



# Response

## **Autumn Budget and Spending Review 2021 representation**

September 2021

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## Summary

Investing in community pharmacy presents an opportunity to increase NHS capacity, improve population health and patient outcomes, and directly target health inequalities. Part of the government's levelling up campaign centres around the needs of deprived communities, and community pharmacies are uniquely placed to support this.

Each of the proposals presented below either provide tangible cost savings or increase capacity within the wider NHS. This is crucial at a time when NHS organisations are struggling with the backlog from the pandemic. The individual interventions all have detailed costing models, setting out time and motion reviews with approximations of costs, payroll estimates, and capital investments. These can be provided if requested.

Many of the benefits are difficult to estimate, with the true scale being dependent on commissioner intention. However, over £1.901bn of benefits have been identified as a base case.

Clinical activity	Additional funding required (annually recurring)	Benefit to the NHS	Financial benefit (recurring)	Return on investment
Hypertension screening	£130m	Identify 5.5m undiagnosed individuals	£739m	470%
Increased DMS	£35m	Releasing 2m bed days annually	£720m	500%
Expanded CPCS	£145m	8.5m additional consultations moved from GP/Out of Hours	£255m	75%
Providing 10m vaccinations	£91m	Increased vaccination capacity and coverage rates	£153m	68%
EHC	£15m	500,000 EHC consultations providing benefits to NHS services and outcomes	£34m	126%
Community pharmacy access	£240m	Maintaining the access to safe, and reliable dispensing. (To offset cost pressures not currently accounted for in the current flat funding)		
<b>TOTAL</b>	<b>£656m</b>		<b>£1,901m</b>	<b>190%</b>

Community pharmacy has a track record of delivering high quality care, as agreed with the NHS. Despite successive governments highlighting the 'underutilisation of the sector', this has never truly translated to the investment needed to realise this. On the contrary, recent funding cuts and continued frozen funding risk the viability of current pharmacies.

Whilst there will naturally be an element of training, preparation, and operational implementation – all the above benefits are within the scope of community pharmacy. The primary barrier to realising these is a lack of funding allowing businesses to invest in pharmacy teams and retaining skilled healthcare staff. Each element here is based on evidence and current NHS practice. Each service will provide a return on investment and create invaluable capacity within the NHS, whilst improving the health of people and communities alike.

We would like to extend an invitation for further discussion (possibly alongside NHS England) to explain further how these benefits could be realised.

## Background

The community pharmacy sector comprises of over 11,000 regulated premises, with healthcare professionals providing care to local communities. Located on highstreets, shopping centres, and rural locations, community pharmacy is acknowledged as the most accessible healthcare location. There are an estimated 1.6 million visits to a pharmacy every day, of which 1.2 million are for health-related reasons.

The primary role of community pharmacy is the safe supply of over 1bn medicines each year. Pharmacies have a key role in supporting patients in taking their medicines and acting as a key access point for healthcare. Many pharmacies are open extended hours and weekends, further increasing access. There are more community pharmacies in deprived areas, in contrast to the 'inverse care law' exhibited by most other sources of healthcare.

Community pharmacy is contracted directly with NHS England, through the Community Pharmacy Contractual Framework. This has already started to take advantage of the accessible, trained, healthcare professionals in community pharmacy through additional services. Many of these services have proven the underlying concepts but are often small-scale interventions. We are proposing a much larger intervention to healthcare, maximising the benefits already imagined.

In September of this year, the CCA have presented a proposal to senior leaders in NHS England, detailing how community pharmacy could greatly contribute to managing the Covid backlog within the NHS. This was warmly received and acknowledged as a positive view of the future.

To realise its full potential, there is a need to invest in the community pharmacy sector. December 2016 saw significant cuts to pharmacy funding, with a frozen budget ever since. Despite continual efforts to secure efficiencies, businesses are at their limit. There is a need to recognise increased costs in recent years as well as create capacity for future clinical care. This is needed now more than ever, with large proportions of the NHS facing up to the impact of Covid-19.

The pandemic has demonstrated that when the necessary support and resources are available, community pharmacy can not only deliver benefit but make a sizeable contribution to the public's health needs. Despite the pandemic, and several lockdowns, community pharmacy remained open to the public throughout. With little notice, a delivery service for vulnerable patients was stood up, and provision of Covid Lateral Flow Tests remains a key part of the Test and Trace programme.

