

August 2021

PSNC Briefing 027/21: CPCF in 2021/22 – Frequently Asked Questions

This briefing answers questions relating to the 2021/22 Community Pharmacy Contractual Framework (CPCF) arrangements agreed between PSNC, NHS England and NHS Improvement (NHSE&I) and the Department of Health and Social Care (DHSC).

PSNC Negotiations

Q. Is PSNC happy with the agreement on 2021/22 ('Year Three' of the five-year CPCF deal)?

PSNC Members voted for this agreement by an overwhelming majority. The Committee, like all community pharmacy contractors, is frustrated by the flat rejection from HM Treasury to our bid for funding, but there are some clear positives and hard-won concessions within this deal. The continuation of the Transitional Payments; feasibility of the Pharmacy Quality Scheme (PQS) requirements; and big steps forward on services, including with some monies coming from outside core funding, are all critical for the sector over the coming year. This agreement also sits alongside the separate COVID costs deal that allowed contractors the chance to claim for their COVID-related costs.

Q. Has this agreement on 2021/22 taken into account contractors' capacity and funding issues?

The five-year CPCF deal agreed in July 2019 set pharmacy funding at £2.592bn per year. Throughout these negotiations, PSNC has used its analysis and data to show the impact that the pandemic has had on contractors' costs – although our arguments for a funding uplift were rejected this year, we have gained a commitment from all negotiating parties to carry out a review of Years One and Two, and we will continue to press on this matter. The pandemic has increased operating costs for contractors, and it has also disrupted plans for service introduction and legislative changes that would have supported pharmacies to make further dispensing efficiencies. The continuation of the Transitional Payments will give more time for discussion and implementation of enablers, for example, wider use of hub and spoke dispensing, original pack dispensing, and better use of skill mix in pharmacy teams.

Q. When will negotiations on 2022/23 ('Year Four') begin?

The negotiations on 2021/22 were delayed by the focus on the COVID-19 pandemic. We expect negotiations on 2022/23 to begin during the autumn, once the Annual Review process – examining community pharmacy (and NHSE&I's) performance during Years One and Two of the five-year CPCF deal – has taken place. The Review process was key to PSNC's agreement of the five-year deal, giving us a chance to show what pharmacy has achieved and to monitor costs and capacity: our findings will be critical to set the tone for discussions on Year Four. Finances remain difficult for many pharmacies, particularly with the upcoming repayment of the COVID-19 Advance Payments, and COVID has increased some operating costs irreversibly – we will continue to lobby on this both through the negotiations and more widely through Parliament and the media.

Q. What can contractors do to support the next round of negotiations?

Community pharmacy contractors are already doing a fantastic job delivering the new services within the CPCF, taking part in the PQS, and helping their local communities to stay healthy. This is crucial to give us the evidence we need of the value of the sector. Many contractors have also responded to our surveys and taken part in our audits over the past year, which has also helped us to back up our arguments with data and evidence. During the Annual Review we may need to ask some contractors for more data to help us to demonstrate rising costs and the time it takes you to complete tasks. We are of course always open to receiving ideas and evidence from contractors as well. You can email us at: info@psnc.org.uk

Regulatory Matters

Q. What changes will be made to assist contractor efficiency?

Changes to medicines legislation will be sought to enable original pack dispensing and the wider use of hub and spoke dispensing to improve efficiencies and better use of the skill mix in pharmacy teams so that the clinical skills of pharmacists can be directed to helping patients. This will be followed by appropriate changes to the CPCF (see also information below on the Transitional Payments for Year Three).

On hub and spoke dispensing between different contractors, DHSC indicated that the costs and benefits are uncertain, it would only expect to see such, where it is beneficial to the contractor and the proposed regulatory change is entirely permissive. No pharmacy business would be required to set up, use or offer hub dispensing services ([The Impact Assessment for the Medicines and Medical Devices Act 2001](#)).

Q. When will hub and spoke dispensing arrangements be introduced? How can my business take advantage of them?

The Medicines and Medical Devices Act 2021 (MMDA) was introduced, paving the way for an updated regulatory framework for the manufacture, marketing and supply of medicines and medical devices.

