



Health Department

Dear Colleague

NEW COMMUNITY PHARMACY CONTRACT UPDATE

Summary

1. This HDL circulates a copy of a co-signed letter that provides a summary update on the negotiations for a new community pharmacy contract for Pharmaceutical Care Services (PCS) in Scotland.

2. Discussions to date have concentrated on the shape and content of the contract, including the underpinning IM&T requirements. As a result of the recent consultation on the proposals contained in [Modernising NHS Community Pharmacy in Scotland](#), the Scottish Executive is currently considering the legislative framework required to underpin the new PCS contract.

Background

3. [The Right Medicine; a Strategy for Pharmaceutical Care](#) outlines the Scottish Executive's commitment to make better use of pharmacists' skills and expertise to improve patient care. It calls for the development of quality services based on a patient centred approach to pharmaceutical care.

4. The results of research evidence and various pilots have identified four core components on which the Scottish Executive is building a new community pharmacy contract for pharmaceutical care in Scotland. This contract will also underpin the commitments given in the partnership agreement, [Partnership for a Better Scotland](#). The shape of the contract is outlined in the attached letter.

5. In addition there are positive opportunities to align aspects of the new Primary Medical Services and PCS contracts, supporting the development of new models of integrated working. This underlines the need for new and improved IM&T links between General Medical Practices and Community Pharmacies. Progress on the ePharmacy Programme which will enable this is described in [HDL \(2004\) 14](#).

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Action

6. Chief Executives are asked to note the above position and ensure that copies of this HDL and its attachment are circulated to all community pharmacy and Primary Medical Services contractors, and to the relevant local advisory committees.



HAMISH WILSON
Head of Primary Care Division



BILL SCOTT
Chief Pharmaceutical Officer



SCOTTISH EXECUTIVE

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Date: 30 July 2004

Dear Colleague

NEW COMMUNITY PHARMACY CONTRACT

1. We wrote in July last year to provide a summary of developments and future plans with regard to the new community pharmacy contract. This letter provides a summary of the further developments and progress made to date.

Pharmaceutical Care Services

2. There are four core Pharmaceutical Care Service components to the new community pharmacy contract in Scotland. In order to ensure equity of access to services and good clinical governance standards, national service specifications are being developed to underpin the provision of these services. In addition, there are a number of infrastructure requirements necessary to support the delivery of the contract.

Minor Ailment Service (MAS)

3. This is the provision of a service which allows community pharmacists to treat common conditions and ailments on the NHS, enabling patients who are exempt from prescription charges (excluding pre-payment certificates) to use their community pharmacy as the first port of call for the treatment of such conditions. This has been piloted in Ayrshire & Arran and Tayside NHS Boards where all 176 community pharmacies offer this service to over 68,000 registered patients.

4. Currently the pilots operate through a paper based patient registration process, with a paper trail from the pharmacy, to the NHS Board and onto NHS National Services Scotland (NHS NSS). Work is ongoing to introduce a Central Patient Registration System (CPRS) based at NHS NSS to register patients, moving from a manual to an electronic process as community pharmacies connect to N3 (NHSnet) across Scotland.

5. The next stages will involve the introduction of a pre-printed prescription form and then full electronic generation and transmission of prescriptions with automated payment processing (eMAS), rather than relying on a paper based system. Depending on the outcome of this process, it is possible

that a full eMAS system could be operated across Scotland from early 2005 through to complete coverage in 2006.

Chronic Medication Service (CMS)

6. This is the continuity of pharmaceutical care for patients with long term conditions and brings together serial dispensing (repeat dispensing), the pharmaceutical care model schemes and supplementary prescribing. It is underpinned by the *CRAG Clinical Pharmacy Practice Guidelines*. CMS will allow a patient to have their medicine supplied, monitored and reviewed for up to 18 months as part of a shared care arrangement between their community pharmacist and general practitioner. The authorisation to enter into the CMS will be initiated by a patient's GP.

7. The operating procedure for the backbone of CMS is being piloted in North East Fife between a single GP practice and three community pharmacies. At present the system requires the production of a special GP10 which allows a patient to have repeat prescriptions without the need to contact or visit the GP surgery. Plans are in place to extend the initiative across other GPs and CPs in North East Fife and a number of other NHS Boards during 2004.

8. The system for registration for patients for the CMS will be similar to the CPRS developed for MAS. Many of the system developments for eMAS will also facilitate the development of eCMS and eAMS (see below), including electronic data transmission and automated payment processing.

