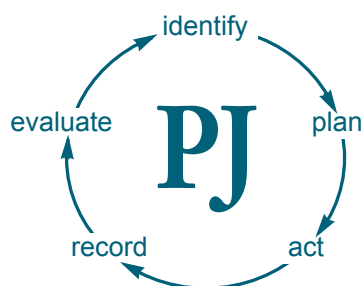


COMMUNITY PHARMACY SERVICE DEVELOPMENT

(3) NATIONAL HEALTH SERVICE FUNDING FOR COMMUNITY PHARMACY SERVICE DEVELOPMENT IN ENGLAND

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This article looks at the National Health Service funding available in England for developing community pharmacy services and how to persuade your PCT to invest in a service



identify gaps in your knowledge

1. What funding streams are available to pharmacists for service development in England?
2. What should be your first step in securing support from your PCT for service development?
3. Who are the key decision makers and influencers in your PCT?

Before reading on, think about how this article may help you to do your job better.

The Royal Pharmaceutical Society's areas of competence for pharmacists are listed in "Plan and record," (available at: www.rpsgb.org.uk/education). This article relates to "achieving effective and efficient community pharmacy services" (see appendix 4 of "Plan and record").

Three years ago, National Health Service funds for community health care were controlled by health authorities. Two key documents changed this. "The NHS plan",¹ the Government's plan for investment in the NHS, resulted in a significant increase in locally commissioned pharmaceutical services, paid for from funds outside the pharmacy global sum. The second document, "Shifting the balance of power",² is part of the NHS plan and aims to give frontline staff and patients more power. As a result, primary care trusts (PCTs) took responsibility for and control of the main revenue allocation. PCTs can now commission pharmaceutical services that meet local health needs. These include:

- Emergency hormonal contraception schemes
- Smoking cessation services
- Near patient testing (eg, cholesterol testing, international normalised ratio monitoring)
- Minor ailments schemes
- Medication reviews

Applications for the funding of local services must go through a bidding process and, to be successful, pharmacists must convince the PCT not only that their service will meet an identified need, but that it is a cost-effective use of PCT funds.

There are two main streams of funding available for pharmacy services: national funding and local funding. National funding is money directly from Government for a specific purpose. For example, most pharmacists are familiar with the global sum, which is negotiated each year by Pharmaceutical Services Negotiating Committee (PSNC) and the Department of Health. It is paid to community pharmacy contractors for providing agreed dispensing and professional services (eg, keeping patient medication records and appropriate health promotion leaflets), in accordance with the fees and allowances set out in the Drug Tariff. Part of the global sum is allocated to PCTs for the local commissioning of pharmaceutical advisory services to care homes, domiciliary oxygen services and for out-of-hours arrangements.

Funding for additional pharmaceutical services must come from local funds. These include funds that the PCT has amassed by saving on different services (eg, "top-slicing" prescribing budgets), government money that is not given for a specific purpose or money from non-government sources.

In considering providing an additional service, pharmacists need to be aware of PCT priorities — services that help priority targets to be met are more likely to be taken on. Knowledge of the changes in PCT planning cycles and NHS funding streams are also required along with an awareness of other available funding sources. Some sources of funding are relevant to pharmacy even though they may not appear to be at first glance. One example is the "Sure Start" programme, run by the the Department for Education and Skills and the Department for Work and Pensions. This programme offers government money to improve the lives of children through improving health, education and child care, and supporting parents. Although pharmacy is not mentioned, this programme has funded smoking cessation services in pharmacies to reduce the number of mothers who smoke, and a minor ailments service aimed at children.

The PSNC has produced a resource pack, "Sources of funding — a guide for community pharmacists", which is available at www.psn.org.uk.

PLANNING AND FINANCIAL FRAMEWORKS

Pharmacists need to keep up to date with the changes to funding flows resulting from recent Department of Health guidance, such as "Improvement, expansion and reform: the next three years' priorities

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and planning framework 2003–2006”.³ This document completely changed how PCTs handle money and the NHS planning cycle. Previously, PCTs worked on an annual funding cycle, which tended to result in short-term planning and a rush to spend any surplus money at the end of the year. PCTs are now given three-years’ worth of funds and this offers them greater continuity and long-term planning potential.

To match the funding cycle, the PCT planning cycle has also changed from annual to three-yearly. A range of PCT planning requirements with over 400 targets, has been replaced with a single, integrated local delivery plan (LDP) that includes the PCT’s local priorities. The strategic health authority ties LDPs from its PCTs together and submits a copy to Government for approval. Three-year budgets were allocated for the first time in autumn 2002 to allow for three-year planning for 2003–2006. The LDP must also state how resources will be used and value for money will be achieved. Expected progress or milestones for each priority area need to be identified within the LDP so that planned progress can be monitored.

The priorities and planning framework guidance³ sets out the priorities that all LDPs must address and includes targets relating to:

- Access
- Improved care for coronary heart disease, mental health, older people and cancer (national service frameworks)
- Drug misuse
- Reducing conception rates in those under 18 years
- Smoking cessation

The PSNC has produced a briefing on the Department of Health’s PCT priorities and planning framework guidance, which is available at www.psn.org.uk.

