



Department
of Health

Community Pharmacy in 2016/17 and beyond - proposals

Consultation event

28th April, 2016

Agenda

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|--------------------|---|
| 9.00-9.30 | Arrival and tea/coffee |
| 9.30-10.00 | Introduction – Jeannette Howe |
| 10-11.00 | Session 1: The Pharmacy Integration Fund – Keith Ridge, Anne Joshua <ul style="list-style-type: none">- Opening presentation by NHS England- Table discussion and feedback in plenary |
| 11.00-11.20 | Tea/coffee break |
| 11.20-13:00 | Session 2: Funding and the Pharmacy Access Scheme – Jeannette Howe <ul style="list-style-type: none">- Opening presentation by DH- Table discussion and feedback in plenary |
| 13:00-13:45 | Lunch |
| 13:45-15:15 | Session 3: Quality and services – Susan Grieve, Bruce Warner <ul style="list-style-type: none">- Opening presentation by DH- Table discussion and feedback in plenary |
| 15:15-15:30 | Tea/coffee |
| 15:30-16:30 | Session 4: Further reflections in plenary |
| 16:30-17:00 | Next steps and close |

Introduction – Jeannette Howe, Head of Pharmacy, DH

Session 1 – The Pharmacy Integration Fund

Community Pharmacy Review



Community Pharmacy Review

- NHS England to commission independent community pharmacy services review to advise the Chief Pharmaceutical Officer
- Timetable: anticipated to run from May to October 2016
- Richard Murray, Director of Policy for the King's Fund, has agreed to chair the independent review

Terms of reference

In the context of:

- the changing patient and population needs for healthcare as set out in the Five Year Forward View, in particular the demands of an ageing population with multiple long term conditions,
- the changing demands and roles in primary care as set out in the GP Forward View
- emerging models of pharmaceutical care provision from the UK and internationally
- the evidence of sub optimal outcomes from medicines in primary care settings
- the objective to improve value through integration of pharmacy and clinical pharmaceutical skills into patient pathways and the emerging new care models

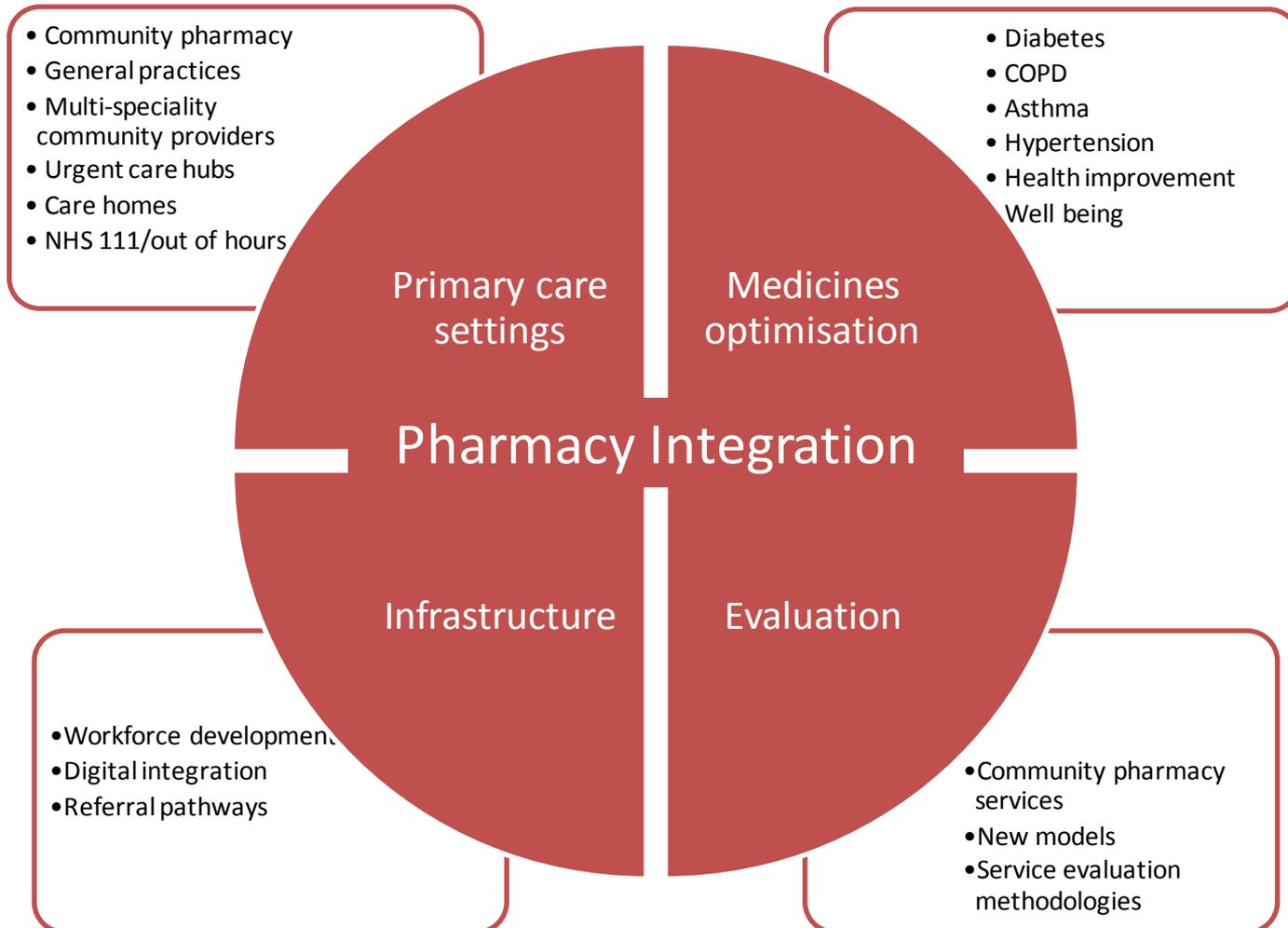
the review will:

