

REPORT TITLE	WIRRAL PHARMACEUTICAL NEEDS ASSESSMENT: APPROACH TO POTENTIAL PROVIDER CONSOLIDATIONS
REPORT OF	FIONA JOHNSTONE ACTING DIRECTOR OF STRATEGY & PARTNERSHIPS

REPORT SUMMARY

Changes to the National Health Service (Pharmaceutical Services, Charges and Prescribing) (Amendment) Regulations 2016 in relation to Pharmacy consolidations (mergers) provide NHS pharmacy businesses the opportunity to apply to consolidate the services provided on two or more sites onto a single site. This potential request requires the H&WBB to respond and provide a view as to whether this would, or would not, leave a gap in local provision. This report sets out the approach to provide this response to NHS England in a timely manner.

RECOMMENDATION/S

To request that members note the changes to Pharmacy consolidations (mergers) in National Health Service (Pharmaceutical Services, Charges and Prescribing) (Amendment) Regulations 2016 and endorse the proposal as it sets out an approach to managing the H&WBB responses to any potential Wirral provider consolidation requests submitted to NHS England.

REASON/S FOR RECOMMENDATION/S

- 1.0** We are currently undertaking the development of a new Pharmaceutical Needs Assessment (PNA) to run from April 2018 to March 2021. With the support of colleagues across Cheshire and Merseyside and NHS England Pharmacy Leads we are working together to develop the approach and share experience, skills and knowledge that will enhance the process, reduce the amount of individual time and effort to reproduce the same content and ultimately provide a new PNA that helps NHSE deliver pharmacy contracted services across the sub-region through a uniform approach to our PNA's.
- 1.1** During this process there have been required changes to Pharmacy contract conditions as reported by NHS England (NHSE) that have highlighted the enhanced need for a robust local response to requests for pharmacy contract consolidations.

- 1.2 A consolidation is where a NHS pharmacy business may apply to consolidate the services provided on two or more sites onto a single site. Such consolidations could require a change in the ownership of one of the businesses concerned. A process to facilitate such consolidations will be in place through NHS England. The changes are noted in Appendix One
- 1.3 As a consequence of this change, and in the year leading up to a new PNA, it requires local Health and Wellbeing Boards to provide a response to any Pharmacy contract consolidation request submitted to NHS England and this is regardless of the fact whether the HWBB believe that from any proposed consolidation an impact will occur locally or not.
- 1.4 If the H&WBB do envisage a detrimental impact on the local population and report this as probable then the NHSE are likely to reflect this local knowledge in their decision and potentially refuse the consolidation. The provider requesting the consolidation will have the right to challenge this decision at appeal
- 1.5 For any submitted pharmacy contract change request, such as a change of ownership, a change in pharmacy venue or in this case a consolidation request, then NHSE provide a 45-day window to submit responses from interested parties. In terms of consolidations and the need for the views of the H&WBB to be known by NHSE then this could prove problematic given that the 45-day window is likely not to correspond with H&WBB meetings and submission of papers.

2.0 CURRENT APPROACH

- 2.1 Wirral to this point has not received any requests for provider consolidations though this change in regulations does require the H&WBB to respond in a timely manner if a consolidation request is received.
- 2.2 To help us form an approach that facilitates the required response we have canvassed other areas of Cheshire and Merseyside to ascertain their current and prospective approaches with their respective H&WBB to this NHS England expectation. This has led us to suggest the following approach.

3.0 PROPOSED STRUCTURE TO RESPOND TO PROPOSED PHARMACY CONTRACT CHANGES

- 3.1 To address the outcome of these changes in Pharmacy legislation it is proposed that we identify a group of up six H&WBB members that will be contacted if, or when, NHSE provide details of a proposed pharmacy contract change.

- 3.2 The proposed six H&WBB members are
Chair of H&WBB; Wirral CCG Accountable Officer, Representative from HealthWatch; Director for Children’s Services, Director for Health & Care, Director for Health & Wellbeing (DPH)
- 3.3 This nominated group will be asked to review the initial evidence related to the request, provided by the Director for Public Health, for their added local insight and considered view as to how the H&WBB should respond to the submitted pharmacy contract change request received by NHSE.
- 3.4 This considered view would in turn be collated and circulated electronically for ratification by all board members in the required timeframe before a final local HWBB response is sent to NHSE. The results of any NHSE deliberations would then be reviewed by H&WBB for any further action and recorded on our PNA in the relevant timeframe
- 3.5 The proposed approach is mapped out in Appendix Two.

