

## **AGENDA ITEM**

### **REPORT TO HEALTH AND WELLBEING BOARD**

### **REPORT OF NHS ENGLAND**

#### **COMMUNITY PHARMACY IN 2016/17 AND BEYOND**

##### **SUMMARY**

The purpose of the report is to provide the Board with an update on the changes to community pharmacy in 2016/17 and beyond.

##### **RECOMMENDATIONS**

It is recommended that the Board note the contents of the report.

##### **DETAIL**

###### **Background**

1. NHS England is the national commissioner of community pharmacy services and our role is to ensure the NHS provides safe, effective, high quality patient care and services within community pharmacy and to ensure that the NHS lives within its means.
2. On 20 October 2016, the Government announced changes for Community Pharmacy, including a change to funding (resulting in a reduction in funding nationally of £113 million in 2016/17) and changes aimed at improving Community Pharmacy for patients.
3. There are 726 Community Pharmacies in Cumbria and the North East. In Stockton, there are 42 Community Pharmacies, 9 of which are 100 hour pharmacies.
4. Community pharmacies in England must now make the efficiencies they have been planning and adopt new working practices rather than immediately threatening closures.

###### **Community Pharmacy Commissioning Responsibilities**

5. On 15 June 2016, NHS England CNE sent a letter to all Health & Wellbeing Boards detailing the differences between enhanced, advanced and locally commissioned services within community pharmacy.

## Essential Services

6. NHS England - North (Cumbria and North East) directly commissions pharmacies to deliver those services defined as essential services from community pharmacies in line with the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013. There are six Essential Services and only NHS England may commission these services:
  - ES1 – Dispensing Services
  - ES2 – Disposal of unwanted drugs
  - ES3 – Promotion of Healthy Lifestyles
  - ES4 – Public Health Campaigns
  - ES5 – Signposting
  - ES6 – Support for Self-Care

## Advanced Services

7. From 1 December 2016, there will be one further additional service commissioned by NHS England as a pilot in addition to the existing three existing Advanced Services that only NHS England can commission:
  - Medicines Use Reviews (MURs)
  - Appliance Use Reviews (AURs)
  - New Medicine Service (NMS)
  - Urgent Medicines Supply Advanced Service (UMS) (Pilot)

## Enhanced Services

8. Enhanced services can **only** be commissioned directly by NHS England and the services which NHS England can commission are set out in the Pharmaceutical Services (Advanced and Enhanced Services) (England) Directions 2013.
9. Examples of Enhanced Services include care home services that provide support to residents and staff in care homes, disease specific Medicines Management services and home delivery services.
10. Currently, NHS England – North (Cumbria and North East) does not commission any Enhanced Service, but may in future and we will notify you should this happen

## Locally Commissioned Services

11. Locally commissioned community pharmacy services can be contracted via a number of different routes and by different commissioners, including local authorities, Clinical Commissioning Groups (CCGs).
12. Examples of Locally Commissioned Services include Flu Vaccination services, Health Checks and Minor Ailment schemes.

## **Community Pharmacy Changes – Impact on Stockton**

13. From 1 December 2016, the Drug Tariff will change. This will result in a more streamlined payment system with a Single Activity Fee, phasing out establishment payments, introducing a Pharmacy Access Scheme, a Quality Payments Scheme, and the Pharmacy Integration Fund.

### Single Activity Fee

14. This will combine all payments that pharmacies previously received:

- Professional Fee – the fee paid for dispensing products on the drug Tariff. This varied depending on the product
- Practice Payment – the fee paid based on the pharmacy declaration of the total number of hours that staff members supporting the dispensing process work in an average week
- Repeat Dispensing Payment – the fee paid for providing Repeat Dispensing services to patients
- Electronic Prescription Services (EPS) payment – a monthly allowance of £200 paid to pharmacies to contribute towards EPS costs where the one-off claim form was submitted.

15. For the December Drug Tariff, the Single Activity Fee will be £1.13 per item dispensed.

### Establishment Payment

16. Currently, if a pharmacy dispenses over 2,500 prescriptions per month, they receive an Establishment payment.

17. This payment will be phased out over a number of years. On 1 December 2016 it will be reduced by 20% compared to 15/16 levels and on 1 April 2017 it will be reduced by 40% compared to 15/16 levels, ceasing entirely by the end of 2019/20.

18. The phasing in future years beyond 2017/18 will be subject to future consultation.

### Pharmacy Access Scheme

19. The Pharmacy Access Scheme (PhAS) will run from 1 December 2016 to 31 March 2018, to support patients in accessing Community Pharmacies.

20. A pharmacy is eligible for PhAS if it meets all of the following three criteria:

- The pharmacy is more than a mile away from its nearest pharmacy by road;
- The pharmacy is on the pharmaceutical list as at 1 September 2016; and
- The pharmacy is not in the top quartile by dispensing volume.

