

## Community Pharmacy Patient Services Under Critical Pressure

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### Summary

- Millions of patients and their carers, and the wider public, rely on community pharmacies every day.
- But pharmacies are under **unprecedented and critical pressure** with these **vital patient services and support now at risk of serious deterioration**.
- Pharmacy owner feedback indicates that many pharmacies are struggling with cashflow, workload and profitability and **this is already leading to a reduction in some patient services**.
- If no action is taken and pharmacies continue to make a loss dispensing many prescription items, **there is a risk of large numbers of unplanned permanent closures of pharmacies** in the next 12-18 months.
- The network is so fragile that remaining pharmacies may be **unable to cope with additional patient demand for NHS dispensing and pharmaceutical services leading to patient hardship**, should closures occur.

We are calling on the Government to protect vital public health services for patients by making an urgent funding intervention to support pharmacy services. This is critical to remove the risk of large groups of patients potentially facing difficulties accessing their prescription medicines and pharmaceutical advice in the medium-term future.

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### Current Situation

All parts of the economy are under pressure and the community pharmacy sector is no exception, with pharmacy businesses of all shapes and sizes already struggling to meet patient demand, to manage their cashflow and pay spiralling costs, and, sometimes, even to remain open to provide the services that patients and the public rely on. **More than 90% of community pharmacies' income comes from their NHS contractual funding**, and unlike other businesses they cannot pass on any rising costs to consumers. **Many pharmacies are operating in crisis mode and are being forced to reduce the services that they offer to patients and local communities.**



This has been caused by a number of factors including **systemic pharmacy funding cuts of 25% in real terms since 2015**. **Workforce issues have also led to locum pharmacist costs rising by 80%** in the past year alone, and **staffing costs overall have grown by close to 70% since 2015/16**, with this **expected to rise beyond 100% by 2024/25**. Compounded by the rise in energy bills, inflationary pressures, rises in living wages and **increasing instances of dispensing medicines at a loss due to market and pricing issues**, the current financial situation is unsustainable.

This has been taking place against a backdrop of rising demand for pharmacy services and on top of the extreme pressures that were felt during the pandemic. The consequences are already being felt by patients: a survey we conducted earlier this year showed **that two thirds of pharmacies had already been forced to reduce services**. **Patient pharmaceutical services are under increasing threat.**

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### What are the risks?

Patient services are already being affected and as one indicator **there were 24,601 unplanned temporary pharmacy closures in England in the 12 months from November 2021 to October 2022**, according to figures provided by NHS England. While the reasons for these closures are complex, they are a key indicator of the pressures on the sector. The unplanned closure of pharmacies, even on a temporary basis, means patients cannot get their NHS prescriptions dispensed in a timely manner, and that the informal healthcare advice that pharmacies provide for communities is unavailable.

**Permanent closures have far wider-reaching consequences for patients and the NHS of course.** As businesses, NHS and Government can have no control over where and when pharmacies might close – this means that they could well be in areas with the highest levels of deprivation and health inequalities, affecting those people who need support most. It could be the case that pharmacy businesses of one size are affected first, or particular regions could see large numbers of pharmacy closures.



The pharmacy network is so fragile that permanent closures of large numbers of pharmacies are a risk and these may happen at an unplanned and uncontrollable rate, unevenly distributed throughout the country. The risk is that patients could **suddenly find themselves being directed to alternative locations for access to medicines and pharmaceutical services** – which may or may not be easily accessible to them – **causing major disruption at a primary care level with inevitable upstream impacts for hospitals.**

The pharmacy funding settlement is also so unfit for purpose, there is a risk that **other pharmacies would not be able to pick up increased demand should pharmacies start to suddenly close, particularly if this happens in clusters.** It is no longer the case that more patients and prescriptions means more income as many patient interactions are now loss-making. This could pose a serious threat to the Government's responsibility to safeguard the supply of pharmaceutical services and could mean **real hardship for some patients.**

### What needs to happen to prevent this?

To protect the healthcare services that pharmacies offer their communities and patients, we are seeking:

- An immediate injection of **funding of at least £500m** to protect critical patient services
- **A stop to the recruitment of clinical pharmacists into PCNs** which has led to spiralling staff costs for pharmacists and locums both in NHS and community pharmacy settings and contributed to temporary closures
- **Regulatory easements** for example to allow pharmacies to plan to reduce their opening hours and have further flexibility to operate in the absence of a pharmacist, helping them to maintain services for their communities
- **Reduce pharmacies dispensing at a loss** via a more effective price concessions/reimbursement system, also helping to protect the services that patients and local communities rely on

Community pharmacies play a critical role in local communities, providing safe access to life-saving medicines, important healthcare advice which reduces pressure on general practice, a range of clinical services that support public health, and wider support for healthy living which can help to retain people's independence. **This must be protected.** If it is, community pharmacies can be **part of the solution to wider NHS pressures**; but if it is not, then there is a risk that patient care will **continue to deteriorate** and if pharmacy closures suddenly escalate, **this could prove critical for both the wider primary and social care systems and for patient access to medicines and healthcare advice.**

### How can MPs help?

We are asking MPs to urgently raise this matter with the Parliamentary Under-Secretary of State for Primary Care and Public Health, Neil O'Brien MP, and with the Secretary of State for Health, Rt Hon Steve Barclay MP. This could be through letter-writing, urgent meetings (with delegations, if needed), or informal discussions. We would also be happy to support any MP wishing to raise the matter in Parliament via whatever mechanism is preferred.

### For more information or support, please contact PSNC:

Zoe Long, PSNC Director of Communications and Public Affairs: [zoe.long@psnc.org.uk](mailto:zoe.long@psnc.org.uk) or 07775 000232.

PSNC (soon to be renamed Community Pharmacy England) represents the owners of all NHS community pharmacies in England.