



# Contractor Webinar: COVID-19 Cost Claims

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Monday 2nd August at 7.30pm





# Housekeeping

- Tonight's webinar includes subtitles to make sure you don't miss anything
- A recording will be available so you can watch again if needed
- Please submit any questions using the box below this screen
- Any queries after the event can be sent to [info@psnc.org.uk](mailto:info@psnc.org.uk)



# In our time together

1. Overview and recap
2. Improvements secured
3. What and how to claim
4. Common queries
5. Support from PSNC
6. Your questions



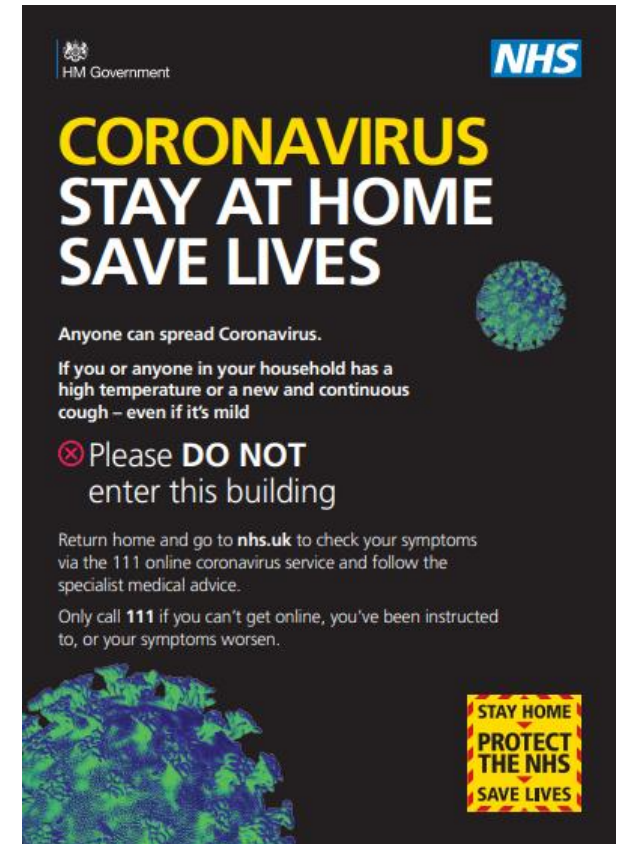
# The COVID Costs Deal: Introduction

- Took longer than we wanted to resolve, but now have a deal that gives all contractors the chance to claim
- Don't miss out on this opportunity
- Contractors who do not claim will still have to repay last year's Advances
- We have guidance to help you:  
[psnc.org.uk/COVIDcosts](https://psnc.org.uk/COVIDcosts)



# How we got here

- **Spring 2020:** Data collection begins
- **Summer 2020:** Formal discussions start
- **Autumn 2020:** PSNC rejects Govt's initial offer
- **Late 2020/Early 2021:** Influencing & lobbying
- **Spring 2021:** PSNC says no CPCF Year 3 deal until COVID costs addressed
- **June 2021:** Govt makes revised offer



# COVID costs reimbursement

- Allows all community pharmacy contractors to claim for a range of COVID-related costs
- Much improved from last year's offer
- Covers wider range of costs and over a 13-month period
- £370m loan must be repaid, but COVID claims processed first





- HM Treasury has insisted repayment of the £370m
- Plans to take back in six equal monthly sums, starting from Oct 2021
- Terms of loan repayments is subject to further negotiation and will consider cashflow
- But contractors should prepare for repayments



# Improvements to previous deal

- Upper claims limit removed
- Covers costs incurred from 1st March 2020 to 31st March 2021
- Can claim for a wider range of costs, including non-staff costs
- Costs will **not** be written off against retail grants
- Multiple contractors can make a single claim per business





# The Claims Process:

## What can be claimed



- COVID-related costs incurred between 1st March 2020 and 31st March 2021 for the delivery of NHS pharmaceutical services
- For specific categories only:
  1. Additional staff costs due to COVID-19
  2. Costs incurred to make premises COVID-19 secure
  3. IT and communication costs to support remote working and virtual patient contact due to COVID-19
  4. Notified closures for infection control purposes (maximum 14 days)



# How to claim

- Contractors must complete the agreed claim form, setting out their costs and indicating the evidence they have for them
- Submit to NHSBSA by **23.59 on 15th August 2021**
- DHSC will then process the claims, with payments due on 1st October



# Claim form

- Financial tab (Categories 1-3)
  - By ODS code, one line for each category
  - Need to explain evidence type available
  - Further column for IT and communication cost detail (Category 3); optional space to add further info on Categories 1 & 2
- Closures tab (Category 4)
  - ODS code, dates, NHS counterparty notified, and reason for closure
  - BSA will calculate amount payable
- Declaration, including able to provide evidence if required for PPV



# Evidencing your claims

- Contractors must be able to provide documentation to evidence their claims should NHSBSA ask to see it
- DHSC has not set out detailed evidence requirements so this will need to be carefully thought through
- Contractors with two or more branches can submit a single claim for all their premises