Furthermore, community pharmacy has become a significant element of the Covid-19 vaccination programme. There are over 600 pharmacies providing vaccines to millions of patients, with another 1,000 sites anticipated to start providing booster vaccines. Without this support, the NHS could not have delivered the vaccine successes to date.

The proposals below demonstrate what community pharmacy can provide this country. The sector has a track record of success, and with support can make a sizeable impact on healthcare in this country.

## Screening the population

In every area of health, early diagnosis and action is key to good outcomes. Initial plans have been agreed to start screening local populations for high blood pressure. With the necessary financial support, more can be done.

There are examples from across the world of community pharmacy being used to access people not known to health services, support deprived communities, or engage sub-sets of the population. Community pharmacy teams are generally comprised of people from the local community – further supporting efforts to reach out.

An increase in the volume of funded screening, is essential to meeting the health needs of the population. The pandemic has shown the importance of supporting a healthy population, to increase the resilience of the health system. Greater investment in the screening infrastructure will allow these individuals to be identified and treated sooner, bringing the benefits forward.

We estimate that £130m each year will enable a rapid deployment of the screening activity needed to find the 5.5 million people with undiagnosed hypertension. Further increasing the funding could allow even greater capacity. This would also need support to manage these individuals as current primary care capacity is unlikely to be able to manage these newly identified patients.

Previous estimates from Public Health England have indicated that just a 15% increase in the proportion of adults who have had their blood pressure diagnosed would avoid £739m of costs<sup>1</sup>. This represents a minimum of a 470% Return on Investment, likely higher with a successful service further increasing the proportion of diagnosed people.

Activity	Description	Pharmacy costs	Benefit	Rol
Blood pressure screening	Identify the estimated 5.5m people with undiagnosed hypertension so they can receive treatment earlier	Staff costs, training, diagnostic equipment, promotion	Reduced costs through prevention of future ill health (strokes etc.)	470%

## Releasing bed days

NHS England have recently commissioned a national service, where community pharmacies support patients with their medication immediately following discharge. Initial evaluation by NHS England indicates each *Discharge Medication Service* avoids 1.3 bed days, and every 10 completed reviews completely prevent a readmission. To realise the potential of this service and release 2 million bed days every year there is a need to increase the volume of this service. It is currently estimated that the service may provide 500,000 reviews a year. However, a further 1 million reviews each year are needed to provide the possible returns.

Meeting the cost of this increase in service is £35m. However, the benefits to both hospital capacity and the NHS finances are significant. There are numerous figures quantifying the cost of excess bed days, but one estimate is approximately £360 a day. Releasing the possible 2m bed days, could save £720m annually, a fivefold return on investment.

Linked to this service is the IT infrastructure underpinning both this, and all other clinical interventions. Community pharmacy needs support to develop the systems allowing appropriate access to patient records, as well as appropriate input to patient care. As an investment in patient-facing care, funding technological developments in community pharmacy would unlock a wealth of care options.

Activity	Description	Pharmacy costs	Benefit	Rol
Medication reviews after discharge	Follow up consultations with patient following hospital discharge to ensure medication changes are actioned and understood.	Staff costs, training, IT systems	Reduced number of medicines related readmissions, reduced bed-days	500%

### Moving patient appointments into community pharmacy

Current estimates suggest that there is funding for up to 1.5m referrals per year from other parts of the NHS within the current Community Pharmacy Contractual Framework. We estimate this could be increased to as many as 10m per year if there was adequate additional funding.

We know that each GP appointment costs £30<sup>2</sup>, with urgent care appointments costing even more. The cost of community pharmacy care is much lower, as well as often being viewed as more accessible. Funding additional care in community pharmacy, both through expanding current services, and adding additional treatment options could maximise benefits, whilst creating capacity in the wider NHS.

One key way to achieve this is through recognising and funding direct patient access to minor illness care through community pharmacies. Patients have changed their behaviour over recent years, even more so during the pandemic where pharmacies were available for face-to-face consultations throughout. A recent audit determined that there are more than 1.1m informal consultations every week, just over 58m per year<sup>3</sup>.

