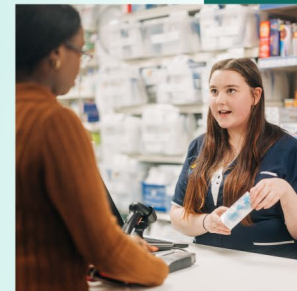


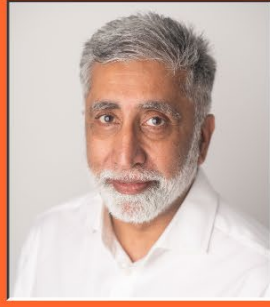
Pharmacy Owner Events

July 2024

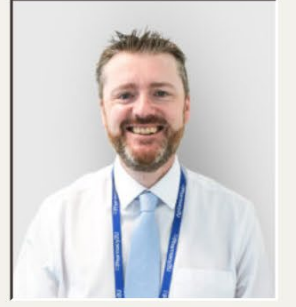


Agenda

1. How to participate tonight
2. Critical pressures
3. Our strategy, influencing and working with the new Government
4. Funding outlook and CPCF negotiations
5. Pharmacy First
6. Questions

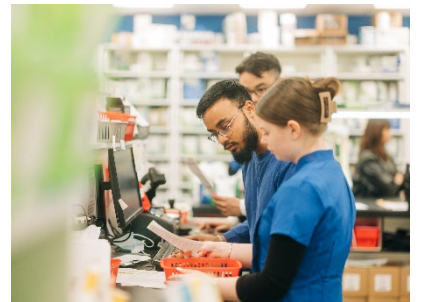


MEET THE COMMITTEE

Critical Pressures: Key Indicators

- **Years of deliberate financial and operational squeezing are now pushing the community pharmacy sector to the brink of collapse**
 - Intensity of workload, including patient demand, medicines supply issues, workforce challenges and costs
 - Rising operational costs which cannot be contained
 - Concerns about margin distribution and lack of financial predictability
 - Concessions imposition – shows again that current contract is not working
- **Pharmacy owners are battling for survival**
 - Consolidations, cashflow and closures – impact on remaining pharmacies
 - Workforce pressures and increases to the National Living Wage
- **Pharmacy First and other Primary Care Recovery Plan developments are a challenge and are still bedding in**



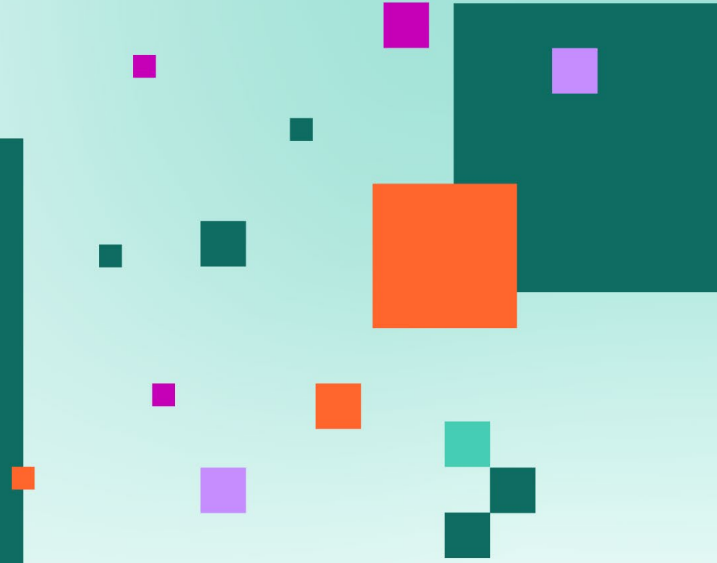
Pressures Survey 2024

- Once again, the results very clearly show a sector in deep distress
- **Vast majority of businesses are 'only just' or not profitable**
- **Concerns are ongoing and critical**
 - Medicines procurement taking longer than ever before for over 80%
 - Supply and wholesaler issues most severe issue
 - Most businesses still experiencing staff shortages
 - Top reasons for shortages are struggling to recruit and difficulty with meeting staff costs

935 respondents representing 6,119 pharmacies



Community Pharmacy England Strategy



Vision and goals for the sector

To have a sustainable and ambitious future for community pharmacy, with the right funding and investment to deliver better health outcomes to patients and the public.

