

July 2019

PSNC Briefing 026/19: A Summary of the Five-Year Deal on the Community Pharmacy Contractual Framework

PSNC, the Department of Health and Social Care (DHSC) and NHS England and Improvement (NHSE&I) have today (22nd July 2019) announced their agreement on a five-year settlement for community pharmacy. This briefing summarises the key elements of the deal for community pharmacy contractors, their teams and LPCs.

Further information is available on the PSNC website at: psnc.org.uk/5yearCPCF

Introduction

Following negotiations between PSNC, DHSC and NHSE&I, HM Government has agreed to make a five-year investment in community pharmacies. The deal secures funding of £2.592bn per year for pharmacies (almost £13bn over the five years) – significantly more than original Government plans. The agreement also sets out a clear vision for the expansion of clinical service delivery through pharmacies over the next five years, in line with the NHS Long Term Plan.

In this briefing we cover:

- Funding Changes
- The Pharmacy Quality Scheme (PQS) and changes to the Terms of Service
- The NHS Community Pharmacist Consultation Service (CPCS)
- Further service developments
- Other agreements

Full details of the settlement on the CPCF for 2019/20 to 2023/24 are included in the [joint PSNC, DHSC and NHSE&I contract agreement document](#).

You can read PSNC's announcement and statements on the settlement on the PSNC website: psnc.org.uk/5yearCPCF

Contractors should note that a key feature of this settlement is the built-in annual review and negotiation process; this means that much of the detail, particularly for later years of the settlement, has yet to be finalised. Contractors will be updated on an ongoing basis as discussions continue.

Ahead of October 2019, we are accelerating finalisation of details for 2019/20 and in particular on the implementation of the CPCS and the PQS.

Funding changes

The deal secures funding of £2.592bn per annum for community pharmacy contractors in each of the five financial years from 2019/20 to 2023/24. Within that overall envelope, the details of how funding will be deployed will be agreed on an annual basis. Over the course of the five years, the funding model will be reviewed and the balance between spend on dispensing and new services is likely to shift towards the delivery of services.

In 2019/20, one ongoing change in terms of funding distribution will be the continuing phase out of the Establishment Payment (EP) – this will be phased out over the second half of 2019/20 and no, or lower, payments are expected to be made from April 2020.

The monies from the EP, and also from the decommissioning of Medicines Use Reviews (MURs – as detailed below), are being reinvested into community pharmacy to keep the overall funding sum at £2.592bn.

From October 2019, pharmacy contractors will receive monthly Transitional payments. These payments will be linked to dispensing volumes and paid to contractors from October 2019 through to March 2021 in recognition of:

- The need for contractors to prepare for a more service-based role, including introducing new working practices and training staff;
- The need for pharmacies to engage with local Primary Care Networks (PCNs);
- Ongoing change, such as a move to universal Healthy Living Pharmacy (HLP) status by April 2020;
- Preparation for Serious Shortage Protocols (SSPs); and
- The introduction of the Falsified Medicines Directive (FMD).

The Pharmacy Access Scheme (PhAS) will continue to be paid in its current design with the existing overall funding level of £24m maintained until April 2020, when the scheme will be updated – further details will be available in due course.

DHSC and NHSE&I have also committed to working with PSNC on improving the reimbursement arrangements to deliver smoother cash flow and fairer distribution of margin.

Please see [PSNC Briefing 028/19: Information on the community pharmacy contract settlement and funding for 2019/2020 to 2023/24](#) for further information.

The Pharmacy Quality Scheme and Terms of Service changes

From October 2019, the Quality Payments Scheme (QPS) will continue under a new name – the Pharmacy Quality Scheme. The PQS will continue to have an overall value of £75m in each of the next five years.

As before, the scheme will include Gateway criteria, with the intention that in most cases, they eventually move to become Terms of Service requirements for community pharmacy contractors.

In line with this, the requirements around having a premises shared NHSmail account, access to the NHS Summary Care Record (SCR), providing information for the NHS 111 Directory of Services and updating pharmacy profiles on NHS.UK will remain as part of the criteria for 2019/20; however, as these criteria are now met by the vast majority of contractors under the QPS, they will become Terms of Service requirements from April 2020.

Similarly, from April 2020, all pharmacies will be required by the Terms of Service to be able to process electronic prescriptions and to have attained HLP Level 1 status.

For 2019/20, the PQS will include a number of new requirements for pharmacies, including:

- Preparation for engagement with PCNs;
- An audit on prescribing safety around lithium;
- An audit of advice on pregnancy prevention for women taking valproate;
- A re-audit of use of non-steroidal anti-inflammatory drugs (NSAIDs);
- Checking with all patients with diabetes whether they have had annual foot and eye checks;
- A reduction in the total volume of Sugar Sweetened Beverages (SSB) sold by the pharmacy to 10% or less;

- Completion of training and assessment on look-alike, sound-alike (LASA) errors, including an update of the pharmacy's patient safety report and evidence of action;
- An update of previous risk reviews;
- Completion of Sepsis online training and assessment with risk mitigation; and
- Completion of a Dementia Friendly environment standards checklist.

