



## SCOTTISH EXECUTIVE

Health Department  
Directorate of Primary Care and Community Care

Primary Care Division  
St Andrew's House  
Regent Road  
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Dear Colleague

### **COMMUNITY PHARMACY SERVICES: REMUNERATION ARRANGEMENTS FOR 2007-2008**

#### **Summary**

1. This Circular provides further advice on new Contract Preparation Payments (CPPs) to be made to contractors during 2007-2008.

#### **Background**

2. [NHS Circular PCA\(P\)\(2007\)10](#) detailed remuneration arrangements for community pharmacy contractors providing pharmaceutical services for the period 1 April 2007 to 31 March 2008.
3. Paragraph 19 of the Appendix to that Circular announced the introduction of CPPs where contractors undertake specific administrative, training and clinical tasks required for the introduction of the Acute Medication Service (AMS) and Chronic Medication Service (CMS), and paragraph 52 advised that this payment would fall to be met from the centrally held Pharmaceutical Services line.
4. This Circular prescribes the framework for these payments and detailed arrangements for Phase 1 payments.

#### **Summary of 2007-08 New Contract Preparation Payment (CPP) Arrangements**

##### *Principles*

5. The underlying principles and objectives for CPPs are detailed at **Annex A**.

29<sup>th</sup> May 2007

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#### **Addresses**

For action  
Chief Executives, NHS Boards

For information  
Chief Executive,  
NHS NSS  
Director of Practitioner Services,  
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### *Eligibility*

6. All contractors on the list at either the qualifying date identified in paragraph 3 of **Annex B** to this Circular or the date of application for payment if later, so long as the date of application is no later than that identified in paragraph 5 of Annex B to this Circular, shall be eligible for the CPP.

### *Conditions for payment*

7. The CPP will be paid in 3 Phases. For each phase there will be a qualifying date from which contractors will be eligible to claim payment. These are detailed in paragraph 3 of Annex B. Claims must be submitted to Practitioner Services Division on the appropriate self certification form, included as **Annex C** to this Circular and which will be subject to normal post payment validation procedures.
8. In respect of each Phase, a contractor, who meets the laid down conditions, will receive a fixed payment. For the purposes of this fixed payment, and to broadly reflect the different levels of preparation necessary for contractors with differing levels of turnover contractors have been placed in one of four bands. There will be an equal number of contractors, who were on the list for the full period 1 April 2006- 31 March 2007, in each band. The banding arrangement is intended to provide a payment which is broadly related to contractors' NHS activity levels on the basis of historic overall levels of remuneration during 2006-7. The applicable banding payments are detailed in paragraph 4 of Annex B.

### *Advice from the Information and Statistics Division of NHS NSS*

9. The Information and Statistics Division of NHS NSS expect to be able to write to each contractor around mid June to:
  - advise which banding will be used for their CPP; and
  - to assist contractors when completing the claim form for Phase 1 payments as detailed in Annex C to confirm the total number of prescription items for the contractor for the full year 2006-7 .

### *Requirements for Phase 1 payments*

10. The form to be completed by contractors claiming Phase 1 payments is provided at Annex C.

### *Requirements for Phase 2 and 3 payments*

11. The final detailed requirements to be met by contractors for the payment of Phase 2 and Phase 3 payments are still under development between the Department and the Scottish Pharmaceutical General Council (SPGC) and will be promulgated by a supplementary circular in due course.

### **Amendment of the Drug Tariff**

12. The Drug Tariff is hereby amended to give effect to the terms of this Circular, which have been agreed with SPGC.

**Action**

13. **NHS Boards are asked to bring this Circular to the attention of community pharmacy contractors, local pharmacy committees, and Community Health Partnerships.**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jonathan Pryce', is centered on the page. The signature is written in a cursive style with a large initial 'J' and a distinct 'P'.

**DR JONATHAN PRYCE**  
Head of Primary Care Division

## PRINCIPLES AND OBJECTIVES FOR CONTRACT PREPARATION PAYMENTS FOR 2007-08

### Purpose

1. This Annex outlines the principles underlying Contract Preparation Payments (CPPs) for 2007-2008 and the objectives, the delivery of which, these are intended to facilitate.

### Background and Principles

2. In broad terms the framework established for the 2006-2007 transitional payment regime is being rolled forward and developed to facilitate all contractors being able to provide the Acute Medication Service/Chronic Medication Service (AMS/CMS) from 1 April 2008.

