



# Pharmacy Funding Crisis: PSNC's influencing and campaigning work

February 2023 Update





# Pharmacy Funding Crisis going into 2023

- **The 5 year funding deal compounded by inflation is now really biting: PSNC has warned Ministers of the risk of imminent collapse**
- **Margin is drifting upwards but the funding envelope is tight**
- **Transitional Payment reduced to zero by Minister/DHSC**
- **Contractors dispensing at a loss: Price Concessions are a symptom and at unprecedented levels (around 200 issued in December)**
- **Massive capacity issues**
- **Resulting in more temporary closures, dispensing delays and impacting patients**
- **Contractors reducing services and fearful for their financial viability**





# Feedback from all contractors is grim

Polling at PSNC webinars before Christmas:

- **42% said they would not be able to keep their business going beyond a year**
- **88% said they were losing money**, including those who said they would not be able to keep their business going beyond a year
- **60% said their patients were already being impacted** by the current pressures
- **80% said they were considering or had stopped free services**
- **84% said they had stopped or were considering stopping certain Advanced Services**





# Other Pressures and Indicators

- Increasing media coverage of **closure of multiple branches**: reports on Asda and Lloyds (within Sainsbury's stores)
- Ongoing **inflated locum rates** – up 80% in past year
- **Temporary closures data** from NHSE – 25,000 in past year
- Concession numbers – 170+ for January – and SSPs
- Increasing demand for help as **GP access crisis deepens**
- **Pharmacy Pressures Survey**: critical to give us more data on this for use in negotiations and wider influencing
- **Vision**: covering challenges as well as ambitions for the sector





# Influencing Strategy: Short-term Goals

- **We are engaging with Ministers and the Department** to make our case for urgent funding but there are significant other claims on resources from NHS
- **Continuing to promote pharmacies as a solution** to one of the Government's top 5 priorities - NHS challenges and GP access – and our ambition to do more
- **Pharmacy First is our strongest option for immediate additional funds as a deliverable solution: Ministers want it and it is not an NHS pay demand**
- **Influencing work has built support for this:** engaged with wider stakeholders, Labour front bench, Parliamentarians and patient groups and those that influence decision-makers, seeking to influence **the Primary Care Recovery Plan**
- **Leading joint action with umbrella bodies and the other primary care contractors**
- And seeking **short-term measures/rescue packages:** e.g. regulatory easements





# Influencing Strategy: longer-term goals

- **A complete re-think of the CPCF** and of community pharmacy as part of primary care: **influencing future CPCF negotiations**
- **Vision and Strategic options project** with Nuffield Trust and The King's Fund – independence, objectivity, ambition, tough questions, influence
- **Influencing a shared strategic vision** with NHSE and DHSC: seeking strategic planning discussions with NHSE
- **And a fundamental re-think of how we are funded** and can plan for future sustainability





# Influencing Strategy: Parliamentary activity

- **December meeting with the Pharmacy Minister**, and follow-up information provided on Pharmacy First
- **Briefing Shadow Health Team policy advisors, MPs and Peers**
- **Cross-sector letters to Steve Barclay and Prime Minister**
- MPs and Peers writing to Ministers and asking PQs following our November drop-in event in Parliament (**30+ MPs attended**)
- Coordinating letters with multiple MP signatories
- Supporting APPG Manifesto launch
- **Engaged with Steve Brine: Select Committee inquiry expected**
- Paul Holmes MP asked Health Question and is seeking a debate
- Building wider alliances – with GPC and RCGP





# Influencing Strategy: National media work

- **Huge increase in media interest:** PSNC quoted in 19 national media stories and 32 trade press stories in December
- Team also responded to 40 other media requests in December
- **Daily Mail** – supporting their campaign to save pharmacies
- **Sky News** – TV interview on funding pressures
- **Telegraph & Times** – covered Health Secretary letter
- **Daily Express** – op-ed piece outlining pressures and the alternative if pharmacy was sustainably funded







# Influencing Strategy: Next Steps

- Continuing to build support for Pharmacy First and to make clear the need for an urgent funding uplift
- Instigated Joint **#SaveOurPharmacies** campaign
  - Co-ordinating efforts and developing shared resources
  - Finalising core messaging and planning a patient petition, Parliamentary events, and national media work
- **Pressures Survey and Vision** will give us more resources for briefing MPs and building stakeholder support
- **Meeting with other primary care bodies soon** to explore joint work
- To consider medium-term work (inc. for party conferences) shortly



# Other short and medium-term areas of work

- **Review how price concessions are being set** as a matter of urgency – suggests the need for significant reform
- DHSC bases prices on data they gather largely from manufacturers but end up imposing some as PSNC not satisfied – contractors taking all the risk with variable access to best prices
- Review has been thorough and discussing solutions – PSNC rejected proposals in Feb
- **Drugs supply market is likely to remain volatile. Longer term solutions likely to be required** and they include others so harder to get to (e.g. regulating wholesale)
- **Regulatory easements** – we've put a number of options on the table to give more flexibility - e.g. on opening hours; lunch breaks; closed door working; coordinated closures





# Other medium term objectives

- **Economic review** – to establish real cost/benefit of services – needs to be meaningful and our own research
- **Investigate alternative funding models**
- **Pursue promised efficiency reforms** which are yet to be delivered and could create headroom for contractors: Supervision; skill mix; Original Pack Dispensing
- **Explore options for developing models for local commissioning, working with ICSs** and funding from outside of the CPCF

