



Community pharmacy in 2016/17 and beyond – final package



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Overview

- Changes to funding
- Pharmacy Access Scheme
- Quality Payment scheme
- Pharmacy Integration Fund
- NUMSAS
- Other contract changes
- Judicial Review
- Questions



Funding imposition

- **2016/17**
 - £2.687 billion (£113 million reduction)
 - 4% reduction in funding (cf. 2015/16)
 - 12% reduction from Dec 2016 - Mar 2017 cf. Nov 2016 levels
 - Original plan was for £170 million reduction
 - So eventual imposition was £57 million less than originally planned



Funding imposition

- **2017/18**
 - £2.592 billion
 - £95 million reduction cf. 2016/17
 - £208 million reduction = a further 3.4% reduction cf. 2015/16
 - 7.4% reduction cf. Nov 2016 levels
- Beyond 2018 – Subject to future consultation



Single Activity Fee

- Incorporates the:
 - professional fee
 - Practice Payment
 - Repeat Dispensing payment
 - monthly EPS payment
- Other fees (unlicensed medicines, appliances, CDs, etc) are not included
- One-off set up payment for EPS release 2 will cease at end of March
- £1.13/item
- Expected to rise in 2017/18 to £1.24/item



Establishment Payments

- Will be phased out over a number of years
- 1st December 2016 – reduced by 20% compared to 2015/16 (equivalent to 6.7% reduction overall in 2016/17)
- 1st April 2017 – further reduced by 40% compared to 2015/16 levels
- Proposed to cease by end of 2019/20



PSNC website: indicative income calculator



Complete as required:

Items per month: 7,400

(type in box)

PhAS Pharmacy?

No

(select from drop-down)

Quality Payment

Quality Payment:	Do you meet the four Gateway Criteria? (tick all that apply)
	Provision of at least one specified Advanced service <input checked="" type="checkbox"/>
	NHS Choices entry up to date <input checked="" type="checkbox"/>
	Ability for staff to send and receive NHS mail <input checked="" type="checkbox"/>
	Ongoing utilisation of the Electronic Prescription Service <input checked="" type="checkbox"/>

If all four Gateway Criteria are met, continue below:

Quality Payment: How many of the Quality Criteria do you expect to meet? (tick all that apply)	Claimed at first review point?	Claimed at second point? (if applicable)	review
Production of a written report that demonstrates evidence of analysis, learning and action taken in response to near misses and patient safety alerts and having shared learning	Patient Safety	<input checked="" type="checkbox"/>	
80% of registered pharmacy professionals have achieved level 2 safeguarding status for children and vulnerable adults within the last two years	Patient Safety	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Results of patient experience survey from the last 12 months published on the pharmacy's NHS Choices page	Patient Experience	<input checked="" type="checkbox"/>	
Healthy Living Pharmacy level 1 (selfassessment)	Public Health	<input checked="" type="checkbox"/>	
Demonstration of having accessed the summary care record and increase in access since the last review point	Digital	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NHS111 Directory of Services entry up to date at review point	Digital	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Asthma patients dispensed more than 6 short acting bronchodilator inhalers without any corticosteroid inhaler within a 6 month period are referred to an appropriate health care professional for an asthma review.	Clinical Effectiveness	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
80% of all pharmacy staff working in patient facing roles are trained 'Dementia Friends'	Workforce	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Total number of points:			100
Expected value of each point:			£64
2017/18 Quality Payment total:			£6,400

Indicative Income:

	Total income from fees and allowances	Estimated average buying profit	Estimated PhAS payment pcm	Estimated Quality payment pcm	Indicative Income pcm	Change in income per month	% Change in income from Nov-16
Nov-16	£13,678	£4,701	not applicable	not applicable	£18,379		
Dec-16*	£10,774	£4,701	£0	not applicable	£15,475	£-2,904	-16%
Apr-17^	£11,154	£5,613	£0	£533	£17,301	£-1,078	-6%

*Indicative income applies to any month from Dec-16 to Mar-17 inclusive

^Indicative income applies to any month from Apr-17 to Mar-18 inclusive

NB: These PhAS payments, as with other payments produced, are intended only as a rough guide. The actual PhAS payment received by a PhAS pharmacy may be larger or smaller than indicated here. This is due to the PhAS calculation method used by the Department of Health which requires the exact remuneration figures for a PhAS pharmacy in 2015/16; encompassing values for NMS, MUR and various other fees and allowances, and also an estimated total remuneration for 2016/17 and 2017/18.

