A DECADE OF COMMUNITY PHARMACY FUNDING IN ENGLAND

Community pharmacies in England dispense 174 million more prescription items annually than in 2010, a figure that is predicted to rise further. Despite this, total funding for the community pharmacy contract is heading back towards 2010 levels.

DAWN CONNELLY

The number of community pharmacies changed negligibly in the six years leading up to revision of market entry rules for pharmacies in 2005. These changes triggered an 8.8% rise in pharmacies between March 2005 and December 2009, 61% of them opening for more than 100 hours a week.

As part of the 2008–2009 settlement, the Department of Health (DH) agreed a transitional payment of £150m to help contractors with their financial problems and to maintain stability as the profession moved towards implementation of a white paper on clinical services, subject to a Cost of Service Inquiry.

In 2013–2014, the Pharmaceutical Services Negotiating Committee (PSNC) failed to reach a funding agreement with the government, so there was no funding package or target funding delivery for that year. The funding that was ultimately delivered was based on arrangements that were carried over from the previous year.

From 2014–2015, NHS England agreed that annual purchase margins should be £600m, rather than the previous £500m, but that contractors would not be allowed to retain additional purchase profit above the amount as they had done in previous years. This accounts for the apparent increase in funding.


Possible closures

Former pharmacy minister Alistair Burt initially predicted that up to 3,000 pharmacies could be at risk of closure as a result of cuts to the community pharmacy contract, although he has since distanced himself from that remark.

In 2017–2018, the total budget by 4% for 2016–2017 and a further 3.4% for 2017–2018, scrapping establishment payments and introducing a new quality payment scheme.

Possible payments will be introduced in 2017–2018 that allow contractors to earn up to £8,400 for complying with various criteria.

In 2016–2017, the new community pharmacy contract is introduced in England and Wales, which, for the first time, rewards provision of services as well as dispensing volume. The contract introduces essential, advanced, enhanced (including medicines use reviews) and locally commissioned services.

A pharmacy access scheme for 1,340 pharmacies in a ‘bloc’ from another pharmacy will provide additional monthly payments of about £2,800 in 2016–2017 and £3,500 in 2017–2018.

FUNDING CHANGES AND THEIR POTENTIAL IMPACT

Establishment payments of around £25,000 will reduce by 20% from December 2016 and 40% from April 2017.

A ‘single activity fee’ worth £1.13 per prescription item dispensed will replace repeat dispensing, electronic prescription services, professional and practice fees.

Quality payments will be introduced in 2017–2018 that allow contractors to earn up to £8,400 for complying with various criteria.

In 2013–2014, a reorganisation of the NHS saw NHS England take over responsibility for community pharmacy funding from the DH and local authorities gain control of public health budgets.

In 2012, the DH and primary care trusts and removed existing arrangements that were carried over from that remark.

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