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PSNC Meeting January: Summary Report for LPCs and Contractors

Context and PSNC Plans

At a meeting on January 9th and 10th, PSNC confirmed its plans and budget for 2018. [PSNC's plan is available on the website](#). The Committee recognised the very tight resources available and the need to save money wherever possible while protecting the current activity of the organisation.

The Committee considered the current pressures on the NHS which is now widely seen as unsustainable within current resources. Although the funding cuts imposed on community pharmacy are extremely difficult for contractors at present, it is clear that other parts of the NHS, and particularly hospitals, are also struggling and underfunded.

2018/19 Funding, Quality Payments and EPS

Although the Department of Health and Social Care (DHSC) and NHS England have not begun formal negotiations for 2018/19, PSNC has received correspondence on some interim measures, and agreed its response. These included the future of the Pharmacy Access Scheme and the Quality Payments Scheme. Other correspondence related to the implementation of Phase 4 of the Electronic Prescription Service and the commissioning of the 2018/19 Community Pharmacy Seasonal Influenza Vaccination Advanced Service.

We will provide further information on the proposals, the details of which DHSC has marked as confidential, as soon as possible. All updates and announcements will be posted on PSNC's website and sent out via our email newsletters. Sign up at psnc.org.uk/email.

Price Concessions

Prices and availability of generics are continuing to cause considerable problems for contractors, who are already under massive pressure following Government cuts to funding and recovery of excess margin earned in previous years. PSNC has been working to ensure that DHSC is aware of the hardship the price rises are imposing on contractors, and to press for better systems for the granting of concession prices.

The numbers of products and levels of price increases since summer 2017 have caused a substantial increase in the NHS drugs bill. PSNC is seeking a system that adjusts reimbursement prices in response to price rises, and ensures community pharmacy contractors do not carry unreasonable costs on behalf of the NHS.

PSNC discussed proposals from DHSC on changing the system for setting price concessions. Currently, PSNC makes its claim for price concessions to DHSC, who then verify them using data they collect from manufacturers and wholesalers, and, if they believe it to be appropriate, set a concession price.

PSNC agreed key principles for a fair system, recognising the need for the NHS to continue to meet affordability challenges for medicines. The principles include:

- Community pharmacy contractors must not be the victims of adverse events or activity further up the supply chain;
- Any pricing system must balance fairly contractors' duty to supply with a reasonable purchase risk;
- PSNC must be able to provide data about price rises, but accepts that DHSC will want to verify this and that this leads to some period of uncertainty over pricing;
- Any data used to set prices must relate to the period for which a concession is given; and
- PSNC must be able to challenge proposed price concessions.

PSNC was mindful of the fact that although contractors should not face unfair risks, and costs of supply problems should not be passed on to them, purchasing medicines for the NHS is a huge part of what the sector offers for the NHS. Successful buying reduces costs for the NHS, and community pharmacies should continue to try to drive prices down.

PSNC will continue to press for immediate improvements to the price concessions system, but believes that forthcoming regulation on the disclosure of information on healthcare products will have an impact on managing price concessions, when a refined system can be established which makes use of the increased data capture.

We will update contractors as soon as we have more information.

Development of the Contractual Framework

PSNC spent much of the meeting giving detailed consideration to proposals for the development of community pharmacy's role in caring for people with long-term conditions. The service developments PSNC envisages would support both the implementation of the proposals set out in the Community Pharmacy Forward View and the Murray Review's recommendation to modernise the MUR service. They are also aligned to the policies set out in the NHS England Five Year Forward View Next Steps document and the aims of NHS England's Medicines Value Programme.

PSNC's eventual aim is to revise the Community Pharmacy Contractual Framework (CPCF) to include a care plan service which supports patients with long-term conditions to optimise their use of medicines and manage their conditions. The outline proposals for the service are based upon the Community Pharmacy Future II project undertaken in West Yorkshire.

Fully implementing such a service would be a significant change for many community pharmacy teams, so PSNC considered options for staged changes to the CPCF which would support the transition. These incorporate elements of the MUR service and NMS, and they also clearly articulate the way in which community pharmacy services are helping to address key NHS targets, such as reducing waste and improving patient safety. The development of a new care-focused package of services within the CPCF will also require changes to funding delivery, to ensure that it reflects the services provided by contractors.

The final draft proposals that PSNC agreed should provide a starting point for discussions with DHSC and NHS England. Further details on this work and PSNC's proposals will be shared with LPCs and contractors as soon as possible.

Judicial Review

The appeals against the decision in the Judicial Reviews brought by PSNC and the NPA have been listed by the Court of Appeal for hearing in May.

OTC Medicines

PSNC considered NHS England's consultation on draft guidance for Clinical Commissioning Groups, which would stop routine prescribing for a range of minor conditions; further information on the consultation and the previous consultation on low value and OTC medicines can be found in the [Healthcare Landscape section of the website](#).

The Committee noted that in the new consultation document, NHS England had made several significant revisions to the proposals compared to those which had been included in the original consultation on low value medicines. These revisions included the guidance being focussed on prescribing for specific minor illnesses. The draft guidance is also clear that prescribing medicines, which are available OTC, for the treatment of long-term conditions would not be stopped.

As a result of these changes, the Committee concluded that the vast majority of the objections and concerns it had raised in response to the original proposals had been addressed.

If implemented, the changes to guidance on prescribing would result in a reduction in prescription volume, but the changes could also present an opportunity for community pharmacy to build on its existing role in educating patients to help them to self-care and the level of OTC medicines sales may increase. However, PSNC agreed the need to highlight implementation challenges with the proposals, and that it must be made clear to NHS England that any transfer of work from GPs would increase workload for community pharmacy. The Committee also recognised that the proposals to stop NHS treatment for self-limiting conditions are likely to lead to the de-commissioning of minor ailments schemes.