The figures for PhAS payments provided by the Department of Health in the imposition are roughly £2,900 per month in 2016/17 and £1,500 per month in 2017/18.

This calculator will be updated to improve accuracy when more information is made available.

Summary of funding changes & pharmacy cashflow impact

Funding cut £113m

Reduction in Establishment Payment by 20%
Introduction of Single Activity Fee @ rate of £1.13 per item
Introduction of Pharmacy Access Scheme
Ongoing margin recovery of £12m pcm

Funding cut £95m

Further reduction in Establishment Payment by 40%
Slight increase in Single Activity Fee @ rate of £1.24 per item
Reduction in average Pharmacy Access Scheme
Introduction of Quality Payments
Margin recovery of £12m pcm ends

1st Dec 16

Jan 17

1st Feb 17

1st Mar 17

1st Apr 17

May 17

Jun 17

1st Jul 17

Aug 17

Oct 16 advance payment
Sept 16 balancing payment

No changes to payments for contractors apart from usual fluctuations in AIV.

Dec 16 advance payment
Nov 16 balancing payment

Dec 16 advance payment will be inflated as based on November's AIV

Jan 17 advance payment
Dec 16 balancing payment

Big Impact Month

- Jan 17 advance payment will be lower as the AIV calculation will take into consideration the reduction in fees.
- Dec 16 balance payment will be less than the value of the advance payment

For eligible pharmacies the first Quality Payment will be made in July 2017
Note: this payment is only made twice a year with April and Novembers balancing payments

Try the PSNC's Cashflow & Indicative Income Calculator to see how these changes will impact your pharmacy by visiting psnc.org.uk/fundingchanges and clicking on the 'Impact on contractor income' dropdown.

Changes to reimbursement

- Changes previously agreed by PSNC
 - non Part VIII products
 - Cat M changes
 - Changes to the margin survey to account for multiple suppliers of non-Part VIII and Cat C products
 - Splitting the discount scale
 - Changes to the way Cat A prices are set



Pharmacy Access Scheme (PhAS)

- Aim – ensure that a baseline level of patient access to NHS community pharmacy services is protected
- Funded from overall CPCF funding (bar near-miss review category)
- PhAS pharmacies will receive an additional payment – will be protected from full effect of the reduction in funding
- Payment will be based on the funding the pharmacy received in 2015/16
 - On average, roughly £11,600 in 2016/17 and £17,600 in 2017/18
 - This is roughly £2,900 per month in 2016/17 and £1,500 per month in 2017/18

Pharmacy Access Scheme (PhAS)

- If eligible on the list, no need to apply to 'join' the scheme
- A pharmacy is eligible if it meets three criteria:
 - Is more than a mile away from its nearest pharmacy by road walking distance
 - Was on the Pharmaceutical List on 1st September 2016
 - Not in the top 25% of pharmacies by dispensing volume (prof fees)
- According to DH's original list, 1,356 pharmacies would receive funding based on criteria
- The list has subsequently been revised





Pharmacy Access Scheme (PhAS)

- Distance-selling pharmacies are not included
- LPS pharmacies are not included - although they may receive similar payments depending on the terms of their contract
- Eligibility is fixed to pharmacies on the published list (subject to review cases)
- Commenced on 1st December 2016 and runs to 31st March 2018 – unknown what will happen after this time period





Pharmacy Access Scheme (PhAS)

- A review mechanism (administered by NHS England) is in place
- Aim - to allow for consideration of extenuating circumstances which may mean that access is not being protected in the way intended by the scheme
- Full details via psnc.org.uk/phas
- Grounds for review:
 - **Inaccuracy**, e.g. if the pharmacy postcode is incorrect or the distance from the next pharmacy is calculated incorrectly

Pharmacy Access Scheme (PhAS)

- **Physical feature anomalies**, e.g. a semi-permanent roadblock meaning two pharmacies are then more than 1 mile from each other
 - Can be requested beyond the initial 3 month review period, but within 3 months of the change in circumstances
 - Evidence of the anomaly must be submitted and will need to demonstrate, on a balance of probabilities, that the normal “1-mile rule” produces an unreasonable outcome in the particular circumstances of the case

Pharmacy Access Scheme (PhAS)

