



Report to Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee 9th November 2016

Report of: NHS England

Subject: Community Pharmacy in 2016/17 and beyond: Final Package

Author of Report: Dr Peter Magirr, Local Professional Network Chair (Pharmacy)

Summary:

This report provides information on proposed national changes to Community Pharmacy Contracts in 2016/17; the funding settlement and the potential impact of the Funding Reduction. The information is presented to the Committee for information and consideration.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	x

The Scrutiny Committee is being asked to:

- Consider the information supplied and possible impact of proposed changes in Sheffield

Background Papers:

None

Category of Report: OPEN/CLOSED (please specify)

Most reports to Scrutiny Committees should be openly available to the public. If a report is deemed to be 'closed', please add: '**Not for publication because it contains exempt information under Paragraph xx of Schedule 12A of the Local Government Act 1972 (as amended).**'

Community pharmacy in 2016/17 and beyond: Final package

Summary

Through the business planning process, NHS England has identified the need to achieve efficiency savings that has impacted on all transformation and new care models programmes. The 4% saving this year and 3+% next year is in line with the savings level being expected from all sectors of the NHS.

The impact assessment is clear, at a national level, that the impact on individual patients will be minimal. It is difficult to model this at a local level as it will depend on the approach taken by individual community pharmacies in relation to any reduction in income.

Modelling actual future income will be complex due to the additional funding opportunities (quality payments and additional services) which NHS England is offering individual pharmacies – so it is not possible to predict how this will impact until we have time to see the schemes established.

There are a number of pharmacies in Sheffield which are entitled to additional support from the Pharmacy Access Scheme (PAS). In addition, pharmacies which feel that they “nearly meet” the PAS criteria (a pharmacy must be more than a mile away from its nearest pharmacy by road, have been on the pharmaceutical list as at 1st September 2016 and not be in the top quartile by dispensing volume (circa in excess 9,000 prescriptions per month) can ask for a review and funding has been set aside, nationally, to support the outcome of any such review.

For 2016/17, NHS England has allocated £2m to roll out two initiatives to integrate pharmacy into urgent care:

- a national urgent medicines supply pilot as a referral from NHS 111; and
- work to improve access to pharmacy minor illness services via NHS 111.

For 2017/18, £40m will be used to fund a range of workforce developments for pharmacists and pharmacy technicians working in a range of settings to better integrate pharmacy into NHS primary care services. NHS England will continue working with organisations involved in indemnity insurance to ensure pharmacy professionals have access to the insurance they need to enable them to adopt new ways of working. The Fund will also continue to support the national urgent care pilot and commission an evaluation.

The Chief Pharmaceutical Officer’s Independent Review of Community Pharmacy Clinical Services is planned to report at the end of 2016 and this will inform how the Fund will be used to invest in shaping the integration of community pharmacy clinical services. There has been a commitment to use up to 5% of the PhIF for evaluation of any programmes of work supported by the Fund and following consultation this will also be available to support evaluation where the integration and transformation of clinical pharmacy is underway led by local teams as part of Sustainability and Transformation Plans. Ongoing planning and engagement with stakeholders will help to shape and determine the further deployment of the Fund beyond 2018.

Community pharmacy in 2016/17 and beyond: Final package

Funding Settlement

This document, published by the Department of Health last week sets out the funding settlement for community pharmacy for 16/17 and 17/18, representing a reduction of 4% in 16/17 and a further 3.4% reduction in 17/18. Also included within the package are details of a pharmacy access scheme, a quality payments scheme and a pharmacy integration fund. The overall settlement for community pharmacy set out is £2.687 billion for 16/17 reducing to £2.592 billion for 17/18. This compares with the £2.8 billion funding provided hitherto.

Pharmacy Access Scheme

To mitigate the effect of these funding cuts there will be a pharmacy access scheme. This has the purpose of providing support where pharmacies are sparsely spread and patients depend on them most. In order to qualify for payment under this scheme a pharmacy must be more than a mile away from its nearest pharmacy by road, have been on the pharmaceutical list as at 1st September 2016 and not be in the top quartile by dispensing volume (circa in excess 9,000 prescriptions per month). The Department has published a list of pharmacies that meet the criteria. In Sheffield this equates to:

