Dear Mr Thomson,

Appliance Contractors – Consultation Document

I am responding on behalf of the Greater Glasgow Primary Care NHS Trust to the above consultation document issued by the Department. I am sorry these comments are later than requested, but hope nevertheless it will be possible to consider them alongside others received.

I would mention that the concerns expressed to you by the CSA Counter Fraud Service are shared by the Trust and you may therefore detect a number of common themes arising about concern over the differential rates payable north and south of the Scottish/English border and the importance of ensuring that any change in system gives value for money to the NHS, is appropriate to the needs of patients and is easy to monitor.

In consulting with colleagues in the acute sector locally there was concern expressed about the potential loss of sponsorship for specialist nurses by appliance contractors and the standards set by NQIS for Trusts to ensure that patients have access to specialist stoma and colorectal nurses. Also there was a believe that the true cost of sponsorship could not be accurately assessed to enable informed decisions to be taken on how any changes in systems should be implemented and whether these would bring about greater efficiency within the NHS overall. This is something the SEHD will need to reflect upon in taking any proposals forward.

It is generally considered that the service provided by the three appliance suppliers included in the Greater Glasgow Pharmaceutical List is of good quality, but the current terms of service do not allow this and other Trusts to adequately monitor the “additional” services provided by this element of providers. The services provided by Appliance Contractors became the subject of the same Regulatory regime at the time the provision of NHS Pharmacy Dispensing Contracts was regulated. Appliance Contractors are essentially treated as “Pharmacists” so far as services provided are concerned, but are subject to a completely separate payment system and one which provides for a higher level of on-costs in Scotland than is applied in England. There is no apparent justification for this higher level of payments when compared with the service provided. Complications also arise from the use of the Pharmaceutical Regulations in aligning the supply of appliances to the dispensing of medicinal products. This is not appropriate, not least because appliance contractors frequently supply outwith the area of the Trust/Board where they are located. As already noted a different payment system applies. It is appropriate to review the current arrangements and any recommendations arising should be predicated on the basis that different and distinct Regulations apply to the supply of appliances – whether these be via specialist contractors or pharmacists.

The consultation document calls for comment on a number of issues as detailed at page 7 of the documents. Comments on these are provided below. Additional comments are also offered on the body of the comments made in the consultation document where these are considered important.
Issues on which comments are (specifically) sought

Are the objectives which the SEHD is attempting to achieve the right ones?

Yes, but need to ensure that any arrangements introduced are cost effective to the NHS and are capable of reliable monitoring at reasonable cost and do not impact adversely on the acute sector.

Is SEHD right to consider that a revision of the arrangements for paying appliance contractors best meets the objectives of the review, or is one of the other options outlined in Annex B to be preferred?

None of the options in Annex B is preferred. See detailed comments below on options A to C.

Are the service standards, and the types of appliances to which those standards should apply, proposed by SEHD appropriate?

Largely yes, but need to recognise that where long-term service is provided the nature of the service provided will change. Also need to reflect on what is the definition of “suitably trained and qualified people”.

Where the standards are met, should payment continue to be a flat rate of on-costs or would a tendering option deliver a more cost effective service?

Other options to on-cost should be considered, including a fee based service. The tendering option has strong attractions.

Should there be a global sum for appliance contractors?

Any system should not be linked to types of contractor, it should relate to the service provided. The ultimate answer to this question lies in how different from the present arrangements will a global sum arrangement be? The answer to this is not provided here.

Is SEHD right to consider that there is no justification for paying more for an appliance when it is dispensed by an appliance contractor rather than a community pharmacy and that, therefore the reimbursement of appliance contractors should be subject to the same discount deduction as for community pharmacy contractors?

There appears to be no justification for the current arrangements, provided that any “supplementary services” as defined at paragraph 22 are appropriately remunerated. Consideration needs to be given also to the impact of any change to funding for appliance contractors on the sponsoring of NHS staff and the reduction in service that may arise in consequence. The current arrangements, as highlighted in the CFS response to the consultation are a cause for concern in terms of the potential for recommendation of the goods/supply by a specific contractor.

Is SEHD right to consider that agency arrangements should be banned? Are the proposed terms of service sensible?

There appears no advantage to patients or the NHS from agency arrangements which are of dubious validity under current legislation. They should not be condoned, or permitted in the future. There should be the facility to allow NHS bodies to determine supply arrangements if it is believed that these can be provided on a more cost-effective basis to the benefit of patients. As noted above, it is sensible to have clearly distinct terms of service for the provision/supply and supplementary services associated with the supply of appliances.

Specific Provisions in the consultation document

It is known that several Trusts along with the CSA Count Fraud Service have raised concerns about the detail in the consultation document. The following comments largely re-iterate that concern.
Paragraph 12

There appears to be more of an appetite, certainly amongst a significant element of community pharmacists in Glasgow, to provide appliances. This can be seen from the number of objections lodged against recent applications from companies seeking inclusion in the Trust's list to provide appliance services; this emphasises that community pharmacists increasingly see themselves as providing an extended range of service to patients – in this case at reduced cost as compared with appliance contractors.

Paragraph 17

It would be naïve to suggest that specialist stoma nurses do not recommend the products and supply/fitting services of those appliance suppliers who sponsor nurses. The full value of sponsored posts within Greater Glasgow has not been assessed, but in one acute Trust alone it amounts to four specialist nurses sponsored by the three companies in our area. Whilst it can be argued that this funding could be ring-fenced from savings in the cost of appliance supply it is difficult to see how this would be done in practice.

Paragraph 18

Objective 2 - Care is needed in defining NHS Personnel, given developments in nurse prescribing etc. It would be wrong in the current climate of redesign of services to suggest that this should only be done by GPs. Similarly it is important to ensure that established and future “standards of conduct” are not compromised.

Objective 3 – The additional service which are “appreciated” by patients need to be appropriately defined. To what extent is it considered that these must be provided by specialist practitioners?

OPTION A

Paragraph 21

This is a very sound idea. This Trust would welcome the establishment of service standards for the supply of some appliances. A centralised monitoring service would be more appropriate to ensure continuity of monitoring where companies are involved in providing services to patients over a wide geographical spread, and where several Boards/Trusts may be involved.

Paragraph 23

This paragraph required clarification. Two issues are of concern. If the current levels of remuneration are continued, then the divergence with England will continue, thereby preventing the delivery of objective 4 – no further cross Border exploitation. Also, if pharmacists are to gain increased remuneration from providing this service there is presumably an additional cost to Boards and Trusts.

Paragraph 24

How would this be measured? Who would decide which appliances required the service levels contain in the service standards? Would this lead to contractors being motivated to provide only those appliances that were covered by the service standards? This would require the setting up of further bureaucracy to monitor the delivery of the service unless there was either a “high trust” element or very detailed standards. Also, if different depots had varying level of service agreements, and hence payment levels, there would be an incentive to route as many scripts through that depot, regardless of whether the service had been provided to that patient. Overall it may be better to distinguish supply from the additional service and made separate payments for each.

Paragraph 25

Question of defining “NHS personnel” arises here again.
Conclusion

Subject to the various caveats set out in the response above, our preferred course would be to consider development of Option B. It is hoped that once the SEHD has had opportunity to consider all the replies received there will be opportunity for further consultation on the details of any changes proposed.

I confirm that the response above may be made publicly available without restriction.

Yours sincerely

[Signature]

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c.c. Mrs J Glen, Primary Care Division
Mr D Thomson, Director of Pharmacy
Mr G Barclay, Head of Administration, South University Hospitals NHS Trust
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