3. As stated in [NHS Circular PCA\(P\)\(2007\)1](#), contractors can expect to have ETP/eAMS functionality in their systems from September 2007 onwards (subject to variation between suppliers) with a requirement that eCMS functionality be in place by April 2008. These new requirements will bring about significant changes in current working practices but they will also have to be implemented against a back drop of continued delivery of the current core dispensing services.

4. The Department and SPGC are currently planning on a remuneration regime for 2008-9 which will involve a gradually declining taper of payments based on current transitional payments accompanied by a gradually increasing taper of payments for AMS and CMS that are patient centred. Appropriate non patient specific data input will both assist a smooth financial transition and help both contractors and their NHS Boards in their forward planning.

5. The CPP is accordingly intended to provide an opportunity for contractors to set aside time for carrying out appropriate preparatory work, to work up their procedures/operational plan for delivery of AMS and CMS, and to co-operate with NHS Boards and the Department and SPGC in their new contract introduction arrangements.

6. In this regard, a number of specific objectives have been identified.

#### *Updating of patient medication records*

7. Accurate and up to date records will be key to pharmacists' new roles within eAMS and especially eCMS to deliver ongoing patient care. Experience from eMAS has also demonstrated the need for accuracy within contractors' PMR record fields in order to prevent the generation of duplicate records and to improve the patient registration process. All contractors are therefore now required, over the course of 2007/2008 to ensure that, all fields in the PMR records which they hold are accurate and up to date, and that the aggregate number of current patients can be readily identified. By carrying out this activity contractors will reduce the possibility of duplicate records existing or being created.

8. Each active record should contain:

- patient's name and address including post code\*;
- patient's date of birth;

- GP reference number or practice contact details;
- patient's CHI number;
- patient's last advised exemption status; and
- carer contact details, where known.

\* This should be the name which would be used in formal communications e.g. such as birth certificate, driving licence etc.

*Observance of appropriate data protection and management standards*

9. Contractors should also ensure that their internal procedures have been reviewed and relevant governance issues have been addressed. These will include ensuring that:

- all steps have been taken to comply with the Data Protection Act and that the NHS Board has been listed as a body to whom the data may be disclosed;
- suitable procedures are in place for the running of system back-ups;
- suitable procedures are in place for the archiving of non-active records; and
- RPSGB Code of Ethics requirements in relation to patient records held in electronic format and any other relevant guidance are being followed

10. In line with stated principle of high trust and as low bureaucracy as is consistent with probity requirements, a system of self declaration by contractors will be used to trigger CPPs. The form of declaration to trigger the Phase 1 payment is provided at Annex C to this Circular. Similar forms for Phase 2 and Phase 3 payments will follow shortly. Payments will be subject to payment verification checks in the normal fashion.

**Objectives**

11. Five specific objectives have been identified for achievement during the contract preparation period:

***1. Development of the use of electronic pharmacy data to improve direct services to patients and to help underpin NHS Board pharmaceutical care service planning***

12. At the present time the use of pharmacy contractors' data to improve services to patients varies. There has also been little use in the past by NHS Boards of aggregate non patient sensitive data held by pharmacy contractors to help plan and develop services to patients. Part of the reason for this may be that some contractors may have an incomplete understanding of the potential for data analysis from their patient record system.

13. Work is ongoing with ISD on data streams which will augment the NHS Boards planning processes based on data from the ePharmacy Programme. It is therefore intended that contractors take the opportunity during this preparation phase to ensure that they are familiar with all aspects of the key features of their current system and contribute to work by Boards and the Department/SPGC in service planning and contract remuneration arrangements for 2008-2009 onwards.

14. During 2007-8 contractors are expected to contribute to a national database that will be maintained by ISD of non patient specific data to support forward planning by NHS Boards and individual contractors themselves. In the early stages it is anticipated that

contractors may contribute with subjective assessments but over the course of the year will refine estimates as they become more adept at interpreting the data available to them. Contractor level data may be used by NHS Scotland for planning purposes, and aggregate data at an appropriate level may, however, be shared with all contractors.

***II. Completion of nationally co-ordinated IT training programmes***

15. During 2007-2008 the services of community pharmacy facilitators will be available to contractors to help them and their staff start to make optimum use of the IT now available to them.

16. Contractors will be expected to complete a programme of IT training activity, particularly around eAMS and then eCMS, which will be promulgated for completion in Phases 2 and 3 of the preparation period.

***III. Observance of appropriate standards to support electronic methods of remuneration and reimbursement wherever possible***

17. The switch to the new contract is being accompanied by a move to electronic processing of prescriptions and patient registers to improve and make more cost effective the process of remunerating and reimbursing contractors.

