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Briefing for MPs: Financial pressures facing community pharmacies

PSNC represents the 11,400 NHS community pharmacies in England. Pharmacy teams have provided critical healthcare advice and support to patients and local communities through the COVID-19 pandemic, but many are now facing considerable operational and financial challenges. This briefing provides an update on the sector as well as detailing PSNC's asks of the Government and providing information about how MPs can help.

Community pharmacies and COVID-19

Throughout the COVID-19 pandemic community pharmacies across the country have been working flat out to maintain increased demand for medicines and healthcare advice:

- During the pandemic demand for prescription medicines grew: a record number of prescription items – 93 million - were dispensed in March 2020.
- Many pharmacies also remained open throughout the bank holidays in Easter and May to ensure patient access to medicines and healthcare advice could be maintained.
- There have also been reports of increases in telephone call handling and patient counselling, with significant numbers of patients visiting pharmacies for ailments and healthcare advice.
- Pharmacy teams also implemented the Pandemic Delivery Service, which helped to ensure that those 'shielding' at home, with no means of collecting their medicines, were able to access their prescriptions.

Patient experience of pharmacy services during the pandemic has been positive. A recent survey has found that following the pandemic more people are likely to visit a pharmacy for advice before seeking help elsewhere. A survey on attitudes to the NHS following COVID-19, conducted by PAGB, the consumer healthcare association, found that almost one in three people who would not have visited a pharmacy for advice before seeking help elsewhere said they were more likely to do so following the pandemic.

Community pharmacy has also been at the forefront of this year's effort to vaccinate the population against flu. This year, to help protect people against respiratory illness while COVID-19 is in circulation, the NHS has made the flu vaccine available for free to more people. Community pharmacies have been an important part of the NHS flu vaccination programme since 2015, but this year the sector is vaccinating more people than ever. So far:

- In the first four weeks of the service community pharmacists vaccinated over 650,000 NHS patients – three times the number vaccinated in the same period last year.
- Community pharmacists have now vaccinated more than 2 million NHS patients against flu this year.

Pharmacy vaccination services have been very highly rated in the past, and community pharmacies are continuing to receive requests from patients for vaccination.

Increased walk-ins to community pharmacy

Following reports of a long-term increase in patient walk-ins to community pharmacies, PSNC carried out an audit to try and quantify the number of informal patient consultations happening in pharmacies in England.

In June and July 2020 more than 9,400 pharmacies in England took part in PSNC's Pharmacy Advice Audit. Pharmacies were asked to choose one day on which to record their patient consultations and in total 198,043 patient consultations were recorded by the 9,441 pharmacies, indicating that the average pharmacy carries out around 15

patient consultations per day. The consultations were all of those conducted outside of the Community Pharmacy Contractual Framework (CPCF) and other commissioned services – this means they have no specific funding attached to them.

The consultations included responding to symptoms and existing medical conditions, providing healthy living advice or giving advice following the delivery of a service, excluding dispensing. Key findings revealed that:

- 92% of consultations during the audit resulted in advice being given by the pharmacy team;
- The pharmacy was able to provide appropriate advice along with the sale of a medicine in 49% of consultations, and appropriate advice alone in 43% of consultations;
- Fewer than 10% of the consultations recorded in the audit resulted in patients being referred to their GP;
- 49% of patients said that if the pharmacy had not been there, they would have visited their GP instead; and
- A further 5.7% would have visited A&E / Walk-in centre, which would result in an additional 57,000 appointments per week.

Overall, the audit indicated that during an average week across all pharmacies in England over 600,000 consultations are carried out to respond to patient symptoms, and nearly 185,000 consultations are carried out where pharmacies give patients additional support for a known medical condition.

It is clear that patients value the accessible healthcare advice that is available from their local community pharmacies. Extrapolating the results of this national audit, if the proportion of patients seeking advice who said they would have visited their GP practice if the pharmacy had not been there holds, and pharmacy advice were taken away, this would result in approximately 492,000 additional GP appointments each week, or 65 appointments in each GP practice each week in England.

While some funding is provided for pharmacies for supporting people with ‘self-care’ through the Community Pharmacy Contractual Framework, we believe this is no longer sufficient to cover the considerable costs of this increasingly important part of pharmacies’ work.

