



Pharmaceutical Services Negotiating Committee



Welcome to the LPC Conference 2011





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Sir Peter Dixon

Conference and PSNC Chairman



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The NHS today

- The Nicholson Challenge - £20bn savings
- Uncertainty and change throughout the NHS
- The Pharmacy offer: high quality cost-effective services delivered at the heart of our communities



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The NHS tomorrow

- The Health and Social Care Bill
- The Pause and the Future Forum
- Ensuring the changes support Community Pharmacy
- The NHS Commissioning Board – will be responsible for the national contracts



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The Future

- Where do we fit in to all this?
- Local Authorities
- LPCs must offer support and expertise



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Our work and yours

- Budget cuts will apply across the NHS
- There is recognition that Community Pharmacy can save money and improve health outcomes.
- We must build a strong and secure future



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Chief Executive's Report

Sue Sharpe



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Community Pharmacy

- Part of and dependent on the NHS
- Procurement and dispensing remain core roles
- Pharmacy support services appreciated
- Future development of the role acknowledged



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COSI

- Complex – covering independents and multiples
- Work needed to achieve an answer
- COSI provides an evidence base to support negotiations
- Negotiations must be thorough and will take time



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Funding 2011-12

- Context – pay freeze
- Concessions:
 - £20m owing
 - £40m margin adjustment deferred
 - £20m CIP payment
 - 3.2p Practice Payment increase from October
 - 3.6p additional PP increase from December



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Market Entry

- Consultation on proposals – to January 2012
- Would end 100 hour, health centre, retail centre exemptions
- Consensus on change
- Moratorium not possible



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Pricing Accuracy

- CIP not fit for purpose
- Our pricing audit work drives improvements
- PRISM will increase our capacity
- Proposal: a new system for invoicing



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Shortages

- Manufacturer obstruction
- No improvement for contractors
- Pressing government; Andrew Lansley
- Sunderland's Spiriva Story



Contract Changes

- Targeted MURs
 - Important to integrate the service for the future
- New Medicine Service
 - Real enthusiasm in the NHS
 - Need to prove outcomes + ensure large scale adoption
 - Time pressures and teething troubles



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PHARMABASE

By Pharmacy, For Pharmacy

- No evidence of the value of 8 million MURs
- Need to prove outcomes from NMS
- A databank to record all NMS services
- A co-operative venture, funded by all contractors
- Supporting the case for the pharmacy role in future
- Supporting local service delivery



Government Policy

- Ministers committed to expanding role of pharmacy
 - “Optimise the use of medicines and support better health”, *Equity and excellence: Liberating the NHS*, paragraph 3.22, July 2011
 - “Alongside their colleagues ... we expect to see pharmacists at the heart of new commissioning arrangements ... examples of GPs and pharmacists working together to improve local health services for their patients ... it will become ever more important for all parts of health, social care and public health communities to collaborate much more” *Earl Howe, BPC September 2011*



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LPCs

- Mergers, shared services, federations – how best to serve contractors?
- Future key stakeholders
 - The NHS Commissioning Board; Local Professional Networks
 - Local Authorities – public health, social care
 - CCGs



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PSNC BUDGET

2011-2 Budget

Levy Income (£000s)	3,119
Partnership	175
Total	3,294

- Zero based budgeting exercise
- Staffing structure changes
- Making best use of our resources
- Relocation to London



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PSNC Expenditure

- Rx Audit 20%
- Admin, Committee, Pension, Development 28%
- Public Affairs and contractor Communications 16%
- Funding, Pricing +reimbursement 16%
- Legal, service development, EPS 12%
- LPC advice + training, other pharmacy related 10%



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Looking Forward

- Transition to new commissioning structure: no immediate major changes in contract
- Creating the case for a future service-focussed role
- Some changes to funding delivery perhaps?
- Ensuring that future funding rewards pharmacy and gives value for the NHS



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Your Questions...



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Appendix 1

Report on Last Year's Resolutions



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Appendix 2

Adoption of Standing Orders



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Appendix 3

Resolutions for 2011



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R1 South Staffordshire LPC

This LPC believes that it is important PSNC should manage the timings of the Conference better to ensure that every item on the agenda is given its fair and equal time for discussion.



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R2 Bury and Rochdale LPC

This Conference has no confidence that the Cost of Service Inquiry has adequately considered the implications for contractors of the medicines supply situation. We therefore urge PSNC to include costs that have occurred since the COSI data was gathered when negotiating the implementation of the results of the Inquiry.



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R3 Wirral LPC

Wirral LPC believes that Community Pharmacy Contractors should benefit from the savings generated from services contractors provide. We call for the PSNC to utilise the analysis from the New Medicines Service to persuade the DH to reinvest a percentage of these savings into the Global Sum.