Acute Medication Service (AMS)

9. This is the provision of pharmaceutical services for acute prescriptions, based on current dispensing and counselling services, as described in the *CRAG Counselling and Advice Guidelines*. This will be supported through the electronic transmission of data and automated payment processing.

Public Health Service (PHS)

10. This is the contribution of pharmacists to health improvement and medicine safety. A national working group is currently identifying the potential core components of this element of the contract. It will complement elements of the GMS contract. The ePharmacy Programme will support any data sharing requirements between GPs and CPs for PHS.

Additional (locally negotiated) Services

11. A range of additional services will be negotiated locally but from an agreed national framework and tariff. These services will include:

- Extended and Out of Hours Services;
- Oxygen Services;
- Advisory Services to Care Homes;
- Harm Reduction / Minimisation Services;
 - Methadone Provision; and
 - Needle Exchange.

12. A joint NHS/SPGC working group is about to be established to consider the current range of specifications and contract rates for each of the above services. Its findings and recommendations for standardising the core specifications, and the indicative tariffs for same, will be submitted to the Department to consider against New Contract and *The Right Medicine* requirements.

Infrastructure

13. Work is ongoing to identify the underpinning infrastructure requirements in order to support the introduction of the new contract. The connection of all community pharmacists to N3 (NHSnet) is an important infrastructure development. A connection programme was commenced in October last year and is expected to conclude in July 2005.

14. It is also essential that pharmacists and their support staff are able to use the systems and applications that will enable the exchange of clinical and patient information that support new contract requirements. There are, therefore, plans to introduce this financial year a centrally funded IM&T training programme, establishing PCS IM&T facilitators to become part of expanded local IM&T facilitation teams. The first stage of this will be a pilot to establish the requirements in order to successfully run the programme as part of the wider IM&T team at NHS Boards.

15. Other infrastructure requirements include premises developments, a quality and outcomes framework, an education and training programme and a pharmaceutical needs assessment tool. They are currently being addressed through other actions within *The Right Medicine*.

Remuneration

16. Discussions on the financial envelope for the New Contract between the Department and SPGC are ongoing. However, there is outline agreement on the remuneration structure which can be summarised as follows.

- CMS and MAS – capitation payments, possibly on top of a basic allowance.
- PHS – a basic allowance weighted to reflect the pharmacy’s population ‘health’ profile. Boards will be able to enhance the service through locally negotiated contracts (‘additional services’ – see above).
- AMS – a flat ‘per item’ dispensing fee.
- Infrastructure – expected to comprise two elements; (a) set allowance(s) for maintaining IM&T and premises to agreed standards/practices and (b) a fund to facilitate required system developments and/or improvements.

17. Consideration is being given as to how the 5 individual components might be weighted within the totality of the global sum and, thereafter, to the possible apportionment between basic allowances and capitation/dispensing fees.

18. Clearly this represents a significant change from the current remuneration regime and the Department and SPGC both recognise and are committed to minimising and managing the risk of financial turbulence across the community pharmacy sector. Accordingly, consideration is being given to establishing transitional funding arrangements to bridge the passage between the current and new contracts.

19. It is not possible to provide details of the possible transitional arrangements at this stage as these are still subject to further SEHD/SPGC discussions. However, both sides see this as a sensible way forward and one that will allow full financial modelling on the new contract arrangements drawing, as it would, from actual implementation experience.

Reimbursement Issues

20. Boards and pharmacy contractors will be well aware that the question of Drug Tariff reimbursement rates for generic medicines has been a prominent issue over the last 12 months. The current pricing protocols and discount arrangements are targeted at delivering as close a match between market prices and the actual levels of reimbursement but it is acknowledged that this may not be readily achieved.

21. However, the Department also acknowledges that there is a complex interface between the remuneration and reimbursement elements of community pharmacy funding and that both go to make up the current income of community pharmacists. Accordingly, one of the objectives of the discussions between the Department and SPGC on the financial envelope is to secure greater transparency within the funding streams and to realign the remuneration and reimbursement rates as required.

22. NHSScotland and community pharmacy contractors will be kept informed of developments as a matter of course.

Yours sincerely

The image shows three handwritten signatures in black ink. The first signature on the left is 'Hamish Wilson', the middle one is 'Bill Scott', and the one on the right is 'Frank Owens'. The signatures are written in a cursive, flowing style.

HAMISH WILSON
Head of Primary Care Division

BILL SCOTT
Chief Pharmaceutical Officer

FRANK OWENS
Chair, SPGC