How pharmacy can free up capacity to generate service revenue

A whitepaper outlining the profitability of patient services and how to find time to deliver them

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Introduction

A lot has happened in the world of pharmacy since 2019, but when the current Community Pharmacy Contractual Framework was established the intent of the five-year deal was to see pharmacy more integrated in the NHS, providing more clinical services.

The aim was for pharmacy to be the first port of call for healthy living support as well as minor illnesses. In addition to this, pharmacists were supposed to provide support to the increasing demand in general practice and urgent care settings. Pharmacy was rising to that challenge, then came 2020 which saw a huge spike in demand for services as the sector literally became the front door to the NHS during the Covid-19 pandemic. Despite the challenges, pharmacy was able to show they are a can-do sector who are capable of much more than simply dispensing medication.

According to data from IQVIA, the uptake of advanced services has gradually gained momentum since their launch with new services accounting for nearly £4m of fees in February 2023. The number of pharmacies offering these advanced services are increasing with time but the overall uptake remains low and there is a need for more pharmacies to enrol.

The shift of focus to providing more clinical services was cemented earlier this year when the Recovering Access to Primary Care plan committed £645m to pharmacy over the next two years to provide care for seven key conditions. While this is a great step forward, it's worth noting that the funding equates to about £30k per year per pharmacy[1]. There is a risk that much of that funding could end up going towards IT systems to improve connectivity between GP surgeries and pharmacies.

The core funding crisis in pharmacy, estimated by some to be as much as £1.1bn, as a result of five years of flat funding, the impact of Covid 19, rising staff costs and increasing business costs, will therefore remain. With no significant increase in funding on the horizon, pharmacies need to look at how they adapt and survive in this challenging new landscape. The answer to this problem will be a combination of services and automation.

1: https://www.chemistanddruggist.co.uk/CD137010/Not-enough-645m-funding-just-30k-a-year-per-pharmacy-accountant-warns

How to beat the odds

Pharmacy is at crisis point with the sector facing unprecedented challenges. To survive they have no alternative but to adapt to a new service-driven model. To do that they will need to embrace technology and put new workflows in place to deal with the bulk of the dispensing workload. Longer term, after the initial investment in equipment and staff training, providing services will drive revenue.
So pharmacies need to look to the future and start considering how they innovate to enable them to move away from the dispensing desk and into the consultation room.

Pharmacy time is currently monopolised by the dispensing process. It accounts for 88% of an average pharmacist's time in an average store[2]. The process involves a range of manual logistical and time consuming tasks that are crying out for automation. In an average pharmacy, the dispensing of original pack medication accounts for 70% of pharmacy time spent on dispensing. While the last five years have seen an increase in the number of pharmacies adopting technology to automate the multi-medication dispensing process, this tech-revolution hasn't followed for dispensing of original pack medication. Automating the original pack dispensing (OPD) process can deliver the most significant impact in freeing up pharmacy time.

