill health
- Supporting good health

#### Key facts and figures

**1.6 million** visits to community pharmacy every day, of which 1.2 million are for health reasons

**Around 1 billion** medicines dispensed in community pharmacy every year

**£8 billion** spend every year in primary care on NHS medicines

**2.5%** current yearly rate of prescription growth

#### Medicines optimisation

**Up to half** of patients don't use medicines in the way intended; many are simply thrown away

**1 in 7** over 75s are admitted to hospital because of incorrect medicines use

**70%** of people in care homes may be at risk from medication errors

## Pharmacy at the heart of the NHS

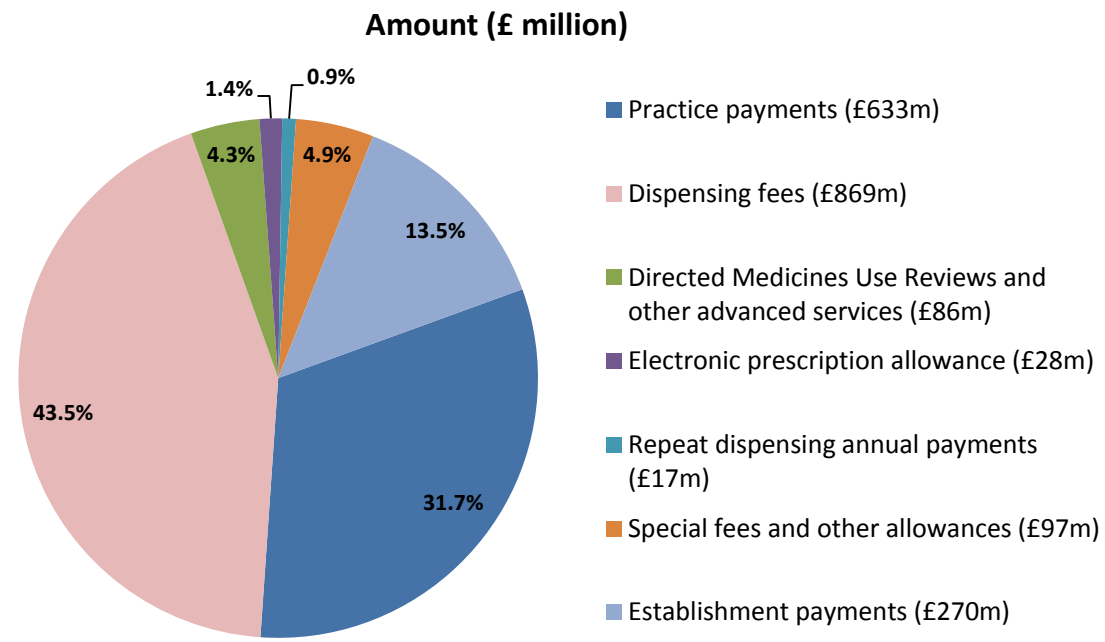
The vision is for community pharmacy to be integrated with the wider health and social care system. This will help relieve pressure on GPs and Accident and Emergency Departments, ensure optimal use of medicines, and will mean better value and patient outcomes. It will support the promotion of healthy lifestyles and ill health prevention, as well as contributing to delivering seven day health and care services.

- Pharmacists enabled to practise more clinically - irrespective of setting and including in community pharmacy - and optimising medicines in a way which puts patients at the centre of decision making, with regular monitoring and review.
- Clinical pharmacists in GP practices, able to prescribe medicines and working side by side with GPs, supporting better health and prevention of ill-health.
- Clinical pharmacists working in care homes, working with residents and staff to make the most of medicines.
- Clinical pharmacists helping patients who have urgent problems, at the end of the phone – for example via the 111 service or on the internet.
- Easier for patients to get their prescriptions, for example via the internet where a patient feels this would be more convenient for them.
- Pharmacists freed up to support patients to make the most of their medicines, promote health and provide advice to help people live better, harnessing the skills of the wider pharmacy team to support and deliver high quality patient centred health and care.

The direction of travel around strengthening clinical practice and medicines optimisation is in keeping with what is expected of hospital pharmacy.