- Community pharmacies have a firm basis and sustainable funding
- Independent prescribers have a valued role
- Community pharmacies are valued and respected health hubs

The vision set out by Nuffield Trust and The King's Fund sets out a way to achieve this, **giving strong, independent support for community pharmacies** which we continue to use to make the case with policy makers.

Objectives

1. **Deliver an improved Contractual Framework**
2. Drive the success of Pharmacy First, HCFS and contraception service
3. **Promote the role of community pharmacy**
4. Build the investment case
5. **Lead future thinking**
6. Continue to support the community pharmacy sector effectively

Progress over the past year...

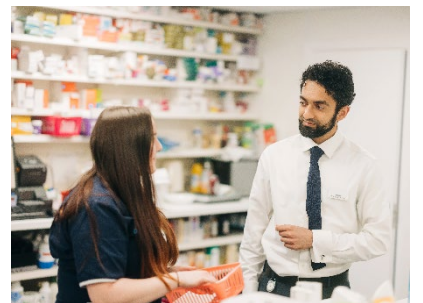
- **£645m investment secured**
- **Prevented** recovery of fee over-delivery worth **£112m**
- **Vision work** with Nuffield Trust and The King's Fund showed the solutions that pharmacy can offer and **helps make the case for a better deal**
- **Manifesto commitments** show potential for further growth, strengthening the case for sustainable funding
- **The H&SC Select Committee Pharmacy Inquiry reinforces all our messages**

Intensified influencing programme: fighting your corner

- **102 national media** mentions in 2023/24
- **Over 100** Parliamentary mentions and MP meetings in 2023/24
- Both have almost **tripled in the past 3 years**
- Built support for pharmacy's ambitions **well before we get into the negotiating room**

Strategy: Influencing tactics

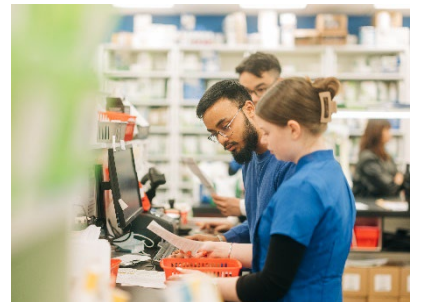
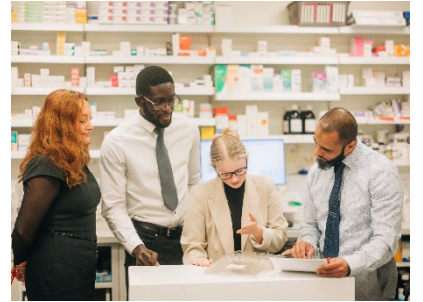
- **Building relationships of influence across the new Government** – positioning for the future. Alignment with sector bodies and joint work where it is helpful.
- **Influencing the next Government Spending Review** – major economic project being carried out by independent consultants.
- **Evidence** – ongoing data gathering to continue to press for a funding increase and wider support measures, e.g. Pressures Survey and the Advice Audit.
- **Leverage** – playing off the enormous value that pharmacies offer, their essential role in local communities, and the strategic importance of Pharmacy First.
- **Presenting a strong solutions-focused case** – using the Vision to drive policy ideas and discussion, along with financial analysis and pressures data.



Strategy: building for the next CPCF

Economic analysis

- **NHS commissioned Independent Economic Review** – started April – Frontier Economics and IQVIA
- **Influencing the next Comprehensive Spending Review** – (timing uncertain with new Government):
 - The value of the sector and RoI
 - The status of the sector – pressures and collapse
 - Minimum funding requirement to maintain / restore this value
 - Clinical services pipeline – scope for future investment
 - Funding models and principles



Labour commentary



- **CLAIM:** Victoria Atkins said to free up GP appointments, “we are building on the success of Pharmacy First, which we started at the beginning of the year, and we want to expand the services available for that”.
- **REALITY:** Almost 1,000 pharmacies in England have closed since 2017, potentially leading to millions of extra GP appointments, with poorer areas experiencing proportionally more closures. Jeremy Hunt made a 12% cut to pharmacy budgets and this led to at least 140 closures. The Tories are asking the pharmacies they cut to do more to fix the crisis they caused.