WELL - GRENOSIDE
58 GRENO CRESCENT
GRENOSIDE
S35 8NX

BRADWAY PHARMACY
298 TWENTYWELL LANE
BRADWAY
S17 4QH

WELDRICKS PHARMACY
1 MOORTHORPE BANK
OWLTHORPE
S20 6PD

COHENS CHEMIST
UNIT 3, TINSLEY CENTRE
BAWTRY ROAD,
TINSLEY
S9 1UY

WELL - MIDDLEWOOD HC
621 MIDDLEWOOD ROAD
HILLSBOROUGH
S6 1TT

WELDRICKS PHARMACY
66 ROCHESTER ROAD
LODGE MOOR
S10 4JQ

WELL - TOWN HEAD ROAD
35 TOWNHEAD ROAD
DORE
S17 3GD

M & A PHARMACIES LTD
2 BRIDGE HILL
OUGHTIBRIDGE
S35 OFL

Quality Payments Scheme

Up to £75 million is being made available in 2017/18 (from within the overall £2.592 billion) for pharmacies. To qualify the pharmacy needs to meet four gateway criteria. These are:

- Provision of at least one specified advanced services (e.g. Medicines Use Reviews)
- NHS Choices entry up to date
- Ability to send and receive NHS mail
- Utilisation of the Electronic Prescription Service

Pharmacies that pass the gateway can then receive a payment if they satisfy quality criteria across 8 domains. Passing the gateway does not of itself lead to payment.

Pharmacy Integration Fund

To support the transformation outlined in the NHS Five Year Forward View a new pharmacy integration fund will be introduced. This will be administered by NHS England and is worth £42 million over the next 2 year (this is additional funding) . It will be used to commission and evaluate activities that bring about clinical pharmacy integration within the NHS and the community demonstrating improvements in health outcomes for patients and the public in primary care and in the community.

Community Pharmacy in Sheffield

Sheffield is currently served by a network of 128 pharmacies. This total has been growing since the 2005 contractual framework introduced additional ways to gain access to the pharmaceutical list and hence dispense NHS prescriptions and deliver pharmaceutical services (prior to 2005 there were approximately 25% fewer pharmacies in Sheffield). The Pharmaceutical Needs Assessment (2015 – 2018) for the city¹, published by the Council states:

- Sheffield is well-served by its pharmacies and dispensing doctors with good coverage and choice across the different areas of the City and good availability and access arrangements, including out of hours.
- Patient satisfaction with the facilities and services provided by pharmacies in Sheffield is generally good with areas for improvement identified and taken forward.
- There are no gaps in current provision.

Potential Impact of the Funding Reduction

Pharmacy closures – it is possible that the funding reduction may result in some pharmacies becoming unviable, however it is not possible to predict with any accuracy which may be at most risk. If closures do take place therefore we cannot say which areas of the city will be affected.

The risk is mitigated to some degree by the funding that is being provided via the pharmacy access scheme however as the detailed financial situation of individual pharmacies is not known it is not possible to predict whether this funding will be sufficient to ensure their viability.

The impact assessment published by the Government on 19th October acknowledges the possibility of pharmacy closures and concludes that it is impossible to provide a robust estimate. The assessment then goes on to consider hypothetical closure scenarios to illustrate the scale of impact on patient travel times, should pharmacies close – which are considered to be very modest.

The impact of closures on patient health is also considered within the impact assessment and the conclusion drawn is that **“it is not considered this would lead to any significant impacts on patient health.”**

Pharmacy services – the funding reductions apply to the services delivered via the national contractual framework and whilst these are specified there is some concern that pharmacy contractors may reduce or discontinue other services that they currently provide in order to cut their operating costs. Examples of such services could include delivery of medicines to

¹ <https://www.sheffield.gov.uk/caresupport/health/health-wellbeing-board/JSNA.html>

patients, provision of monitored dosage systems and other compliance aids (eg MAR charts²).

It is also possible that pharmacy contractors may undertake reductions in staffing in order to remain viable which could result in reduced levels of service for patients and the public and potentially limit their capacity to provide services locally commissioned by the CCG and the Local Authority (even though these services are not subject to funding reductions). These services include providing medicines to treat minor ailments, sexual health services and substance misuse services. The value of these services in improving patient care is considerable and the utilisation of the clinical resource within community pharmacy is in line with primary care strategy development and taking forward the 5 Year Forward View in Sheffield.

Other Potential Impacts

Other potential impacts of pharmacy closure or service reduction include knock-on effects to other health care providers, primarily to GPs and to some degree urgent care providers. Such effects, should they occur would be not be welcome – given the pressures that currently exist within these services.

Dr Peter Magirr FRPharmS: NHS Sheffield CCG Medicines Management Team; and
LPN Chair (Pharmacy): NHS England, South Yorkshire & Bassetlaw

² Community Pharmacy Sheffield has recently advised contractors to discontinue MAR charts

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