Using technology to support this process could save an average pharmacy up to **4 hours and 27 minutes per day per store**[3]. That equates to more than half an employee's time every day.
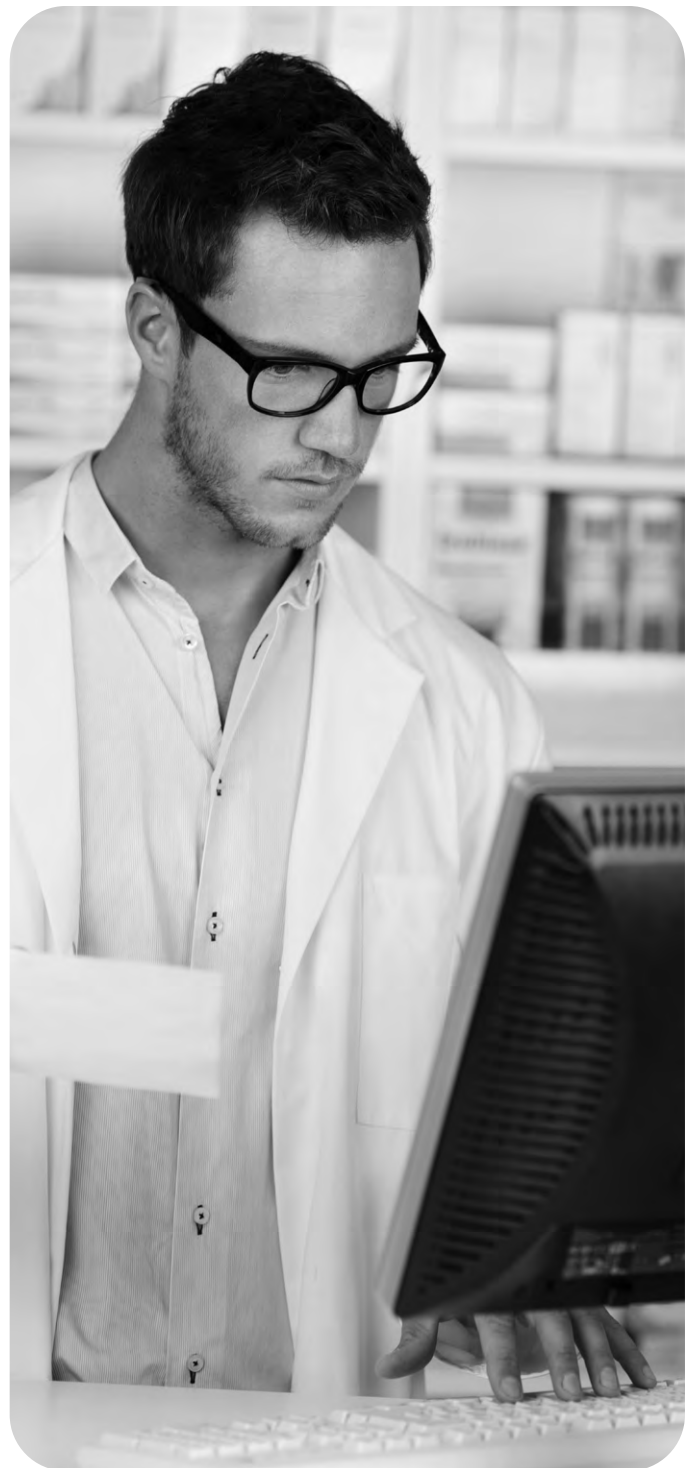
The calculations for NHS services

If an average pharmacy can save up to 4 hours 27 minutes per day by automating the original pack dispensing service, what does that look like in terms of revenue potential if that time was put into delivering essential, advanced, enhanced, or locally commissioned services for the NHS? The following table shows the potential gross revenue for an average pharmacy if this time was spent delivering services:

Service	Reimbursement	Appointment time /no. delivered in time saved	Potential earnings			
			Per day	Per week[4]	Per month[5]	Per year[6]
Tier one contraception	£18	15 mins/ 17 appointments	£306	£1,530	£6,732	£77,112
CPCS referrals	£14	15 mins/ 17 appointments	£238	£1,190	£5,236	£59,976
Hypertension	£15	15 mins/ 17 appointments	£255	£1,275	£5,610	£64,260
NMS	Based on average base level of £25	20 mins/ 13 appointments	£325	£1,625	£7,150	£81,900
Flu vaccination	£9.58	10 mins/ 26 appointments	£249	£1,245	£5,480	£62,768
Smoking Cessation	Based on average of £15	20 mins/ 13 appointments	£195	£975	£4,290	£49,140
Discharge Medicines Service	£35	20 mins/ 13 appointments	£455	£2,275	£10,010	£114,660
Pharmacy First (launching later this year)	Estimated £21.50	15 mins/ 17 appointments	£365	£1,827	£8,041	£92,106

4: Based on 5 day week 5: Based on 22 day working month 6: Based on 252 working days

The calculations for private services

Pharmacies often focus on NHS Services. But by automating their dispensing process they can free up time to deliver private services too and this can be significant in terms of revenue growth. Take a look at the table to see why.

