

Medicines Pricing and Stock Issues

Medicines pricing and stock issues are causing significant issues for all community pharmacy contractors and their teams. Community Pharmacy West Yorkshire (CPWY) are asking for system understanding and support of the challenging situation that community pharmacy contractors are facing.

We ask for system understanding and support of the critical situation that community pharmacy contractors are facing. Medicines pricing and stock issues are causing significant issues for all community pharmacy contractors and their teams. This is not the only issue faced by community pharmacy, we are also dealing with increased workload, workforce shortages and financial challenges (noting that NHS funding for community pharmacy has been flat (therefore reducing in real terms) for 8 years).

We ask that prescribers support requests to amend prescriptions to alternative formulations / drugs where this is necessary to enable prompt supply of medicines to patients. Consideration should be given to the communication route made available for community pharmacy to ensure efficient and timely responses to requests.

To support patient understanding of the issue the [Medicines Factsheet: Information on medicines supply for patients](#) leaflet is used to explain medicines supply to patients.

A briefing for prescribers is available here: [Medicines Shortages Briefing for Prescribers](#)

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Key issues for community pharmacy

Our community pharmacies find themselves in a critical situation trying to source medicines in a timely manner and facing significant financial risk due to greater uncertainty around expected reimbursement prices for a large number of medicines. In particular, we know that:

- We are experiencing an unprecedented level of medicines supply issues, impacting on a wide range of medicines.
- Where supply issues exist, stock is intermittently available, and this often drives up acquisition costs of medicines.
- Many concessions being granted or imposed by the Department of Health and Social Care (DHSC) do not match the prices available to the majority of contractors throughout the month.
- The final prices granted or imposed by DHSC fall below the purchase prices the pharmacies have paid. This can have a disproportionate effect particularly on those pharmacies dispensing large volumes of any affected lines.
- There has been a consistently high number of medicines granted price concessions each month so far in 2022 – with over 100 concessions granted in some months – and this trend shows no signs of abating.
- Many medicines do not even make the concession list, and contractors are left having dispensed an item at a, sometimes considerable, loss.

CPWY, alongside the national Pharmaceutical Services Negotiating Committee (PSNC), has become increasingly concerned about the sustained pressures on medicines supply and the very serious impact that this is having on community pharmacy teams and their patients.

Impact

Issues are being regularly highlighted as we hear from pharmacy contractors in what can only be described as desperation. The circumstances may vary, but the central story is the same: pharmacies, and the people who work in them are exhausted, worried, and most of all in desperate need of more help and support.

This is having an impact on our patients, who are facing delays in accessing their medicines. The [Medicines Factsheet: Information on medicines supply for patients](#) leaflet has been created to support health professionals in explaining medicines supply to patients.

The impact is also being felt in General Practice as they are receiving frequent requests to amend prescriptions to alternative formulations/drugs or issue duplicate prescriptions to enable patients to see if stock is available from an alternative pharmacy.

The pharmacy pressures survey (Jan 22) highlighted that:

- 67% of pharmacies are having to deal with medicines supply issues daily
- Pharmacy teams spend an average of 5.3 hours per week trying to resolve medicines supply issues
- 75% of pharmacy team members said that medicines supply issues had led to patient aggression

Since January 2022 the situation with medicines shortages has significantly worsened.

This is having an inevitable impact on the wellbeing of our pharmacy teams. Contractors tell us they 'are close to being broken'. Teams are under significant stress due to the additional time and resource it is taking to source medicines, liaise with prescribers regarding the prescribing of alternatives and having to deal with patients upset and frustrated that their medicine supply is delayed or that an alternative will be needed.

CPWY view

Community pharmacy is working within a fundamentally unfair system. Community pharmacy contractors are put in a position where they operate at a loss, with no assurance that this loss will be made up at a future date. Unlike other parts of the NHS, we are not able to operate financial prudence. This leaves pharmacy contractors and their teams in financially difficult situations, completely 'done to' and frustrated that they have no independent body separate to the DHSC with whom they can challenge this situation with.

Further detail – medicines pricing and concessions

When community pharmacies cannot source a drug at or below the reimbursement price as set out in the Drug Tariff, the Department of Health and Social Care (DHSC) can introduce a concessionary price at the request of PSNC. A price concession can be requested for any drugs listed in Part VIIIA, Part VIIIB and Part VIIID of the Drug Tariff. For any drugs granted concessionary prices, contractors are automatically reimbursed at the new prices for that month. Note, price concessions are automatically applied to prescriptions submitted for the month in which they are granted.

Price concessions may not always reflect prices that contractors pay because concessions are set monthly and apply to prescriptions dispensed for the full month. Drug prices can change throughout the month so do not reflect prices available to all contractors on all occasions. Contractors frequently report that they are not able to source medications at concession price.

Many items are not covered by a price concession so there is no closing of the gap between what has been paid by the pharmacy and what is reimbursed by the NHS.

As part of the margins survey each year, an exercise is conducted to calculate the financial impact of concession lines on contractors throughout the year. Data is gathered for all items which have been on concession and the financial impact of these lines is calculated and accounted for in the final margins survey result. The calculation also considers any discount deduction ('clawback') applied to reimbursement of concession lines and any wholesaler surcharges paid by contractors.

It must be noted that whilst the margins survey seeks to rebalance the financial impact, any adjustment made is carried out nationally rather than on a per pharmacy level to ensure that community pharmacy's overall retained margin allowance of £800m per year remains constant. Therefore, although the margins survey and any adjustments to Drug Tariff will nationally factor in any reduced margin, it does not address each individual pharmacies particular situation and there are inevitably winners and losers. There is also a significant delay in rebalancing any underpayment.

