

WPC MEMBER SURVEY - Funding & Payment Structures

RESPONSE - ENGLAND

INTRODUCTION

This survey is designed to provide WPC members with a better understanding of funding and formal payment structures for community pharmacy in each WPC country. This includes payments for dispensing, payments for pharmacy services, and other general or specific purpose payments that are specific to community pharmacy.

The survey does not seek to collect specific fee levels or payment amounts. The focus is on the structure and types of payments, and on what is paid for by each funding stream, and on the relative significance of each component. The focus is not on comparing funding levels or fee amounts.

In some countries the funding arrangements may vary significantly between states, regions or funders. This survey is not intended to capture every variation. As far as possible, please provide the most appropriate answer in a national context.

The results of this survey will not be made public. Findings will be distributed only to WPC members only, for your internal use.

Responses, and any questions relating to this survey, should be emailed to the WPC Chief Economist at stephen.armstrong@worldpharmacycouncil.org. If possible, responses would be appreciated by 31 March 2021. Thank you.

DEFINITIONS

To guide your completion of this questionnaire, please read the following definitions.

Fee-for service payments

Fee-for-service payments have traditionally been the most common types of payments in the community pharmacy context (and also in most other healthcare settings) and are an amount paid per occasion of service.

Capitation-style payments (including casemix or bundled payments)

Capitation-style payments are those calculated based on the number of patients (and/or the types of patients, as in a casemix model) rather than on the number of occasions of service. Capitation-style payments may be bundled payments that cover more than one service type (this may also be the case with outcomes-based payments or lump-sum payments).

Outcomes-based payments (including performance-based or value-based payments)

In an outcomes-based model, payments (or payment levels) depend on defined measures of performance, benchmarks or targets. These may include direct or indirect measurements of patient outcomes, or metrics related to quality.

Lump sum payments per pharmacy

Lump sum payments are amounts per pharmacy paid at regular intervals (eg. monthly, quarterly or annually) to either all pharmacies or particular groups of eligible pharmacies. Lump sum payments differ from Capitation-style or Outcome-based payments in that the amounts are not related to the number of patients serviced or to any specific performance measure. Examples of lump sum payments include payments made to all registered pharmacies, or to all pharmacies that are registered for a particular program. The amount of lump sum payments may vary from pharmacy to pharmacy based on certain criteria (but will not vary directly in proportion to service volume, as that would make it a fee-for-service).

Section 1 - Dispensing

Fees and other payments for dispensing are those amounts that are additional to the cost price of the medicine, and represent a gross profit margin on the dispensing service.

Please note that this question is *not* referring to the pharmacy's purchase price of the medicine. It is referring only to amounts additional to the purchase price, that are intended to ensure the viability of the dispensing service.

Question 1.1 - Through what process(es) are fees and/or other payments for dispensing determined? (please select all that apply):

Select those that apply	Method for determining fee or payment level for <u>dispensing</u>
<input type="checkbox"/>	Regulation/legislation
<input checked="" type="checkbox"/>	Formal negotiation at a national, state or regional level
<input type="checkbox"/>	Analysis of the cost of dispensing
<input type="checkbox"/>	Commercial negotiation between individual pharmacies (or groups of pharmacies) and the payer
<input type="checkbox"/>	Consumer-focused competition
<input checked="" type="checkbox"/>	Other (please specify): Fees for dispensing are calibrated such that they should "use up" the amount of funding that is available. The amount of funding available is determined by negotiation (or imposition by the government). Fee levels may fluctuate depending on whether or not we project that at the current fee level too much or too little funding will be used up from the main pot. ⇒

Question 1.2 - What is/are the most common fee or payment structure(s) for dispensing in your country? (please select all that apply):