- If a semi-permanent road or bridge closure means that the nearest pharmacy is in fact more than a mile away, the first stage of the review will be passed successfully
- If the problem is that the distance to the nearest pharmacy is in fact less than a mile but the journey is particularly difficult, NHS England will need evidence of the level of difficulty and the problems surmounting that difficulty
- If a pharmacy satisfies the first stage of the test, to then qualify for the PhAS payment, the pharmacy would also have to demonstrate on a balance of probabilities that they were critical for access



Pharmacy Access Scheme (PhAS)

- In particular, it would need to demonstrate that a local population relies on that pharmacy and would be materially affected by its closing. The health needs of the population may be relevant to whether or not the local population is materially affected by the closure

— Near misses

- pharmacies between 0.8 and 1 miles from the next pharmacy; and
- in the top 20% of areas when ranked by Index of Multiple Deprivation
- the pharmacy will have to demonstrate on a balance of probabilities that they were critical for access



Quality Payments scheme

- Voluntary engagement – contractors don't have to participate
- Derived from a PSNC proposal
 - but the PSNC proposal was with full funding to recognise costs
 - to tackle the DH move to even greater Rx volume focussed funding
- Payments will be made to community pharmacy contractors who meet certain quality criteria
- Payments will be made in 2017/18
- Implementation commenced in December 2016



Eligibility to participate

- All pharmacies on the pharmaceutical list in England
 - including Distance Selling Pharmacies
 - including pharmacies receiving a Pharmacy Access Scheme (PhAS) payment
- Does not include Local Pharmaceutical Services (LPS) contracts
 - but NHS England local teams and LPS contractors can theoretically include a similar concept in LPS contracts when they are reviewed

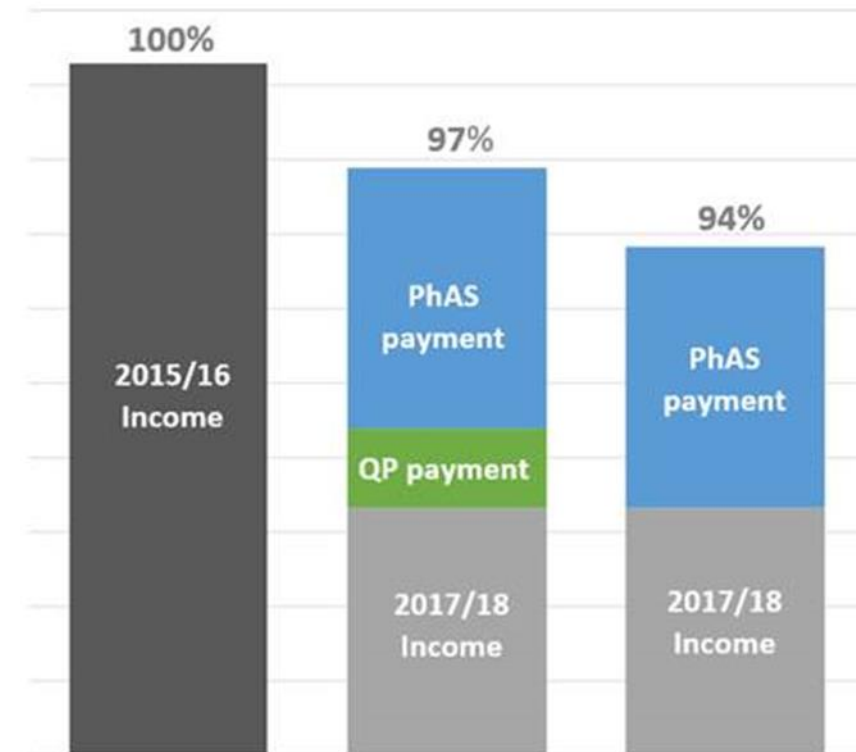


Funding

- £75m value in 2017/18 (from the overall £2.592bn CPCF funding)
- 100 points maximum per contractor
- Value of each point set at £64 = 'max' of £6,400
- But potentially a reconciliation payment in final payment for March 2018 (end May 2018) to pharmacies that have participated in the scheme
- The reconciliation payment received will depend on the number of points the contractor has achieved
- £128 cap on points value

PhAS and Quality Payments

- Pharmacies eligible for the Pharmacy Access Scheme will qualify for Quality Payments
- When the 'top-up funding' that PhAS pharmacies receive is calculated, it is assumed that the contractor will achieve 100 points
- The value of those points is deducted before the final PhAS payment is set