- examine the evidence base, value and operationalisation of the clinical elements of the current community pharmacy contractual framework and other clinical services provided by community pharmacy that are commissioned by NHS England
- identify the barriers that prevent maximal utility of community pharmacy and the community pharmacy workforce in integrated, safe, clinical and cost effective, high quality care of patients with acute and long term conditions and examine how those barriers might be addressed
- taking into account the barriers identified, make recommendations for commissioning models and clinical pharmacy services that both integrate and transform the clinical contribution of community pharmacy and the pharmacy workforce to the delivery of good outcomes and patient care, whilst considering the relevant evidence generated from local commissioning of community pharmacy clinical services and aligning with the emerging new care models,
- make recommendations for commissioning models for community pharmacy and the pharmacy workforce that deliver good patient outcomes and optimal value for money for the taxpayer, when compared to services delivered elsewhere in primary care, taking into account both published national clinical priorities and the need to be able to respond flexibly to local clinical priorities”

Pharmacy Integration Fund



The initial proposals – 17th December 2015



The consultation responses – up until 12th February 2016

- provision of pharmaceutical care – i.e. medicines adherence, pharmacist involvement in care plans, monitoring patients and referring back to GP as necessary;
- more formal health promotion role – all pharmacies becoming healthy living pharmacies, to enable patients to self-manage their conditions and promote self-care;
- all pharmacists to be trained as non-medical prescribers;
- pharmacy services in care homes, urgent care and A&E;
- training pharmacists and their support staff to provide clinical services;
- medicines optimisation;
- IT - including easing access to patient records and a move to pharmacists being able to access full patient record;
- enhanced funding including through access to other national and local transformation funds;
- enabling clinics to run in community pharmacy, e.g. warfarin, venepuncture and long term condition management.

The consultation responses – up until 24th March 2016

- 24th March 2016 closing date
- 39 written responses specifically mentioned the Pharmacy Integration Fund in detail. Responses received from a range of stakeholders including:
 - Royal Pharmaceutical Society, Pharmacy Voice, General Pharmaceutical Council, HealthWatch, Association of Pharmacy Technicians UK, Pharmaceutical Services Negotiating Committee, Local Pharmaceutical Committees, Clinical Commissioning Groups, Pharmacy Local Professional Networks, Individual Pharmacists, Commissioning Support Unit
- Similar themes noted from interim responses at 12th February 2016. Particular focus on:
 - General practice integration with community pharmacy
 - Urgent care integration with community pharmacy
 - Care home pharmacy services
 - Workforce development
 - Digital development
 - Access to the Fund

Feedback - General practice integration



Welcome opportunity

Reduce GPs' workload

Develop a pool of prescribing
pharmacists

Where would the money come from
to invest in this as a sustainable
opportunity?

Devaluing services currently
provided from community pharmacy
settings

Pharmacists employed by General
Practice is not the only form of
integration

Suggestions to support Long Term Condition (LTC) integration with General Practice

- National commissioning of a “Medicines Optimisation” service for people with LTCs
- Patient registration for packages of care
- Make Every Contact Count – health improvement and well being services need to be commissioned
- Local commissioning models need developing that include pharmacy services as an essential element to drive change

Feedback - Care homes pharmacy services



Welcome opportunity

Commission service from community pharmacy

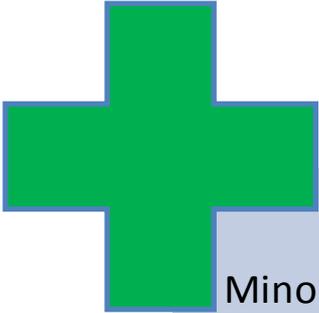
Priority area

Backfill required to free community pharmacists

Pharmacists employed by GPs to support care homes is not integration

Is there a conflict of interest if the same pharmacy provides the supply of medicines? Isn't community pharmacy best placed to support the care home?

