

January 2017

PSNC Briefing 005/17: The Pharmacy Access Scheme – the review process closes at the end of February 2017*

Key Points

The scheme

On 20 October 2016, as part of the two-year funding package imposed on community pharmacies in England (details are at: www.gov.uk/government/publications/community-pharmacy-reforms) the Department of Health (DH) confirmed the introduction of a Pharmacy Access Scheme (PhAS), with the stated aim of ensuring that a baseline level of patient access to NHS community pharmacy services is protected. The details of the scheme are included in the Drug Tariff.

The scheme runs from 1 December 2016 to 31 March 2018 and qualifying pharmacies will receive additional monthly payments (PhAS payments) meaning those pharmacies will be protected from the full effects of the reduction in funding, which was effective from 1 December 2016. DH has given no indication whether the scheme will continue beyond 31 March 2018.

Eligible pharmacies qualifying for PhAS payments

DH has published a list of qualifying pharmacies. These pharmacies will receive PhAS payments automatically and do not have to apply for them.

The list is at: www.gov.uk/government/publications/community-pharmacy-reforms

The review process

If your pharmacy is not on the DH list of eligible pharmacies and you think it should be (see below), you need to apply to NHS England for a 'review' as soon as practicable. There are three review options: inaccuracy, physical feature anomaly and 'near miss'. The terms of the scheme state that you must apply **before the end of February 2017** (there is one potential exception for some physical feature anomaly review applications – see below).

Details of the review process and application form are on the NHSBSA website at: www.nhsbsa.nhs.uk/PrescriptionServices/5827.aspx

Local Pharmaceutical Services (LPS) pharmacies

LPS pharmacies are not included in PhAS payments, but NHS England may pay equivalent payments. This is clarified in the explanatory note to the 'spreadsheet' on the NHSBSA website, which states '*NHS England teams who hold LPS contracts will consider the impact of changes to the Community Pharmacy Contractual Framework from 1st December 2016 on these contracts and will consider on a case by case basis if a contract variation is warranted.*'

LPS pharmacies receiving such PhAS equivalent payments will be eligible for PhAS payments if the pharmacy exercises a right to return to the pharmaceutical list. The Drug Tariff states, *'If a pharmacy with an LPS contract receives a payment under that contract which is calculated as if it were a PhAS payment, and then is included in a pharmaceutical list after 1 September 2016 because of a right of return, that pharmacy will be treated for the purposes of PhAS as if it were actually on the pharmaceutical list on 1 September 2016.'*

Eligibility

Pharmacies eligible for the scheme / entitled to payments

To be eligible and qualify for PhAS payments a pharmacy must be:

1. more than one mile away from its nearest pharmacy (by road, including some footpaths)*
2. on the pharmaceutical list as at 1 September 2016 and
3. dispenses fewer than 109,012 prescription items per year**

* Location of pharmacies is taken from the pharmaceutical list of 1 September 2016 and the details of the data used are on the NHSBSA website.

DH used bespoke software to calculate the distances between pharmacies using the Ordnance Survey's Open Road Network map, which means it is not practical to replicate their calculations.

There are a variety of other tools to calculate distances between pharmacies, such as Google Maps, which may provide a different result to the DH result. This is because these other tools may use, for example, private roads through estates and additional footpaths, which are not available in the Ordnance Survey Open Road Network data.

** The Drug Tariff states, *'Contractors, who were not open for a full year in 2015/16, will have their payments capped if they exceed 109,012 items in the financial year.'*

Dispensing volume is based on the count of dispensing fees, so multiple dispensing fees are counted. The reference year is 2015/16.

Eligibility fixed for the length of the scheme

The Drug Tariff indicates that the DH list of qualifying pharmacies is fixed for the length of the scheme (subject to reviews). For temporary arrangements during emergencies or for circumstances beyond the pharmacy contractor's control (section 29 of the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013), the Drug Tariff indicates *'Pharmacy contractors, who will be subject to temporary arrangements as per section 29 will be kept on the list of eligible contractors. However, any permanent changes, which result in the contractor not fulfilling the PhAS [eligibility] criteria ... will result in the contractor being deleted from the list.'*

Payments

The Drug Tariff sets out the payment calculation, which for 2016/17 is the difference **between** a qualifying pharmacy's total 2015/16 fees and allowances remuneration **minus** a 1% efficiency saving **and** the pharmacy's estimated total remuneration for 2016/17 with the funding cuts; to be paid in four monthly instalments, as part of the payment the qualifying pharmacy receives for the dispensing months of Dec-16 to Mar-17.

The calculation for 2017/18 involves a 3% efficiency saving, and is paid in twelve monthly instalments, as part of the qualifying pharmacy's payments for dispensing months Apr-17 to Mar-18. The estimated remuneration for the year assumes the pharmacy will qualify for the Quality Payment (whether it does or not). If a qualifying pharmacy does not qualify for the Quality Payment or partially qualifies, it will still receive its fixed monthly PhAS payment for that year.

Further information is available in the Drug Tariff, Part X11A at: www.nhsbsa.nhs.uk/PrescriptionServices/4940.aspx

An indication of the likely payments is available on the PSNC website at: psnc.org.uk/contract-it/pharmacy-access-scheme-phas and at: psnc.org.uk/funding-and-statistics/cpcf-funding-changes-201617-and-201718 under *impact on contractor income*.

