

## Policy developments related to Community Pharmacy

As has been seen in the introduction to this PNA, the landscape of health care in Leicester, Leicestershire and Rutland is changing through local and national policy development which are underway, but their full impact on Community Pharmacy is not yet known. The purpose of this section, therefore, is to provide a brief overview of these developments.

### 1. Sustainability and transformation plans (STP)

Sustainability and transformation plans are five-year plans covering all NHS spending in England, stemming from NHS England's Five Year Forward View<sup>1</sup>.

A total of 44 areas have been identified as the geographical 'footprints' on which the plans will be based, with an average population size of 1.2 million people (the smallest area covers a population size of 300,000 and the largest 2.8 million). Further information and access to STP documents and local plans can be obtained from:

<https://www.england.nhs.uk/stps/view-stps/> .

Leicester, Leicestershire and Rutland's (LLR) draft sustainability and transformation plan (STP) - for developing local health and social care services over the next five years – was published in November 2016. The LLR population is getting older, and as such, people often have more long term illnesses that need managing. The plan states that some services are not currently consistently delivering the quality and access of care wanted for local people.

The draft STP for Leicester, Leicestershire and Rutland details how those challenges can be tackled and contains the following proposals:

- Investing in local services including £45.5 million on a new state of the art emergency department at Leicester Royal Infirmary
- An increase in services delivered in the community by specialised clinical teams;
- Encouraging more people to live healthily and avoid illness;
- Helping to address an LLR projected NHS funding gap of £399 million, and local; caused by a number of factors including an increase in demand for services, and the costs of new treatments

- A movement of hospital beds from the big city hospitals to the community, in hospitals or at home, for those people whom it would benefit
- Plans for reconfiguration of Leicester City Hospitals from three to two acute sites
- The future options for maternity services in Leicester, Leicester and Rutland, including the current standalone midwife led unit in Melton Mowbray
- Reconfiguration of community hospitals and their beds and community-based services

The plan sets out how services can be changed to improve care and the patient experience, while addressing the problem of demand for services continually outpacing the resources available. In order to deliver these aspirations the services delivered, and where and how they are offered, will need to change, generally towards more services delivered closer to patients in the community. The expectations regarding Community Pharmacy are not laid out in the draft STP so far, though there is implicit reference to the pharmacy workforce in relation to proposed actions regarding medicines use optimisation.

Specific areas within the plan will be subject to formal public consultation where appropriate during 2017. Final decisions on many of the proposals will not be taken until the summer of 2017. There have been no further plans issued on the STP website since November 2016.

## **2. Community pharmacy in 2016/17 and beyond**

Community Pharmacy has been subject to funding changes reflecting nationally driven policy developments. These came in to effect from December 2016 and will have been implemented throughout 2017. Details are available at <https://www.gov.uk/government/publications/community-pharmacy-reforms> . While there is concern about these changes within Community Pharmacies and their representative organisations, their practical impact has not yet fed through to Community Pharmacies locally. We have restricted the pharmaceutical data used in this PNA to 31 March 2017, partly so there is a clear full years' worth of data, but mainly to avoid reporting in this PNA what could only be speculation about the impact of the government's changes on provision locally.

The Government's intentions in the Community pharmacy in 2016/17 and beyond initiative is to modernise Community Pharmacy, more effectively integrate community pharmacy with primary and urgent care, and to reduce the costs of community pharmacy overall - including reducing the close proximity to other community pharmacies of around 40% of pharmacies nationally. The decisions made impose budget reductions in England of £113m between December 2016 to March 2017, and by £208m in 2017/18. The principal actions to achieve this are:

- a rationalisation of mechanisms for funding to community pharmacies - particularly the amalgamation of the Item fee, practice payment fee, repeat dispensing fee, Electronic Prescription Service fee into a new Single Activity Fee of £1.13;
- A 20% reduction in the establishment payment from December 2016, a 40% reduction from April 2017 and the abolition of the payments altogether from 2018/19.
- the addition of a Pharmacy Access Scheme (PhAS) to support access where pharmacies are sparsely spread. The PhAS will be an additional monthly payment made to all small and medium sized pharmacies that are a mile or more from another pharmacy. The payment mitigates but does not match the impact of the funding reductions in the total scheme. Payment is contingent on meeting the Quality Payments Scheme. Pharmacies dispensing the largest prescription volumes (the top 25%) will not qualify for the scheme. Nationally 1,356 pharmacies have qualified for the scheme. In Rutland, no pharmacies have been identified.
- the introduction of a Quality Payments scheme to promote patient safety, patient experience, public health (Healthy Living Pharmacy), workforce, clinical effectiveness and adoption of digital working. This has a budget of £75m and will pay a maximum of £6,400 per pharmacy per annum if the standards are met. There will be two review points at which pharmacies can submit their applications: 1. April 2017 - £25 million available 2. November 2017 - £50 million available.
- changes to market entry (control of access) regulations aimed at facilitating the consolidation of pharmacies by, for example, preventing a new pharmacy stepping in straight away if a chain closes a branch or two pharmacy businesses merge and one closes.

These decisions are being implemented from the 1 December 2016. The implication for the PNA is that their impact will become apparent as 2017 progresses and there will need to be a thorough understanding of the new emergent system and an assessment of its implications as indicated above.

There is concern amongst small and medium sized pharmacies about these actions and the impact they may have on financial viability. The Leicestershire Pharmaceutical Committee is working to ensure that Community Pharmacies are in a position to claim the income they can and also have efficient business processes.

At the time of writing (June 2017) there is no information related to the changes to market entry regulations aimed at facilitating the consolidation of pharmacies, nor on whether the government's objective is solely to reduce the number of pharmacies, rather than achieve a more equitable distribution of pharmacies within an area. On the face of it, it appears that the changes to the regulations proposed, and reported in the final bullet point in the section above, are aimed at protecting savings brought about through closure or merger of community pharmacies.

### **3. Statement from Leicestershire and Rutland Local Pharmaceutical Committee**

Community Pharmacy is currently engaging with the Sustainability and Transformation programme leads in terms of integration of Community Pharmacy. The aim is to explore opportunities to understand synergies and leverage the Community Pharmacy network skills and expertise to support NHS efficiency and patient care.

There are various opportunities such as medicines optimisation support; hospital discharge referral for MUR and NMS; Using Community Pharmacy as a first port of call to support minor ailments to reduce pressures on GP practice and emergency services; integration into care pathways to provide support for long term conditions and use of accredited Healthy Living Pharmacies to support the prevention agenda as a few examples.

The first stage is to potentially set up and STP engagement event with the local LLR community Pharmacy network in early 2018. This is currently being planned collaboratively.

## Conclusion

This section has described current policy developments which will impact on community pharmacy. Rather than speculate on the likely impact of these, the recommendation of this PNA is that evidence of impact on services of and in Community Pharmacy is reviewed annually and any findings reported to the Health and Wellbeing Board with appropriate advice and recommendations.

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## References

- i. NHS England. NHS Five Year Forward View. (2014). at <https://www.england.nhs.uk/publication/nhs-five-year-forward-view/>

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