

Briefing: Community Pharmacies and Medicines Supply

Summary

Community pharmacies in England dispense over **1 billion prescription items every year**, with patients relying on access to these medicines for their health and wellbeing, and very often even to **save their lives**. But we are increasingly seeing disruption in the supply of medicines with problems both accessing them and procuring them cost effectively, and **this a cause for great concern**.

Our members – community pharmacy owners in England – are under immense pressures and they have recently (July 2023) rated medicines supply instability as being the **most severe pressure facing their businesses**. The instability puts operational pressures on pharmacies, financial pressures on businesses, and for patients it means worrying delays.

NHS and Government must take action to steady the UK medicines supply chain, and to protect community pharmacies and their patients from the ongoing volatility in the market.

Community Pharmacy England would like to see the following steps being taken to help resolve the ongoing issues being faced by community pharmacies and their patients.

- 1. Reform of Serious Shortage Protocols (SSPs):** We want to see greater flexibility for pharmacists to carry out simple changes, such as quantity, strength and formulation changes, without the need for prescriber authorisation or an SSP. Pharmacists are eminently qualified to do this.
- 2. Generic Substitution:** Pharmacists should be allowed to supply any equivalent generic medicine against a prescription requesting a brand which may be in short supply. Generic substitution is commonplace in many countries around Europe, and allows pharmacists to help manage supply without having to trouble prescribers.
- 3. Overhaul the concessions system:** Pharmacy businesses cannot subsidise the NHS medicines bill and while the concessions system is designed to help prevent this, the system is no longer coping with the current price volatility in the market. While some reforms have been made to the system, further improvements are needed.
- 4. Undertake a strategic review of medicine supply and pricing:** Community pharmacies have helped to drive down medicines prices over many years and competitive generic prices in the UK now leave us more vulnerable to the impact of global market shocks. But despite the billions of pounds in savings that pharmacy procurement brings, the margin that pharmacies are allowed to earn on medicines purchases has been capped at the same level for many years: this is yet another pressures at a time when pharmacy businesses are fighting for survival. We would like a more balanced benefit-sharing approach to be taken and to see a shift in focus with DHSC focused on how to improve the functioning of the

supply chain rather than solely on the drive to depress prices and margins which has contributed to the difficult situation now being experienced by pharmacies and their patients.

We also agree with the group of pharmacists and pharmacy teams as brought together by the *Pharmaceutical Journal* that **pharmacies need timely, accurate and concise information on medicines shortages.**

And we have been working with colleagues in community pharmacy and at the Healthcare Distribution Association to agree on a set of principles which all sides can support to help pharmacies managing supply issues, with transparency and fairness of quotas, allocations and surcharges being top of the community pharmacy wish-list.

What is the extent of the problem?

Our 2023 Pharmacy Pressures Survey found that:

- **92% of pharmacy teams are dealing with medicine supply issues daily**, an increase from 67% in the 2022 pressures survey.
- **Almost all pharmacy owners (97%) reported significant increases in wholesaler and medicine supply issues.**
- And 71% of pharmacy owners reported **significant increases in delays in prescriptions being issued.**

These findings are echoed by other data and studies across the health and care landscape. One local HealthWatch survey in Oxfordshire found that 29% people had experienced delays in getting prescription medicines. And in December 2022 the Nuffield Trust noted the worsening medicines supply situation saying: “The wider period since 2020 ... appears to have seen spikes of elevated medicine shortages on nearly every available metric.”

Pharmaceutical wholesalers also report increasing instability in the market as they have to work ever harder to manage this volatility on behalf of their pharmacy customers. And one GP told us that medicines shortages have ‘a profound impact on general practice, affecting patient care, increasing the workload of healthcare providers, and undermining patient trust’.

What is the impact on patients?

Many patients will now be experiencing delays in accessing medicines – with some having to make several visits to a pharmacy to collect them. This can cause anxiety, worry, and frustration, as well as leading to a deterioration in health conditions. In our 2023 Pressures Survey **87% of pharmacy teams members said that patient health is being put at risk due to medicines supply issues.**

What is the impact on pharmacies?