DHSC is having discussions with community pharmacy stakeholders to identify relevant issues, before carrying out a formal, public consultation on the introduction of hub and spoke in regulations under the MDDA. It is envisaged that it will be an option for all pharmacies in late 2021 or the first half of 2022 (although the timetable for legislation on hub and spoke has been delayed to date due to the COVID-19 pandemic). More information is available in [PSNC Briefing 017/21: Hub and Spoke dispensing](#).

PSNC agreed in principle to this change as part of the five-year CPCF after gaining agreement from Government to work with us to ensure that the arrangements are fair to all pharmacies. As part of the arrangements for 2021/22, DHSC has agreed to seek legislation changes to enable wider use of hub and spoke dispensing to improve efficiencies. PSNC will continue to liaise with the other pharmacy organisations to try to ensure that NHS community pharmacies are not adversely impacted by this change in legislation.

Q. What regulatory changes will be made in Year 3?

In Year Three, the following changes will be made to the NHS Regulations:

- a pandemic provision; and
- amendments to the market entry provisions so that NHSE&I may refuse any application that results in an oversupply of Essential services, including those seeking only a minor increase in opening hours.

Q. What regulatory changes are still being considered?

There will be continued discussions on:

- the regulation of dispensing and supply of medicines, including novel ways of doing this, whilst also ensuring the integrity of the market entry provisions; and
- a suitable process to allow suspected prescription direction issues to be reported and investigated by NHSE&I.

Q. How have incentives been aligned with GPs?

Once again, the PQS will incentivise community pharmacies to work with local GPs to increase flu vaccination uptake across Primary Care Networks (PCNs), as well as helping the NHS pandemic recovery efforts by supporting patients who have missed inhaler technique checks. NHSE&I has also agreed to further work to help embed the Community Pharmacist Consultation Service (CPCS) in PCN integrated care pathways.

Funding Arrangements and Reimbursement

Q. When will we find out the details of the Transitional Payments?

As part of the five-year CPCF agreement, Transitional Payments were planned to last for two years, ceasing at the end of 2020/21. However, as the ongoing pandemic has disrupted plans for service introduction and legislative changes that would support pharmacies to make further dispensing efficiencies, PSNC has negotiated that Transitional Payments will continue in 2021/22. These payments are being made to support engagement with PCNs and Integrated Care Systems (ICS), digital transformation and dispensing efficiencies. From 1st October 2021, part will be based on dispensing volume (as it is now) and the other part will be based on service delivery. To be eligible for the service delivery element, contractors must have claimed for the New Medicine Service (NMS) at least once and have been actively registered for CPCS in the previous month. Further details will be published in due course and will appear in the Drug Tariff.

Q. What will the PhAS look like from 2022?

A revised version of the Pharmacy Access Scheme (PhAS) will start in early 2022. Payments will change to be set in bands based on dispensing volume, with a maximum payment set at £17,500 per year, and total funding for the scheme will not exceed £20 million per year.

To be eligible for the revised scheme, a pharmacy must:

- Be on pharmaceutical list as of 31st March 2021, but **not** a distance-selling pharmacy or local pharmaceutical services (LPS) contractor;
- Be more than 1 mile from the next nearest pharmacy (or more than 0.8 mile away if located in the most deprived areas);
- Have received at least 1,200 Single Activity Fees (SAFs) in 2019/20 but **not** be in the top 30% highest dispensing pharmacies;
- Be registered to provide CPCS by 1st December 2021 (and ongoing, continue to be registered); and
- Be in premises directly accessible to the public (i.e. not in an area with restricted access such as beyond airport security).

Further information on the scheme will be published as soon as possible.