Feedback - Urgent care integration



Minor ailments schemes as a commissioned service

Improve NHS 111 Pharmacy Directory of Services entries to drive referral

Pharmacists in NHS 111/GP out of hours should focus on developing referral pathways

Lack of national scheme and local decommissioning

Lack of resource locally to support integration and agree care pathways

Lack of utilisation of existing community pharmacy workforce to provide a first contact urgent care service. Willing provider but lack of engagement with commissioners

Workforce development

Clinical and strategic leaders

Non medical prescribing

Pharmacist with special interests

Dealing with difficult situations

Medical note taking

Back fill funding to enable training

Career structure for support staff

Model career path

Health trainers and navigators

IT training

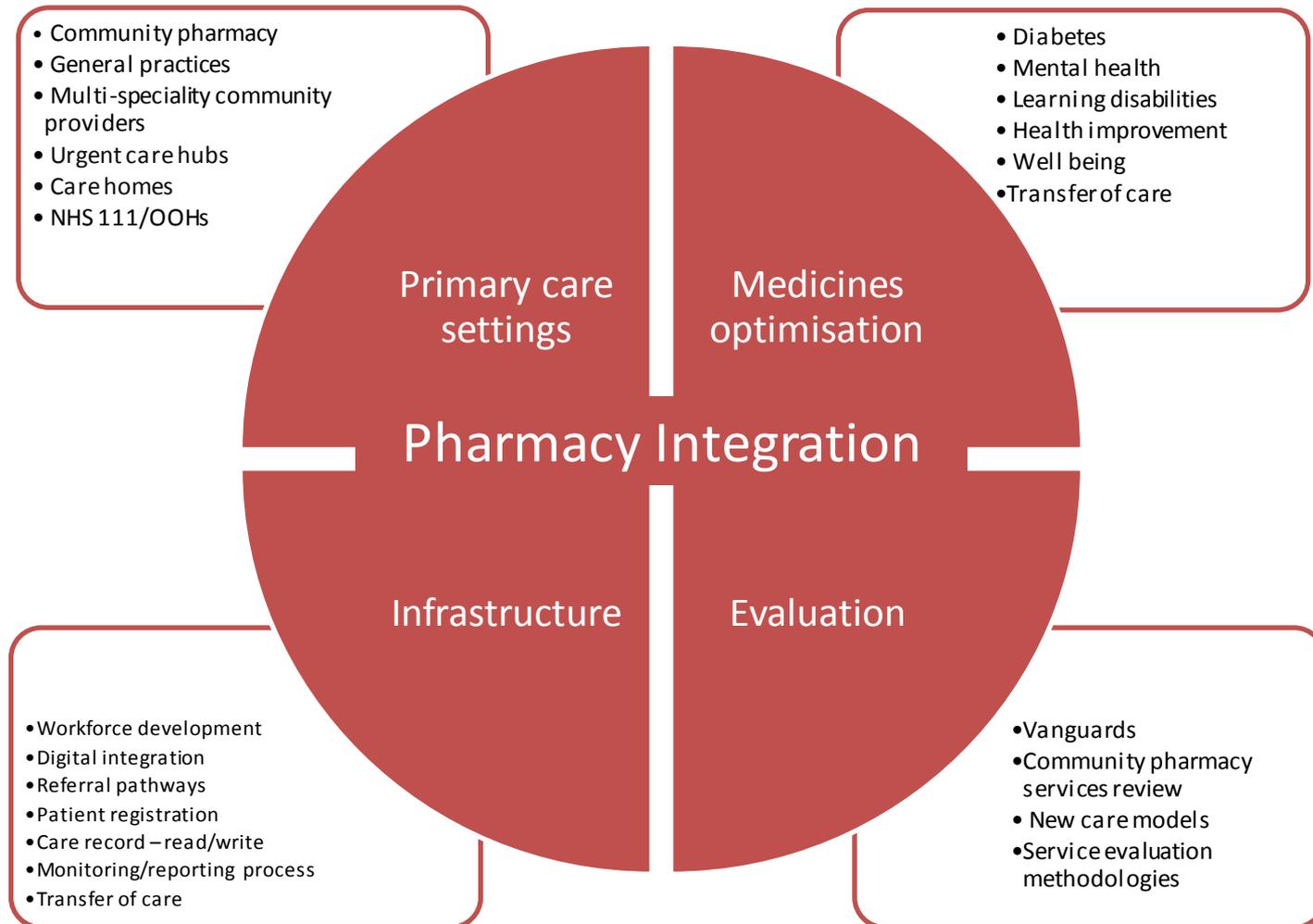
Challenge prescribers

Promotion of the role of pharmacy workforce

Digital technology

- Welcome opportunity for wider use of electronic prescribing, automation of repeat prescriptions and interoperability where appropriate
- Suggestion that Electronic Prescription Service Release 2 (EPS R2) be used as a registration tool and developed to provide modules for patients wanting read/write access to electronic patient records.
- Concerns raised that an overreliance on patient facing technology could widen the health inequalities:
 - Could lead to lack of engagement with pharmacist as medicines expert
 - Reduces choice in areas of social deprivation and for frail elderly who are less likely to use digital technologies

The Responses- 24th March 2016



The Fund - general comments

- How will the fund be made available ?
- How will the fund be supported after the five year period ?
- The funding is significantly lower than the funding being removed from the community pharmacy contract 2016/17
- The fund should not be ring fenced for specific recipients but focused on producing the best outcomes
- The fund should be used to explore new contracting models
- Enhance the fund through access to other national and local transformation fund
- Consideration needs to be given to ensure equality and fairness for patients when allocating funds

Next steps

- Collate responses to consultation
- Establish governance arrangements for allocation of the Pharmacy Integration Fund
- Confirm legal framework, ongoing patient/public involvement, stakeholder engagement
- Set up workshops to take forward development of priority work streams, initially:
 - Care homes
 - Urgent care

Session 2 – Funding and the Pharmacy Access Scheme

Contents

- Overview of initial proposals – as set out in letter to PSNC, 17th December
- Development of proposals since 17th December
- Stakeholder suggestions received on funding (as of 18/02)
- Funding distribution: options
- The pharmacy access scheme: outline proposals and development
- Pharmacy access scheme: comments from stakeholders
- Areas for discussion

Overview of initial proposals on funding – as set out in letter to PSNC, 17th December

As set out in the slides discussed with stakeholders earlier this year, community pharmacy must play its part in delivering the efficiencies needed within the NHS. Our aim is to ensure the system is efficient and delivers value for money for the taxpayer and to maintain good public access to pharmacies and pharmacists in England.