## NHS funding for community pharmacy

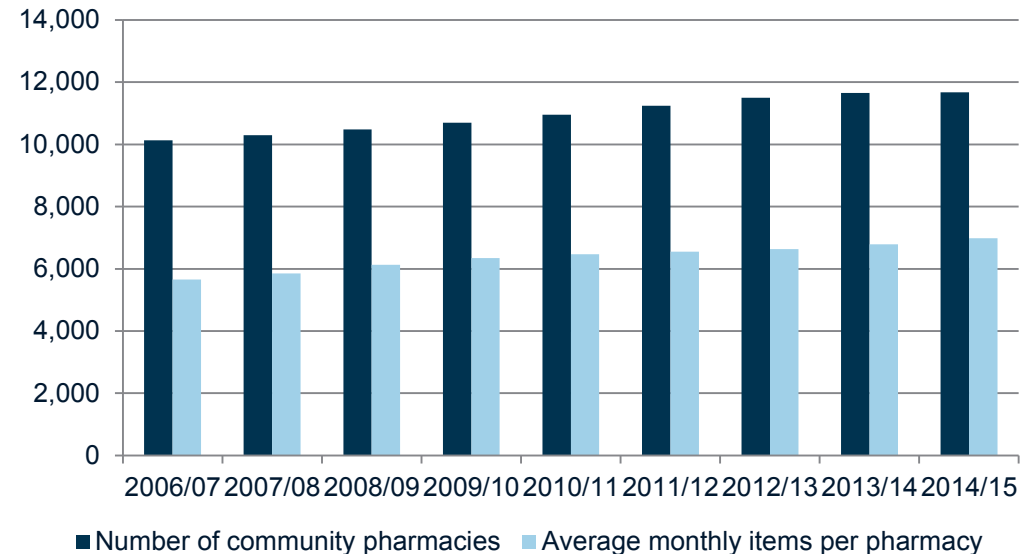
- The NHS has committed £2.8bn in 2015/16 on remuneration funding for community pharmacy.
- £2bn in fees and allowances, with a further £800m distributed through margin on drug reimbursement.



- The median average pharmacy receives £220,000 a year in NHS fees and allowances (including margin).
- In the context of the NHS needing to deliver £22 billion in efficiency savings by 2020/21, we have to examine community pharmacy and the contribution it can make to this challenge.

## Efficiency in community pharmacy

- There are 11,674 pharmacies in England (at 31 March 2015 ) **This is an almost 20% increase since 2003**, when there were 9,748.
- **The NHS funds this growing estate while there is low uptake of digital channels** – out of step with how other public sector services have developed over the past 10 years .
- **40% of pharmacies are in clusters of 3 or more meaning that two-fifths of pharmacies are within 10 minutes walk of 2 or more other pharmacies**, each being supported by NHS funds.
- Technology is increasingly being used to assemble prescriptions, in individual pharmacies, in small hubs by small groups, and by large organisations, but the current rules mean **some forms of technology cannot be accessed by all pharmacies.**



Number of pharmacies and average monthly items dispensed in England, 2003-2015

Source: Prescriptions Dispensed in the Community, Statistics for England - 2003-2013 [NS]

## Remuneration funding for community pharmacy in 2016/17

Spending on health continues to grow, and the Spending Review announced a £10 billion real terms increase in NHS funding in England between 2014/15 and 2020/21, of which £6 billion will be delivered by the end of 2016/17. In the Spending Review, the Government also re-affirmed the need for greater efficiency and productivity, and the need for the the NHS to deliver £22 billion efficiency savings by 2020/21, as set out in the NHS's own plan, the Five Year Forward View. Community pharmacy must play its part in delivering those efficiencies.

The Government believes these efficiencies can be made without compromising the quality of services or public access to them because:

- there are more pharmacies than are necessary to maintain good patient access
- most NHS funded pharmacies qualify for a complex range of fees, regardless of the quality of service and levels of efficiency of that provider
- more efficient dispensing arrangements remain largely unavailable to pharmacy providers

**In 2016/17, the total funding commitment for pharmacies under the community pharmacy contractual framework (essential and advanced services) will be no higher than £2.63bn, compared to £2.8bn in 2015/16.**

The Government is consulting on proposals to realise its objective of a more clinically focussed, modern and efficient pharmacy sector, delivered within the £2.63bn of funding under the Community Pharmacy Contractual Framework.

## Proposals for change in community pharmacy

17 December 2015 marked the start of our consultation with the PSNC, other pharmacy bodies and others, including patient and public representatives, on changes to community pharmacy, achieved within the £2.63bn funding cap described previously.

Our aim is that these changes will:

- Integrate community pharmacy and pharmacists more closely within the NHS, optimising medicines use and delivering better services to patients and the public.
- Modernise the system for patients and the public – making the process of ordering prescriptions and collecting dispensed medicines more convenient for members of the public by ensuring they are offered a choice in how they receive their prescription.
- Ensure the system is efficient and delivers value for money for the taxpayer.
- Maintain good public access to pharmacies and pharmacists in England.

The following slides provide more information on our proposals to achieve these objectives on which we would welcome your views.



## Bringing pharmacy into the heart of the NHS

Pharmacists' skills make them invaluable to patients and the public, but too often those skills are not used effectively, resulting in avoidable hospital admissions, medicines wastage and sub-optimal care. NHS England has taken important steps to integrate pharmacy into the NHS and the Government would like to make further progress.