Claiming payment

- 2 review points during the year at which contractors assess which requirements they have met and how many points they have achieved:
 - 28th April 2017
 - 24th November 2017
- Declarations will be made to the BSA in April and November – via a Smart Survey web-based form
 - payments made with the final payment for those months
 - i.e. end June 2017 and start of February 2018

Gateway criteria

- Pharmacies must first meet four gateway criteria:
 1. Offering MURs or the NMS or must be registered to provide the NHS Urgent Medicine Supply Advanced Service (NUMSAS)
 2. NHS Choices entry up to date
 3. Ability to send and receive email via NHSmail
 4. Ongoing utilisation of EPS
- There is no payment for passing the gateway criteria



Quality criteria



Domain	Criteria	Number of review points at which it can be claimed	Points at any one review point	Total points over the two review points
Patient Safety	Written safety report at premises level available for inspection at review point, covering analysis of incidents and incident patterns (taken from an ongoing log), evidence of sharing learning locally and nationally, and actions taken in response to national patient safety alerts	One	20	20
Patient Safety	On the day of the review 80% of registered pharmacy professionals working at the pharmacy have achieved level 2 safeguarding status for children and vulnerable adults in the last two years	Two	5	10
Patient Experience	On the day of the review, the results of the Community Pharmacy Patient Questionnaire from the last 12 months is publicly available on the pharmacy's NHS Choices page	One	5	5

Quality criteria



Domain	Criteria	Number of review points at which it can be claimed	Points at any one review point	Total points over the two review points
Public Health	On the day of the review, the pharmacy is a Healthy Living Pharmacy level 1 (self-assessment)	One	20	20
Digital	On the day of the first review, the pharmacy can demonstrate a total increase in access to Summary Care Records between 1 December 2016 and 28 April 2017 in comparison to the previous 5 months; and on the day of the second review, the pharmacy can demonstrate a total increase to access to Summary Care Records between 1 May 2017 and 24 November in comparison to the previous 7 months	Two	5	10
Digital	On the day of the review, the pharmacy's NHS 111 Directory of Services entry is up to date	Two	2.5	5

Quality criteria



Domain	Criteria	Number of review points at which it can be claimed	Points at any one review point	Total points over the two review points
Clinical Effectiveness	On the day of the review, the pharmacy can show evidence of asthma patients, for whom more than 6 short acting bronchodilator inhalers were dispensed without any corticosteroid inhaler within a 6 month period, are referred to an appropriate health care professional for an asthma review.	Two	10	20
Workforce	On the day of the review, 80% of all pharmacy staff working in patient facing roles are trained 'Dementia Friends'	Two	5	10
		Total number of points: 100		

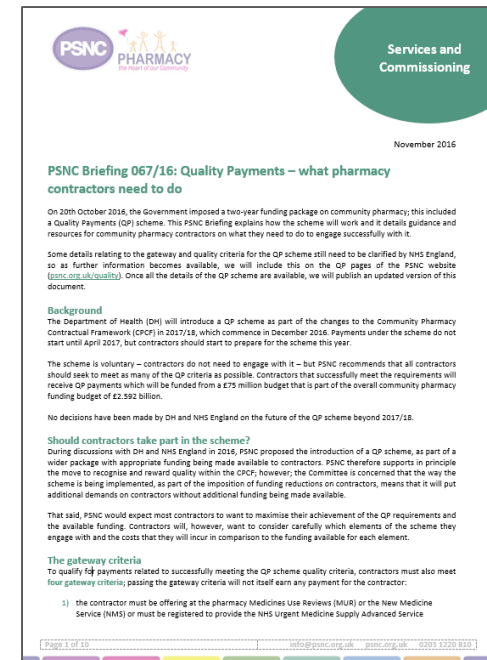
PSNC's view on the scheme

- Direction of travel is right and some useful enablers for the future
- Lack of specific funding is an issue, particularly for HLP
- Advise contractors to carefully consider which elements of the scheme they engage with and the costs that they will incur in comparison to the funding available for each element
- But we expect that most contractors will want to participate
- Longevity of the scheme is unclear and will be influenced by NHS England's response to the Murray Review
- The fine details related to implementation should have been finalised by DH/NHS England before imposition



Next steps

- Initial guidance on Gateway criteria was published by NHS England in December
- Further guidance on quality criteria published at end of February 2017
- PSNC Briefings and associated resources available at psnc.org.uk/quality
 - HLP Briefing and resources
 - Dementia Friends Briefing
 - Asthma Interventions Briefing
- PharmOutcomes modules available to help track progress and make referrals/records for the asthma criterion



