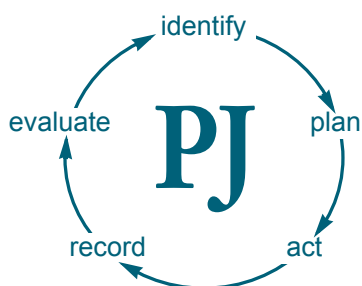


THE NATIONAL HEALTH SERVICE PHARMACY CONTRACT IN ENGLAND

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Within "Pharmacy in the future" community pharmacists in England were promised a new contract by the Government. This article examines the current NHS community pharmacy contract in England, how it evolved and how it will be developed in the future



identify gaps in your knowledge

1. How has the community pharmacy contract changed in recent years?
2. How are pharmacists paid under the contract?
3. What is the likely shape of the new pharmacy contract and how will you vote in the national referendum held by the Pharmaceutical Services Negotiating Committee?

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 "observing contracts with the NHS" (see appendix 4 of "Plan and record").

Strictly speaking, the National Health Service community pharmacy contract is not a contract. A community pharmacist providing NHS services never receives a legal contract which is signed by both himself (or herself) and the primary care trust (PCT) as the two parties to the agreement. The services (provision of drugs and appliances and additional services such as displaying health promotion leaflets and keeping patient medication records) are, instead, provided in accordance with the NHS Pharmaceutical Regulations 1992 (as amended), and are, therefore, an administrative arrangement. In England, PCTs are the local health service bodies that are charged with commissioning and providing NHS services for their local population.

HOW HAS THE CONTRACT CHANGED IN RECENT YEARS?

Until 1 April 1987, any registered pharmacist, partnership or body corporate could apply for automatic inclusion in the pharmaceutical list of the appropriate locality. Inclusion in the list entitled them to dispense NHS prescriptions. From April 1987 the regulations were changed and the "control of entry" requirements were introduced, marking the culmination of many years of planning and negotiation by the profession stretching back as far as 1967.

In England, the control of entry requirements effectively mean that community pharmacies that wish to provide NHS pharmaceutical services must apply to the local PCT for permission to dispense NHS prescriptions. The PCT makes its decision on whether to grant the application based on a number of criteria. For example, the PCT must be satisfied that it is "necessary or desirable" to grant the application in order to secure the adequate provision of NHS pharmaceutical services in the neighbourhood. When an application is made, if the applicant has not yet secured premises for the pharmacy within the neighbourhood, "preliminary consent" can be granted. This means that the general location of the prospective pharmacy will be described rather than a specific address. In the case

of the purchase of an existing pharmacy, when the terms of sale have been agreed between the purchaser and the vendor, the PCT is then informed of the intention to transfer the ownership.

The Pharmaceutical Regulations also allow for the relocation of a pharmacy, for example, the purchase of a larger retail unit in the same parade of shops or the relocation of a pharmacy into a new health centre or primary care centre. In such a case, in order for the PCT to approve the relocation, it must be demonstrated that the pharmacy remains within the same neighbourhood, hence the description "minor relocation".

All changes to the provision of pharmaceutical services in an area are open to challenge by interested parties, through an appeals mechanism. The PCT will initially hear submissions against the granting of a new contract, business transfer or relocation and will make its decision known. A level of appeal is available after this stage, by application to the Family Health Services Appeals Authority based in Harrogate. In certain circumstances the decisions of this body may be further open to legal scrutiny via a judicial review.

The Office of Fair Trading recently investigated the control of entry regulations and the retail pharmacy market in the United Kingdom. They recommended in January 2003 that the Government should remove the current regulations. The Government has since responded by rejecting full deregulation of the market. Instead, it has developed a "balanced package of measures" to address some of the issues the OFT highlighted (see *P7*, 26 July, pp113-4). This package is currently the subject of a consultation, before any changes are implemented.

HOW ARE PHARMACISTS PAID UNDER THE CONTRACT?

Until 1 April 1989, remuneration for the provision of pharmaceutical services under the NHS contract was calculated on a "cost plus basis". Under this arrangement, the pharmacist was paid the cost of the drug plus an agreed percentage mark up. With effect from 1 April 1989, cost plus was abolished and the global sum was created. This represents the total monies from which pharmacy contractors are paid dispensing fees and their professional allowance.

From 1989, the global sum was increased annually, roughly in line with inflation or public sector pay increase levels. However,

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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. Consider what services your patients would like you to provide under a new contract. Consider what changes to practice you would have to make to start providing a new service and what training and CPD requirements will be needed.
2. The Government response to control of entry regulations is due to be consulted on for 12 weeks at the end of August. Make sure you keep up to date with this important development in community pharmacy.
3. Consider how the new contract will affect your practice. Visit the PSNC website (www.psn.org.uk) to keep up to date with developments in the new contract negotiations.

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?

since 1989, gross profit has dropped because increases in the global sum have failed to keep in line with increases in the drugs bill. In real terms the fee per prescription item has fallen dramatically as prescription volumes have increased. The global sum is a capped amount. It is negotiated on the basis of predicted prescription volume and if exceeded, there is little scope for extra funds to be added.

The cost of the drugs dispensed comes from the drugs budget. This is held by PCTs and continues to be an area of major financial risk for them, as it increases year on year. The rapid increases over recent years have been fuelled by the implementation of the national service frameworks. If a PCT overspends on its drugs budget, it will have to find money from the other funds it holds to make up the deficit.

The remuneration that pharmacy contractors receive is set out in the Drug Tariff, which is published monthly. Pharmacists currently receive a fee for items dispensed, a professional allowance and a number of other additional fees in certain circumstances.