Service	Potential Charge	Appointment time /no. delivered in time saved	Potential earnings			
			Per day	Per week[7]	Per month[8]	Per year[9]
Otoscopy/ Microsuction	£80	45 mins/ 5 appointments	£400	£2,000	£8,800	£100,800
Travel Clinic	Based on £100	30 mins/ 8 appointments	£800	£4,000	£17,600	£201,600
Capilary Testing	£30	25 mins/ 10 appointments	£300	£1,500	£6,600	£75,600
Cryotherapy	£60	15 mins/ 17 appointments	£1,020	£5,100	£22,440	£257,040
Dermatology consultation	£25	15 mins/ 17 appointments	£425	£2,125	£9,350	£107,100
Gut health consultation	£25	15 mins/ 17 appointments	£425	£2,125	£9,350	£107,100
Psoriasis consultation	£25	15 mins/ 17 appointments	£425	£2,125	£9,350	£107,100
Women's Health Consultation	£25	15 mins/ 17 appointments	£425	£2,125	£9,350	£107,100
Men's Health Consultation	£25	15 mins/17 appointments	£425	£2,125	£9,350	£107,100

It's worth noting that the best way to determine what private services are right for your pharmacy is to carry out a pharmaceutical needs assessment for the area you are based in and speak to your local integrated care board to see what targets are not being met.

7: Based on 5 day week 8: Based on 22 day working month 9: Based on 252 working days

Formula for staff satisfaction

Moving to a service-based model isn't just about the bottom line. One of the biggest challenges facing pharmacy right now is staffing. A large number of pharmacists have been enticed over to primary care networks as it is seen as a more attractive proposition. This has left community pharmacy trying to plug the gaps with a smaller pool of pharmacists and they have often had to rely on locums whose costs have increased given the demand.

For those staff left working in community pharmacy, many are struggling. A survey published by the Royal Pharmaceutical Society earlier this year revealed 73%[10] of the pharmacy workforce have considered leaving their role or the profession entirely. The same survey revealed 88% of respondents were at risk of burnout. It showed the top factors for poor mental health at work were inadequate staffing (70%) lack of worklife balance (53%). The issues of skill mix and adequate staffing within pharmacy needs to be addressed urgently.

Evidence shows that staff who are engaged and happy in their jobs, respected and given opportunities to learn, provide better care for their patients. This improved work environment can also have a positive impact on staff retention and sickness rates. Making the move to a service-driven model in pharmacy will reward and improve the career pathways of pharmacy teams. Learning new skills will mean staff can take advantage of additional training and benefit from a more varied role that makes the best use of their clinical and customer service skill set.

A case study with one pharmacy that moved to a service-driven model after automating both their MDS and original pack dispensing process showed this. Pharmacy teams stayed with them for longer. They could see the business was investing in them and they were able to spend more time with patients. This is why they chose to work in community pharmacy in the first place. The group uses the whole pharmacy workforce to deliver different services. For example they have trained all their pharmacists PLUS two key members in each branch to be phlebotomists. This means when the pharmacist is busy providing clinical care, those additional staff can provide the phlebotomy service.

> As a result, staff across the whole branch feel equally valued and as important.

10: RPS 4th annual workforce and wellbeing survey

Other factors to consider in the equation

Freeing up time to provide a service-driven model offers further benefits for community pharmacies and their local communities:

Enhanced Customer Loyalty

By expanding the number of services pharmacies can attract and retain customers who appreciate the convenience of accessing a variety of healthcare services in one location. In turn, as the pharmacy's reputation grows, customers are more likely to recommend them to their friends and family. Equally having a loyal customer base will give pharmacies the opportunity to cross-sell, further increasing revenue potential.

Increased Visibility and Brand Recognition

By providing a wider range of services, pharmacies have increased visibility within the community, enhancing brand recognition. Offering services beyond traditional dispensing helps pharmacies stand out from competitors and positions them as a comprehensive healthcare provider leading to increased footfall.