BUILD AN NHS FIT FOR THE FUTURE

*.....we will go further, **accelerating the roll out of independent prescribing to establish a Community Pharmacist Prescribing Service covering a broad range of common conditions.** Labour will also cut unnecessary red tape to allow pharmacy technicians to step up to some roles, ensuring pharmacists can work to the top of their license and **focus on their expertise in prescribing and medicines management**, rather than repetitive dispensing processes. Supported by greater digital interoperability, this will **enable them to support GPs in the management of long-term conditions like hypertension and COPD and in tackling the serious issue of overprescribing**, which is responsible for thousands of avoidable hospital admissions every year.*



Note: These proposals are uncoded in the manifesto

Key Labour themes are long-term

- **Long term economic growth** – closely linked to health, workforce and welfare spend
- **Tough fiscal rules: no rises in income tax, VAT or NI** (£38b pa. funding gap in NHS)
- **Reform/transformation** – moving from a sickness to a health service ensuring greater transparency and results from spending and digital efficiencies
- **Prevention** – with a focus on long term health outcomes not outputs/targets
- **Social determinants of health, deprivation and health inequalities key**
- **Focus on risk factors**
- **Secondary care to primary and community care (in time) and neighbourhood health centres**

Talking to Government: the balance

Government and the NHS want:

- Solutions and policies that Ministers can sell to the general public
- Value for money for the NHS and taxpayers – high-impact, low-cost policies
- Improved health outcomes and access to healthcare for the population
- Reduced pressure on the wider NHS – GPs and hospitals
- To work confidentially and efficiently with trusted, solutions-focused, forward-thinking partners
- To deliver solutions across the community pharmacy network

We want them to:

- Sustainably fund and invest in community pharmacies
- Recognise the sector's value and full potential – and support it to fulfil that potential
- Make and stick to a clear, positive plan for the future of community pharmacy

Implementing the Nuffield Trust and The King's Fund Vision for community pharmacy

Preventing ill-
health and
supporting
well-being

Providing
clinical care
for patients

Living well
with
medicines

Part of integrated
primary care
offer for
neighbourhoods

Priority community pharmacy service enhancements for patients, the NHS and Government

Expanded Pharmacy First

*Open access to the current service

Supply of OTC meds for low-income individuals

*Additional Pharmacy First conditions:

- Lower resp tract infections
- Acne
- Minor skin infections
- Eczema
- Psoriasis
- Acute otitis externa
- Bacterial conjunctivitis
- Oral thrush in infants

Prevention / Public Health

*Expanded vaccination services

Smoking / nicotine cessation service (open access)

Case-finding & referral service, e.g. COPD

Add AF detection to Hyp service

Health checks for specific target groups

Weight management

Women's health

*Addition of LARC to Pharmacy Contraception Service

Emergency Contraception service

*Menopause advice service (incl. supply of HRT)

Ind Prescribing and LTCs

Amendment of prescriptions and deprescribing

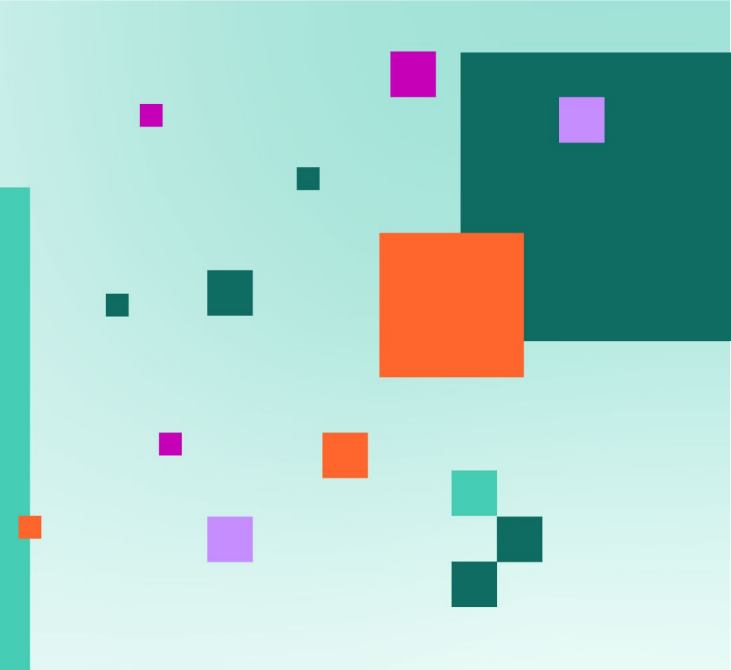
Management of single LTCs: hyp, lipids, asthma

Structured medication review

* All services which involve the supply of a prescription medicine use independent prescribing instead of PGDs, where the pharmacist is an IP.