We will work closely with the PSNC, other pharmacy bodies and others, including patient and public representatives, on how best to introduce a Pharmacy Integration Fund (PhIF). This will be the primary means of driving transformation of the pharmacy sector to embed medicines optimisation and the practice of clinical pharmacy in primary care, bringing clear benefits to patients and the public.

The proposal for year one will be to focus particularly on the key enablers to achieve integration of community pharmacy. It will be spent primarily on supporting the deployment of clinical pharmacists in a range of primary care settings, including GP practices, multi-speciality community providers, urgent care hubs, care homes and NHS 111. We believe this will be fundamental to fully integrating community pharmacy into the NHS through the creation of clinical and professional links to community pharmacists, together with referral pathways. In addition, it is envisaged the fund will support a range of activities, including:

- Developing the delivery of high quality, clinically focussed pharmacy services that are integrated within wider primary care, including community pharmacy;
- Integration of the seven principles of medicines optimisation into care pathways for long term conditions such as diabetes, COPD, asthma and hypertension including opportunities for health improvement and wellbeing;
- Developing, collaboratively with Health Education England, the whole pharmacy workforce to make patient facing roles the norm;
- Supporting the development and implementation of digital technologies for community pharmacy so that it has the infrastructure to achieve integration with clinical pathways and medicines optimisation for patients;
- Developing clinical pharmacists working in GP practices, care homes and primary care urgent care hubs (e.g. NHS 111);
- Evaluation of innovative clinical pharmacy services, including those already provided by community pharmacies and those developed through the PhIF;
- Working with Public Health England to develop the value proposition for community pharmacy to encourage the commissioning of local health and wellbeing services by local authorities with a focus on the Healthy Living Pharmacy model.

## Bringing pharmacy into the heart of the NHS (2)

We welcome views on these proposals, and further proposals from the pharmacy sector, and others, including patient and public representatives, on bringing pharmacy into the heart of the NHS to deliver better quality services to patients and the public.

What are your views on the introduction of a Pharmacy Integration Fund?

What areas should the Pharmacy Integration Fund be focussed on?

How else could we facilitate further integration of pharmacists and community pharmacy with other parts of the NHS?

## Modernising the system to maximise choice and convenience for patients and the public

Online ordering, click and collect and home delivery are all growing significantly in other sectors and online retail sales grew by 16% in the UK in 2014. However, the uptake of digital ordering, click and collect and home delivery in community pharmacy remains low. The Office of National Statistics estimate that less than 10% of adults ordered their medicines online in 2014.

Because of this, the Government wants to ensure that the regulatory framework and payments system facilitates online, delivery to door and click and collect pharmacy and prescription services.

These services already exist to an extent within the community pharmacy sector. As part of our consultation we want to consider how we can promote patient choice and convenience when ordering prescriptions, creating a seamless digital journey for all patients, where the choice of delivery or collection is made upfront.

Specifically we want to consider proposals to:

- ensure patients are offered the choice of home delivery or collection when ordering their prescription;
- introduce a new terms of service for distance-selling pharmacies in recognition of the difference in their service offering, and thus differentiated payment.

To what extent do you believe the current system facilitates online, delivery to door and click and collect pharmacy and prescription services?

What do you think are the barriers to greater take-up?

How can we ensure patients are offered the choice of home delivery or collection of their prescription?

## Making efficiencies

The Government wishes to work with the PSNC and pharmacy organisations to deliver a more efficient and innovative system. As part of this, we want to consider proposals to:

- **Simplify the NHS pharmacy remuneration payment system.** The current system is complex and does not promote efficient and high quality services. For example the establishment payment – of around £25,000 per year – is received by all pharmacies dispensing 2,500 or more prescriptions a month, a relatively low prescription volume. This incentivises pharmacy business to open more NHS funded pharmacies, adding costs to the taxpayer. We therefore propose the establishment payment is phased out over a number of years.
- **Help pharmacies become more efficient and innovative** through, for example, modern dispensing methods. We will separately consult on changes to medicines legislation to allow the ‘hub and spoke’ dispensing model across different legal entities. This could allow independent pharmacies to capture the efficiencies stemming from large-scale, automated dispensing, reduced stock holding and economies of scale in purchasing and delivery of stock to the hubs, freeing up time to concentrate in the spokes on delivering patient centred services designed to optimise the use of medicines by patients. These efficiencies could help pharmacies lower their operating costs and enable pharmacists and their teams to provide more clinical services and to improve and support people’s health.
- **Encourage longer prescription durations, where clinically appropriate.** Where there is no clinical need for a 28-day repeat prescription, this represents inconvenience to the patient and an avoidable cost to the taxpayer. As part of stable long term condition management, many prescribers already prescribe 90-day repeat prescriptions where it is clinically appropriate. With a wider range of interested parties, we will be looking at steps to encourage optimising prescription duration, balancing clinical need, patient safety, avoidance of medicine waste and greater convenience for patients.

