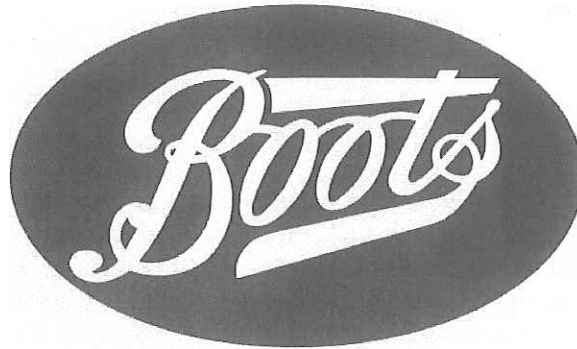


Department of Health
“Protecting and promoting patients’ interests – licensing providers of
NHS services: A consultation on proposals”



A response by Boots UK

About Boots UK

Boots UK operates the largest chain of community pharmacies in the United Kingdom. It is synonymous with pharmacy in the public mind and is one of the country's most trusted brands.

Our company has around 2,500 pharmacies trading under the Boots and Alliance Pharmacy brands across all four home countries. These are located in all the places where people live, shop, work and travel, with many open well beyond normal office hours and across weekends. Our chain encompasses pharmacies which serve small local communities and health centres through to those which are part of the largest retail and destination shopping centres.

Boots is the largest single employer of pharmacists and pharmacy technicians outside the NHS. We have around 4,500 pharmacists and around 2,500 or more technicians employed in a wide range of positions. As well as all our colleagues working in stores, we have many who work in store or field management, and a wide range of head office and senior management roles, up to and including board level. Other pharmacists work within sister companies within the Alliance Boots group, including our wholesaling and manufacturing divisions.

1. Exemption from the provider licensing proposals

- 1.1. Boots UK welcomes the exemption of community pharmacy from the licensing proposals. This is a pragmatic and sensible approach which recognises the challenges that unnecessary regulatory burden could place on the community pharmacy sector.

2. Current Regulation

- 2.1. Community pharmacy is already a highly regulated activity. Legislation covering pharmacy regulation has been substantially revised twice in the past five years (the Pharmacists & Pharmacy Technicians Order 2007 and subsequently the Pharmacy Order 2010). Pharmacy services are also covered by various NHS Acts and Terms of Service.
- 2.2. An independent regulator, the General Pharmaceutical Council (GPhC), has been established at considerable expense to the Department of Health. Unlike other regulators for primary care professions, the GPhC has its own inspectorate and makes regular inspections of pharmacy premises.
- 2.3. The Medicine and Healthcare products Regulatory Agency (MHRA) ensures that medicines and medical devices work and safe to use. Pharmacists must ensure that they respect the MHRA guidelines around dispensing and advertising medicine. The MHRA also regulates the use of medical equipment.
- 2.4. Pharmacies operate in competitive, open markets which are subject to range of regulations such as company law, advertising standards, trading standards and consumer protection laws. Competition within the sector ensures that patients and consumers chose the pharmacy which best meets their needs on the basis on quality, access, outcomes and cost. Further regulation from Monitor would be unnecessary and disproportionate.
- 2.5. Any future decision to licence community pharmacies should be consulted in accordance with pharmacy sector and as a consequence of changed circumstances. The licensing system must remain targeted at providers who are not well regulated and where evidence exists that patients would clearly benefit from introducing additional quality control provision.

3. Payment by intervention

- 3.1. Boots UK is responsible for providing a range of services which are commissioned beyond the terms of the pharmacy contract with the National Commissioning Board. These services include, but are not limited to, smoking cessation, NHS health checks, alcohol and drug user services, sexual health screening and treatment, weight management services, vaccinations, minor ailment schemes and medicines management and adherence support.

- 3.2. These additional services operate on a payment per intervention system where pharmacies receive a fee in return for each patient that successfully receives a service. Other parts of the NHS receive payment throughout their contract and are expected to reach targets to highlight value for money. Community pharmacy does not operate this way and therefore cannot be economically inefficient as a provider as NHS services.

4. Continuity of Services

- 4.1. There are over 11,000 community pharmacies in England operating where people live, work and shop. Nearly 99% of the population can access a community pharmacy within 20 minutes¹. They are a mainstay on high streets across the country including in deprived areas or rural communities.
- 4.2. Since 2005 the number of pharmacy contracts has grown by over 1200 and is currently stabilising since market entry exemptions have been removed with the revised Pharmaceutical Regulations (2012). It is a market where independents, regional chains and national multiples compete to provide the best patient experience, clinical outcomes and the safe and efficient dispensing of prescription only medicines.
- 4.3. There is no shortage of community pharmacy providers and competition within the sector ensures that continuity of services is not a problem as alternate providers would be willing to step in the event of provider failure.
- 4.4. Pharmaceutical Needs Assessments (PNAs) and Joint Strategic Needs Assessments (JSNAs) can be used by commissioners to identify the pharmacy needs of their local populations and the availability of community pharmacies in their locality. Experience at a local level indicates that competition for contracts can be fierce.

5. Summary

- 5.1. The regulatory environment for pharmacy is well structured and consequently there is no need for Monitor to licence community pharmacy. We welcome the Secretary of State'sⁱⁱ clarification in a letter dated 6th September 2012 to a number of representative bodies and believe that on the whole it is pragmatic and well considered.
- 5.2. However we would like explicit clarification from the Secretary of State that there will be no requirement for community pharmacists to hold a licence for the provision of enhanced services such as smoking cessation. We are concerned that without explicit guidance to commissioners those required to hold a licence with Monitor may have a competitive advantage over those who are exempt.
- 5.3. Commissioning environments will change and as healthcare providers innovate they may find themselves subject to licence regulation. This may deter market entry

and stifle innovation and competition. It is essential that the licensing regime does not target well regulated providers and those who can clearly highlight economic value.

22nd October 2012

ⁱ Department of Health "Pharmacy in England: building on strengths, delivering in the future" (2008)

ⁱⁱ Letter from Secretary of State for Health dated 6th September 2012 to primary care representative bodies.