Pharmacies excluded from the scheme

The Drug Tariff provides that pharmacies excluded from the scheme are:

- (i) Distance selling pharmacies.*
- (ii) Local pharmaceutical services (LPS) pharmacies.*
- (iii) Pharmacies in areas with dense provision of pharmacies.*
- (iv) Pharmacies, which dispense a high number of prescription items per year (109,012 or more items per year).*

The review process

A review process has been included in the scheme to allow for consideration of extenuating circumstances which may mean that access is not being protected in the way intended by the scheme. It has been open since 1 November 2016.

The review process includes 3 review categories or options. A specific is available and further information on the review process on the NHSBSA website at: www.nhsbsa.nhs.uk/PrescriptionServices/5827.aspx, including a flow chart on the application process. The application form itself contains examples of the types of information to be provided with the application. NHS England is determining reviews and aims to do so within 6 weeks of an application.

The 3 review categories are:

1. Inaccuracies

- This category covers scenarios such as an incorrect pharmacy postcode or where the distance from the nearest pharmacy has been calculated incorrectly.
- When applying, please remember:
 - ✓ Highlight the inaccuracy, specifying what it is and explain why you think it means the pharmacy should be eligible for PhAS payments.
 - ✗ Your pharmacy cannot be in the top 25% of pharmacies by prescription volume.
 - ✗ There is no need to demonstrate that your pharmacy is critical for access.

2. Physical feature anomalies

- This category covers features such as a semi-permanent roadblock and very steep hills.
- When applying, please remember:
 - ✓ Provide evidence demonstrating that the physical feature makes the distance from the nearest pharmacy more than a mile away **or** the physical feature produces an unreasonable outcome.

- ✓ Demonstrate that your pharmacy is critical for access.
- ✗ Your pharmacy cannot be in the top 25% of pharmacies by prescription volume.

The evidence provided will need to demonstrate that it is more likely than not that the normal 'one mile rule' produces an unreasonable outcome in the particular circumstances of their case.

The DH information indicates that *'If a semi-permanent road or bridge closure means that the nearest pharmacy is in fact more than a mile away, the first stage of the review will be passed successfully. If the problem is that the distance to the nearest pharmacy is in fact less than a mile but the journey is particularly difficult, the reviewer will need evidence of the level of difficulty and the problems surmounting that difficulty.'*

The applicant also needs to demonstrate their pharmacy is **critical for access** having regard to the aims of the scheme, in particular, that a local population relies on the pharmacy and would be materially affected by its closing. The health needs of the population may be relevant to whether the local population would be materially affected by the closure, including the particular nature of the deprivation. The DH states that every pharmacy should be able to demonstrate it is of value to patients, but that does not make it critical for access. They may also be particularly affected if there are strong links between that pharmacy and the local community via geography. The aims of the scheme and additional information are set out in:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/561497/Pharmacy_access_scheme_A.pdf

Extension of application deadline for some physical feature reviews

The Drug Tariff provides that, *'applications for review in cases relating to physical feature anomalies will be considered beyond this three month period, but only if the application relates to a change in circumstances which occurs after the end of the three month period. In such cases, the application for review must be brought within three months of the change in circumstances.'*

3. 'Near miss' pharmacies in areas of high deprivation

- This category covers pharmacies located in the top 20% most deprived areas **and** located 0.8 – 1.0 miles from the nearest pharmacy.
- When applying, please remember:
 - ✓ Use the imd-by-postcode.opendatacommunities.org to check that your pharmacy is located in the top 20% of areas – you would be eligible if the data shows an IMD decile of 1 or 2.
 - ✓ Confirm the pharmacy's address and postcode so that it can be verified by DH from its own data that the pharmacy falls within the '0.8 – 1.0 mile from its nearest pharmacy' criteria.
 - ✓ Demonstrate that your pharmacy is critical for access.
 - ✗ Your pharmacy cannot be in the top 25% of pharmacies by prescription volume.

The most deprived areas have been identified by looking at the top 20% of Lower Layer Super Output Areas (LSOAs), when ranked by Index of Multiple Deprivation (IMD). LSOAs are a standardised unit of geography in the UK, varying in geographical size but with an average population of about 1,600 as per the 2011 Census.

The applicant also needs to demonstrate their pharmacy is **critical for access** having regard to the aims of the scheme, in particular, that a local population relies on that pharmacy and would be materially affected by its closing. The health needs of the population may be relevant to whether the local population is materially affected by the closure, including the particular nature of the deprivation. They may also be

particularly affected if there are strong links between that pharmacy and the local community via geography. For example, if it is the only pharmacy on a particular housing estate, even if another pharmacy is 0.9 miles away on the high street. The aims of the scheme and additional information are set out in:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/561497/Pharmacy_access_scheme_A.pdf

Further information

PSNC resources:

- Pharmacy Access Scheme webpage (including a link to the list of eligible pharmacies) – psnc.org.uk/PhAS
- On-demand version of Pharmacy Access Scheme and Regulations webinar – psnc.org.uk/PhASwebinar
- Funding changes webpage (including a link to an indicative income calculator) – psnc.org.uk/fundingchanges

Other resources:

- Government's webpage on community pharmacy changes in 2016/17 and 2017/18 – www.gov.uk/government/publications/community-pharmacy-reforms
- The NHSBSA webpage on PhAS – www.nhsbsa.nhs.uk/PrescriptionServices/5827.aspx

If you have queries on this PSNC Briefing or you require more information please contact [William Goh, Regulations Officer](mailto:William.Goh@psnc.org.uk).