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March 2018

PSNC Meeting March: Summary Report for LPCs and Contractors

PSNC and its subcommittees met in London, on 13th and 14th March 2018.

Community Pharmacy Funding

PSNC has agreed that community pharmacy fees and allowances will remain unchanged from April as part of interim funding arrangements. This will see funding levels remain at 2017/18 levels pending the start of substantive negotiations with the Department of Health and Social Care (DHSC) and NHS England on community pharmacy funding for 2018/19.

In practical terms, this means that the Single Activity Fee (SAF) will remain unchanged at £1.29, and pharmacies receiving payments under the Pharmacy Access Scheme (PhAS) will continue to receive the same monthly payments as those made in the previous financial year. However, there will be two changes to the gateway criteria of the Quality Payments Scheme: opening hours on a pharmacy's NHS Choices profile must include Bank Holidays and the requirement for the pharmacy to be able to send and receive NHSmail should be from a shared NHSmail account.

[Full details of the interim funding arrangements are now available on the PSNC website.](#)

In preparation for the start of 2018/19 funding negotiations, the Committee looked at potential new funding models in depth, exploring options including:

- The feasibility, costing and valuation of the elements of PSNC's proposed Universal Community Pharmacy Care Framework model;
- How best to handle delivery of margin-based funding; and
- Whether and how to protect delivery of fee income in the light of deprescribing and the risk of the extension of period of treatment.*

*[Research published in the British Journal of General Practice this month suggested that the NHS could make savings by switching to longer prescribing periods.](#) PSNC will be reading this report very carefully. Pharmacists will already know that for some patients with well managed long-term conditions, who are adherent to their medicines, longer periods of treatment may be appropriate. Other patients with more complex conditions may need more regular review along with extra support to manage their medicines and conditions; PSNC would like to see them being able to access that support from community pharmacies.

Price Concessions and Supply Issues

The update to Category M prices in January meant that some products such as Olanzapine and Quetiapine did not require a price concession as stock was available at the new Drug Tariff price. However, PSNC still needed to apply for 74 concessions in January and 79 in February.

January was the first month in which DHSC had trialled the use of manufacturer prices rather than wholesaler prices to inform the setting of concessionary prices. The team at PSNC was unable to see the data that DHSC is using and therefore relies on pharmacy contractor reports and invoices to show what they are paying. The principles of a new fair system

identified at PSNC's January PSNC meeting have been used in discussions with DHSC, but at this point they have not sought our approval and we have not agreed the new approach.

The Committee was also informed that the Medicines and Healthcare products Regulatory Agency (MHRA) has extended its partial suspension of Bristol Laboratories' manufacturing license until 22nd November 2018. This will continue to put pressure on pharmacies as Bristol Laboratories are a large supplier to the UK generics market. PSNC has asked the supply issues team at DHSC for a further update on the situation and will continue to monitor the situation.

VAT

HMRC has still yet to resolve the VAT treatment of new payments under the Community Pharmacy Contractual Framework. PSNC has suggested that given the significant delays and confusion caused to contractors the HMRC should issue a partial ruling to clarify the treatment of Quality Payments and PhAS, where there is a clear case and also greater financial exposure. We will let contractors know as soon as the HMRC makes a decision on VAT.

Margins Survey

PSNC discussed the results of the 2016/17 margins survey and progress to date with 2017/18. All lines subject to concession prices are included within a separate survey. The DHSC's statistician has been working on how to improve the survey further. The Committee also received an update presentation on the current margins survey methodology and had the opportunity to ask detailed questions. A version of the presentation will be made available to LPCs and contractors in due course.

Development of the Contractual Framework

In January PSNC put proposals for a Universal Community Pharmacy Care Framework and Community Pharmacy Care Plan to the NHS. In the past two months these ideas have been discussed with DHSC, NHS England, the other national pharmacy bodies and LPCs, and PSNC spent time reviewing and discussing the feedback that had been received in these meetings. Further details on the proposals will be published shortly, so that LPCs, pharmacy contractors and their teams can consider the proposals and provide feedback to PSNC.

Support for Working with STPs and Local Commissioning

The challenges for LPCs around engaging with Sustainability and Transformation Partnerships (STPs) were considered and [PSNC has published a flyer to help LPCs to have discussions with STPs](#). This is editable, so that LPCs can align messages to their specific STP's agenda. PSNC will also continue to share best practice and LPCs are encouraged to contact the office with any positive case studies. The results of the Pharmacy Business survey into engagement with STPs is expected to be published in the week commencing 26th March. MP engagement was also discussed, and updated guidance on hosting MP pharmacy visits is available on the PSNC website.

PSNC has begun developing toolkits to support the commissioning of local services. Work has now concluded on the toolkit to support minor illness services with toolkits on stop smoking services and post-hospital discharge support services next on the agenda. In the near future, some of this work is expected to be undertaken in a collaborative manner with groups of LPC volunteers.

Regulatory Support

The Committee reviewed the GDPR guidance created by the Community Pharmacy GDPR Working Party and it was approved, subject to final revisions. The guidance documents include a workbook of templates to assist community pharmacy contractors in working towards GDPR compliance and [PSNC will hold two live webinars in early April](#) to guide contractors through the information. The guidance is expected to be published before Easter.

Some Community Pharmacy Assurance Framework (CPAF) screening questions may be revised and PSNC was anxious to ensure the 10 questions overall reflect the Community Pharmacy Contractual Framework and are both challenging and continue to confirm the high level of compliance by contractors.

Consultations issued by the RPS (statement on the role of the pharmacist) and HEE (draft health and care workforce strategy for England) were also discussed to inform the writing of PSNC's responses to the consultations.

Capita Concerns

PSNC has provided information to the National Audit Office's (NAO) investigation into NHS England's management of the contract with Capita for Primary Care Support England (PCSE). Since the summer of 2017, Capita administration of market entry has been better, but there continue to be failings with notifications associated with market entry applications. PSNC is following up on concerns and problem cases experienced by LPCs and contractors.

Community Pharmacy IT

Ongoing issues with the implementation of the Electronic Prescription Service and potential losses to contractors were noted – these relate to occasions when contractors have submitted exempt electronic prescriptions as paid and also when dispensed electronic prescriptions have been erased from the 'spine' before a claim for payment has been made.

Work that the joint Community Pharmacy IT Group has been undertaking was also reviewed. [The agendas and minutes from the meetings of this group are now being published on the PSNC website.](#)