To accompany these new planning processes, more changes in the way that funds flow through the NHS have been introduced through the document “Reforming NHS financial flows — introducing payments by results”,⁴ which will eventually cover all commissioning within the NHS. For example, financial rewards will be given to PCTs that meet targets in order to encourage the achievement of national and local strategic objectives, (eg, local service improvement objectives agreed by PCTs and providers). Therefore PCTs now place an even greater emphasis on meeting their priorities.

FUNDING IN SCOTLAND AND WALES

Scotland seems to be adopting a different approach to community pharmacy funding. According to Frank Owens, chairman of the Scottish Pharmaceutical General Council, pharmaceutical care services such as health promotion, chronic medication and minor ailments would be core services in the new Scottish contract, funded through the global sum. Therefore, there would seem to be little requirement for Scottish community pharmacists to prepare bids other than when seeking research grants such as through Scotland’s Primary Care Development Fund. In such cases, Mr Owens suggests that potential applicants seek advice from their local primary care trust chief pharmacist or public health pharmacist. However, Mr Owens adds that much of the generic advice provided in this week’s article will be of value to those considering applying for funding.

This article is relevant to pharmacists in Wales in terms of the approaches that can be made to local health boards (LHBs) and the formation of bids and service level agreements. The funding streams potentially available at LHBs were outlined in an article by Phil Parry, chairman of Community Pharmacy Wales, (*PJ*, 9 August, p178). Mr Parry suggests that community pharmacists in Wales look for up-to-date information on the Community Pharmacy Wales website (www.cp.wales.org.uk) and the Welsh Executive of the Royal Pharmaceutical Society website (www.rpsgb.org.uk/wales).

According to Mr Parry, the policy decision to move towards free prescriptions for all in Wales will put pressure on the workload of GPs and community pharmacists, especially if minor ailments and self-limiting conditions work has to be negotiated at LHB level and the Welsh Assembly Government may choose to include this as an essential service within the new pharmacy contract.

Under the new system, all providers of NHS services are covered by the same overall financial framework and have to meet the same tests of value for money. PCTs have the freedom to commission services from whomever can best meet their requirements and to withdraw funding from providers who are unable to deliver agreed plans.

Service level agreements are being developed to bring together the new financial flows and the priorities identified in LDPs. They lay out all the details of an agreement between the PCT and the service provider. Service level agreements ensure that financial flows work and that targets, arrangements for risk sharing and monitoring systems are clearly understood and agreed between both parties. PCT guidance on this topic, “Service level agreements and financial flows”,⁵ has recently been issued.

Changes in PCT planning systems need to be understood because community pharmacy services must be included in PCT planning processes to ensure allocation of funding. Timing is important. For example, pharmacists must be aware that they cannot now approach the PCT in March, hoping to mop up any funds left at the end of the financial year. Funds are now allocated much earlier. Bids can be put in at any time, but bids made early in the three-year cycle have the potential to be granted funding over three years (subject to automatic review by the PCT).

The NPA has produced a quick reference guide to the planning and priorities framework, which outlines the services community pharmacists can provide to help meet its targets, the supporting evidence base and resources available to help. It is available on request to NPA members and LPCs from nhs.dev@npa.co.uk.

SOURCES OF FUNDING FOR PCT PRIORITY AREAS

Community pharmacy can help PCTs meet their targets and potentially there is funding available, but it is changing all the time. Both the NPA’s quick reference guide and the PSNC’s sources of funding guide provides details of useful websites that should be regularly reviewed to keep abreast of new funding sources.

Access In 2000, the Carson review, an independent review of general practitioner out-of-hours services, was published.⁶ This also found that out-of-hours pharmaceutical services were far from satisfactory and changes were recommended. Out-of-hours services designed to meet the requirements and standards of the Carson review are funded by the out-of-hours development fund. Funding has also been agreed between the PSNC and the Department of Health for repeat dispensing pathfinder sites. PCTs also have funding allocated to address specific targets. This could be used to pay for out-of-hours minor ailments or palliative care schemes, for example.

National service frameworks Funding streams to achieve NSF targets include specific allocations for implementing the NSFs, intermediate care monies and mental health funding, as well as social care grants for promoting independence.

Medicines management brings additional streams of funding for pharmacy services. The Government has already pledged £30m towards medicines management. The medicines management scheme collaborative (managed by the National Prescribing Centre) has money available and applications must be made by the PCT. Department of Health funding has also been allocated to the PSNC’s community pharmacy medicines management project.

Drug misuse Needle exchange schemes and supervised administration of methadone and buprenorphine can be funded by monies, which, in most areas, are the responsibility of the local drug action team. The PCT may have several of these teams working within its boundaries and negotiations between the local pharmaceutical committee (LPC) and each team may be necessary to secure a pharmacy-based service in each locality.