20. Those pharmacies eligible will receive roughly £11,600 in 16/17 and £17,600 in 17/18.
22. The list of eligible pharmacies has been developed nationally. In Stockton, four community pharmacies are eligible for the PhAS.
23. Applications to review eligibility for PhAS funding are being managed solely by the national team, with a panel at national level making decisions on such applications. CNE will be updated in March/April 2017 to confirm if these reviews have resulted in any more CNE community pharmacies receiving PhAS funding.

#### Quality Payments Scheme

- 24.** The new funding structure will reward quality of service provided, so that NHS England can target improvements in people's health nationwide and the public will be able to see how well their local pharmacy is delivering care. The quality scheme provides the opportunity for a pharmacy to publish its patient satisfaction survey and to list its nationally and locally commissioned services which is a huge step forward for the profession.
- 25 In order for Community Pharmacies to be eligible for this scheme, they must meet four gateway criteria:
  - Provision of at least one advanced service;
  - NHS Choices entry up to date;
  - Ability for staff to send and receive NHS mail; and
  - Ongoing utilisation of EPS.
25. Quality payments will depend on how many of the quality criteria the pharmacy meets. Up to £75 million nationally will be available for this in 2017/18. The proportion of this funding available to CNE is not known.
27. There will be two review points during the year, at which quality payments can be claimed: at the end of April 2017 and at the end of November 2017. This is a points system based on a number of criteria and payment is based on the number of points achieved.

#### Pharmacy Integration Fund

- 28.** The £42m Pharmacy Integration Fund (PhIF) will support community pharmacy as it develops new clinical pharmacy services, working practices and digital platforms to meet the public's expectations for a modern NHS community pharmacy service.
29. Some schemes under PhIF have already been commissioned by NHS England and were announced on 20 October 2016 as follows:
  - a) Two work streams aimed at integrating community pharmacy into the NHS' national urgent care system, to run in parallel from

December 2016 to April 2018: the urgent medicines supply service and the urgent minor illness care work with NHS 111. It is not yet known how these schemes will be managed locally.

- b) Health Education England has been commissioned to produce a workforce plan for pharmacy professionals in primary care to be able to inform the workforce development needs for pharmacy across the health care system linking with the work they have already done in secondary care. NHS England expect this to be ready by Spring 2017.
- c) There will be educational grants for community pharmacists to access postgraduate clinical pharmacy education and training up to diploma level from April 2017.
- d) From April 2017: deployment of pharmacy professionals in care homes and funding workforce development for pharmacists who work in care homes to include a prescribing qualification.
- e) From April 2017: there will be funding for pharmacists working in urgent care clinical hubs, such as NHS 111, integrated urgent care clinical hubs or GP out of hours services, and again this will include a prescribing qualification.
- f) Also from April 2017, a programme of pharmacy technician clinical leadership development.
- g) An agreed priority will be to evaluate the impact of digital technologies on the health care system to improve efficiencies and modernise.

30. Further details regarding this will be released in due course.

#### New Urgent Medicines Supply Advanced Service (NUMSAS)

- 31. NHS England will be commissioning a new urgent medicines supply pilot as an advanced service, under the PIF which will require changes to Directions.
- 32. The pilot was launched on 1 December 2016. The North East are set to go live with NUMSAS in Phase 2 in January 2017 along with the North West and the East of England.

#### Changes to Market Entry Regulations

- 33. From 1 December 2016, there will be changes made to market entry regulations to facilitate the consolidation of pharmacies and to prevent other

new entrants to the market following consolidation. Further details regarding this are awaited.

#### Local Pharmaceutical Services (LPS) Contractors

34. There are no LPS contracts in the Stockton area therefore the impact of changes on LPS Contractors is not relevant to Stockton Health & Wellbeing Board.

#### **The Role of Stockton Health and Wellbeing Board**

35. The Health & Social Care Act 2012 transferred responsibility for the developing and updating of Pharmaceutical Needs Assessments (PNAs) to health and wellbeing boards. The PNA for Stockton was published in 2015.
36. No gaps in provision were identified.
37. The PNA for Stockton states that opportunities for improvement or better access to pharmacy services could be offered. The PNA does not state that such services indicates a gap of community pharmacy service provision. Rather, the PNA states that such services would be commissioned as enhanced or locally contracted services.
38. The PNA concludes that there is sufficient provision of pharmacies in the borough. Stockton has choice of both pharmacy providers and services from community pharmacies.
39. There has been an increase of 5 additional community pharmacies since the first PNA was published in 2011 in the Stockton area.
40. Where a market entry application for Community Pharmacy is submitted, interested parties, including Health & Wellbeing Boards are notified and provided with an opportunity to make representations regarding the application in question. The representations received are considered by the Pharmaceutical Services Regulations Committee (PSRC) when reviewing the application and when arriving at a decision on an application.
41. When a change is made to the pharmaceutical provision in Stockton, a notification of the change is sent to the Health & Wellbeing Board. This includes all changes; from ownership changes, new pharmacies, pharmacy closures and changes to hours.

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