

Community Pharmacy 2019/20 to 2023/24: A five-year settlement

Introduction

There are more than 11,600 community pharmacies in England providing accessible healthcare alongside the dispensing of medicines. For a typical pharmacy, NHS income accounts for 85-95% of their total turnover. This briefing summarises the recently agreed five-year NHS settlement for community pharmacies in England.

Background information on pharmacies

Community pharmacies in England provide a range of core services including:

- Dispensing and Repeat Dispensing
- Support for self-care
- Signposting patients to other healthcare professionals
- Participation in set public health campaigns (to promote healthy lifestyles)
- Disposal of unwanted medicines

Over 95% of community pharmacies now have a private consultation room from which they can offer advice to patients and a range of nationally commissioned services such as:

- **Flu Vaccination Service:** Community pharmacies are commissioned by NHS England to administer NHS flu vaccinations to eligible patient groups; they administered over 1.4 million flu vaccinations in 2018/19.
- **New Medicine Service:** This service allows pharmacies to provide support for people with long-term conditions who have been newly prescribed a medicine to help improve medicines adherence.

Many pharmacies are also commissioned to offer public health services by Local Authorities and the NHS.

The five-year CPCF settlement

In July 2019, PSNC (representing community pharmacies), NHS England & NHS Improvement (NHS E&I) and the Department of Health and Social Care (DHSC) agreed to a five-year deal for community pharmacies, guaranteeing funding levels until 2023/24 and setting out how pharmacies will adapt to provide new services to help people to stay healthy and prevent illness; to support and provide urgent care services; to support patients leaving hospital; and to help patients avoid unnecessary visits to GPs and hospitals.

New national services in 2019/20

In 2019/20, community pharmacies will be commissioned to provide two new services:

- **The Community Pharmacist Consultation Service (CPCS)*:** This service will relieve pressure on the wider NHS by connecting patients with community pharmacies as a first port of call for minor illness or for the urgent supply of medicines. Pharmacies will offer patients a consultation to help them to manage minor illnesses, or make an 'emergency supply' of medicine where a patient has previously been prescribed the medicine. The service will take referrals from NHS 111 (rather than those patients being directed to GPs or A&E) with referrals from other settings, such as GP practices and NHS 111 online, in future years.
- **Hepatitis C testing:** Pharmacies will offer testing for people using pharmacy needle and syringe programmes to support the national Hepatitis C elimination programme.



*This service brings together the existing national NHS Urgent Medicine Supply Advanced Service (NUMSAS) and local pilots of the Digital Minor Illness Referral Service (DMIRS).

Other changes in 2019/20

To free up capacity for these new services, the NHS is decommissioning the Medicines Use Review (MUR) service from community pharmacies. The service is being phased out, so pharmacies will be able to offer a limited number of MURs in 2019/20, and again in 2020/21, after which none will be offered.

There will however be an extension of the reach of the six mandated public health campaigns that community pharmacies have to take part in, and many community pharmacies will also choose to take part in the **Pharmacy Quality Scheme (PQS)**. This year, this may involve them:

- Preparing for engagement with Primary Care Networks (PCNs);
- Carrying out audits on prescribing safety around lithium, on pregnancy prevention for women taking valproate, and on the use of non-steroidal anti-inflammatory drugs (NSAIDs);
- Checking with patients with diabetes whether they have had annual foot and eye checks;
- Reducing the volume of Sugar Sweetened Beverages (SSB) sold to 10% or less;
- Completing training and assessment on look-alike, sound-alike (LASA) errors;
- Updating risk reviews;
- Completing sepsis online training and assessment along with risk mitigation; and
- Completing a Dementia Friendly environment standards checklist.

Changes from April 2020

From April 2020, all pharmacies will be required to be able to process electronic prescriptions and to have attained **Healthy Living Pharmacy (HLP)** Level 1 status. Accreditation as an HLP will mean that they are local hubs to promote health, wellbeing and self-care and providing services to prevent ill-health. As well as the further development of the CPCS service to include referrals from GP practices, in 2020/21 the NHS wants to pilot a new **medicines reconciliation service**. Through this service, pharmacies will ensure changes to medicines made in secondary care are implemented appropriately when patients are discharged back into the community.

