

Friday 16th October 2020

Linda Honey
Interim Director of Pharmacy
NHS Surrey Heartlands CCG
Letter by email to linda.honey1@nhs.net

Dear Linda,

Re: Surrey Heartlands CCG review of systems and process with regards to the supply of dressings

Thank you for copying Surrey LPC into your letter to community pharmacies and dispensing practices, informing them of the review of the systems in place with regards to the supply of dressings.

The committee welcomed the opportunity to feedback more formally as part of the initial stages of the review. We support the need to review the current arrangement, as we have previously raised operational issues and were keen to optimise these working with you. We hope our comments will be helpful to decision makers, however noted that you have already pre-determined that it may lead to a different route of supply for non-FP10 ordered dressing in future.

We are aware of around 90 community pharmacies in Surrey involved in the current online non-prescription ordering service (ONPOS) arrangements, together supplying several million pounds worth of wound management products annually. Whilst this is not a locally commissioned service, we make the following points on behalf of NHS community pharmacies locally:

1. The financial pressures on community pharmacy NHS contractors are increasingly treacherous: In Surrey we are seeing continued mergers and closures, with 4 consolidations and 7 closures over the last two years alone. Steps such as these that will shift funding away from the sector locally and make this situation worse, are unwelcome.
2. Whilst centralization is seen as one of the expected benefits, reliance on a single provider as the supplier could have unintended consequences, such as less resilience in the supply and distribution of wound management products locally.
3. We believe that some of the cost savings to the NHS may have been overstated, particularly as community pharmacies tell us that they are frequently called upon to provide a delivery service of ONPOS ordered products. These costs will need to be factored-in, especially when considering a centralized service and the local geography. The alternative may be reduced frequencies of deliveries, which may impact the compliance with the proposed route of supply.
4. Community pharmacies could still feature part of any new proposed model, providing additional resilience, with local spokes for distribution. We would welcome the opportunity of exploring how pharmacies could work with HPL via sub-contracting mechanisms or other means to further improve access, choice, and service.
5. We are pleased that your letter confirmed that FP10 prescribing of wound care products is not specifically part of this review.

Turning to the engagement events to provide further detail about the project, we know several local pharmacies raised their concerns, not least about the visibility of the procurement process. We hope these can be addressed through the planned frequently asked questions.

Future Plans

We are concerned that the engagement events appeared to suggest new arrangements beyond dressings referred to in your letter. The slides presented described a new model for both appliances and devices “with Wound Management Products as the *First Project*”.

This is of concern to us, as it would impact on FP10s issued and we would appreciate if this could be clarified. Reduction of prescriptions issued in Surrey would have a disproportionate adverse impact on the local pharmacies, since any adjustments to ensure full delivery of the nationally negotiated funding to compensate might be applied nationally. This could put the pharmacy network in Surrey at increased risk of closure, staff or service cutbacks. This is somewhat at odds with the system looking to better use the community pharmacy expertise to help manage self-care and long-term conditions and looking to work together as an ICS system.

We would encourage genuine and full consultation about future aspects with all stakeholders, including the LPC, community pharmacies and NHS England & Improvement. We suggest clear timeline for the proposal development and decision process to be shared, so that it is transparent and allows all partners to share the impact of the proposals from their perspective

Regarding any future plans to bypass FP10s more widely for appliances and devices we make the following points, especially as the cost savings envisaged, might not be as high as expected:

- The cost of items supplied on prescriptions is less than the prices detailed in the Drug Tariff - When community pharmacy contractors are reimbursed for the cost of medicines and appliances dispensed against NHS prescriptions, a deduction is made to their payments, known as ‘discount deduction’. Currently the average level of discount is around 8%.
- Items supplied against prescriptions are zero rated for VAT – purchasing items under other arrangements, could lead to the addition of VAT.
- If a direct supply, non FP10 model is implemented there must be consideration given to community pharmacy being left with redundant stock with no national mechanism for claiming the costs when this stock expires.
- NHS England has previously issued advice to regions and local areas, regarding the Provision Of Appliances (Publications Gateway Reference No.04399), enclosed with this letter

Lord Carter's review of efficiency in NHS hospitals while encouraging hospitals to consider ‘collaborative procurement hubs’ to reduce costs, also included a caveat that supports national schemes or solutions. He stated that *‘We do not expect to see hubs competing with or undermining the national solutions, so we recommend trusts take this into account when developing their pharmacy transition plans’*.

Tendering initiatives should respect the provision of drugs in the community that are ordered by NHS general practitioners via FP10 prescriptions and supplied through NHS pharmacy contractors.

We recognise that the market for the supply of appliances is complex and that there is scope for further local optimisation. It is essential that this is done without compromising patient access to products, patient choice of service provider or the quality of service provision. We are happy to be involved to explore proposals at an early stage.

Please do keep us updated with the outcome of the review.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'James Wood', with a horizontal line underneath.

James Wood FRPharmS

Chief Executive

On behalf of Surrey Local Pharmaceutical Committee

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