Select all that apply	Fee or payment structure for <u>dispensing</u>
<input checked="" type="checkbox"/>	Flat fee(s) per item dispensed (this may include additional amounts for specific categories of drugs)
<input type="checkbox"/>	Differential fees depending on whether the dispensing is an original (first-time or acute) or repeat (refill)
<input type="checkbox"/>	Differential fees depending on the total number of items dispensed on one occasion
<input type="checkbox"/>	Differential fees depending on the total number of items dispensed annually by the pharmacy
<input type="checkbox"/>	Differential fee depending on the period of treatment dispensed (for example, higher fees for more than one month's quantity)
<input type="checkbox"/>	Specific fee or differential fee for generic substitution or dispensing a generic medicine
<input checked="" type="checkbox"/>	Mark-up or margin on the cost price of the medicine
<input type="checkbox"/>	
<input type="checkbox"/>	Capitation-style payments (including casemix or bundled payments)
<input type="checkbox"/>	Outcomes-based payments (including performance-based or value-based payments)
<input type="checkbox"/>	Lump sum payments per pharmacy (not linked to prescription numbers, patient numbers or to outcomes, performance or value)
<input type="checkbox"/>	Unregulated or semi-regulated fees/charges/surcharges <u>paid by patients</u>

Select all that apply	Fee or payment structure for <u>dispensing</u>
<input type="checkbox"/>	Other (please specify): ⇒

Question 1.3

In relation to dispensing, are different payment structures or levels applicable for specific types of pharmacy (only include those pharmacies supplying to the community, not hospital pharmacies), such as those listed below?

Distance-selling or internet/mail-order pharmacies	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes (please briefly describe): ⇒	
Centralised or hub-and-spoke dispensing models	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes (please briefly describe): ⇒	
Rural or remote location pharmacies	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes (please briefly describe): ⇒	
Pharmacies servicing care facilities for aged people	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes (please briefly describe): ⇒	
Specialised pharmacies	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes (please briefly describe): ⇒	

Other (please specify):	<input type="checkbox"/>	No	
	<input type="checkbox"/>	Yes (please briefly describe): ⇒	

Question 1.4

Please briefly describe the market situation with regard to purchasing of prescription-only medicines by pharmacies. Specifically, please briefly cover the following points:

- What, if any, regulations exist with regard to the purchase price of prescription-only medicines?
- Is there a regulated cap or limit on the amount of purchasing margin made/retained by pharmacies?
- Are reimbursement prices regularly reviewed in response to changes in market prices?
- Does the government (or do other third party payers) conduct a competitive process amongst drug manufacturers to determine prices and/or which products are available to be funded?

Answer

Pharmacies purchase medicines from either full line / main line wholesalers which are large national entities which most if not all pharmacies can purchase from, as well as smaller 'short line' wholesalers who may be regional entities and have a more limited range of product available, but may offer better prices for certain items at different times. There are no regulated cost prices for generic medicines, competition between wholesalers theoretically keeps the cost to pharmacies as low as possible. For proprietary products there are schemes in place to control prices – a voluntary scheme which most of the industry signs up to, and a statutory scheme to cover those who don't sign up for the voluntary scheme. Companies in the schemes will make payments to the NHS based on net sales, and overall growth on medicine sales is capped at 2% per year.

In terms of pharmacies' reimbursement for the cost of medicines, many common items have a fixed reimbursement price which is set out in a monthly national Drug Tariff. Pharmacies will aim to buy the medicines they dispense underneath the reimbursement price, so as to make some profit on the transaction. This profit is a recognised core mechanism for the delivery of funding to pharmacies. There is a nationally conducted survey which measures the rate at which pharmacies are accumulating buying profit, and reimbursement prices in the Drug Tariff will be adjusted based on the results of the survey in order to speed up or slow down the delivery of buying profit as necessary to ensure yearly targets for buying profit are achieved.

Reimbursement prices will also be calibrated based on underlying market prices. If prices in the market went up or down over a period of time then the reimbursement levels set out in the national Drug Tariff would follow suit. The Government has legal powers to collect data from the suppliers of healthcare products to the market, so they can keep track of changes to buying / selling prices and will use this data for the purpose of calibrating reimbursement levels in the Drug Tariff.

There is a ‘negative list’ within the national Drug Tariff which identifies products which may not be supplied against NHS prescriptions. Any medicine that is not on the negative list as well as foods, vitamins and supplements would theoretically be allowed on a prescription. For registered medical devices, to be allowed on prescription these must be listed in the relevant section of the national Drug Tariff.