Unfortunately, current NHS requirements are that patients must first access another part of the NHS (general practice and NHS111) to be referred to community pharmacy. This minimises the benefits by requiring valuable administration time within the other parts of the NHS. This is also an inconvenience to patients, creating barriers to them accessing their care.

There is a concern that with falling pharmacy numbers, changing patient expectations post pandemic, and a lack of workload recognition this behaviour will change. These patients represent 24m GP appointments every year and 3.3m A&E attendances. Adding a 'walk-in' element to the current Community Pharmacist Consultation Service is critical in maintaining and encouraging patients to attend pharmacy first. This would not place any additional challenge on a pressurised NHS.

Furthermore, community pharmacy is recognised as one of the most accessible healthcare settings. With over 11,000 locations across England, providing urgent care services here ensures that those with mobility issues, transport challenges, and otherwise are able to

access care. It also acknowledges, the difficulties balancing work commitments, reducing lost time in the workplace by making healthcare more accessible and flexible.

To continue to develop the volume of patients managed in community pharmacy requires the service to develop. This service should be expanded beyond its current parameters, allowing a broader scope of treatment options. This means using existing legal mechanisms to allow supply of Prescription Only Medicines, eventually using Independent Prescribing skills.

We estimate that the cost of meeting 8.5m additional consultations in community pharmacy is £145m. This will allow for an expansion of the current consultation pathway, an increasing complexity to the patients eligible and a move to support patients with minor injuries. This additional funding will displace a minimum of £255m worth of NHS appointments, mainly from general practice. This represents a Return on Investment of 75%

Activity	Description	Pharmacy costs	Benefit	Rol
Clinical consultations in community pharmacies	Private consultations for patients with minor needs that can be managed without a doctor's involvement.	Staff costs, training, IT systems, diagnostic equipment	Increased NHS capacity, particularly in GP surgeries. Greater accessibility to healthcare.	75%

### Providing 10 million vaccinations each year

Community pharmacy provided nearly 3m influenza vaccines last year and is currently providing over 25% of all covid-19 vaccines in primary care. This year has seen a huge investment in the operations, infrastructure and workforce needed to provide large-scale vaccination services.

This is a valuable resource that must be used and funded to be maintained. There are extensive adult vaccination programmes provided by the NHS, including Pneumococcal, Influenza, and Shingles. A comprehensive review of how the NHS provides these services should be undertaken, considering how best to use the resources available. Community pharmacy have demonstrated over the last year, not only patient acceptance, but also its ability to provide services to hard-to-reach populations.

The CCA believes there is potential to provide 10m NHS vaccinations annually, increasing both overall vaccination capacity, but also access points for patients. Depending on the exact arrangements in place exact costing is difficult, but it is likely to require £91m of funding. Using cost evaluations of the flu programme, we predict a £153m cost saving, representing a 68% Return on Investment<sup>4</sup>. This does not account for saved bed days or GP appointments releasing by the reduced incident of flu infections.

This sum would allow a critical evaluation of how best to meet the population's vaccination needs, whilst using clinical capacity across primary care to meet the Covid backlog.

Activity	Description	Pharmacy costs	Benefit	Rol
Vaccination services	Providing vaccines e.g., influenza, COVID-19, pneumonia	Staff costs, training, clinical equipment, waste disposal	Increased NHS capacity, particularly in GP surgeries. Increased vaccine coverage, greater access in deprived areas.	68%

## Emergency Contraception

Accessing emergency contraception is a vital part if the country's public health policy aims. The risks (and costs) of unplanned pregnancy are well established. Correlating with deprivation, ensuring reliable access to emergency contraception is a key part of "levelling up".

Community pharmacy is already a lead provider of emergency hormonal contraception, providing over 370,000 consultations a year. Unfortunately, the disparate commissioning through local government means there are few areas where the post code lottery is, more evident. Moving this to a national funding stream would not only standardise the treatment women can access, but also likely increase uptake.

Estimations from the CCA suggest over 50,000 further EHC appointments could be transferred to community pharmacy from other parts of the NHS without any expected increased through efficiency and awareness. Extrapolating from Wales and Scotland (who have national services) suggests the uptake would be significantly higher if commissioned nationally. The impact of a nationally commissioned service could be as high as 500,000 consultations per year.