# Key take-aways

- Some costs not included (e.g. non-COVID related absences or purchasing PPE)
- Each claim must:
  - Confirm that it meets the necessary criteria (in one of the categories, incurred during time period, for delivery of NHS services)
  - Specify the amount claimed and the evidence available to support it
  - Confirm documentation to evidence claim can be made available on request
- PSNC has issued guidance for contractors





# What to do now

1. Start thinking about your COVID-19 costs and gathering evidence for them ASAP
2. Read PSNC guidance at:  
[psnc.org.uk/COVIDcosts](https://psnc.org.uk/COVIDcosts)
3. Complete the agreed NHSBSA claim form
4. Submit by **23.59 on 15th August 2021**





# Openings, change of ownership and permanent closures (key principles)



- Are you the current or previous owner?
- Did the ODS code stay the same or change (with a change of ownership)?
- What was the date of change of ownership / permanent closure?



# Openings, change of ownership and permanent closures (scenarios)



1. I opened (a totally new) pharmacy in the thirteen month claim period  
*Able to claim from date of opening; required to repay any advances if received.*
2. I bought a pharmacy in or after the thirteen month claim period (ODS code unchanged)  
*Able to claim from 1/3/20, with any advances also to be repaid.*
3. I bought a pharmacy in the thirteen month claim period (ODS code changed)  
*Able to claim from date of purchase (when new ODS code was issued); required to repay any advances paid to the new ODS code if received.*



# Openings, change of ownership and permanent closures (scenarios)



4. I sold a pharmacy in or after the thirteen month claim period (ODS code unchanged)

*Not able to claim, but not required to repay advances either to NHSBSA. May be asked by new owner to support completion of claim.*

5. I sold a pharmacy in or after the thirteen month claim period (ODS code changed)

*Not able to claim, but not required to repay advances either.*



# Openings, change of ownership and permanent closures (scenarios)



6. I closed and merged two pharmacies into one existing ODS code in or after the thirteen month claim period

*Only able to claim for the existing ODS code. Required to repay advances paid to the ongoing ODS code; unable to make a claim for additional COVID costs for the closed ODS code, but not required to repay advances made to it.*

7. I permanently closed a pharmacy in or after the thirteen month claim period

*Not able to claim, but not required to repay advances either.*



# Additional store support (owner/management/regional teams)



- Additional staff costs are not limited solely to staff paid through the payroll, and declarations may be offered where appropriate
- Our management team and/or field team focused to a much higher extent on supporting the additional COVID demands placed on our pharmacies, including helping out in pharmacies to help fill in gaps and relieve pressure on branch staff.

How do I recognise this element of COVID cost?

- This will need to be estimated (over normal levels) and then apportioned to the branches that have been supported. Please keep records of how this cost has been calculated and apportioned should you need to provide this as part of evidencing your claim.





# Common queries so far

- **Treatment of VAT where incurred**
  - Claims need to exclude any VAT incurred
  - VAT element reclaimed under normal process for your pharmacy





# Common queries so far

- **Changing sales mix, and potential impact on additional staff costs to deal with NHS pharmaceutical services**
  - You are allowed to claim for the additional staff costs to deal with the increased demand in/time needed for the provision of NHS pharmaceutical services.
  - If the proportion of your pharmacy's time spent dealing with NHS pharmaceutical services increased as a result of the pandemic (e.g. given the effect of people queuing for NHS prescriptions on OTC sales), you could choose to make an adjustment for this in your comparison with expected pre-COVID staff costs.



# Common queries so far

- **Claiming timeframe is short**
  - Needs to be processed before loan repayments
  - We pushed for 6 weeks to match other NHS providers



# Common queries so far

- **Funding cap**
  - The agreed deal has no specific limit
  - But contractors need robust evidence for claims
  - And HMRC will keep an eye on total claims



# Common queries so far

- **Evidence details ambiguous**
  - This allows flexibility
  - Have to think laterally
  - But must have documentation in case NHSBSA ask for it



# Common queries so far

- **Time taken to claim**
  - We would have preferred a write off or a minimum payment
  - But HM Treasury governance requirements made this impossible



# Common queries so far

- **Determining outliers**
  - Verification will be undertaken
  - Parameters unknown
  - Claims must be reasonable and proportionate
  - Make sure you have evidence





# Common queries so far

- **Repayment cashflow concerns**
  - PSNC and DHSC will have further discussions over summer
  - Full cashflow implications not known until claims processed



# Common queries so far

- **C-19 inflated drug prices**
  - Captured by Margins Survey
  - Reflected in usual margin adjustments process



# Common queries so far

- **Estimating likely payments**
  - Details unknown until all claims processed
  - Expect contractor claims that meet the requirements to be paid in full



# Common queries so far



- **Help with claims**

- We worked to get the simplest claim form possible
- We have been releasing guidance as we clarify more details



# Conclusion: Act now

1. Make sure you have reviewed all the information and PSNC guidance on [psnc.org.uk/COVIDcosts](https://psnc.org.uk/COVIDcosts)
2. Complete the agreed claim form and submit to NHSBA by **23.59 on 15th August 2021**
3. Retain a copy of the automated reply from NHSBSA as evidence of your submission





# Questions

Please submit your questions using the box  
below this screen