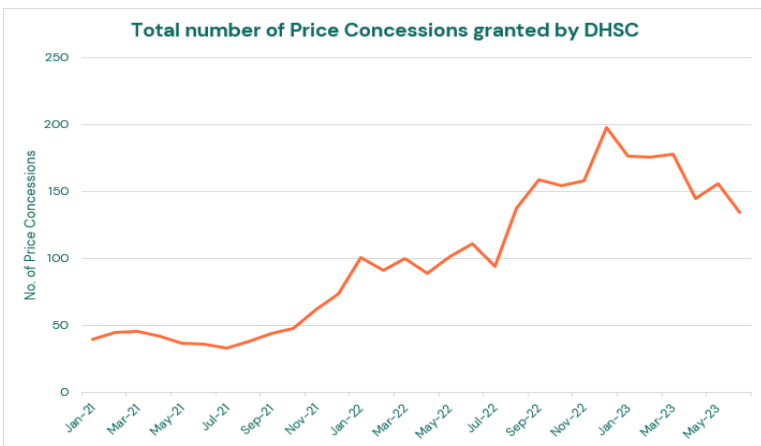
Pharmacists and their teams are having to spend significant amounts of time sourcing medicines: in our Pressures Survey 93% of pharmacy owners told us their **staff were spending longer than ever before on medicines procurement.** Pharmacies sometimes have to deal with deliveries that do not arrive or to manage minimum order surcharges or quotas. And they are often on the



receiving end of patient frustration, with **84% of pharmacy owners saying they had experienced aggression from patients due to medicine supply issues.**

When there are supply issues pharmacies also have to spend time explaining the issues and reassuring patients, liaising with prescribers, and in some case putting **Serious Shortage Protocols (SPPs)** into operation. SSPs can be activated by the Secretary of State as a way of helping to mitigate shortages by allowing pharmacies to dispense specific alternatives for patients, and while this is helpful, operationalising them can be complex and time-consuming for pharmacies.

With the volatility in medicines prices, pharmacy businesses are also having to take huge risks – often procuring medicines with no guarantee that their reimbursement will adequately cover their costs. To take one current example: six weeks ago atorvastatin tablets cost less than a pound, but in the last week in June prices quadrupled are still going up. In June concessions* were granted at prices ranging between £1.09 and £1.56, but already now some independent pharmacies are reporting prices of up to £4-5. Due to the high volumes of atorvastatin dispensed, pharmacies could stand to lose hundreds if not thousands of pounds on this one medicine alone. **Pharmacies simply cannot afford to dispense medicines and make a financial loss.**



***Price Concessions** are granted by the Department of Health and Social Care where they recognise that medicines cannot be procured in the market at Drug Tariff reimbursement prices. Concessions are not always an indicator of a shortage, as they represent a pricing issue, but they do give an indication of volatility in the market. Numbers of price concessions remain close to record highs.

Extract of a recent email from pharmacy owner:
"The continuous trend we are facing currently in trying to obtain multiple lines for patients is really becoming a full-time job for one or two members of staff. This linked with quotas, supplier delivery failures, manufacturers' out of stocks and a whole host of other problems is really impacting the financial viability of dispensing"

What is causing medicine supply issues?

Medicines shortages and supply issues can be caused by a variety of factors from manufacturing issues, regulatory problems or distribution issues, to drug recalls, stockpiling or simply increased demand. Multiple drug groups and conditions are affected by supply and pricing issues these include drugs used in diabetes, epilepsy, HRT, and antibiotics used to treat Strep A which experienced a surge in cases at the end of 2022 beginning of 2023.



At Community Pharmacy England we believe wider medicines market problems are being caused by a combination of factors such as Brexit, COVID, war and inflationary pressures. It also seems to be the case that the very low prices of medicines (as driven by effective procurement by pharmacies) in the UK leave our market more susceptible to global market shocks.

The Nuffield Trust considered this in their December 2022 report, noting in particular five causes of issues as: the COVID pandemic, rapidly rising commodity prices, a surge in prescriptions for HRT products, Brexit, and some of the UK's price-setting mechanisms. They conclude: "*Unpicking which of these factors may be behind any individual shortage, or any wider spike, is very difficult.*"

How can Parliamentarians help?

- Draw attention to the issues and ask about progress to resolve the problems via Parliamentary questions or meetings with Ministers.
- Apply for a Parliamentary debate on pharmacy pressures, including medicines supply issues.
- Visit a local pharmacy to learn about the medicine supply issues first-hand from your local pharmacy teams.

We are happy to support you with any of these actions. Please email comms.team@cpe.org.uk

References

- [Community Pharmacy England Pressures Survey](#)
- Further Community Pharmacy England polling took place in June/July 2023 and further results will be shared on [their website](#) in due course.
- [Healthwatch Oxfordshire Survey](#)
- [Nuffield Trust report](#)
- [Pharmaceutical Journal Panel](#)