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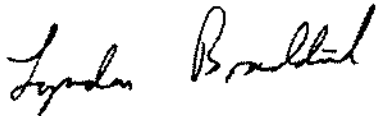
28th February 2002

Dear Mr Fraser

Office of Fair Trading Report (OFT): Control of Entry Regulations and Retail Pharmacy in the UK

Thank you for the opportunity to comment on the above report. The comments of the Scottish Specialists in Pharmaceutical Public Health are enclosed.

Yours sincerely



Lyndon Braddick
Chairman
Scottish Specialists in Pharmaceutical Public Health

**OFFICE OF FAIR TRADING REPORT: THE CONTROL OF ENTRY REGULATIONS AND
RETAIL PHARMACY SERVICES IN THE UK – RESPONSE BY THE SCOTTISH
SPECIALISTS IN PHARMACEUTICAL PUBLIC HEALTH**

The vision for delivery of pharmaceutical services in Scotland is set out in some detail in the Scottish Executive Health Department policy document *The Right Medicine: A Strategy for Pharmaceutical Care in Scotland*. The Scottish Specialists in Pharmaceutical Public Health (SSiPPH) wish to express grave concern that the ability to plan and deliver high quality pharmaceutical services in line with this Strategy will be severely compromised should the control of entry regulations be abolished. The OFT Report is principally concerned with the commercial aspects of community pharmacy practice. It acknowledges that on average over 80% of community pharmacy income comes through NHS remuneration. It is our view that as such a significant part of their income is derived from NHS expenditure the NHS should have the ability to plan and direct the provision of such services, and that the needs of patients are not best served through a purely commercial imperative.

It is noted that the report acknowledges that “*Community pharmacies have an important role to play in the health of local populations through the distribution of prescription medicines, the sale of over-the-counter (OTC) medicines and the provision of professional advice.*”¹ The SSiPPH are therefore surprised to read that, in its final conclusion, the Office of Fair Trading (OFT) recommends that the Control of Entry Regulations for community pharmacies in the United Kingdom should be ended.²

SSiPPH are concerned by the limited consideration given in the report to *The Right Medicine: A Strategy for Pharmaceutical Care in Scotland*. Any substantial changes to the community pharmacy infrastructure could compromise the delivery of the Strategy, which aims to use the community pharmacy network as a platform to deliver local clinical services for NHSScotland. To effectively undertake this role, community pharmacies need to be planned and managed to ensure they are sited in areas of patient need.

Scottish Specialists in Pharmaceutical Public Health have worked with the Public Health Institute for Scotland to produce *Pharmacy for Health: The Way Forward for Pharmaceutical Public Health in Scotland*, which was published in January 2003. This report highlights the main areas where pharmacists, particularly those practising in community pharmacy, have made a significant contribution to health improvement and identifies opportunities for further development of pharmaceutical public health. *Pharmacy for Health* builds on the key health improvement messages of *The Right Medicine*. These opportunities will not be achievable if the existing network of community pharmacies is disrupted, and the ability of NHSScotland to plan services is damaged, by deregulation. Improving the health of the people of Scotland is a key priority for the Scottish Executive, which should not allow commercial considerations to deprive it of an important component of service provision.

In Scotland the NHS has shown commitment to multidisciplinary team working and high quality service provision. The recent establishment of NHS Quality Improvement Scotland is testament to this. It is important that pharmacists are able to play a full role, as part of the multidisciplinary health care team working in communities for patients. This has been the direction of travel in Scotland for some time. Community pharmacists serve as members and Chairmen of Local Health Care Co-operatives and their subgroups. They have also participated in their clinical roles as members of SIGN Guideline development groups. To continue in this direction, to further engage them in this approach to practice, a stable and viable community pharmacy network is essential.

¹ Paragraph 1.3

² Paragraph 1.25

As Specialists in Public Health we recognise that those in need of health care are often in the most vulnerable sections of our society, in deprived communities, in remote and rural areas, struggling with drug, alcohol, or other substance misuse. Community pharmacies have played an important role in addressing some of these issues. Provision of methadone services, needle and syringe exchange schemes, and emergency contraception may not be commercially attractive but is professionally rewarding. These vulnerable groups may not be considered priorities for those driven by commercial considerations.

It would appear to us that the thrust of the OFT investigation is confined to the "trading" elements of community pharmacy, i.e. the sale of over-the-counter medicines. Those that are restricted to pharmacies (pharmacy only (P) medicines) account for about 50% of the OTC market, which has been determined by the OFT as being in the order of £1.8 billion. The vast majority of medicine 'sales' (£6.8 billion) is accounted for by the dispensing of NHS prescriptions. Currently there are 12,250 community pharmacies in the United Kingdom (1,143 in Scotland). Whilst the proportion of the OTC market which applies to community pharmacies accounts for only 10% of their turnover, the effect of the recommendation of the OFT report will have repercussions for 100% of the provision of pharmacy services.

We also note that the report indicates that since 1987, when the Control of Entry Regulations were introduced³, there has been very little change in the number of pharmacies as measured by either gross or net entry. In the 10 years after 1990, the average annual net change in the number of NHS contractor pharmacies in England and Wales was 4. By contrast, in Scotland over a similar period the net increase in the number was 16.⁴ There are now 1143, (1122 in 1984) an increase of 2% over roughly a 20 year period. It should be noted that the Control of Entry Regulations have enabled NHSScotland to encourage pharmacies to open with NHS contracts in places of deprivation and in isolated rural areas, as well as in superstores. Without such Regulations, it is most unlikely that the introduction of pharmacies into these areas would have been possible, as pharmacist contractors would have, understandably, gravitated to the main shopping areas of the major towns.

The Scottish Specialists in Pharmaceutical Public Health accept that the current Regulations, which were drafted in 1986, do not necessarily reflect the needs of the service in 2002. In 1986 the integration of community pharmacy into mainstream NHS services was not as advanced as it is today. It will therefore be necessary to revise the existing Regulations to take account of the changes that have occurred, both in the NHS and in community pharmacy, over the past 20 years. Abolition of the Regulations and return to a "free for all" is not the answer.

The adoption of the recommendation of the OFT report may have consequences beyond community pharmacy. It is important that hospital pharmacy services are not destabilised as a result of deregulation. This may happen as the OFT itself predicts an increased number of community pharmacies, which would result in a loss of hospital based pharmacists from this sector. Pharmaceutical care requires that there are staff and services at each stage of the patient's journey, including those times when they may require hospital treatment.

In conclusion, the Scottish Specialists in Pharmaceutical Public Health urge the Scottish Executive Health Department to reject the OFT proposal and retain control over the planning and provision of NHS pharmaceutical services for the people of Scotland.

³ National Health Service (Amendment) Act 1986 Chapter 66

⁴ Scottish Health Statistics, ISD and *Control of Entry to Pharmaceutical Lists in Scotland*
LLM Dissertation EJH Mallinson