The Pharmacy Integration Fund

- 5 year fund – £300m???
- 2016/17 & 2017/18 value now £42m
- Urgent care workstream – emergency supply, DoS improvement work, NHS 111 integration, deploying pharmacists in urgent care settings (from April 2017)
- Care home workstream – deployment of pharmacists from April 2017 and workforce development
- HEE workforce plan for pharmacy professionals in primary care



The Pharmacy Integration Fund

- Educational grants for community pharmacists to access postgraduate clinical pharmacy education and training courses up to diploma level (from April 2017)
- A programme of pharmacy technician clinical leadership development (from April 2017)
- Medicines Digital Strategy work (Domain E) – NHS Digital
 - Transfer of care data from NHS 111 and hospitals to community pharmacies and post-event messaging





The Pharmacy Integration Fund

- NHSmail 2 rollout to community pharmacy
- Murray Review will inform future decisions on how the fund is deployed
- Stakeholder reference group to be established in 2017



NHS Urgent Medicines Supply Advanced Service (NUMSAS) pilot



- Advanced service from December 2016 – end March 2018
- Only NHS 111 referrals – not walk-in patients
- Service specification published at the end of November 2016
- Funded from the Pharmacy Integration Fund, i.e. over and above the core funding



NHS Urgent Medicines Supply Advanced Service (NUMSAS) pilot



- Record keeping requirements and IT support...
- NHS England intend to publish guidance on the service
- Started to rollout in December 2016...
- PSNC has issued guidance for contractors, including our view on the cost of provision
- Implications for local services...
- Evaluation of service commencing in January 2017



Spreading MAS...

- 'NHS England will test the technical integration and clinical governance framework for referral to community pharmacy from NHS 111 for people who need immediate help with urgent minor ailments'
- 'Aim to develop an evidence-based, clinical and cost effective approach to how community pharmacists and their teams contribute to urgent care'
- NHS England will encourage all CCGs to adopt this 'joined-up approach' by April 2018



Changes to market entry – consolidation of pharmacies



- PSNC proposed changes to prevent a new pharmacy stepping in straight away if a chain closes a branch or two businesses merge
- Regulations laid in December 2016 which provide some protection for pharmacies that consolidate, where this does not create a gap in provision



Judicial Review

- PSNC sought a Judicial Review of the Secretary of State's October decision
 - What is a Judicial Review?
- Sought permission from the High Court to apply for the Judicial Review on the grounds that it believes the Secretary of State failed to carry out a lawful consultation
- PSNC's application raises a number of concerns about the consultation, including:
 - The DH's failure to disclose the fact that it had carried out an indicative analysis of pharmacies' profitability based on Companies House data as part of its Impact Assessment

Judicial Review

- The delay in providing this analysis to PSNC after the publication of the Impact Assessment
- The validity of the DH analysis including the sample size and the use of accounting returns, rather than economic returns, as the basis for the assessment of pharmacies' economic viability and how they might be affected by the changes
- The DH's failure to analyse what the levels of pharmacy closures may be
- The National Pharmacy Association is named as an interested party in PSNC's application and has launched its own JR

Judicial Review

- The High Court granted PSNC permission for a Judicial Review (21st December 2016)
- The hearing was to be expedited and was due to be heard in the week commencing 6 February 2017
- The Secretary of State sought a later hearing date
- This matter was considered on 12th January 2017 – case now to be ‘rolled-up’ with the NPA case and heard week commencing 20th March



Judicial Review

- Likely outcomes?
- Implications for contractors...



Questions



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Check 34
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Key updates on community
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**PSNC rejects DH's proposed
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**Government imposes funding
reduction**

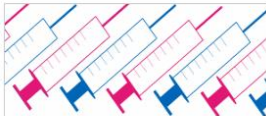
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World COPD Day 2016

#WorldCOPDDay This year's World
COPD Day will take place on Wednesday
16th November and pharmacy teams who
wish to promote



Ask PSNC: Flu FAQs

The team at PSNC has received a
number of queries on the Flu Vaccination
Advanced Service since the service
went



Health & Care Review

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could almost be a full time job and...

NICE National Institute for
Health and Care Excellence

NICE launches Food allergy and anaphylaxis e-learning tool

A new online learning tool has been
launched by the National Institute for

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