

Sent by email only

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Mr Gerard Greene
Chief Executive
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19 December 2017

Dear Gerard

COMMUNITY PHARMACY REMUNERATION 2018/2019

I am writing to you to outline the Health and Social Care Board's proposals for the Community Pharmacy pay offer for the 2018/19 financial year.

HSCB is aware that the Department of Health (Northern Ireland) is seeking to conclude the Cost of Service Investigation and acknowledges that the out-workings from the COSI will inform negotiations in respect of the pharmacy financial envelope for the future.

HSCB remains of the view that the current envelope provides fair and reasonable remuneration and therefore we are seeking to consult on a number of elements of payment arrangements.

Calculation of the Global Sum for 2018/19

HSCB has used the recognised Department of Finance (DF) annual uplift factor Doctors' and Dentists' Review Body (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 2018/19. A working assumption is that, in line with other public pay, there will be between 0% and 1% increase.

There are three options proposed for Global Sum in 2018/19:

1 Global Sum Option 1– 0% uplift – Global Sum remains at £54.42m

At 0%, fees will be reduced (**option 1**) as activity is increasing.

Option 1	Budget	Fee Level
Professional Allowance	£ 9.83m	£18.3k per practice
Ordinary Dispensing Fee	£39.70m	£0.98
Multiple Dispensing Fee	£ 5.98m	£0.38
Total - Option 1	£55.52m	0% Growth

2 Global Sum Option 2- freeze the fee levels at 2017/18 levels

Option 2	Budget	Fee Level
Professional Allowance	£ 9.83m	£18.3k per practice
Ordinary Dispensing Fee	£39.70m	£0.98
Multiple Dispensing Fee	£ 6.3m	£0.40
Total - Option 2	£55.83m	0.5% Growth

This will require an **increase of 0.5% for the global sum element or £0.3m** into the pharmacy financial envelope.

3 Global Sum Option 3- an increase of 1% for the global sum element or £0.6m. In this option it is proposed that fee levels remain the same and the additional £0.3m is made available to 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 2018.

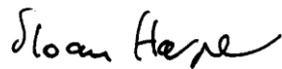
I therefore invite a response, in writing to me **on or before 13 February 2018.**

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 carried out 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 style with a large initial 'S'.

Dr Sloan Harper
Director of Integrated Care

CC: Joe Brogan
Simon Christie

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