Reduction of teenage conception rates Schemes where suitably trained community pharmacists provide emergency hormonal contraception under patient group direction (PGD) have been set up in many areas across the country, funded locally by PCTs.

Smoking cessation There are community pharmacy-based NHS smoking cessation services funded through PCTs. As already

mentioned, some local Sure Start programmes provide funding to achieve a reduction in the number of mothers who smoke.

PERSUADING THE PRIMARY CARE TRUST TO INVEST

Once you have NHS planning and funding at your fingertips, you will need to think about submitting a formal bid to the PCT. It is important to make contact and discuss your ideas with your LPC — in case they are already in discussion with the PCT about a similar service. The LPC is also the formally recognised body for local negotiations.

It is clear that there is funding available to pay for pharmacy services. In fact, there are unprecedented levels of funding in the NHS and primary care, with a commitment to a 43 per cent uplift in funding in real terms over the next five years. In addition, the new three-year planning framework enables PCTs to take a longer term view of service development than they have in the past.

So, what makes the difference between a PCT deciding to invest in a service or not? In the end, it often comes down to local relationships and the ability of different stakeholders to lobby effectively for investment in a particular service. This is a skill that can be learnt. Summarised below are some of the key steps in the process.

Identify the key decision makers and influencers The first step is to find a champion for your proposal — someone who can rally support you and help you to make your case effectively. PCTs are “matrix” organisations. This means that their decision-making processes are complex and involve a number of individuals. Within any organisation, there are those who have formal input into decision-making, by virtue of their place on a relevant committee for instance, and those who exert influence on decision makers. In persuading the PCT to invest, it is important to lobby both groups.

In terms of pharmacy service development, key formal decision makers will include the PCT executive committee, the chief executive and the finance director. If any of these are not supportive, decisions are unlikely to be approved by the PCT board — the committee ultimately responsible for service provision. The PCT will publish a publicly available list of all their officers and board committee members. Around 50 per cent of PCTs now have a pharmacist on the executive committee. He or she is a good first point of contact.

A key influencer over the decision is the PCT pharmaceutical adviser, who will be asked for his or her view on any proposals. As the person with the most experience of pharmacy issues on the PCT staff, his or her opinion will be particularly valued. This is why it is crucial to gain the pharmaceutical adviser's support early in the process.

A supportive pharmaceutical adviser is a real asset to local community pharmacists and can act as a powerful champion for pharmacy service development within the PCT. However, other members of the PCT team can also be highly influential. For example, the support of the director of primary care or nursing is often valuable.

Find out what motivates key decision makers and your service champion People are individuals first and PCT employees second. Every individual is motivated by different things. For some, improving quality of care for patients or being seen to be leading edge will be the prime motivator. Others relish the personal challenge of championing a service or want to raise their own profile by being associated with a successful project. These motivations are just as important as the achievement of PCO targets in getting people on board with your ideas. Take time to get to know key individuals and find out what motivates them. To do this, you need to mix with them informally as well as in formal meetings. This will help you to mould your proposal into a form they want to buy into.

Identify the key features and benefits Many people have a tendency to sell ideas on the basis of what they do (features), rather than the benefits they bring. PCTs buy benefits so it is important to be able to talk about the benefits of a service. For example, saying that a service will ensure that all people over 75 years of age in the PCT will have their medication reviewed annually is a feature. The benefit is that the PCO will achieve its NSF target and so has one less thing to worry about.

Similarly, saying that a minor ailments service will transfer 50 per cent of current GP consultations for minor ailments to pharmacy is a feature. The benefit is that the PCO will have extra capacity to meet its access targets and GPs can focus on meeting

action: practice points

Reading is only one way to do CPD and the Society will expect to see various approaches to CPD in a pharmacist's portfolio.

1. Look at any one of the documents in the reference panel. Form a five point summary of what the document means for pharmacy.
2. Seek out an opportunity to network informally with your local GPs and get to know them on a personal level.
3. Who is your PCT prescribing adviser? Talk to him or her about who really makes decisions in the PCT.

evaluate

For your work to be presented as CPD, you need to evaluate your reading and any other activities. Answer the following three questions:

What have you learnt?

How has it added value to your practice? For example, have you applied this learning or had any feedback?

What will you do now and how will this be achieved?

their general medical services quality targets, which will increase their income. Sometimes it takes a while to get a feel for the likely benefits of a service. In general, you are looking for benefits that will help the individual to meet either a personal or organisational goal.

Ask for support Once you have identified and built a relationship with key people, you need to check that they have no outstanding concerns about the service you want to propose. This allows you to verify that they are behind your proposal and want to work with you.

If they have concerns, you need to address these and then ask them to help you to take your proposal forward (eg, by tabling the idea and championing it at the next PEC meeting or by discussing the idea with the chief executive).

CONCLUSION

Funding streams in the NHS are complex and varied. Those seeking funding for service development need to understand the system and identify potential funding sources for proposed services. However, pharmacists should not forget that people buy people first. Establishing local networks and seeking endorsement and help from key influencers in the PCT is the key to success.

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