Local pharmaceutical services pilots Local pharmaceutical services pilots are a new route for the provision of pharmacy services to NHS patients. They were introduced in 2002 as part of changes brought about by the Health and Social Care Act 2001. They provide a means of contracting at a local level for "standard" pharmaceutical services (eg, dispensing) and, importantly, other services within the same contract. The services to be provided in addition to current pharmaceutical services are determined by the provider and the local PCT. They could include services for specific patient groups, for example, the provision of disease management services to patients with diabetes.

THE NEW PHARMACY CONTRACT IN ENGLAND

The Pharmaceutical Services Negotiating Committee (PSNC) is currently developing the framework for the new pharmacy contract for England. The Department of Health and the NHS Confederation are partners in this process. The NHS Confederation represents the interests of PCTs, strategic health authorities and NHS trusts (hospital, community and mental health trusts). The Government has set April 2004 as the target date for implementation of the new contract.

A broad framework for the new contract produced by the PSNC in consultation with its members, was mirrored by the Department of Health in its proposed framework published in July. This will act as a basis for further consultation and negotiations. The proposed framework consists of a number of "essential services" which all community pharmacy contractors must provide.

Essential services will include those found in the current contract. In addition, a repeat prescription management service is expected to be provided. There are currently 30 "pathfinder" sites across England that are experimenting with a paper-based system of repeat prescriptions. The patient's doctor issues a master prescription and a number of copies ("batch issues") that can be dispensed by the pharmacist at specified intervals, usually every month. The service can operate for up to a year without the need for the patient to see his or her doctor again. It will allow pharmacists to become more

involved in the management of repeat prescribing, improving the use of medicines by patients and, it is to be hoped, reducing the number of prescription medicines wasted. In addition, the service will reduce the time spent by general practitioners and their staff administering the repeat prescribing system to generate regular repeat prescriptions. The Cabinet Office Regulatory Impact Unit's report "Making a difference" calculated that transfer of responsibility for repeat prescriptions from GP surgeries to community pharmacy could save 2.74 million GP hours every year.¹ The results from the pathfinder sites will determine how the system will be implemented at a national level.

The evaluation of the electronic transmission of prescriptions pilots will inform the development of the national prescriptions service, which is a key part of the NHS information management and technology programme. The repeat dispensing system will inevitably be streamlined once it can move to an electronic format.

Other services, such as disposal of unwanted medicines and the signposting of patients to other health care providers may be included in the essential service.

Another part of the essential contract is likely to require community pharmacists to engage more fully with the clinical governance framework in the NHS. This may require demonstration of a commitment to continuing professional development for the pharmacist and support staff. It may also include participation in regular practice audits. Increased patient participation in the pharmacy service, in line with the Government's thrust towards a patient-focused NHS could also be developed, with more emphasis placed on patient feedback, through use of patient satisfaction surveys.

The contract is also likely to include new national services that pharmacy contractors will be able to provide when they meet certain criteria, such as undergoing appropriate training and the development of premises to include consultation areas. These services are described as "enhanced services". The service currently suggested for this level is a concordance-centred medicines use review. These medication reviews would offer patients the opportunity to talk to pharmacists about their medicines and, together, they would develop patients' understanding of their medicines, identify and attempt to rectify problems patients have with their regimens and, overall, develop patient compliance with treatment. The service would help to address the targets for medication reviews that are set within a number of the NSFs, especially the targets contained within the National Service Framework for Older People.

Another possibility for a new national service is the develop-

ment of a minor ailments scheme within community pharmacies. This service, which would be modelled on the successful "Care at the chemist" scheme in Bootle and the "Direct supply of medicines" scheme in Scotland, would aim to improve patient access to NHS treatment for minor ailments. Unpublished research carried out among a representative sample of 200 GPs in September 2002 by NOP Healthcare and Doctors.net.uk estimated that around one fifth of GP appointments are for consultations on minor ailments. Furthermore, if one quarter of minor ailment consultations were transferred from GPs to other professionals, such as community pharmacists, it could result in annual savings of £380m.²

There are approximately 20 PCT-based minor ailments schemes currently in operation (as well as the Scottish scheme, which is being gradually rolled out across Scotland). Most of the schemes aim to provide access to medicines for patients who are exempt from NHS prescription charges and who consequently may not be able to self-manage their condition by purchasing medicines. Many of these patients will visit their GP to obtain treatment for minor ailments, when they could be appropriately managed within community pharmacies. During the recent GP contract negotiations, the general practitioners committee (responsible for negotiating the recent GP contract) highlighted the use of pharmacy minor ailment schemes as a useful means of controlling demand within general practices and allowing GPs to focus their efforts on chronic disease management.

The new contract will also contain a national menu of "additional services" that PCTs can commission from pharmacy contractors at a local level. The choice of these services will be based on local priorities and will allow pharmacists to make a significant contribution to achieving local health objectives. Examples of the type of service include:

- Methadone supervision services
- Emergency hormonal contraception access services
- Mental health medication concordance and advice services

- Community medication concordance services (eg, monitored dosage system provision)
- Home support services
- Care home and intermediate care services
- Smoking cessation services
- Diabetes screening services
- Coronary heart disease screening and healthy living
- Prescription intervention schemes
- Palliative care

The specifications for all services (but especially additional services) will be developed by drawing on the experience of community pharmacists, looking at existing extended roles. The services will be priced or valued at a national level, thus reducing the administrative burden on PCTs and local pharmaceutical committees when implementing the services.

It is envisaged that the enhanced services within the contract could eventually be provided by all community pharmacies and may then become an essential service. After a number of years the contract will be reviewed and other services will be added in at different levels (essential, enhanced and additional), determined by the health priorities at the time.

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