4.0 FINANCIAL IMPLICATIONS

- 4.1 None envisaged at this time for H&WBB

5.0 LEGAL IMPLICATIONS

- 5.1 Where H&WBB suggest to NHS England that a proposed consolidation would leave a gap in service provision and so should be refused and that in turn NHS England refuse the pharmacy provided request then the Pharmacy can challenge this refusal

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 Director for Public Health
Provides leadership for JSNA and PNA – link to H&WBB to report on PNA developments and requirements
- 6.2 JSNA Programme Lead and Public Health Officers
Provide officer support in production and maintenance of PNA then managing public content through contract changes
- 6.3 No other resource implications are foreseen at this time

7.0 RELEVANT RISKS

- 7.1 If NHS England grants the application, it must then refuse any further “unforeseen benefits applications” seeking inclusion in the pharmaceutical list, if the applicant is seeking to rely on the consolidation as a reason for saying there is now a gap in provision, at least until the next revision of the PNA. However the next PNA will

commence on, or near to, 25th March 2018 so less than nine months until a new application to fill any implied consolidation gap if it is noted as a gap in the new PNA

8.0 ENGAGEMENT/CONSULTATION

8.1 This development related to provider consolidations requires the H&WBB to submit a timely response to any proposal and for NHS England to take account of the view of the H&WBB in its deliberations.

9.0 EQUALITY IMPLICATIONS

9.1 None envisaged at this time for H&WBB.

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APPENDICES

1.0 Pharmaceutical Regulation Changes Dec 2016

2.0 Process diagram for receiving, considering and responding to any Wirral Pharmacy Contract change requests received at NHS England

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Overview & Scrutiny Committee (People): Community Pharmacy (as reported at Cabinet 27th March 2017)	January 2017

APPENDIX ONE

Pharmaceutical Regulation Changes Dec 2016

The National Health Service (Pharmaceutical Services, Charges and Prescribing) (Amendment) Regulations 2016

PSNC website link: <http://psnc.org.uk/contract-it/pharmacy-regulation/>

On 5 December 2016, amendments to the 2013 Regulations come into effect. The full extent and nature of these amendments can be found [here](#).

1. Pharmacy consolidations (mergers)

NHS pharmacy businesses may apply to consolidate the services provided on two or more sites onto a single site. Such consolidations could require a change in the ownership of one of the businesses concerned. A process to facilitate such consolidations will be in place.

Applications to consolidate will be dealt with as “excepted applications” under the 2013 Regulations, which means in general terms they will not be assessed against the pharmaceutical needs assessment (PNA). Instead, consolidation applications will follow a simpler procedure, the key to which is whether or not a gap in pharmaceutical service provision would be created by the consolidation. Some provision is also made in respect of continuity of services – for example, if NHS England intends to commission from the applicant “enhanced services” (additional pharmaceutical services, such as minor ailments schemes, that are commissioned locally by NHS England) that have been provided at or from the closing premises, the applicant is required to provide undertakings to continue to provide those services following consolidation.

If NHS England is satisfied that the consolidation would create a gap in pharmaceutical services provision, it must refuse the application.