Regarding funding, the government has announced that 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.

As part of that, we propose to:

- **Phase out the establishment payment over a number of years.** 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.
- **Introduce a pharmacy access scheme.** We believe efficiencies can be made without compromising the quality of services or public access to them. Our aim is to ensure that those community pharmacies upon which people depend continue to thrive. We are consulting on the introduction of a Pharmacy Access Scheme, which will provide more NHS funds to certain pharmacies compared with others, considering factors such as location and the health needs of the local population.
- **Simplify the NHS pharmacy remuneration payment system through the creation of a single activity fee.** We propose that the current dispensing fees, repeat dispensing fees, practice payment and EPS payment will cease, to be replaced by a single activity fee, payable per item dispensed. The additional fees linked to particular types of prescriptions (for example unlicensed medicines, controlled drugs item fee) will remain in place.

Development of proposals since 17th December

Since the 17th December, work has progressed on options for the package of changes to be implemented from October 2016. This has included discussion of a range of options and ideas, including:

- A package put forward by the PSNC:
 - To release **savings from the drugs bill** to offset reductions to community pharmacy;
 - One example of this is a 'not-dispensed' scheme: the objective of this scheme would be to reduce NHS expenditure on medicines and appliances through not dispensing prescription items where the pharmacy team determines with the patient that they already have sufficient stock of the medicine or appliance at home.
 - These types of proposals have inherently long lead-in times for implementation. There is doubt that they could be implemented in time for October 2016/17 . To provide financial certainty, it is essential any savings can be readily captured and attributed to the pharmacist's intervention.
 - To link payments to clinical **quality** in community pharmacy; and
 - To commission an **emergency supply of medicines service**
- We have also been working on **reforms to the medicines margin and drug reimbursement arrangements** , with two key aims: to deliver medicine margin more evenly over the year and more fairly to contractors; and to reform the way reimbursement prices are set to reduce anomalies and manipulation.

Development of proposals since 17th December - Market entry

- Actions to facilitate the consolidation of pharmacies in areas of clustering are to be identified and explored.
- We are discussing options with the PSNC for amendments to the NHS Pharmaceutical and Local Pharmaceutical Services Regulations 2013 which will support the consolidation of two pharmacy businesses where one business closes.
- Once we have a possible proposal we will discuss this with the Local Government Association.
- We have no plans to change the current basis of market entry as set out in primary legislation.