National issue

This is a national issue, and PSNC (the national community pharmacy negotiator) also understands the difficult challenges faced by contractors. Principles for a fair system were identified by the PSNC Committee in 2018 and are used as the basis for challenging DHSC to ensure that the system is responsive to price rises so that contractors are not left to carry unreasonable costs on behalf of the NHS. PSNC believes that a price concession system should satisfy the following principles:

- DHSC needs to satisfy itself that requests submitted by PSNC are genuine and reasonable.
- DHSC needs to validate PSNC's requests using appropriate data and consequently there will be a period of uncertainty for contractors, during which they will have no certainty of the final reimbursement price for that month.
- There may need to be a retrospective adjustment of some sort.
- PSNC cannot accept that, where a problem is shown to exist, there isn't eventual recompense.
- The market is managed at an independent level in the margins survey and PSNC would expect the price concessions system to operate at a similar level.

Note on communication route

We are all busy people. Making it easy and quick to communicate between community pharmacy and general practice helps reduce time wasted while waiting in a call queue or finding a phonenumber repeatedly engaged. It is very likely that while waiting to be connected, a patient is waiting in the pharmacy or practice for their query to be dealt with. Long delays result in frustration and on occasion aggression toward the pharmacy and practice staff.

We recommend that:

- Community pharmacies should share any second phone line numbers with the GP practice. Ideally this should be recorded on [NHS Service Finder](#).
- GP practices should share the dedicated HCP line with the community pharmacy. Ideally this should be recorded on [NHS Service Finder](#).
- If the practice has a dedicated prescribing admin team, they should ensure the local pharmacies know how to contact them to manage queries on repeat prescription orders.
- If the practice has a GP practice / PCN pharmacist ensure they have made contact with the local community pharmacies to discuss how best to communicate and develop the professional relationship.
- Discuss the use of NHSmail locally and agree which email address is best to use, how often is the email checked for new messages and any requests for how emails are addressed / formatted to make it easy to identify which are for urgent attention and which are more routine.

The Community Pharmacist Consultation Service requires practices to share their dedicated HCP line with pharmacies to use when patient require an urgent same day appointment See: <https://www.pulsetoday.co.uk/resource/pulse-intelligence/how-collaborating-with-local-pharmacies-saves-us-time/>

Note on dealing with stock shortages

Stock shortages continue to be a significant problem and effective communication is essential to reduce delays obtaining alternatives for patients. Proactive, well-planned communication also helps to reduce the workload of pharmacy and surgery teams and to maintain positive relationships. Pharmacists and GPs should agree the most efficient means of sharing this information e.g. via NHSmail and agree time frames for responding to messages, including how more urgent queries will be dealt with.

Information about effective communication along with forms which can be used by the community pharmacy to suggest suitable alternatives for surgeries and for dealing with more general problems, can be found in this document [Stock Shortages: SBAR Guide – July 2019](#). This guide can be used to support local conversations between GP practice and community pharmacy about how best to communicate and manage medicines shortages.

Community pharmacies are advised when possible, to share information about what stock is available when referring a prescription back to the prescriber and to suggest possible alternatives that can be prescribed, noting that the pharmacy may not have enough information to make a recommendation for the individual patient. If no alternative is available, or the pharmacy does not have sufficient information available, the pharmacy will ask the prescriber to make a suggestion. In all cases **the pharmacy will be making a recommendation on alternative medicines without access to the full patient record**, so the prescriber must ensure that the product prescribed is suitable for the patient. Informing the prescriber about alternatives available reduces workload for the GP practice and the pharmacy, as it avoids repeatedly having to return the script.

Where prescribers are aware of stock availability issues, patients should be advised that there may be delays obtaining the medicines they have been prescribed. If the item is required promptly by the patient, we advise that the prescriber calls the patient's usual pharmacy to confirm current availability and if necessary, agree a suitable, available alternative at the point of prescribing.

A patient factsheet that can be used to highlight explain the issue to patients affected by a shortage: [Medicines Supply Factsheet](#)

A briefing for prescribers is available here: [Medicines Shortages Briefing for Prescribers](#)

Note on stock availability lists

The information regarding stock availability can sometimes be misleading. Manufacturers can claim no stock issues when this is not the case locally. Sometimes stock availability issues are linked to specific wholesaler sites e.g. Leeds Depot has no stock but in other parts of the country stock is readily available. In addition, depending on the wholesaler account a pharmacy has, they will have access (or not) to different stock information from the same wholesaler.

There is also no obligation for a pharmacy to have more than one wholesale account and because pharmacies usually need to pay a monthly fee for their secondary wholesaler account, most pharmacies restrict the number of accounts they use. Where pharmacies do have access to more than one wholesaler, there can be delays when items are ordered from the secondary wholesaler. It should be noted that pharmacies can incur surcharges when wholesaler order value is below a certain amount.

Even if an item shows as 'in stock' when the pharmacy checks or places their order with the wholesaler, there is no guarantee this will arrive in their delivery. There have been multiple reports that stock ordered for set deliveries does not arrive. This can exacerbate issues especially when the item is urgent i.e. for end of life care.

Medicines supply is complex, variable and impacted by many factors. A reliable single list of medicines with supply issues cannot be created. A check for known, enduring national supply issues is the [Medicines Supply Tool](#) hosted on the Specialist Pharmacy Service (SPS) website, but note that this does not reflect all the medicines with supply issues. The absence of a drug on this site does not indicate that there is not an issue with supply.