Financial and operational pressures on the sector

Although the sector has risen to the challenges of the pandemic, community pharmacy is facing a number of financial and operational challenges and the sector needs additional support to manage these and to ensure that pharmacies can continue to offer patients the services and advice that they need.

[A report published by the National Pharmacy Association \(NPA\)](#) has warned that community pharmacy funding is insufficient at its current scale and suggests that, as things stand, around three-quarters of pharmacies could be in deficit by 2024, with between 28% and 38% already estimated to be in deficit as of 2019.

COVID-19 costs

Many pharmacies have incurred significantly higher costs during the COVID-19 pandemic to cover rising staffing costs (eg where team members have had to isolate), additional queries and all the safety measures required to keep people safe, such as PPE, cleaning, and social distancing measures. These costs have been significant, and coupled with a reduction in income from over-the-counter sales and services, this has left many pharmacies facing serious financial challenges.

Some government support has been provided to help ease pressure on the sector, but it has not been sufficient. In the early months of the pandemic, HM Government agreed to inject urgent funding injections into the sector, worth a total of £370m, in order to ease cashflow. However, these payments were an advance and they will need to be paid back. Many pharmacies simply will not be able to afford this and it will exacerbate financial pressures.

PSNC, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I) are now in negotiations, which involve HM Treasury, about reconciliation (‘writing-off’) of this advance funding against the sector’s significant COVID-19 related costs. PSNC’s aim is for pharmacy contractor costs to be fully recompensed –

both those already accrued and those still to come. PSNC is also continuing to seek financial protection for any pharmacies forced to close temporarily during the COVID-19 pandemic.

Community pharmacies need a funding uplift

PSNC has also written to DHSC and the Parliamentary Under-Secretary of State for Prevention, Public Health and Primary Care seeking an urgent review of the [five-year Community Pharmacy Contractual Framework \(CPCF\)](#). PSNC still supports all elements of the five-year deal and wishes to continue with the roll out of the services set out within it. However, the pharmacy service has changed so significantly over the past year (with changes of the sort we had planned to implement only in the later years of the five-year deal) without progress on the capacity-releasing elements of the five-year CPCF that funding must now be uplifted to keep pace with developments.

In putting together a bid for a funding uplift, PSNC has highlighted to officials and the Minister:

- The vital work being done by pharmacies: despite the economic challenges, community pharmacy staff have done everything within their capabilities as clinicians to support the communities they serve.
- The pressures that COVID-19 has placed upon the sector: there are now a huge number of informal patient consultations taking place in pharmacies (as evidenced by the [PSNC Pharmacy Advice Audit](#)) with much of this additional work being displaced from general practice, and beyond what could reasonably be expected of pharmacies as part of their Terms of Service.
- The critical issue of systemic underfunding of the sector: the two largest pharmacy chains have announced significant cost-cutting and reorganisation measures since the beginning of the pandemic and we believe more pharmacies will be forced to close their doors in the months ahead.
- The efficiency squeeze being placed on community pharmacies: this has been drastic and comes both from the CPCF and externally, including regulatory factors.

In summary, PSNC is seeking an urgent uplift to the agreed CPCF funding in recognition of the very great financial pressures facing community pharmacies and the critical and valuable work they are doing. Alongside these funding discussions, we want to work with HM Government on a shared vision for pharmacies in whatever a 'new normal' is.

How can MPs help?

MPs can help by publicly backing community pharmacies and pressing HM Government for additional financial and operational support for the sector.

Letters and questions

MPs can write letters to officials or Ministers asking for the following:

- The £370m advance payments made to the sector to be written off to relieve the immediate financial pressures on community pharmacies.
- A boost to overall community pharmacy funding in recognition of the very great financial pressures facing the sector and the critical and valuable roles that pharmacies have undertaken during the pandemic.

MPs can also submit parliamentary questions calling for more support for community pharmacies. Please email jessica.ferguson@psnc.org.uk for examples.

Joining the APPG

MPs can also show support for the sector by joining the All-Party Pharmacy Group (APPG). If you would like to join the group as a member or simply find out more about upcoming events, please email:

contact@pharmacyappg.co.uk

Further information

For any queries with the content of this briefing, or for more information, please contact:

jessica.ferguson@psnc.org.uk