Further information on the requirements for the PQS for 2019/20 as well as details of some of the requirements for future years are being finalised between PSNC, DHSC and NHSE&I and guidance will be made available to contractors as soon as possible. Initial details on the PQS requirements are available in a PSNC Briefing which can be accessed via a new section of our website dedicated to PQS: psnc.org.uk/PQS

To ease cashflow over the year, in 2019/20, contractors will be able to claim an advance Aspiration payment of up to 70% of their earning under the QPS in 2018/19, subject to meeting Gateway criteria.

To help contractors to comply with the PQS in future years, NHSE&I and PSNC will seek to give as much notice of the requirements as possible.

The NHS Community Pharmacist Consultation Service

The deal sets out how, over the course of the next five years, community pharmacies will adapt to provide new services to help people to stay healthy and prevent illness; to support and provide urgent care services; to support patients leaving hospital; and to help patients avoid unnecessary visits to GPs and hospitals.

The initial focus of these service developments will be the introduction of the new national NHS Community Pharmacist Consultation Service (CPCS) which will start to give community pharmacies the key role in helping people with minor illness and will integrate the sector better into primary care.

In 2019/20, the CPCS will take referrals from NHS 111, but over the course of the five years this is expected to expand to include referrals from GP practices, NHS 111 online, urgent treatment centres and possibly A&E. Each phase will be piloted first using funding from the Pharmacy Integration Fund (PhIF), with roll out subject to successful evaluation and value for money.

The CPCS brings together the existing national NHS Urgent Medicine Supply Advanced Service (NUMSAS) pilot with local pilots of the Digital Minor Illness Referral Service (DMIRS).

Funding for the CPCS will include an initial Transitional payment for contractors. Those contractors who are ready to provide the service from 1st December 2019 can claim £900, and those who are ready by 15th January 2020 can claim £600. These will be followed by a £14 fee per completed consultation.

This payment model will be reviewed for 2021/22 onwards, depending on factors such as volume of service and training opportunities will also be provided to pharmacists. There is also an intention to use the PhIF to procure IT functionality to support the new service.

Medicines Optimisation Services

To free up capacity and funding for the CPCS, and also in recognition that NHSE&I does not consider MURs to be offering good value for money, MURs will be decommissioned.

In 2019/20 contractors can deliver a total of 250 MURs and in 2020/21 this will reduce to 100, with the service being decommissioned at the end of that year. Contractors can provide an additional 50 MURs during the second half of 2019/20 if they have already provided 200 MURs in the first half of the year. All contractors can provide 250 MURs in total throughout 2019/20, but no more than 200 in the first half of the year.

In 2020/21, a Medicines Reconciliation service will be introduced into the CPCF, to ensure that changes in medicines made in secondary care are implemented appropriately when the patient is discharged back into the community. Further work is required to finalise the details of this service and information will be provided to contractors as it becomes available.

Over the settlement period, PSNC, DHSC and NHSE&I will also look to expand the New Medicine Service to include further conditions where it is shown that this will add demonstrable value.

Further service developments

The deal also sets out how several new services will be piloted and, subject to their success, rolled out to enable community pharmacies to help to prevent and detect disease.

A key step in this is the move to require all pharmacies to have achieved Level 1 HLP status from April 2020.

Further services planned for introduction or testing include:

- An extension of the reach of the six mandated public health campaigns, using digital resources;
- A Hepatitis C testing service to be introduced in 2019/20;
- A model for detecting undiagnosed cardiovascular disease;
- Stop smoking support referrals from secondary care;
- Point of care testing around minor illness, to support efforts to tackle antimicrobial resistance;
- The routine monitoring of patients, for example those taking oral contraception, being supplied under an electronic repeat dispensing arrangement;
- Activity complementing the content of forthcoming PCN service specifications, for example on early cancer diagnosis and in tackling health inequalities; and
- Testing of a new service to improve access to palliative care medicines.

NHSE&I also expects pharmacy services to develop through collaboration with PCNs and will use the PhIF along with PCN test beds to drive integrated service delivery models that include community pharmacy.

Further details on the timing of pilots and planned service roll outs are included in the [PSNC CPCF service development grid](#).

Other Agreements

HM Government is committed to ensuring that technology can transform the supply of medicines and the delivery of pharmacy services in line with developments in the wider NHS and economy. To this end, PSNC has agreed to have discussions with DHSC and NHSE&I on how best to commission IT in community pharmacy in the future.

We will also explore ways to make dispensing more efficient, to free up pharmacist and pharmacy team time and capacity so that pharmacy services, including the supply of medicines, can continue to be provided to local communities on demand, as an integral part of the NHS.

These discussions will cover topics including:

- Legislative changes to allow all pharmacies to benefit fairly from hub and spoke dispensing and increased use of automation, subject to agreeing the right models for the whole sector;
- Use of original pack dispensing to support efficient automation;
- Legislative changes to allow for better use of the skill mix in pharmacies;
- Funding models and how they can support the market to move to more efficient dispensing, while increasing the clinical and public health content of any patient interactions;

- Support for contactors wishing to consolidate; and
- Removal of redundant administrative requirements, for example the possible simplification of endorsing requirements.

In 2020/21, DHSC will also seek to introduce revised terms of service to reflect the different way in which people use and access online services and the way these services are provided and has also committed itself to continuing to protect patients' free choice of which community pharmacy they wish to dispense their prescriptions.

If you have queries on this PSNC Briefing or you require more information, please contact info@psnc.org.uk.