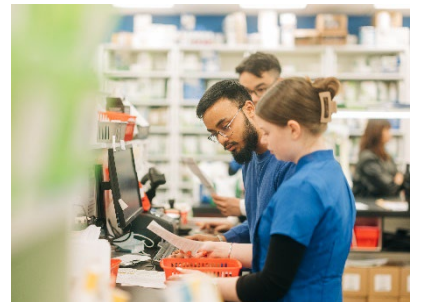


Funding outlook and CPCF negotiations



CPCF Negotiations: Top Priorities

- **Significant realignment of the Contract Sum:** to match costs
- **No unfunded increase in activity:** the NHS cannot afford more services without more investment
- **Write-off of cumulative retained margin owings**
- **Re-establish the principle of indexation for activity and inflation**
- **A full review of retained margin delivery**
- **A full review of the wider medicine supply chain**



CPCF: Evidence

- Submissions ahead of negotiations set out clearly what the sector needs, with the most critical being the **funding uplift**
- Draws on financial data, Pressures Survey responses, and analysis of inflationary, cost and activity increases
- Also looking at **NHS funding levels and parity**
- Detailed analysis of top 20 pharmacy company accounts showing the **huge profitability challenges** – their accounts show clear warning signs



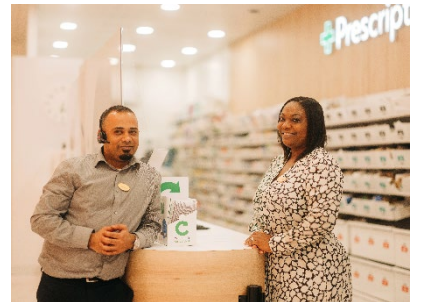
CPCF: Evidence

- Cost pressures factored into the analysis include:
 - National Living Wage increases
 - Ongoing inflation on non-staff costs
 - Increased prescribing levels and demand for other services
 - Pharmacy First delivery and the 'halo' effect
- **The analysis shows that many pharmacies are now on the brink of insolvency** and that without additional injection of funds, or some other form of relief, they will close
- **This will have disastrous consequences for patients and primary care**



CPCF Negotiations outlook

- During the election period we used the time to
 - Hold discussions but not negotiations
 - Prep and planning for a new Government
 - Progress on work for longer-term future of CPCF, such as seeking to influence next Government Spending Review
- **We will be seeking to meet Ministers as early as possible to recommence discussions**
- We are continuing to take strategic negotiating advice from PA Consulting – who have led multiple Government negotiations



