



23rd February 2020

Dear Community Pharmacy Contractors

Community Pharmacy Contractual Framework Five-Year Deal - Year 2 (2020/21)

1. We write to update you on the Community Pharmacy Contractual Framework (CPCF) five-year deal which was agreed between the Pharmaceutical Services Negotiating Committee (PSNC), the Department of Health and Social Care (DHSC), and NHS England and NHS Improvement in July 2019.
2. Firstly, we would like to express our thanks to all community pharmacy contractors in England for their work and achievements over the past six months, in line with this deal. We are pleased that so many of you declared an intention to take part in the Pharmacy Quality Scheme (PQS), which is delivering real benefits to patients. And through the NHS Community Pharmacist Consultation Service (NHS CPCS) you are helping thousands more people to get the care they need in the community and in doing so reducing NHS 111 referrals to GPs and hospitals. We look forward to seeing more clinical services rolled out throughout the remaining four years of the deal, confirming community pharmacy's position as an integral part of the NHS.
3. Since the announcement of the deal and finalisation of details for 2019/20, our three organisations have been working, in partnership, on the detail for Year 2. We have had challenging but constructive discussions. It is clear that all parties are committed to a future in which community pharmacy is more integrated into the NHS and plays its full role in keeping people healthy for longer in their communities.

A Year of Transition

4. Year 2 is a year of continuing transition, strengthening the foundations for a more integrated, clinically focused offer in community pharmacies; building capacity and capability; testing new services for potential future commissioning; and embedding and building on those we commissioned in Year 1. It will also be a year for integration with General Practice. NHS England and NHS Improvement will support community pharmacy to work closely with your GP partners, aligning incentives between the two sectors and in gaining GP support for the expansion of the NHS CPCS. In turn, contractors will need to continue to develop collaborative local arrangements to underpin these new ways of working.

5. The Department and NHS England and NHS Improvement fully recognise the challenge of this transformation. The transitional payment is increased. It will be important that this funding is used by contractors to ready themselves for their changing role: increasing support for medicines safety and optimisation, supporting the NHS in dealing with urgent care and promoting and supporting people to live more healthily in their communities. As set out in the July CPCF five-year deal publication, the payment recognises pressures in relation to the engagement with local Primary Care Networks (PCNs), implementing new working practices and staff training to support new services, as well as ongoing change.

6. We also recognise that delivering a wider range of clinical services and advice will require that we increase the time pharmacy staff have available for patient facing interactions. There are a number of ways this can be achieved.

7. As indicated in the five-year deal, we will be seeking to further enable the use of hub and spoke dispensing to improve efficiencies and enabling better use of the skill mix in pharmacy teams in order that the clinical skills of pharmacists can be better used to help patients. To support contractors in making these changes and releasing capacity, DHSC and NHS England and NHS Improvement will work with the PSNC to explore other options, such as introducing original pack dispensing.

8. We will also explore whether there are ways to strengthen the protections offered to pharmacies wishing to consolidate under Regulation 26A of the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013, without breaching competition law.

9. DHSC, NHS England and NHS Improvement and PSNC have committed to explore commissioning NHS travel vaccinations within the CPCF. This service could be introduced before the end of 2020/21.

10. NHS England and NHS Improvement will also be piloting services over the course of the coming year including: blood pressure testing; stop smoking support for patients discharged from hospital; point of care testing for Streptococcus A in community pharmacy as a proof of concept to support improved safeguards around antibiotic prescribing; and the extension of the NHS CPCS to referrals from GP Practices, NHS 111 Online and other urgent care settings. This pipeline of service development, supported by the Pharmacy Integration Fund, will feed into the negotiations and commissioning decisions in 2020/21 and 2021/22.

11. We have jointly begun to consider how to reflect the different ways in which people access online services and the way these services are provided; we expect this to lead to revised terms of service. Our policy continues to be that patients should have free choice from which community pharmacy they wish to access their pharmaceutical services.

12. Later in the year, we will jointly undertake an annual review of the CPCF, as agreed in July last year. This will explore our progress in delivering the planned elements of the

CPCF five-year deal and future proposed commissioning of services within the agreed funding, cognisant of community pharmacy's costs and capacity.

13. The Department, NHS England and NHS Improvement and PSNC have also committed to explore pharmacy funding distribution and reimbursement models over the five-year period, to support the move from dispensing to more clinical services.

14. Although details on some of the new services are yet to be finalised, we have reached a stage in the negotiations where we are able to communicate more fully Year 2 of the five-year deal, especially those elements for implementation from April 2020.

Changes to Commissioning

15. From April 2020 NHS England and NHS Improvement will:

- Commission a maximum of 100 Medicines Use Reviews (MURs) per pharmacy over 2020/21. In the first quarter, 70% of MURs should be targeted at high-risk medicines or patients who have recently been discharged from hospital. From the date the NHS Discharge Medicines Service is introduced, expected to be from July 2020, 70% of MURs will be targeted solely at high risk medicines. This continues the reduction in the number of MURs commissioned from community pharmacy. This is the last year that MURs will be commissioned.
- Commission a Hepatitis C testing service, with community pharmacies referring those people found with positive antibodies into a local treatment service.

16. By the end of June 2020 we anticipate:

- Introducing NHS CPCS referrals for urgent medicine supply from NHS 111 Online.