There is a long ‘tail’ of low frequency medicines which are not listed in the Drug Tariff. The NHS keeps a database of manufacturer and supplier list prices (which the manufacturers and suppliers are supposed to keep up to date when their prices change). The NHS will use this database to reimburse items on prescription which do not have a reimbursement price listed in the national Drug Tariff, either by reimbursing the manufacturer’s list price when the prescription calls for a proprietary medicine by brand name, or by reimbursing the list price of the manufacturer or supplier endorsed by the pharmacy when the prescription is written by generic name.

Question 1.5

Questions 1.1 to 1.4 provided a high level overview of funding arrangements for dispensing. If you think other details would be useful to WPC members to allow a better overall understanding of your country’s funding model for dispensing, please provide further details below:



Answer

Currently around 1/3 of all pharmacy’s recognised funding is delivered through retained buying profit. Around 50-52% is delivered through direct dispensing fees. 8-10% is delivered through lump sum payments which are triggered once certain dispensing volumes have been reached by the pharmacy. A small proportion (c3%) is linked to pharmacies achieving specified quality markers, and a similar proportion is delivered through payments for the provision of clinical services. The proportion delivered through clinical services has been higher in the past, and it is envisioned that the proportion paid for clinical services will grow again over time as new services are introduced, at the expense of funding delivered for dispensing activity.

Please continue to Section 2 below.

Section 2 - Payments for services related to dispensing/supply

This section relates to payments received for add-on or associated services that are related to individual occasions of dispensing/supply.

Question 2.1 - please complete the table below

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
1: Compliance aids/packaging	<input checked="" type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): NB. The common dispensing fee includes 'a contribution for provision of auxiliary aids' however the actual amount for this is not specified. Under a previous fee structure the amount was 6.6p per item paid against all items, not only those requiring repackaging in compliance aids. Pharmacies also receive a 'split pack fee' when a prescription calls for a quantity which is not equivalent to a complete pack or number of packs	<input checked="" type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): ⇒	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (please describe): ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
2: Home delivery of prescription medicines	<input checked="" type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): NB. Only a very limited selection of items are eligible for a home delivery fee, such as certain bulky medical devices. During C-19 pandemic there has also been a temporary scheme in place to pay pharmacies for deliveries to vulnerable or self-isolating patients.	<input checked="" type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): ⇒	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (please describe): ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
3: Staged supply (supply in instalments)	<input checked="" type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): NB. Certain controlled drugs may be supplied in daily doses rather than providing say 2 weeks supply all in one go. Pharmacies receive fees for each patient interaction, as well as 'packaged dose' fees for providing these doses in individual daily 'take away' packaged quantities.	<input checked="" type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): ⇒	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (please describe): ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
4: Prescription renewal or extension	<input type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): ⇒	<input type="checkbox"/> No <input type="checkbox"/> Yes (please describe): ⇒