Stakeholder suggestions received on funding (as of 18/02)

As part of the consultation process we have received feedback and suggestions on the proposals outlined in the letter of the 17th December and the stakeholder briefing sessions held in January and February. Stakeholders came forward with several suggestions for using community pharmacy to access savings for the NHS. Several different respondents suggested similar ideas and these are summarised here:

Outcome or patient-based payments

- Savings through incentivising medicines optimisation;
- Linking pharmacy remuneration to patient outcomes;
- Payments linked to care of particular groups of patients (e.g post discharge from hospital), to make savings from avoidable readmissions.

Ways to relieve pressure on other areas of the NHS

- Such as a national standardised minor conditions and minor injury treatment service and national specification and pathways incorporating NHS111, data transfer etc
- Emergency supply of regular repeat medicines – a national service incorporated into the NHS111 referral pathways into GP OOH services.

Other

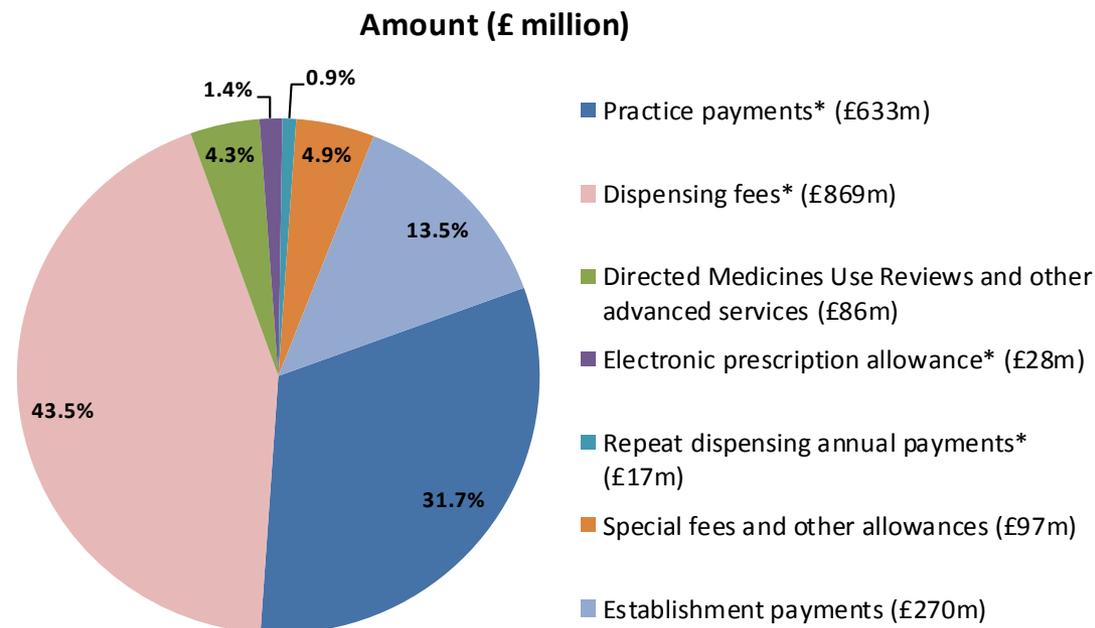
- Further funding from Health Education England to help develop some independent prescriber pharmacists working in community pharmacies to take on a more enhanced role in treating some of the minor conditions and injuries where prescribing is required and to help provide a palliative care service consistent across the country
- Increased discount clawback rate for large vertically integrated pharmacy chains.

Funding distribution: options

Taking all of these elements into account, and working within the fixed envelope of £2.63bn for 2016/17, we therefore have different options for how we distribute funding.

The diagram below illustrates how the £2.8bn funding is currently distributed across different fees and payments, and shows where the decisions lie in how we might distribute funding differently in the future.

- There are options for how the £170m savings in 2016/17 are made; some fees could remain the same while some could be altered to allow other payments to be introduced
- Funding for the pharmacy access scheme will come from this total in 2016/17
- We could reduce the amount available for dispensing fees (single activity fee), to establish a quality payment.



* indicates fees that will be ceased, in favour of a single activity fee

The pharmacy access scheme: outline proposals and development

Currently, levels of patient access to pharmaceutical services are good. 99% of the population can get to one within 20 minutes by car and 96% by walking or using public transport. We recognise that our funding proposals could put some pharmacies under pressure financially, and we therefore recognise the need to protect patient access to pharmacies.

We propose that a pharmacy access scheme would be a centrally-determined national scheme with two key elements. These two elements combined would determine which pharmacies should be protected, which would be published in a list:

A formula: based on population and pharmacy location data as well as population size and needs. This formula would be used to generate an index of pharmacies, giving a 'score' of importance for patient access for each pharmacy in England.