Other future pharmacy service developments

In the future, as part of the five-year deal, community pharmacies may also be able to support the appropriate use of medicines through an expansion of the **New Medicine Service (NMS)** to other conditions. In addition, the NHS will use the national Pharmacy Integration Fund (PhIF) to pilot services for potential roll out. These include:

- A model for detecting undiagnosed cardiovascular disease (CVD);
- Stop smoking referrals from secondary care to community pharmacy;
- Use of point of care testing around minor illnesses to support efforts to tackle antimicrobial resistance;
- Routine monitoring of patients, for example, those taking oral contraception, under an electronic repeat dispensing arrangement;
- Activity to support PCN priorities such as early cancer diagnosis and tackling health inequalities; and
- A service to improve access to palliative care medicines.

See further details on the timing of pilots and planned service roll outs: [PSNC CPCF service development grid](#).

Funding and structural changes

Total pharmacy funding under the five-year deal has been fixed at £2.592bn per year. Although this provides a welcome guarantee for community pharmacy contractors, it will be very challenging for many pharmacies to

change working practices and to deliver the range of new services required of them. Community pharmacies receive most of their funding from the NHS and many are already under huge financial stress.

Annual negotiations to finalise detailed service and funding arrangements for each financial year will take place, and over the five years the community pharmacy funding model will be reviewed: the balance between spend on dispensing and new services is likely to shift towards the delivery of services. One immediate change being made to funding is the continued phase out of the Establishment Payment (EP). The monies from this and from the phase out of MURs are being reinvested into pharmacy to keep the overall funding sum at £2.592bn.

From October 2019, pharmacy contractors will receive monthly Transitional payments as part of that £2.592bn. These are in recognition of the need for pharmacies to prepare for a more service-based role; to engage with local Primary Care Networks (PCNs); and in recognition of ongoing change and preparation needed for Serious Shortage Protocols (SSPs) and the Falsified Medicines Directive (FMD). The Pharmacy Access Scheme (PhAS) will continue to be paid in its current design until April 2020, when the scheme will be updated. There is also work ongoing to improve reimbursement arrangements.

Government is committed to ensuring that technology can transform the supply of medicines and the delivery of pharmacy services, and discussions will be taking place on this. This will include exploring ways to make dispensing more efficient and to free up pharmacist and pharmacy team time and capacity, covering:

- Legislative changes to allow all pharmacies to benefit fairly from hub and spoke dispensing and increased use of automation;
- Use of original pack dispensing to support efficient automation;
- Legislative changes to allow for better use of the skill mix in pharmacies;
- Support for pharmacy owners wishing to consolidate; and
- Removal of redundant administrative requirements.

In 2020/21, DHSC will also seek to introduce revised terms of service for pharmacies to reflect the different ways in which people use and access online services and the way these services are provided.

Summary

Announcing the five-year settlement, Secretary of State Matt Hancock wrote that it would: *“expand and transform the role of community pharmacies and embed them as the first port of call for minor illness and health advice in England.”* The settlement describes how pharmacies will move to offer more healthcare services, supporting the priorities of the NHS Long Term Plan, and it will see pharmacies further integrated within local Primary Care Networks (PCNs) and *“doing more to protect public health and taking on an expanded role in urgent care and medicines safety”*.

By 2023/24, PSNC’s vision is that community pharmacies in England will:

- Be the preferred NHS location for treating minor health conditions;
- Take pressure off urgent care, out of hours services and GPs, reducing waiting times and offering convenient care for patients, closer to their homes;
- Become healthy living centres, helping local people and communities to stay healthy, identifying those at risk of disease and reducing health inequalities;
- Provide diagnostic testing on-site related to minor illness;
- Support key NHS targets such as tackling antimicrobial resistance; and
- Continue to ensure patients can safely and conveniently access the medicines they need as well as doing more to improve patient and medicines safety.