

## Press Release



**20 January 2003**

### **NPA CONDEMNS OFFICE OF FAIR TRADING REPORT INTO PHARMACY SERVICES**

The National Pharmaceutical Association (NPA) has expressed anger and extreme concern at the findings of the Office of Fair Trading's review into the market for retail pharmacy services. The Association believes that the OFT's decision to abolish the control of entry regulations is a retrograde step, that can only harm patient services and could, potentially, have serious consequences for the implementation of the Government's plans for NHS services – in which community pharmacy plays an integral role. It is concerned, in the public interest, to ensure the continuation of a robust network of NHS community pharmacies and availability of the most comprehensive range of medicines and pharmacy services to the public.

Without control of entry, consumers will undoubtedly suffer from a reduction in access to the range and choice inherent in the current pharmacy network. Moreover, it will destroy the platform from which the Government intends to launch a wide range of enhanced pharmacy services – as detailed in *'Pharmacy In the Future – Implementing the NHS Plan'*. The NPA contends that there is a fundamental incompatibility between a totally deregulated marketplace and the commitment of the Government to deliver a well-planned and managed NHS pharmacy network. The existing system has worked successfully since 1987 in ensuring ready and easy access to pharmacy services. Then, the system had been introduced to deal with the counter-productive clustering of pharmacies around GP surgeries. That issue is as relevant now as it was then.

NPA Chief Executive, John D'Arcy, commented: "The only winners from today's decision by the OFT will be the shareholders of the large, better-resourced players, whose main concern is profit rather than patients and healthcare services. We are concerned that they will 'cherry pick' by establishing pharmacies in well-served and profitable urban areas with high customer footfall. The stark reality is that people who live in rural, isolated or deprived areas may suffer reduced access to pharmacy services, as their local pharmacies struggle to survive. The proposed 'free market' for pharmacy services is likely to have unintended negative consequences to the public that the NHS serves. Some of these outcomes we can even now surmise, others may subsequently emerge".

In its submission document - *'Realising The Potential of Community Pharmacy: Assuring Public Access to The Pharmacy Network'* – the Association made a robust case in support of the Regulations, claiming they underpinned the pharmacy network, by supporting and delivering a rationally distributed pharmacy service in all the places

where people live, shop and work. The NPA further argued that they were an effective means by which Government discharged its duty of ensuring patients have widespread access to NHS pharmaceutical services through a viable community pharmacy network. The NPA's clear message to the OFT was: 'Don't fix it if it's NOT broken!'

The Association also highlighted to the OFT that deregulation would undoubtedly accelerate the demise of local, easily accessible neighbourhood shops and services. The NPA's views concur with a recent report by the New Economics Foundation think tank, entitled *Ghost Town Britain*, which predicts that some 28,000 local community shops and services outlets could disappear by 2005. It urges the Government to tackle the problem – and identifies one of the reasons behind the decline in local services as 'market domination by and preferential policy treatment of supermarkets'.

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**Notes to Editors:**

1. The National Pharmaceutical Association (NPA) is the trade association that represents the professional and commercial interests of the owners of around 11,000 community pharmacies in the United Kingdom.
2. The NHS (Pharmaceutical Services) Regulations were introduced in 1987. The Regulations set out the procedure for the inclusion of pharmacies in the pharmaceutical lists of health authorities. Only pharmacies included in a pharmaceutical list are entitled to provide NHS pharmaceutical services. Inclusion is based on whether pharmacies are necessary or desirable for the adequate provision of pharmaceutical services in any given neighbourhood.
3. The NPA's submission was formulated by a Working Group of the NPA Board of Management, prior to approval by the Board. As part of its deliberations, the NPA had two meetings with the OFT's Inquiry Team.
4. For more information, please contact the NPA Press Office, on: 01727-858687, ext 3265, 3227, 3311.