

## Opportunities to support better collaboration in the pharmacy sector: Briefing for parliamentarians on the Medicines and Medical Devices Bill

### Introduction

This briefing has been developed to support parliamentarians contributing to debate on the new Medicines and Medical Devices Bill. It provides information on opportunities arising from the Bill in relation to online and AI-led pharmacies and covers:

- Pharmacy2U and the services we offer
- Challenges caused by the current legislative arrangements for the pharmacy sector
- Ambitions for the future

### About Pharmacy2U

Established in 1999, Pharmacy2U is the first and largest online pharmacy in the UK. We liaise with GPs to deliver NHS prescriptions direct to people's homes, from our central dispensing hub in Leeds. Pharmacy2U is playing a crucial role in transforming the pharmacy sector through our automated model for dispensing repeat prescriptions. We operate at scale, dispensing over 700,000 NHS prescription items per month (comparable to c100 bricks-and-mortar pharmacies), providing a huge convenience to patients who rely on timely and regular access to repeat prescriptions.

Our model also helps to take the burden of repeat dispensing away from bricks-and-mortar pharmacies and is more cost-effective to the NHS: repeat prescriptions ordered through Pharmacy2U are 15-20% cheaper to the NHS than the average pharmacy.

Pharmacy2U is continuing to grow, and in 2020 we will be opening a new, state-of-the-art dispensing facility in North West Leicestershire. This initial £10 million investment will utilise the latest AI technology and will allow us to ultimately dispense up to 7.5 million items per month – roughly 10% of all NHS repeat prescriptions. However, challenges do remain in the current operating environment that prevent the benefits of our service being realised as widely as possible.

### Challenges within the current legislation

As Pharmacy2U has led the way in the development of automated pharmacy services, we have had to operate in a legislative environment that was designed for bricks-and-mortar pharmacies. As a result, we face three key challenges that hinder transformation in the sector:

1. Pharmacy2U is eager to collaborate with high street pharmacies by taking on their repeat dispensing business to support them to spend more time delivering frontline and patient-facing services. However, under current legislation, this would necessitate high street pharmacies transferring their repeat prescription nominations to Pharmacy2U, which pharmacy owners are reluctant to do due to concerns that this will adversely impact the valuation of their pharmacy. This presents a major obstacle in driving efficiencies and improved patient care.

2. Many CCGs have prohibited pharmacies from requesting repeat prescriptions from GPs on behalf of their patients, and despite all requests from our ordering platforms being patient initiated, they are rejected. This means that patients must contact their GP directly to organise their repeat prescriptions, thereby inconveniencing patients, placing extra burden on already pressured GP surgeries, and creating unnecessary delays in accessing vital treatment.
3. Reimbursement in the pharmacy sector is premise-based, which acts as a disadvantage to dispensing repeat prescriptions at scale. Large pharmacies operating from fewer sites must pay higher discounts back to the NHS, despite the increased efficiency of this model, because the discount rate depends on the value of medicines that a branch, rather than an overall company, dispenses.

#### Pharmacy2U's ambitions for the future

The new Medicines and Medical Devices Bill provides a timely opportunity to address these challenges, and foster a legislative environment that encourages collaborative and transformative working across the pharmacy sector, through:

1. Greater flexibilities for the pharmacy sector to develop hub-and-spoke models for dispensing repeat prescriptions. This would allow larger services like Pharmacy2U to work in partnership with smaller, independent pharmacies to drive efficiencies in dispensing at scale, while improving patients' access to clinical services in their community pharmacies.
2. The Government's vision of expanding the clinical services offer within community pharmacy should be realised. This will help to reduce pressure elsewhere in the system and make better use of pharmacists' extensive skills. Embracing the wider use of automation throughout the sector will be fundamental to achieving this.
3. A fairer system for reimbursing different types of pharmacy operators should be considered. Financial mechanisms must support, rather than disincentivise, at-scale dispensing of repeat prescriptions by larger operators.

#### Contact information

We would welcome these issues being raised during parliamentary scrutiny of the Medicines and Medical Devices Bill. If you would like to discuss Pharmacy2U's model in more detail, please contact [pharmacy2U@incisivehealth.com](mailto:pharmacy2U@incisivehealth.com).

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