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R4 Lambeth, Southwark and Lewisham LPC

Supply remains the most significant component of contractor income. Whilst recent focus has been on services, inequalities have increased so that many small contractors, not able to spread margins over several businesses, are more affected by low margin dispensing and dispensing at a loss. This Conference urges PSNC to re-examine the averaging system to ensure that smaller contractors, at the heart of the community, are not continued to be systematically disadvantaged by increasing pressure on dispensing margin.



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R5 Swindon and Wiltshire LPC

This Conference resolves to work with other bodies to present a strong, united front in the fight against Category M withdrawal of funding mechanism.



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R6 Doncaster LPC

This Conference calls on PSNC to secure appropriate access for pharmacists to patients' clinical records.



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R7 Kingston, Richmond and Twickenham LPC

This Conference calls on the NHS BSA to provide a full statement to contractors showing the pricing of each prescription submitted each month so that contractors can check the accuracy.



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R8 Hertfordshire LPC

We ask that PSNC challenges the PPD so that switched scripts are returned for clarification and not, as present, have the prescription charge deducted without recourse.



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R9 Lincolnshire LPC

Lincolnshire LPC considers the level of prescription switching carried out by NHSBSA PPD to be excessive and intrinsically unfair. We strongly believe that where there is uncertainty regarding the payment status of a prescription that the NHSBSA PPD should pay for the medicines supplied but return the form to the contractor for clarification. The current system is effectively an open ended tax on pharmacy contractors.



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R10 Lincolnshire LPC

Lincolnshire LPC considers the current mechanism to fund contractors for those items for which NCSO concession has been agreed to be inefficient and fundamentally unfair. We believe that publication of the list of NCSO concessions should be timed to allow for contractors to review prescriptions effectively and make claims based upon the products supplied. Where there is uncertainty regarding the details of a claim, Lincolnshire LPC strongly believes that NHSBSA PPD should return the prescription form to the contractor for further clarification.



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R11 Oldham, Tameside & Glossop LPC

Many pharmacy enhanced services (notably minor ailments, smoking cessation and seasonal flu vaccination) are of benefit to the public regardless of where they live. This Conference calls on PSNC and the DH to take immediate steps to commission all such pharmacy enhanced services on a national basis in England and Wales, building on the proven success of schemes in Scotland.



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R12 North East London LPC

This Conference no longer has confidence in the current pharmacy contractual framework.



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R13 Wirral LPC

This Conference urges PSNC to seriously consider the time pressures on and the workload demand expected of Pharmacists when in negotiations for new services .



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R14 North East London LPC

This Conference urges PSNC to develop in partnership with the LPCs a strategy to engage LPCs, contractors, and all relevant stakeholders in the formulation of a new pharmacy contractual framework and engage meaningfully to deliver the strategy.



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R15 East Riding and Hull LPC

This LPC asks that PSNC reviews the method LPCs collect levy from contractors to determine if a more stable and fairer model can be proposed.



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R16 Avon LPC

Avon LPC proposes there should be a nationally agreed maximum levy that LPCs can raise from contractors.



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R17 Hertfordshire LPC

Herts LPC's contractors have fully supported (by additional levy) the development and implementation of PharmaBase in its current format. We ask that the next stage of development ensures that PharmaBase integrates into pharmacy systems and PMRs (at the very least the data should be able to be exported from the pharmacy systems into PharmaBase) to reduce the additional workload resulting from two systems.



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R18 North of Tyne LPC

This Conference calls on PSNC to establish a team representing contractors operating rural pharmacies which has the necessary expertise to provide to those negotiating with the DH information on the demographic, logistic and geographical challenges peculiar to this sector which effect its ability to compete in the new NHS market.



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R19 Joint Resolution from North of Tyne LPC and Cambridgeshire and Peterborough LPC

This Conference calls on PSNC to review its current policy on rural dispensing and consider seeking amendments to the Rural Regulations to ensure they are fit for purpose.



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R20 Joint Resolution from Doncaster LPC and Nottinghamshire LPC

This Conference urges PSNC to ensure that better systems are in place to investigate and deal with any cases of suspected direction of prescriptions by GPs.



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R21 Shropshire LPC

Shropshire LPC calls for an investigation into cross-border prescriptions whereby English residents are being offered free prescriptions by English branch surgeries of Welsh GP practices, at the detriment of English pharmacies, since an unfair advantage is being offered by the GPs to keep prescriptions. This is unfair trade and a loophole that should be closed.



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R22 Shropshire LPC

This Conference believes that PSNC should end sponsorship arrangements with drug companies unless they change the implementation of their DTP schemes.



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Sir Peter Dixon

PSNC Chairman



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