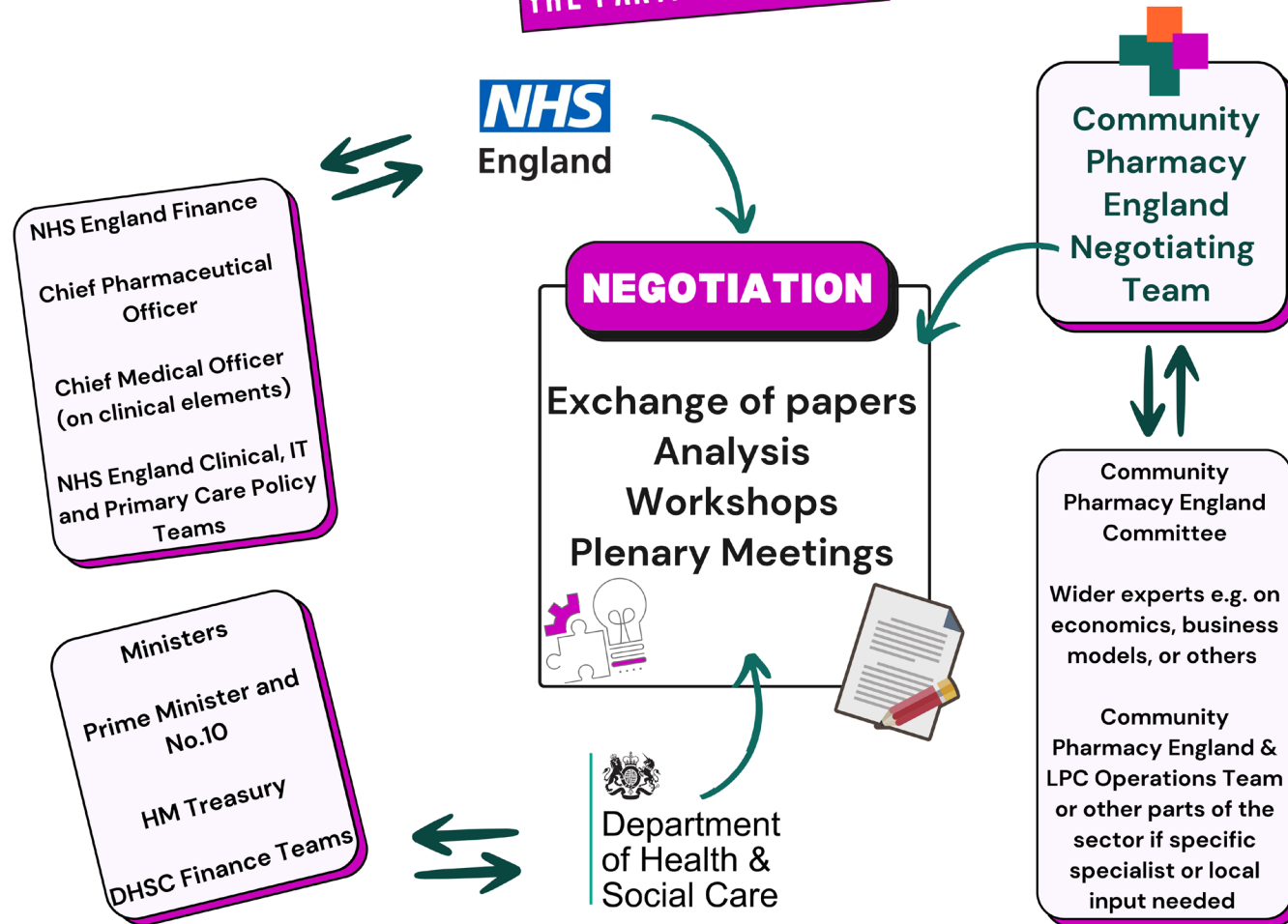
CPCF Negotiations outlook

- Pharmacy owners need clarity about the future ASAP but we must also do everything we can to get the best deal
- The Committee oversee the negotiation strategy, approach and setting of red lines
- All have received negotiating training in the past year from external experts
- Various negotiation tactics are considered: all of which need to be measured against what will be most effective in achieving a beneficial outcome



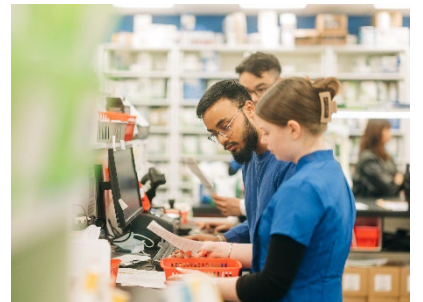
NEGOTIATIONS

THE PARTIES INVOLVED



Pharmacy First - the first few months

- A **strategically important** service and **new funding**
- **Amazing response** to get ready to provide the service, despite the timings
- **96.5%** of pharmacies signed up and over **580,000** clinical pathway consultations claimed for
- But we know the **workload** continues to be daunting
- **Comms campaign** was underwhelming – more needed from the NHS



Pharmacy First - the first few months

- **IT issues** have been a problem for pharmacy teams
- The ability of pharmacy owners **to reach the monthly payment thresholds** is the major concern
- Encouraging electronic **referrals from general practices**, not signposting – more needed from the NHS
- Support for delivery of **HCFS and PCS**, with bundling of services coming next year



Questions

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