

Pharmacy Minor Ailments Scheme Cost-Benefit Analysis

Methodology

Nationally, it is estimated that 57 million GP consultations a year are for minor ailments, costing the NHS a total of £2 billion¹. The ambition of the Greater Manchester (GM) devolution agenda is to achieve both clinical and financial sustainability. A Pharmacy Minor Ailments Scheme (PMAS), operating consistently on a GM footprint, can make an important contribution to both of these goals. By shifting the relevant care to a pharmacy setting, PMAS can alleviate pressure on GP practices and release time for more suitable conditions.

The GM cost benefit analysis model² was developed by New Economy as a tool for local partnerships to understand the financial case for interventions; it is particularly appropriate for modelling reform propositions, and was formally adopted as part of HM Treasury's Green Book methodology in April 2014. CBA has become a central element in GM decision making processes, and enables an understanding of the value for money offered by an intervention. The key outputs from the model are the net present budget impact (the difference between the benefits and the costs), and the benefit cost ratio (benefits divided by costs).

The PMAS CBA has been built using the best available evidence and understanding of the structure of the programme. It is predominantly informed by PharmOutcomes data taken from areas currently implementing the scheme, extrapolated in line with the pharmacy count within each CCG. The majority of the costs captured by the model are consultation payments³ to pharmacies, which are intended to cover set-up costs (standard operating procedure development and staff training), staff capacity (to provide the service and complete the necessary audit forms) and any printed resources which are required. The remaining costs relate to medication, project management, communications, and onward referrals (which are counteracted by the reduced activity modelled elsewhere in the analysis).

The most significant benefit is the number of diverting GP appointments, which can be expected to release capacity for more suitable consultations, and alleviate some of the strain on GP practices. We also anticipate a minor benefit by reducing the number of attendance at A&E, walk-in centres and out-of-hours services. Other benefits have been excluded from the present model due to the difficulty in accurately quantifying their impact. This includes the added convenience of patients being able to access a consistent scheme anywhere in GM, and a professional benefit for pharmacists who are able to make effective use of their clinical training.

Findings

After optimism bias and discounting have been applied, the current analysis suggests total costs over the 5 year modelling will be an estimated £2.73m, which is comprised of £2.17m in direct programme costs, and an additional £0.56m in the indirect cost of pharmacist consultations resulting in onward referrals or additional medication. The benefits calculated within the model are detailed in the table below.

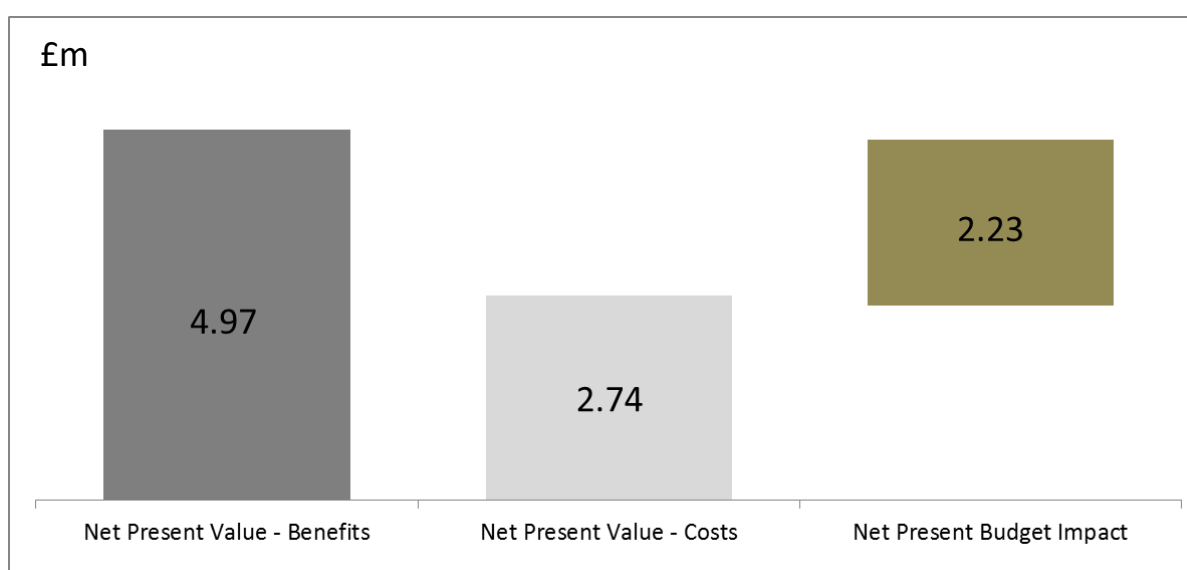
¹As taken from <http://www.selfcareforum.org/about-us/what-do-we-mean-by-self-care-and-why-is-good-for-people/>

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300214/cost_benefit_analysis_guidance_for_local_partnerships.pdf. Supporting documents (including the excel model and guidance) can be found on the New Economy website at <http://neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis>.

³ Payments are £4 per consultation, as outlined by the current GM delivery model.

Outcome	Gross fiscal benefits over 5 years
Avoided GP appointments	£6.89m
Avoided A&E attendances	£40,000
Avoided Out-of-Hours attendances	£161,000
Avoided Walk-In centre attendances	£81,000
Total	£7.17m

Once optimism bias and discounting has been applied, the gross fiscal return on investment is therefore estimated to be 1:1.81, indicating that for every £1 invested in the scheme, £1.81 will be realised. The payback period (the point at which the cumulative benefits begin to outweigh the costs) is predicted to be 1 year, with the cumulative net present budget impact (benefits minus costs, discounted) estimated to be £2.23m, as demonstrated by the chart below. Alongside the fiscal benefit to local health partners, the economic benefit to those who are exempt from prescription charges is approximately £38,000 over the same timeframe.



It is important to note that the figures quoted here represent gross fiscal values and include no allowance for the cashability of savings. Due to the broader financial constraints of the current health and social care system, it is unlikely that these values will result in significant cashable returns which can be released from the system. Nonetheless, the CBA provides a valuable insight into the scale of activity reduction and the potential for restructuring demand.

Our current cost-benefit analysis suggests that over a 5 year period, a GM PMAS could save approximately 170,000 GP appointments, 500 attendances at A&E, and almost 3500 presentations at walk-in centres and out-of-hours services. This level of activity reduction corresponds to over 14,000 GP appointments per CCG, 350 appointments per practice, or 26,000 hours of GP consultation time⁴.

⁴ At an average consultation length of 9.22 minutes (as taken from the Unit Costs of Health & Social Care, PSSRU, 2016, pg.144) <http://www.pssru.ac.uk/project-pages/unit-costs/2016/index.php>