17. From July 2020 we anticipate:

- Introducing an NHS Discharge Medicines Service for patients being discharged from hospital. Developing this as a new essential service, for which fees are still to be agreed, we will need to align with the medicines optimisation activities in PCNs and we will keep the impact of this under review. From the date this service is introduced, 70% of MURs will be targeted at high risk medicines.

18. In the second half of 2020/21, we anticipate:

- Introducing, subject to the success of the pilot, referral of minor illness from GP surgeries, as part of the NHS CPCS. We recognise that this service will require a partnership with general practice which we are all committed to support.

Changes to Terms of Service to Support Integration and the Provision of a more Clinically-based Service

19. From July 2020, changes will be made to the terms of service for all pharmacies providing NHS pharmaceutical services, by revising the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013 and the approvals under them. We expect that pharmacies will be required to:

- Reflect the criteria / requirements for a Level 1 Healthy Living Pharmacy;
- Ensure there is an NHSmile shared mailbox for every community pharmacy with linked personal NHSmile accounts for pharmacy staff;
- Use NHS Summary Care Records where appropriate;
- Update as necessary, quarterly as a minimum, the community pharmacy profiles for the NHS 111 Directory of Services, to facilitate referral;
- Update pharmacy profiles for the NHS website, including opening times, facilities and service information, quarterly as a minimum, to facilitate efficient patient access to services;
- Have the capability to receive and process electronic prescriptions;
- Provide an extended notice period to NHS England and NHS Improvement of commencement of the provision of NHS pharmaceutical services;
- Notify NHS England and NHS Improvement when entering administration;
- Ensure all pharmacy professionals are trained to safeguarding Level 2;
- Submit specified 'contract' management and monitoring data electronically;
- Collect additional information and electronically submit data on health campaigns;
- Ensure the pharmacy is registered to receive CAS alerts directly into the premises' specific NHSmile shared mailbox and ensure a process is in place for implementing these in the required timescales.

Pharmacy Quality Scheme, Pharmacy Access Scheme, Establishment Payment, Transitional Payment and Serious Shortage Protocols

20. From April 2020, NHS England and NHS Improvement will:

Pharmacy Quality Scheme (PQS)

- Introduce a renewed PQS, focused on: supporting healthy living and prevention (such as weight management and suicide prevention); supporting antimicrobial stewardship; improving support for those with respiratory disease; improving medicines safety through further work on 'look-alike sound-alike' errors; an anticoagulant audit; shared decision-making conversations about over the counter pain killers; and more collaborative working with PCNs.
- Maintain overall funding for PQS at £75 million. However, this year for the first time, payment to individual contractors will vary depending on their prescription volume in 2019. This will better reflect the workload of meeting the requirements of the PQS in different pharmacies.
- There will be one declaration period in February 2021. Therefore, there will be an aspiration payment for which contractors will be able to claim from mid-April to the beginning of May 2020.

Full guidance will be available in April 2020.

Pharmacy Access Scheme

- Maintain the current level of payments to those contractors in receipt of Pharmacy Access Scheme funding until April 2021.
- Undertake a full review of the Pharmacy Access Scheme before making changes and introducing a new, revised scheme from April 2021.

Establishment and Transitional Payments

- Pay reduced establishment payments as part of the planned phase out of these payments by the end of 2020/21. We will notify contractors shortly of the expected payments.
- Pay a transitional payment linked to dispensing volume with revised payment bands for 2020/21 as compared to 2019/20. This recognises the work to invest in and improve dispensing efficiency, including the training of staff in anticipation of legislative change, as well as the transformation needed in community pharmacy to deliver the vision set out in the five-year agreement. However, we expect this payment to reduce over the course of the year as new services come on stream

and funding is allocated to the related service fees. As set out in the five-year agreement, this is the last year a transitional payment will be made. We will notify contractors shortly of the expected bands and payments.

Serious Shortage Protocols

- Continue to set aside £10 million in 2020/21 to pay for any Serious Shortage Protocol fees, as a contingency, as we did for 2019/20.

Reimbursement Reforms

21. Further to the proposals set out in the public consultation in 2019, we intend to progress discussions on, and implement, reforms to reimbursement. This will ensure that pharmacy contractors have more equitable access to medicines margin and improve pharmacy contractors' cash flow by ensuring reimbursement prices better reflect market prices. It will also improve value for money for the tax payer.

Drug Tariff - Administrative Improvements

22. We will make administrative improvements within the Drug Tariff to include:

- How contractors are paid for prescription batches which are received late at the NHS Business Services Authority (NHSBSA) or for batches which are lost;
- A new provision to allow contractors to amend their claim if they have made transposition, typographical or omission errors;
- Tightening the provisions for Out of Pocket Expenses; and
- Digitalising the FP34C claim form by including it on the "Manage your Service" platform hosted by the NHSBSA.

23. We will also cease distributing the paper Drug Tariff from mid-2020.

Conclusion

24. Year 2 will be another year of transition for community pharmacy contractors as new services and pilots come on stream as agreed for the CPCF. DHSC, NHS England and NHS Improvement and PSNC will work together to help contractors to prepare for this new service delivery. We will collaborate on finalising the arrangements for those services to be introduced later in the year, in order to give contractors as much notice of their introduction as possible. Looking forward, we will continue to work in partnership to progress the wider transformation set out in the five-year deal to deliver a more clinical and service-based offer in community pharmacies across England. Contractors can expect further

announcements on services throughout the year and we will announce details for Year 3 as soon as we can.

Yours sincerely,

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