Q. When will the planned changes to reimbursement be made?

In 2019, DHSC consulted on a wide-ranging set of possible changes to reimbursement. Following delays caused by the ongoing pandemic, the 2021/22 agreement contains a commitment to progress discussions on and implement reforms to reimbursement. PSNC's intention is to work through the potential consequences of any changes and the impact they could have on contractors with the intention to ensure they will deliver smoother cash flow and fairer distribution of margin for contractors. [Read PSNC's response to the original DHSC consultation here.](#)

Q. With more and more referral-based services, how can I predict my income and manage my workload?

This is a real challenge for the sector and one that members of PSNC from all parts of the sector are also struggling with. It has always been a challenge for dispensing too, with contractors' income significantly affected by local prescribing practices – a problem we are continually trying to solve. PSNC is concerned that so many of the newer services are dependent on referrals, meaning pharmacies have less control over their income, and this is an issue that we continue to raise through negotiations with NHSE&I and DHSC. PSNC along with NHSE&I is carefully monitoring referral rates to the Discharge Medicines Service and CPCS so that action can be taken, where necessary.

What's happening to the pre-registration payment?

The model for commissioning and funding of trainee pharmacists will be reformed as part of the overall reform of the initial training and education of pharmacists. From 2022/23, Health Education England will support the management of the training places in community pharmacy and responsibility for administration of payments to community pharmacy contractors for trainee pharmacists. PSNC is seeking greater clarity on the proposed changes

and it continuing to work with the community pharmacy trade bodies, who lead the sector's work on workforce matters.

Pharmacy Quality Scheme (PQS) and Services

Q. When will we find out the details of the PQS for 2021/22? How long will pharmacies have to meet the requirements this year?

[Initial information on the requirements](#) and [the work contractors can start straight away](#) is available on our website. The remaining details of the PQS will be published shortly in the September 2021 Drug Tariff.

As the initial details confirm, there will be just one declaration period for the PQS in 2021/22 – in February 2022, with contractors having until the time of their declaration to complete the work. Of course, many of the requirements will require work to be done well before then, and contractors are advised to review guidance on the PQS when it is published and to begin work to meet the requirements as early as possible. Most of the training requirements in the scheme were included in earlier PQS, so many contractors will find their staff have already completed a lot of the requirements.

The announcement of the scheme also gave some detail about what will be included in the PQS this year, noting:

- Gateway criteria of at least 20 NMS, patient safety and COVID-19 risk management requirements, plus training on LASA errors and sepsis;
- Identifying people who would benefit from weight management advice and onward referral;
- Training on health inequalities and producing an action plan to actively promote COVID-19 vaccinations;
- Training to improve remote consultation skills;
- Enhancing antimicrobial stewardship using the Target antibiotic checklist;
- An anticoagulant audit to enhance patient safety;
- Engagement with PCNs to increase flu vaccination uptake; and
- Checking inhaler technique (as part of catch-up NMS) and ensuring patients have personalised asthma action plans, as well as encouraging return of unwanted and used inhalers for disposal.

The scheme focuses on priorities supporting recovery from COVID-19.

Q. What fees will be paid for the Hypertension Case-Finding service?

The Hypertension Case-Finding will be added to the CPCF as an Advanced service in October 2021. The service will identify those with undiagnosed hypertension, by offering to measure their blood pressure (clinic check) and then, where clinically indicated, offering ambulatory blood pressure monitoring (ABPM).

Whilst the service specification has not yet been finalised, the fees have been agreed. Contractors who sign up to provide this Advanced service will receive a set-up fee of £440, then £15 per clinic check and £45 per ABPM. Additionally, there will be incentive payments funded from outside the CPCF envelope, which will be triggered when certain activity thresholds are reached: £1,000 is triggered by delivering 5 ABPM interventions in 2021/22, then £400 for 15 interventions in 2022/23, and £400 for 20 in 2023/24.

Q. What fees will be paid for the Smoking Cessation service?

A Smoking Cessation service will be added to the CPCF as an Advanced service from January 2022. The service will enable NHS Trusts to refer discharged patients to a pharmacy to continue their smoking cessation care pathway after they leave hospital.

Whilst the service specification has not yet been finalised, the fees have been agreed. Contractors who sign up to provide this Advanced service will receive a set-up fee of £1,000, then £30 for the first consultation and £40 for the last consultation, with interim consultations paid at £10.

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