

Community pharmacy: providing great value for communities

Background Information

The research

In December 2015 the Government set out proposals to reduce community pharmacy funding by £170m and make other changes to the sector. The proposals are still under consideration and could lead to reductions in the services that pharmacies can offer and the closure of up to 3,000 pharmacies.

No analysis of the impact that this could have on patients or other services has been published.

As part of its response to these proposals the Pharmaceutical Services Negotiating Committee (PSNC, which is recognised by the Secretary of State as the representative of community pharmacy owners on NHS matters) commissioned PricewaterhouseCoopers LLP (PwC) to examine and quantify the economic contribution of community pharmacy in England in 2015.

The resulting report analysed the value (net benefits) to the NHS, public sector, patients and wider society of 12 specific services provided by community pharmacy. PwC considered the following services, some of which are commissioned locally, some of which are carried out as part of the national community pharmacy contractual framework and some of which are provided by pharmacies but are not commissioned services:

Public health services

Supervised consumption
Needle and syringe programmes
Emergency hormonal contraception

Medicines support

Clarifying prescriptions
New Medicine Service (NMS)
Sustaining supply of medicines in emergencies
Medicines adjustments
Managing drug shortages
Managing prescribing errors
Delivering prescriptions

Self-care support

Commissioned minor ailments services
Non-commissioned minor ailments advice

For each of these services, PwC estimated the net value of the service in 2015 using a range of sources including a bespoke survey of community pharmacies, data collection by pharmacies and official statistics. You can download the full report from www.psync.org.uk/valueofpharmacy

The savings

The study considered four aspects of the value provided by community pharmacy:

- The potential cost savings to the healthcare system as a result of the cost-effective provision of these services by community pharmacy;
- The potential cost savings to other parts of the public sector;
- The value of improved patient outcomes expressed in terms of time saved and enhanced wellbeing; and
- The value to wider society, for instance due to avoidance of a loss of output (if people are unable to work) and the reduced risk of loss of life.



The methodology considered the value that would be lost if community pharmacy no longer provided the services. PwC also took into account the funding that pharmacy received for the service in order to get to a net value.

Through the 12 services, in 2015 community pharmacy in England contributed £3 billion in net value. This does not give a total figure for the value of community pharmacy because many services, including the dispensing function of community pharmacies, were not analysed. PwC point out that the amount of public sector spending saved directly as a result of the 12 services analysed is enough by itself to offset the entire amount of public funding provided to community pharmacy in 2015. This means that all the other benefits of community pharmacy can be seen as additional benefits that are provided at no cost to the Exchequer.

The NHS was the biggest beneficiary of benefit, with direct NHS cash savings as a result of cost efficiencies worth £1.1 billion and avoided treatment costs worth £242 million. Patients experienced around £600 million of benefits mainly in the form of reduced travel time to alternative NHS settings. £575 million worth of benefits accrued to wider society, through increased output and avoided deaths as a result of community pharmacy interventions. And other public sector bodies such as local authorities saved over £452 million as a result of avoided pressure on other services such as social care and justice.

The benefits

PwC identified a number of benefits from each of the services. For example, where pharmacies give advice on minor ailments, there are significant benefits to the NHS (£561.6m), in particular through avoided GP appointments, as well as benefits for patients resulting from avoided costs that would have been associated with delays in their recovery and lost time having to attend less accessible healthcare providers.

The service offering most value was supervised consumption (£1,361m), in which pharmacies supervise patients, often those with substance misuse problems, as they consume medicines. This service led to high avoided costs of premature deaths, criminal activity and lost economic output.

Further information on the campaign for community pharmacy

More than 2 million patients have signed a petition to save community pharmacies from the funding cuts and the Local Government Association has called for pharmacies to play a bigger role in the provision of public health services. Local councillors and others could consider the following actions to support community pharmacies:

- **Propose a Motion** in support of local pharmacies, for your council to consider.
- **Ask your health scrutiny committee** to speak to the local NHS England team to ask about the plans and the impact they will have locally.
- **Raise the matter** with Health and Wellbeing Board members.
- **Write to your local newspapers** about this issue.
- **Join the campaign on [Facebook](#)** and Twitter (using #lovemypharmacy).
- **Find out more** at: www.saveyourlocalpharmacy.org.
- **Keep informed** by signing up to PSNC's local commissioner emails at www.psn.org.uk/email