Improved Patient Outcomes

Service-focused pharmacies can positively impact patient outcomes. Pharmacists and their teams can leverage their expertise to support patients in managing their health conditions effectively and avoiding complications. This care enhances the patient experience and strengthens the relationship between the pharmacy and its customers.

Staying Relevant

The healthcare landscape is shifting towards a more community-based approach. Moving to a service-led model positions pharmacies as essential primary care providers and enables them to adapt to these changes. Embracing new roles and expanding service offerings aligns pharmacies with emerging healthcare trends and ensures their continued relevance and viability.

The perfect formula for automation

Hub and spoke has been cited as one way of freeing up pharmacy time from the dispensing process to enable a more service-driven model. This was reiterated only recently in the NHS Workforce Long Term Plan.

Hub and spoke has evolved rapidly in the last couple of years and it now comes in many guises. For the OPD process there is a range of scalable and affordable automated solutions for pharmacies of all shapes and sizes. These solutions can grow with a business and will fit in most physical locations with less space needed than you might realise. Starting costs are affordable and accessible, giving pharmacies the ability to invest now and then scale up to a more complex solution as their business grows. There are now early adopters who are using a version of hub and spoke for their OPD process. These range from stand alone stores to large national chains.

Technology exists that automates various elements of the dispensing process. Here's how:

Checking: Software is available that will allow a pharmacist to do both the clinical and accuracy check at the very start of the dispensing process, either in store or at a hub.

Picking: Software exists that groups orders together enabling batch picking – be that at a hub or locally within store.

Labelling: Robotic technology coupled with software now exists to automate the process of printing and fixing patient labels to packs.

Sorting: RFID and barcode scanning technology exists to streamline the sorting of patient packs with guiding lights and smart shelves providing an additional safety net to ensure right patient, right pack.

Bagging: Technology is available to automate bagging and bag labelling for patient medication. Again barcode scanning provides an additional safety net.

Automated solutions can process between 360 packs an hour (for a manual system) and up to 1500 packs per hour (for an automated system). These solutions are also scalable. Adding more systems increases throughput further. There is also the option to simply start the automation journey by receiving batch picked patient specific totes directly from a wholesaler or warehouse.

The checks and balances offered by the technology, many of these solutions can often be operated by non-clinical staff freeing up pharmacist capacity in store. The additional safety net provided reduces the risk of error and means less time spent on resolving medication errors and near misses.

If a pharmacy is considering automation the first step should be to look at which elements of the dispensing process are taking up the most time in terms of workforce and skill. There are options available that will allow automation of the most time consuming tasks and then the ability to scale, releasing even more capacity in store.

To sum up

Pharmacy First is imminent, yet pharmacy is already working at capacity and in many cases breaking point.

Just take a look at the tier one contraception service which launched in April this year. Community Pharmacy England has repeatedly reiterated that the sector is unable to deliver the service on a national scale due to capacity issues and has said more money is needed to resource additional work[11]. If pharmacies are struggling to deliver existing work and have been unable to deliver a new service which was part of the Pharmacy Contractual Framework, how can they deliver more services by the end of 2023? Funding will be part of the equation but embracing technology will be equally as important, if not more so given the funding for Pharmacy First equates to no more than £30,000 per year per pharmacy.

The one area that technology can have the biggest impact in freeing up capacity for services is automation of the original pack dispensing process. This accounts for 70% of the dispensing workload in an average pharmacy. There are now a variety of ways to automate this dispensing process.

It is essential for pharmacies to look at the solutions that exist to automate the OPD process in the same way that many have already automated MDS production. Failing to explore options now will mean that pharmacies may well get left behind. The maths all add up - now is the time to automate your original pack dispensing processes so you can introduce a service-driven business model for the future.

11: https://www.pulsetoday.co.uk/news/clinical-areas/womens-health/pharmacists-wont-be-able-to-take-on-contraception-on-national-level-reps-warn/

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