18. During phases 2 and 3, contractors will be expected to complete training packs made available by NES Pharmacy with regards the implementation of AMS and CMS as well as specific IT training materials provided by their system suppliers. These packages should be completed in all respects by 31 March 2008.

***IV. Development of premises to ensure that an appropriate private advice/consultation area is available for use by patients and pharmacists***

19. The greater emphasis within the new contract on pharmacists providing clinical advice for patients has implications for pharmacy configuration. By the completion of Phase 3 it is expected that each contractor will have reviewed in conjunction with their NHS Board the suitability of existing premises to ensure that appropriate space is available for private advice provision, in accordance with further advice and a template checklist which will issue shortly, and where this is not currently possible will have agreed an appropriate development plan with the NHS Board.

***V. Completion of relevant clinical training packs***

20. In phase 3 contractors will be expected to complete NES training packs for the treatment of COPD and rheumatoid arthritis.

**Phase 2 & Phase 3 arrangements**

21. The precise arrangements for Phase 2 and Phase 3 are subject to development in conjunction with SPGC and will be confirmed by Circular in due course.

**CONTRACT PREPARATION PAYMENT (CPP) BANDINGS**

1. The CPP will be paid in phases as a series of critical steps are met. Payments will be made as soon as possible after receipt and processing by PSD of contractors' claim forms. Where contractor claim forms are received in time, the payment of the Phase 1 CPP will be made to contractors along with the payment for prescriptions dispensed during May 2007 and paid during July. Payments in respect of claims processed thereafter but on or before the deadline stated in paragraph 5 to this Annex will be made by PSD with the next convenient monthly payment. The payment timetable in respect of Phase 2 and Phase 3 payments will follow in due course.

2. The CPP is built up from 2 elements, a fixed element (£990 for all bands) and a variable element (£282, £565, £848 for Bands 2-4 respectively) to reflect activity within the pharmacy. There will be an equal number of contractors, who were on the list for the full period 1 April 2006- 31 March 2007, in each band. The banding arrangement is intended to provide a payment which is broadly related to contractors' NHS activity levels on the basis of historic overall levels of remuneration during 2006-7. Contractors who were not on the list for the whole of 2006-2007 but who are eligible for CPP by virtue of meeting the qualifying date below will be eligible for payment as a Band 1 contractor unless their unextrapolated aggregate remuneration for 2006-2007 qualifies them for payment in a higher banding.

3. The qualifying dates on which the contractor must be on the list to be eligible for payment in respect of each of the 3 phases are:

Phase 1	31 May 2007
Phase 2	30 September 2007
Phase 3	31 January 2008

4. The CPP will then be split into 3 equal phase payments of the following amounts made up from the fixed and variable elements as described above:

Band 1 contractors	£990
Band 2 contractors	£1272
Band 3 contractors	£1555
Band 4 contractors	£1838

5. The final dates by which preparatory work must be completed and by which the contractor must submit a claim to PSD to be eligible for payment in respect of each of the 3 phases are:

Phase 1	30 September 2007
Phase 2	31 January 2008
Phase 3	31 March 2008

**REQUIREMENTS FOR CONTRACT PREPARATION PAYMENT PHASE 1 PAYMENTS**

Contractors claiming Phase 1 CPP payments must comply with the following requirements and email a copy of the following form to Moira Hanley ([moira.hanley@psd.csa.scot.nhs.uk](mailto:moira.hanley@psd.csa.scot.nhs.uk)), to arrive no later than **30 September 2007**.

Contractor Name: \_\_\_\_\_

Contractor Number: \_\_\_\_\_

I the undersigned contractor confirm that I have completed the requirements of Phase 1 of the Contract Preparation Programme and in particular I have:

- A. reviewed the patient details included on my electronic records and ensured that for all patients for whom I have dispensed prescriptions between 1 April and 31 May 2007, they are consistent with the requirements of paragraph 8 of Annex A to Circular [number of this Circular]; and
- B. reviewed my internal procedures for the maintenance of electronic patient records and am following the requirements of paragraph 9 of Annex A to Circular [number of this Circular].

And I provide herewith my initial estimates of the following data:

- based on analysis of dispensing activity over the period 1 June -31 July 2007, as at 31 July 2007 the number of patients for whom I dispense prescriptions and who are resident in a care home is:

- the number of prescription items dispensed for patients resident in care homes over the period 1 June -31 July 2007 was:

- the number of such prescription items that were dispensed in a compliance aid such as dosette box or other form of repackaging was:

I confirm that the information I have given on this form at paragraphs A & B is correct and complete and I understand that, if it is not, action may be taken against me.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_