Qualification criteria: based on the index of importance for patient access, we would then set a fixed criteria for entry to the scheme. There are various options for this (a score of higher than 'x' on the index, or the top 1000 pharmacies etc.).

Payment options: there are various options available to us here. We propose that the payment not exceed what a pharmacy would have received before the funding reductions, while making some efficiency. This could be delivered through, for example, a higher item fee or monthly payments.

Eligibility length: we propose that the 'list' would be frozen and then refreshed periodically, to keep up with any market changes. We are open to how often this should be, but suggest it would be circa every 12 months.

Pharmacy Access Scheme: Cont'd

During the course of the work on the scheme, various other options have been put forward by the PSNC, including:

- Basing the scheme on an application process, rather than a national formula. Pharmacies would apply if they believed that they were eligible according to a published list of criteria;
- Using the distance between pharmacies as the measure of how isolated a pharmacy is. An alternative to this is measuring the distance between pharmacies and the populations they serve.
- Only making the scheme available to those pharmacies who would be unviable without it;
- Excluding pharmacies with very low prescription volume;
- Giving eligible pharmacies preserved rights to the scheme for a number of years;
- Not excluding eligible pharmacies should their prescription turnover reach a certain level, so as not to discourage development of the business
- Including flexible criteria around opening hours to allow for the hours to be flexed according to local need; and,
- Incorporating an indication of quality in the eligibility criteria.

Pharmacy Access Scheme: Comments from stakeholders

As part of the consultation process we have received feedback and suggestions on the proposals outlined in the letter of the 17th December and the stakeholder briefing sessions held in January and February.

Stakeholders came forward with several suggestions for the design of the pharmacy access scheme, including:

- The scheme should include a weighting for choice, innovation, number of elderly patients, those with long-term conditions and household access to cars;
- Pharmaceutical needs assessments should be the base of the scheme;
- Quality should be part of the eligibility criteria; and,
- Allocations could be made by area based on Public Health England measures, then distribution to particular pharmacies should be the decision of the Health and Wellbeing Board depending on local need.

Table discussion – Funding and the Pharmacy Access Scheme

- What would be the most effective way to distribute funding to maintain efficient and high quality patient services?
- When distributing funding, how could the balance between targeted payments (for example quality payments or an access payment) and activity payment be set to achieve this?
- Is the remuneration structure the right mechanism to capture and reward quality?
- When protecting access, what is most important, protecting those populations that already have above average travel times to their nearest pharmacy, or protecting those who could be at risk of an increased travel time?
- Do you agree that the size and needs of the population are relevant factors to consider when evaluating how to protect access?

Session 3 – Quality and services

Contents

- **Part 1: Modernising services:**
 - The digital pathway for NHS prescriptions
 - Terms of service for distance-selling pharmacies
 - Hub and spoke dispensing
 - Table discussion
- **Part 2: Quality and services:**
 - Rewarding quality
 - Emergency supply of repeat medication
 - Table discussion

Part 1: Modernising services

The digital pathway for NHS prescriptions

- Patients are already ordering repeat medication through Patient Online, and the Electronic Prescription Service (EPS) is effectively offering a click and collect service for those patients using it. Many pharmacies also already offer home delivery for those patients who need it.
- However, a seamless digital journey for prescriptions is far from the norm, and we want to ensure all patients have choice when they order repeat medication.
- As set out in the slide presentation, 'Community Pharmacy in 2016/17 and beyond', published on 27 January, the Government wants to consider how it can make the process of ordering and collecting prescriptions easier and more convenient for patients, and specifically how it can ensure patients are offered the choice of home delivery or collection when ordering their prescription.

Modernising services - Feedback during the consultation to date

A split between the view that the system is already offering this...

Community pharmacies already provide the types of service the Government wishes to promote

People don't want to use online channels for their medication

And some key risks...

Risks to supply chain if more supply moved online

Risk of increased prescription direction

Need to retain face to face interaction with patients

And the view that there is room for change..

Current system does not facilitate online services

Working-age people with long term conditions could benefit from getting medicines more easily

Market entry system has stifled competition and innovation

A centralised, NHS-branded website could give patients the confidence to order line