<p>5: Prescription adaption (eg. pharmacist-initiated change of dosage or formulation)</p> <table border="1"> <tr> <td><input checked="" type="checkbox"/></td><td>Government</td></tr> <tr> <td><input type="checkbox"/></td><td>Insurer</td></tr> <tr> <td><input type="checkbox"/></td><td>Patient</td></tr> <tr> <td><input type="checkbox"/></td><td>None/Not applicable</td></tr> <tr> <td><input type="checkbox"/></td><td>Other (specify): ⇒</td></tr> </table> <p>Under 'Serious shortage protocols' pharmacies may alter prescriptions. The circumstances are very restricted and only when a medicine has been recognised by Govt under the 'SSP' scheme can pharmacies alter the prescription. The granting of SSP status for a medicine is time limited and the alteration that the pharmacy can make is specified in advance e.g. substituting tablets for capsules if tablets is unavailable due to a serious shortage.</p>	<input checked="" type="checkbox"/>	Government	<input type="checkbox"/>	Insurer	<input type="checkbox"/>	Patient	<input type="checkbox"/>	None/Not applicable	<input type="checkbox"/>	Other (specify): ⇒	<table border="1"> <tr> <td><input checked="" type="checkbox"/></td><td>Fee-for service</td></tr> <tr> <td><input type="checkbox"/></td><td>Capitation-style</td></tr> <tr> <td><input type="checkbox"/></td><td>Outcomes-based</td></tr> <tr> <td><input type="checkbox"/></td><td>Lump sum</td></tr> </table>	<input checked="" type="checkbox"/>	Fee-for service	<input type="checkbox"/>	Capitation-style	<input type="checkbox"/>	Outcomes-based	<input type="checkbox"/>	Lump sum	<table border="1"> <tr> <td><input type="checkbox"/></td><td>Regulation/legislation</td></tr> <tr> <td><input checked="" type="checkbox"/></td><td>Formal negotiation at a national, state or regional level</td></tr> <tr> <td><input type="checkbox"/></td><td>Negotiation between individual pharmacies (or groups of pharmacies) and the payer</td></tr> <tr> <td><input type="checkbox"/></td><td>Consumer-focused competition</td></tr> <tr> <td><input type="checkbox"/></td><td>Other (please specify): ⇒</td></tr> </table>	<input type="checkbox"/>	Regulation/legislation	<input checked="" type="checkbox"/>	Formal negotiation at a national, state or regional level	<input type="checkbox"/>	Negotiation between individual pharmacies (or groups of pharmacies) and the payer	<input type="checkbox"/>	Consumer-focused competition	<input type="checkbox"/>	Other (please specify): ⇒	<table border="1"> <tr> <td><input checked="" type="checkbox"/></td><td>No</td></tr> <tr> <td><input type="checkbox"/></td><td>Yes (please describe): ⇒</td></tr> </table>	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Yes (please describe): ⇒
<input checked="" type="checkbox"/>	Government																																		
<input type="checkbox"/>	Insurer																																		
<input type="checkbox"/>	Patient																																		
<input type="checkbox"/>	None/Not applicable																																		
<input type="checkbox"/>	Other (specify): ⇒																																		
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<input type="checkbox"/>	Consumer-focused competition																																		
<input type="checkbox"/>	Other (please specify): ⇒																																		
<input checked="" type="checkbox"/>	No																																		
<input type="checkbox"/>	Yes (please describe): ⇒																																		

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
6: Refusal to dispense (“non-dispensing”)	<input type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): ⇒	<input type="checkbox"/> No <input type="checkbox"/> Yes (please describe): ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
7: Other dispensing-related services (please specify and add rows as needed) ⇒	<input type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): 	<input type="checkbox"/> No <input type="checkbox"/> Yes (please describe):

Section 3 - Payments for other services

This section covers payments for services that are not specifically related to individual episodes of dispensing.

Question 3.1 – Please complete the table below

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
1: Medication management or medication review services	<input checked="" type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify):	<input checked="" type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): ⇒	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (please describe): Pharmacies have an annual cap for the number of Medicines Use Reviews they may provide, although this service will soon be phased out. For another similar service (New Medicines Service) there is a monthly cap which is dependent on each pharmacy's monthly dispensing volume. ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
2: Chronic disease management services	<input type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): 	<input type="checkbox"/> No <input type="checkbox"/> Yes (please describe):

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
3: Services relating to public health, OTC medicine supply and/or common (minor) illness	<input type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): 	<input type="checkbox"/> No <input type="checkbox"/> Yes (please describe):

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
4: Vaccination services	<input checked="" type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input checked="" type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): 	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (please describe):

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
5: Pharmacist prescribing (in a community pharmacy setting)	<input type="checkbox"/> Government <input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): 	<input type="checkbox"/> Fee-for service <input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input type="checkbox"/> Regulation/legislation <input type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): 	<input type="checkbox"/> No <input type="checkbox"/> Yes (please describe):

