



## CAT M CUTS HIT CONTRACTOR SALARIES

Some contractors have been forced to forego their own salaries as a result of category M claw back.

October's £400 million cut in generics purchase profits was labelled a "disaster" by pharmacy owners who had analysed their first affected figures. A straw poll conducted by C+D revealed a drop in profit of 6 to 7 per cent following January's prescription payments.

This has left businesses struggling to break even, and some owners have had to

sacrifice their own take-home pay to do so.

NPA business manager Raj Nutan said members had contacted him about their drop in income. They had seen an average reduction in their prescription payments of between 50p and £1 per item, depending on product mix. "Some heavy dispensing practices have been hit pretty badly," Mr Nutan added.

But those who have invested in services, associated staff training and premises up-

grades also claimed to be suffering badly.

"We have 3,000-item pharmacies that have two pharmacists on all the time, but we're going to have to reconsider that," said John Foreman of London's Greenlight Pharmacy chain.

PSNC must urge the government to reassess claw back to ensure there was not a repeat of the last tariff cut.



## WHOLESALE ADDS FUEL SURCHARGE

Pharmacists have been hit with the first fuel surcharge on drugs deliveries as wholesalers feel the strain of record UK fuel prices.

Phoenix will charge a £9.75 monthly fee to contractors in response to 25 per cent rises in fuel costs compared to the same period in 2007. The move comes as average forecourt prices for petrol and diesel stay above £1 a litre.

Phoenix chief executive Paul Smith said: "In any business it's difficult to absorb that kind of cost, but when you're expected to deliver twice a day it's even tougher."

Phoenix would remove the fee as soon as fuel prices dipped below the £1 level, Mr Smith said.

Rival wholesalers UniChem and Mawdsleys said they had no current plans to

charge a fee. However, rising pump prices meant both firms were keeping a close eye on the situation.

The British Association of Pharmaceutical Wholesalers warned of fuel levies being charged to pharmacists last November. The BAPW has lobbied the DH over its concerns.

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## BOOTS ADDS SECOND IN-STORE GP SURGERY

**Boots has announced plans to open an NHS GP surgery in its Halifax branch at the end of next month. The initiative is part of wider Boots plans to roll out the in-store GP model developed in Poole, where it has been operating for over a year. The company claimed the Poole model has gone "very, very well". A Boots spokesperson said: "We're working with several PCTs across the country and there will be new GP surgeries opening [in Boots stores] in the future." Three more surgeries are planned to open early in the next financial year, the spokesperson added. Andy Dobson, secretary of Halifax's LPC, Calderdale and Kirklees, commented: "As long as there's no pressure on the patient where they take their prescription, it's all well and good." News of the Halifax surgery follows talks between health minister Lord Darzi and potential providers of alternative surgery locations, including Alliance Boots and Lloyds pharmacy.**

## CO-OP BUYS SCOTTISH STORE

The Co-operative Pharmacy has increased its stores in Scotland through the addition of a second branch in Tain, Rosshire.

The multiple acquired the pharmacy, which traded as DA Ross and Co, from David Robertson for an undisclosed sum. The shop's seven staff will transfer to The Co-operative Group.

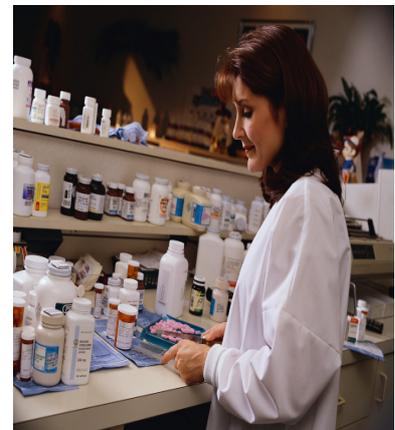
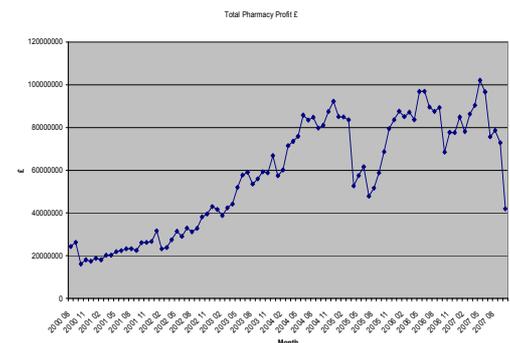
Helen Smith, The Co-operative Pharmacy's regional manager, said: "We are delighted to have added a second branch in Tain. It is an excellent community pharmacy with first-rate staff, and will complement our existing branches in the area."

The Co-operative Pharmacy, which merged with United Co-operatives in July 2007, has 800 branches across the UK, more than 50 of which are situated in Scotland.

*Wavedata have used their BPPI database of long term drug prices and volume figures from the office of national statistics to produce the graph below which looks at total pharmacy profit in the UK.*

*This shows that the last time this group of products dramatically reduced pharmacy profit was in April 2005 when category M was introduced.*

*It should also be noted that although it looks like pharmacies have found a new source of profit which is just being taken away again, they have lost the profit on the originator brands. Most innovator companies give approx 12% discount and brand prices are usually much higher than generics, (and there would have been parallel imports as well), pharmacies have lost considerably more than they have gained.*



### Polyclinics to replace traditional doctors' surgeries

The traditional doctor's surgery could soon be replaced by a new batch of "polyclinics", according to the health minister.

If a trial of the new centres in London, which house GPs alongside other health professionals under the same roof, is successful they could become common place across the country.

Plans are being drawn up for at least 150 new centres across the capital

alone. Many of the services to be offered are currently only available in hospitals.

They would include district nurses and rehabilitation teams working alongside GPs as well as "community matrons", who provide sick or disabled elderly people out of hospital with care in their own homes.

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