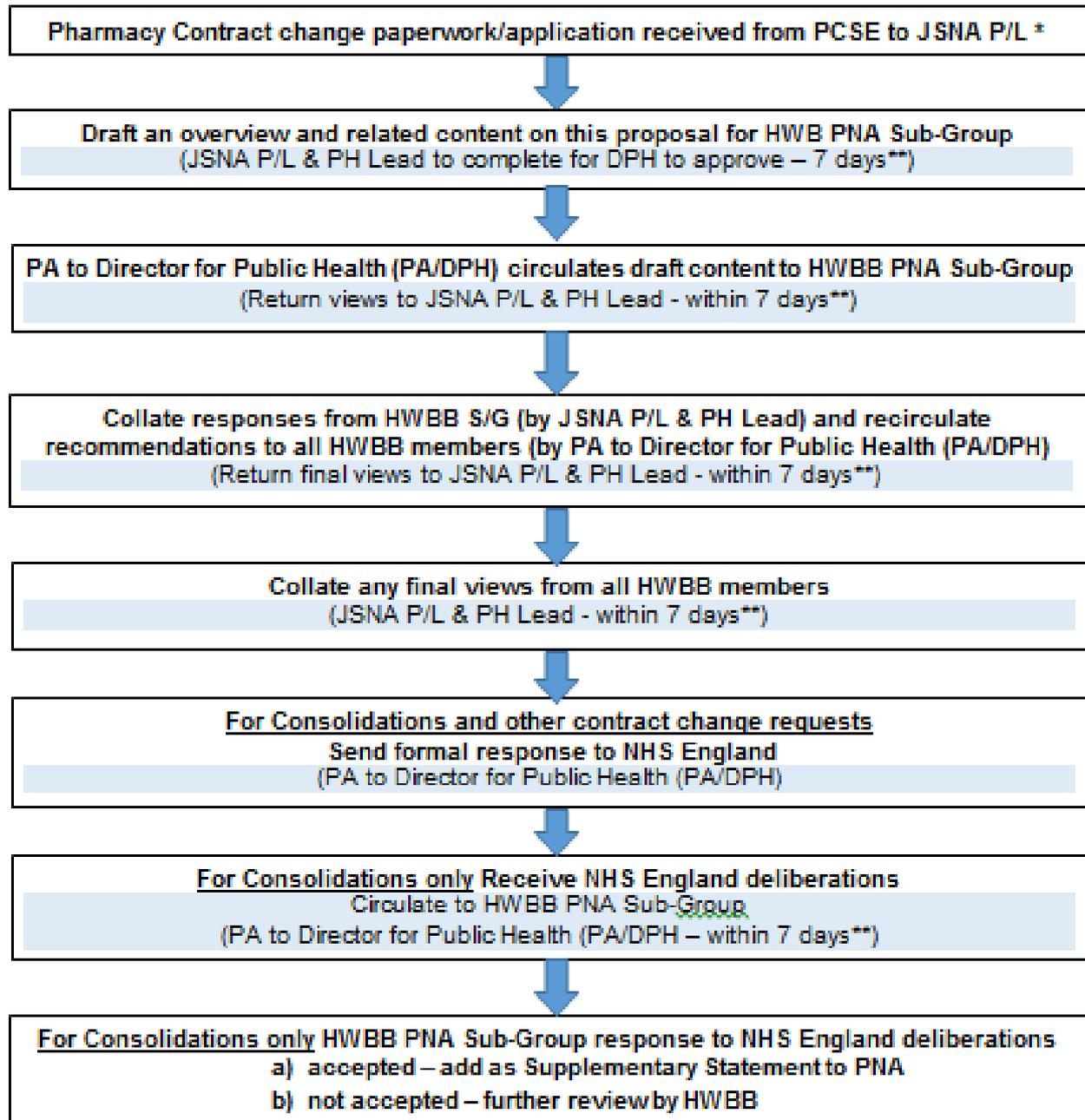
The opinion of the [Health & Wellbeing Board](#) (HWB) on whether or not a gap in pharmaceutical service provision would be created by the consolidation must be given when the application is notified locally and representations sought. If the application is granted and pharmacy premises are removed from the relevant pharmaceutical list, if the HWB does not consider that a gap in service provision is created as a consequence, it must publish a supplementary statement published alongside its PNA recording its view.

If NHS England grants the application, it must then refuse any further “unforeseen benefits applications” seeking inclusion in the pharmaceutical list, if the applicant is seeking to rely on the consolidation as a reason for saying there is now a gap in provision, at least until the next revision of the PNA.

APPENDIX TWO

Supplementary Statement & Proposed Consolidations

NHS England (NHSE)
Director for Public Health (DPH)
Public Health Lead (PH Lead)
PA to Director for Public Health (PA/DPH)
HWBB members for PNA Contract Changes (HWBB)
JSNA Programme Lead (JSNAP/L)



* 45 day turnaround begins

** 7 days or 5 working days ...***if this a proposed merger then HWBB MUST respond to PCSE regardless of whether change has an impact/positive impact/ or negative impact