6: Consultations (not covered by one of the categories above)	<input checked="" type="checkbox"/> Government	<input checked="" type="checkbox"/> Fee-for service	<input type="checkbox"/> Regulation/legislation	<input checked="" type="checkbox"/> No
	<input type="checkbox"/> Insurer	<input type="checkbox"/> Capitation-style	<input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level	<input type="checkbox"/> Yes (please describe): ⇒
	<input type="checkbox"/> Patient	<input type="checkbox"/> Outcomes-based	<input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer	
	<input checked="" type="checkbox"/> None/Not applicable	<input type="checkbox"/> Lump sum	<input type="checkbox"/> Consumer-focused competition	
	<input type="checkbox"/> Other (specify): A consultation service for minor ailments / emergency supply requests exists but only for patients who are referred from another part of the NHS e.g. the NHS 111 telephone service, or from a GP surgery. Pharmacy won't receive a fee for providing a consultation to a 'self-referring' patient who walks in to the pharmacy for advice.		<input type="checkbox"/> Other (please specify): ⇒	
7:	<input checked="" type="checkbox"/> Government	<input checked="" type="checkbox"/> Fee-for service	<input type="checkbox"/> Regulation/legislation	<input checked="" type="checkbox"/> No

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
Discharge Medicines Service 	<input type="checkbox"/> Insurer <input type="checkbox"/> Patient <input checked="" type="checkbox"/> None/Not applicable <input type="checkbox"/> Other (specify): Patients discharged from hospital have their prescriptions audited by the pharmacy to ensure any changes in their medicines are correctly carried through into subsequent prescriptions	<input type="checkbox"/> Capitation-style <input type="checkbox"/> Outcomes-based <input type="checkbox"/> Lump sum	<input checked="" type="checkbox"/> Formal negotiation at a national, state or regional level <input type="checkbox"/> Negotiation between individual pharmacies (or groups of pharmacies) and the payer <input type="checkbox"/> Consumer-focused competition <input type="checkbox"/> Other (please specify): 	<input type="checkbox"/> Yes (please describe): 

Section 4 - Payments not relating to specific services (including payments relating to quality, standards or pharmacy accreditation)

This section relates to any other fees or payments made to some or all community pharmacies as part of formal arrangements, which are not specifically related to dispensing or to other services. These may include, but are not limited to, payments relating to staff training, records, compliance with premises standards or other general quality measures. It may also include payments for specific groups of pharmacies, such as those in rural areas.

Under each of the following headings, please briefly describe any fees or payments that are not related to dispensing or to other services (and therefore have not been covered in earlier sections). If there are no payments in the category, simply write “None”.

Question 4.1 – Please complete the table below

Type of payment	Description(s) and payment source(s) (only include significant payments that have not been included in previous sections)
Capitation-style payments (including casemix or bundled payments)	
Outcomes-based, performance-based or value-based payments	Pharmacies can achieve certain quality markers and receive payment for doing so. There is a capped number of ‘quality points’ they can earn each year and a payment per point achieved will be made to the pharmacy.

Type of payment	Description(s) and payment source(s) (only include significant payments that have not been included in previous sections)
Lump sum payments per pharmacy, including establishment or infrastructure payments or subsidies (such as for IT, automation, consultation infrastructure and staff training) (Note: Lump sum payments may include payments that vary from pharmacy to pharmacy based on certain criteria, but not in direct proportion to service volume)	Pharmacies can apply for a 'pre-registration training grant' for taking on a pre-registration pharmacist and training them for 1 year. A small proportion of pharmacies will receive 'Pharmacy Access Scheme' payments – this was introduced in 2016 following a cut to the national funding envelope. Intended to protect pharmacies which were considered necessary for access in certain areas. Less than 15% of pharmacies qualify for this payment. Intended to top these pharmacies back up to the funding level they would have received before the cuts were implemented.

Section 5 - Relative size of funding components

Question 5.1

Of all of the fees and other payments that you have listed in this document, please list the top five in order of value for a typical community pharmacy in your country. For example, a list may be (1) dispensing fees, (2) payments for medication reviews, (3) outcomes-based quality payments, etc.

In the right hand column, please provide your best estimate of the proportion of overall third-party funding (government and insurer) each of the listed fees or payments represents for a typical (average) community pharmacy. A rough estimate will be fine, as this is only to provide a guide as to the relative importance of each fee/payment.