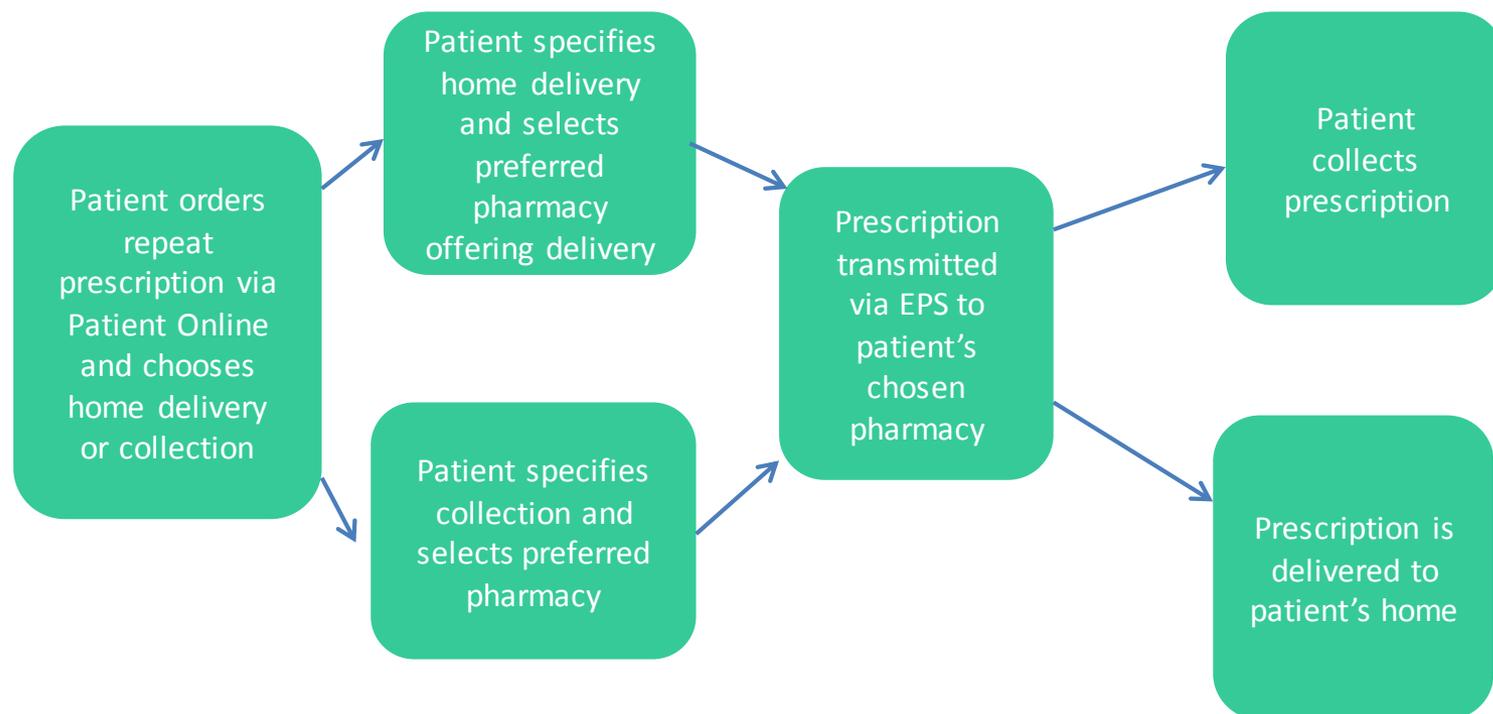
Directory or nomination system needs to ensure patients can make their own choice

Remuneration for distance selling pharmacies should be lower than standard pharmacy contractors

The factors preventing people from having a seamless online experience are outside the control of community pharmacy, e.g. EPS rollout

The digital pathway for NHS prescriptions

A future vision for this digital pathway could look as follows:



Improving the patient journey is a priority for the National Information Board.

NHS England IT colleagues are in the process of establishing a programme of work and are currently doing discovery work to understand what patients want from the journey.

Making changes to the terms of service for distance-selling pharmacies

- The current terms of service do not differentiate between distance-selling pharmacies and bricks and mortar pharmacies. The exception is that distance-selling pharmacies are not allowed to offer essential services face to face if they entered the pharmaceutical list through the exemption for such pharmacies.
- This does not seem to adequately reflect the reality of service provision, and so we believe it is the right time to consider the creation of a new terms of service specifically for this type of pharmacy.
- Through discussions to date, it would appear there are two broad approaches we could take to this:
 1. Keeping the same broad requirements in the terms of service for distance-selling pharmacies as for bricks and mortar pharmacies, but specifying how we expect them to comply with areas where they necessarily have to act differently. E.g. in the case of returning unwanted medicines, or support for self-care.
 2. Taking a different view of the terms of service and focussing in on the core requirements we have of distance-selling pharmacies – for example, dispensing with reasonable promptness, prescription-linked interventions and having an up to date website.)

Hub and spoke dispensing

In parallel to the consultation on community pharmacy in 2016/17 and beyond, the Department of Health is consulting on changes to the Human Medicines Regulations 2012 (HMR 2012) to enable 'hub and spoke' dispensing across different legal entities.

This consultation is silent in several areas:

- It does not make any proposals about specific models of hub and spoke dispensing - it is focused solely on creating a level playing field across different business models. It does not discuss the implications for NHS pharmaceutical services, for example whether both the hub and spoke should be in the pharmaceutical list.
- It does not discuss the potential for efficiencies from hub and spoke dispensing from an NHS perspective.

