

Sent by email onlyggreene@communitypharmacyni.co.ukMr Gerard Greene
Chief Executive

Tel : 028 95363926

Fax : 028 95363126

Web Site:

www.hscboard.hscni.net

28 December 2018

Dear Gerard

COMMUNITY PHARMACY REMUNERATION 2019/2020

I am writing to you to outline the Health and Social Care Board's proposals for the Community Pharmacy pay offer for the 2019/20 financial year.

Calculation of the Global Sum for 2019/20

HSCB has used the recognised DFP annual uplift factor (DDRB) to adjust the previous year's Global Sum and noted CPNI's objection to use of DDRB in previous consultations on remuneration.

However, the rationale for use of DDRB remains in that it is a recognised indicator to inform remuneration of primary care health care service providers.

It is not known what DDRB will recommend for 2019/20. A working assumption is that, in line with other public pay, there will be between 0% and 3% increase.

There are three options proposed for Global Sum in 2019/20:

1 Global Sum Option 1– 0% uplift – Global Sum remains at £56.1m

Option 1	Budget	Fee Level
Professional Allowance	£9.83m	£18.3k per practice
Ordinary Dispensing Fee	£39.44m	£0.98
Multiple Dispensing Fee	£6.34m	£0.35
Total	£55.61m	

This would leave a balance of £0.5m uncommitted given that £56.1m global sum has been budgeted. The balance would provide an opportunity to invest £0.5m in other elements of the pharmacy envelope.

2 Global Sum Option 2- freeze the fee levels at 2018/19 levels

Option 2	Budget	Fee Level
Professional Allowance	£9.83m	£18.3k per practice
Ordinary Dispensing Fee	£39.44m	£0.98
Multiple Dispensing Fee	£7.24m	£0.40
Total	£56.52m	

This will require an **increase of 0.7% for the global sum element or £0.4m** into the pharmacy financial envelope.

3 Global Sum Option 3- an increase of 3% for the global sum element or £1.7m.

Option 3	Budget	Fee Level
Professional Allowance	£9.83m	£18.3k per practice
Ordinary Dispensing Fee	£39.44m	£0.98
Multiple Dispensing Fee	£7.24m	£0.40
Total fees	£56.52m	
Additional funding	£1.3m	
Total Global sum budget	£57.8m	

This budgetary uplift has been proposed in light of other economic and financial issues. However, there is some uncertainty in relation to such an increase given the wider political and economic concerns in the short and medium term. Given this uncertainty, it is proposed that fee levels remain the same and the additional £1.3m, if it is made available, should be negotiated as part of pharmacy contract discussions.

Conclusions

There may be other options and HSCB now seeks the views of CPNI such that the Board can reach a decision to implement a new fee structure for April 2019.

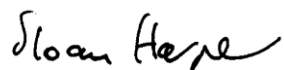
I therefore invite a response, in writing to me **on or before 15th February 2018.**

Should DDRB recommend different levels of uplift, we will seek your views in respect of applying an adjustment.

I attach also a copy of the equality screening form which has been completed in respect of this consultation. I would welcome any comments on the findings of the screening along with your response to the proposal on fees.

We will also issue this document to the network to enable individual contractors to contribute their views. If you wish to discuss this further, please contact Joe Brogan (joe.brogan@hscni.net).

Yours sincerely,

A handwritten signature in black ink that reads "Sloan Harper". The signature is written in a cursive, flowing style.

Dr Sloan Harper
Director of Integrated Care

CC: Joe Brogan, HSCB
Paul Cummings, HSCB

Enc: Equality screening form