Meeting the needs of this population group would likely cost approximately £15m. Yet despite this relatively small sum, the benefits would be marked. Work produced by PricewaterhouseCoopers LLP have previously set out the benefit of current local commissioning through a reduction in other attendances, improved pregnancy outcomes, reduction of unintended pregnancies, and wider benefits through work attendance, as £24.9m<sup>5</sup>. Extrapolating this figure suggests a benefit of £34m, and Rol of 126%

By making EHC a universal offer from the community pharmacy sector access to this vital service will be increased allowing women who are currently excluded to receive this vital benefit, as well as decreasing pressure on other parts of the NHS.

Activity	Description	Pharmacy costs	Benefit	Rol
Emergency Hormonal Contraception	Where indicated, provision of emergency hormonal contraception following unprotected sex	Staff costs, training, promotion	Increased access, targeting health inequalities, reduced society costs (esp. local government)	126%

## Investing in the community pharmacy network

The pandemic has demonstrated the value and importance of retaining a physical community pharmacy network. Pharmacies have remained physically open to patients throughout lock downs, ensuring a secure medicine supply, and access to healthcare professionals. The COVID vaccination programme has demonstrated the value of having pharmacies located within communities. Community pharmacies are often located in areas of greatest deprivation, and therefore can be used to target health inequalities.

Whilst efficiency savings are expected across healthcare, community pharmacy saw a reduction in funding which has a continued adverse impact. CCA members alone closed 185 pharmacies in 2020. Over the past five years, there has been a net 5% reduction in the number of pharmacies in England<sup>6</sup>.

Despite this funding reduction pharmacies have implemented efficiencies expected of all healthcare providers. They have also seen the introduction of new requirements through the Pharmacy Quality Scheme, new services such as Hypertension Case Finding and the Community Pharmacist Consultation Service, and expansion of existing services, such as the New Medicines Service.

In this time, there have also been additional costs through changes to minimum wages, national insurance contributions and business rates to name a few. By the end of the current five-year agreement, in 2024 the funding available to pharmacies will have reduced in real terms by around 25% since 2014. Over the same period the NHS has received an increase in core funding of 18%.

Community pharmacies are often crucial to the high street. Providing a hub for local communities, pharmacies provide an anchor for other businesses. The financial challenges on pharmacies that has led to closure has compounded effects on the high street, and therefore the whole community.

The frozen funding and the increasing pressure are showing in the pharmacy network. Without additional investment community pharmacy businesses cannot make the necessary investments to recognise the value to the NHS. To return the network to a more sustainable funding level, will require at least £240m of additional capital. This will enable pharmacies to invest in their businesses and transition to reflect the new needs of the NHS.

Activity	Description	Pharmacy costs	Benefit	Rol
Community pharmacy access	Providing the support to prevent the current reduction in physical pharmacy premises, and the reduced access this provides	Staff costs, rates, inflationary increases	Maintaining current levels of access to healthcare professionals	

## About the Company Chemists' Association (CCA)

Established in 1898, the CCA is the trade association for large pharmacy operators in England, Scotland, and Wales. The CCA membership includes ASDA, Boots, Lloyds Pharmacy, Morrisons, Rowlands Pharmacy, Superdrug, Tesco, and Well, who between them own and operate around 6,000 pharmacies, which represents nearly half of the market. CCA members deliver a broad range of healthcare and wellbeing services, from a variety of locations and settings, as well as dispensing almost 500 million NHS prescription items every year. The CCA represents the interests of its members and brings together their unique skills, knowledge, and scale for the benefit of community pharmacy, the NHS, patients, and the public.

### References

- 1 – Public Health England (2014) *Tackling high blood pressure: From evidence into action*
- 2 – NHS England (2019) *Missed GP appointments costing NHS millions*
- 3 – PSNC (2021) *Pharmacy Advice Audit 2021*
- 4 - International Longevity Centre – UK (2018) *An economic analysis of flu vaccination*
- 5 – PricewaterhouseCooper (2016) *The value of community pharmacy*
- 6 – NHS BSA Dispensing Contractors' Data