Rank	Fee or payment name	Approximate or estimated percentage of overall Government and other Third Party funding represented by this fee or payment*
1	Dispensing fees	50%
2	Buying profit	30%
3	Lump sum payments	10%

4	Clinical services	3-4%
5	Quality payments	3%

Section 6 – Process for review, adjustment or indexation of payments

Question 6.1

As briefly as possible, please describe any process that exists to review, adjust or index the amounts paid **for the top five services you listed in the previous question**. Examples may include, but are not limited to:

- Renegotiation after a set period of time
- Annual adjustment based on an inflation measure
- Adjustment within a fixed or pre-determined pool of funding

Fee or payment number corresponding to your Question 5.1 response	Method of review or adjustment for amounts paid
1 Dispensing fees	<input type="checkbox"/> Renegotiation after a set period of time <input type="checkbox"/> Annual adjustment based on an inflation measure <input checked="" type="checkbox"/> Adjustment within a fixed or pre-determined pool of funding <p>Other, and/or further details: Fees for dispensing are calibrated such that they should “use up” the amount of funding that is available. Dispensing volumes and fee spend are monitored on an ongoing basis and fee levels may be adjusted if necessary in order to achieve the correct amount of funding delivery in year.</p>
2 Buying profit	<input type="checkbox"/> Renegotiation after a set period of time <input type="checkbox"/> Annual adjustment based on an inflation measure <input checked="" type="checkbox"/> Adjustment within a fixed or pre-determined pool of funding <p>Other, and/or further details: There is a target amount of the overall national funding envelope that is agreed should be delivered through buying profit – this is an arbitrary target with no fixed schedule or method for</p>

Fee or payment number corresponding to your Question 5.1 response	Method of review or adjustment for amounts paid
	reviewing. Currently approximately 1/3 of total funding is notionally delivered through buying profit on medicines.
3 Lump sum payments	<p><input type="checkbox"/> Renegotiation after a set period of time</p> <p><input type="checkbox"/> Annual adjustment based on an inflation measure</p> <p><input checked="" type="checkbox"/> Adjustment within a fixed or pre-determined pool of funding</p>
	<p>Other, and/or further details: There are monthly lump sum payments that get triggered by pharmacies achieving certain volumes of prescription dispensing during a month. At the start of a financial year an expectation of how much funding overall will be delivered through these lump sum payments will be arrived at in discussions with the Government. The lump sum amounts will then be calibrated in accordance with these expectations.</p>
4 Clinical services	<p><input type="checkbox"/> Renegotiation after a set period of time</p> <p><input type="checkbox"/> Annual adjustment based on an inflation measure</p> <p><input type="checkbox"/> Adjustment within a fixed or pre-determined pool of funding</p>
	<p>Other, and/or further details: The fee levels for clinical services once set by negotiation are not periodically reviewed. Any review of fee levels would be on an ad hoc basis.</p>
5 Quality payments	<p><input type="checkbox"/> Renegotiation after a set period of time</p> <p><input type="checkbox"/> Annual adjustment based on an inflation measure</p> <p><input checked="" type="checkbox"/> Adjustment within a fixed or pre-determined pool of funding</p>

Fee or payment number corresponding to your Question 5.1 response	Method of review or adjustment for amounts paid
	Other, and/or further details: The overall amount of funding available for quality payments is not periodically reviewed, any review of this would be on an ad hoc basis. The actual quality markers that pharmacies must achieve to earn 'quality points' and hence payments will vary each year subject to negotiation.

Question 6.2

What (if any) changes to payment models and structures are currently being discussed or pushed in your country, or are likely to be discussed or pushed in the foreseeable future? Please include any changes that your organisation is seeking, as well as those that may be being pushed by other parties such as government or other payers.

Answer: We are currently pressing the Government to review the overall size of the funding envelope available to the sector. There was a cut to the envelope in 2016 and since then the sector has been in an unhealthy and underfunded state.

Additionally we are negotiating with the Government the amount of funding which will be paid to the sector for the associated costs of responding to the ongoing C-19 pandemic.

As part of the current 5 year funding package it was envisaged that there would be a transition of funding from dispensing related activity to clinical service activity. This transition has been significantly affected by the C-19 pandemic.

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE. Please email your completed response to stephen.armstrong@worldpharmacycouncil.org.