The above are initial proposals. The Government is open to any proposal that will drive efficiency and innovation in community pharmacy.

What are your views of the extent to which the current system promotes efficiency and innovation?

Do you have any ideas or suggestions for efficiency and innovation in community pharmacy?

What are your views of encouraging longer prescription durations and what thoughts do you have of the means by which this could be done safely and well?

## Maintaining public and patient access to pharmacies

Access to pharmacies in England is excellent - 99% of the population can get to a pharmacy within 20 minutes by car and 96% by walking or public transport. Access is greater in areas of highest deprivation.

The Government is committed to maintaining access to pharmacies and pharmacy services, and is consulting on its proposal for the introduction of a Pharmacy Access Scheme, based on a national formula by which qualifying pharmacies, according to an index based on geography and other factors, will be required to make smaller efficiencies than the rest of the sector.

The proposal is for a national formula to be used to identify those pharmacies that are the most geographically important for patient access, taking into account an isolation criteria based on travel times or distances, and also population size and needs. The population needs variables that we propose should be included are as follows:

- Index of Multiple Deprivation (2015)
- Proportion of population >75 years who are >85 years
- Proportion of population >70 years claiming disability living allowance
- Standardised Mortality Ratios (SMR) by middle super output area
- Generalised fertility rate
- Age-sex standardised proportion non-white
- Age-sex standardised proportion tenure social
- Age-sex standardised limiting long term illness

Once an index of isolation and population needs is determined, we would then need to determine the means by which pharmacies would qualify, such as a travel time threshold or similar. The index would then be combined with the chosen qualifying criteria to generate a list of qualifying pharmacies.

**What are your views on the principle of having a Pharmacy Access Scheme?**

**What particular factors do you think we should take into account when designing the Pharmacy Access Scheme?**

## Further discussion

Do you have other views you would like to feed into the consultation process?

**We welcome feedback from these stakeholder briefing sessions. Please respond to this first phase of the consultation by Friday 12 February 2016, which will allow us to collate all views received during this initial period and input them into the ongoing discussions with the PSNC. We are expecting individuals to input to the consultation via the PSNC and other representative bodies.**

**We will then hold further stakeholder meetings during March in advance of the consultation period closing on 24 March.**

## The consultation process

Body	Description	Engagement method
Pharmaceutical Services Negotiating Committee	The body recognised under section 165(1)(a) of the NHS Act 2006 as representing all community pharmacies providing NHS pharmaceutical services in England.	<ul style="list-style-type: none"> <li>- From January to March DH and NHS England are planning to meet regularly with the PSNC to discuss the proposals, seek input and iterate the thinking.</li> <li>- In February, collated views from the ongoing consultation process will be formally fed into the PSNC discussions.</li> </ul>
Pharmacy stakeholders	<p>Other pharmacy stakeholders the Department is choosing to consult with under section 165(1)(b) of the NHS Act, given the potential impact of these proposals:</p> <p>Pharmacy Voice            Royal Pharmaceutical Society            Association of Pharmacy Technicians UK            General Pharmaceutical Council</p>	<ul style="list-style-type: none"> <li>- Initial briefing sessions during January/February.</li> <li>- Second round of meetings during March, at which additional information that has emerged as a result of ongoing consultation with PSNC will be shared.</li> </ul>
Other bodies	<p>We will also consult more widely, including:</p> <ul style="list-style-type: none"> <li>- Healthwatch England</li> <li>- National Voices</li> <li>- Local Government Association</li> </ul>	<ul style="list-style-type: none"> <li>- Initial briefing sessions during January.</li> <li>- Second round of meetings during March, at which additional information that has emerged as a result of ongoing consultation with PSNC will be shared.</li> </ul>

## Consultation process: timings

The consultation process started on 17 December, 2015 with the publication of the open letter to the PSNC and other stakeholders. It will end on 24 March, 2016.

The timetable for the process, and the expected implementation of the finalised package is as follows:

	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16
<b>Announcement</b>											
<b>Discussions with PSNC</b>			Views from stakeholder sessions fed into PSNC discussions								
<b>Consultation with other stakeholders</b>		Initial consultation sessions									
		Secondary consultation sessions to take into account emerging views from the PSNC discussions									
<b>Decision</b>											
<b>Implementation</b>											

### Further areas for consultation

Separately to the consultation period on the proposals outlined in this presentation, we will also run a formal government consultation on proposed changes to the Human Medicines Regulations 2012 to remove the legal impediment to 'hub and spoke' dispensing model across different legal entities. This will not be part of the above consultation period, but does form part of the overall reform package.