The consultation highlights two areas for further consideration, working with the regulators.

- End to end accountability
- The regulatory framework for these types of pharmacy operations

Assuming the changes are made to the HMR 2012, there is a question of how this will now be taken forward within the NHS. We are interested in initial views and discussion today, but this will not be the only opportunity for engagement on this.

Modernising services – Questions for table discussions

The digital pathway for NHS prescriptions.

1. What are your views of the patient journey described at slide 37?
2. How could we ensure patient choice was built into such a journey?
3. How could we ensure an element of pharmacy discretion was built in? (i.e. bearing in mind pharmacies now choose to whom they deliver and when.)
4. How would we deal with the legitimate 'gaps' between a patient ordering and pharmacy supplying, e.g. prescription does not get to pharmacy, item not available?

Terms of service for distance-selling pharmacies

5. To what extent should distance-selling pharmacies be expected to provide the same service as bricks and mortar pharmacies, albeit in a different way?

Hub and spoke dispensing

6. Having lifted the current restrictions on hub and spoke dispensing, what do stakeholders think would naturally happen to take-up within the sector?
7. What are the risks to the NHS/patients/community pharmacies of take-up happening organically?
8. If Government/NHS England were to play more of an enabling role in promoting hub and spoke dispensing models, how would it ensure it puts the right incentives in place, whilst ensuring it shares any benefits?

Part 2: Quality and services

Quality and services - PSNC's service development proposals

- The PSNC put forward proposals for how to develop a clinically focussed community pharmacy service
- **Phase 1:** Community pharmacy care package
 - Transfer to eRepeat Dispensing
 - The development of a community pharmacy care package: patient registration and medicines optimisation services
 - Inhaler technique checks/coaching
 - Prescription interventions
 - Post discharge Medicine Use Reviews/medicines reconciliation
 - Pharmacy First service
 - Public health campaigns
- **Phase 2:** Enhanced community pharmacy care package for patients
 - Building on phase 1 and providing additional elements
 - Healthy Living Pharmacy equivalent accreditation
- **Phase 3:** Support to specific groups of patients to release further GP practice capacity

Quality and services - Feedback during the consultation to date

Proposals for new services

Commission a home delivery service

Commission a national emergency supply of medicines scheme

Commission a national minor ailments scheme

Enable direct to community pharmacy referrals from NHS 111

Funding/commissioning changes

Patient registration with pharmacies for all those with long term conditions

Link pharmacy remuneration to patient outcomes

Allow the delivery of advanced services outside the pharmacy

More independent prescribing

Rewarding quality

- As part of PSNC's package of proposals (slide 23), they put forward a proposal to reward quality through the funding structure.
- We are interested in views from stakeholders on what the quality indicators themselves would look like.
- A starting point would be to have indicators around the following, in line with other parts of primary care:
 - Patient safety
 - Patient experience
 - Premises
 - Digital
 - Workforce
 - Clinical effectiveness
 - Public health
- The sorts of areas under consideration are:
 - The importance of building in stretch, to ensure the continuous improvement of NHS pharmaceutical services
 - Whether there should be 'gateway' criteria, which would have to be met in order to receive quality payments, for example having a consultation room
 - Whether a weighted, points-based mechanism could lend itself well to this area
 - How this would be monitored/reported against

Emergency supply of repeat medication

- One specific area that has arisen during the consultation process is the potential to commission a national emergency medication supply service from community pharmacy. This would aim to create a direct pathway from NHS 111 to community pharmacy for urgent repeat medication.
- This is an area which was also raised by several respondents to the consultation.
- Such a service would be in keeping with NHS England's priority of reducing pressure on the urgent and emergency care network. Urgent repeat prescription requests account for about 2% of all completed NHS 111 calls.
- Considerations we are working through are:
 - Deliverability for 2016/17
 - How we differentiate between the existing urgent supply service most community pharmacies already offer and a new, commissioned service
 - How to fund such a scheme, bearing in mind the cost envelope of £2.63bn in 2016/17

Quality and services - Questions for table discussion

Rewarding quality

1. What are measurable indicators of the quality of provision of NHS pharmaceutical services?
2. Should any quality payment act primarily to redistribute funding or to incentivise 'stretch' improvement in performance against quality indicators?
3. Should there be gateway criteria (e.g. having a consultation room) before contractors could be considered for a quality payment?

Emergency supply of repeat medication

4. How could we differentiate between the existing urgent supply service most community pharmacies already offer and a new, commissioned service
5. What would enable community pharmacies to deliver such a service? (e.g. access to patient records; ability to transfer information securely.)