

## All-Party Parliamentary Group on Pharmacy - Call for written evidence on medicines shortages

Submitted via [online survey portal](#)

### Which organisation are you responding on behalf of?\*

Company Chemists' Association, the trade association for large pharmacy operators across Great Britain.

### How have medicines shortages impacted the individuals or organisations that you represent? \*

*Please note that there is a limit of 6000 characters, which is roughly 1000 words.*

Medicine shortages have had, and continue to have, an adverse impact upon pharmacy businesses, pharmacy teams and patient care.

Together with historic underfunding of the sector – funding failing to keep pace with rising workload, prescription volumes and ever-more NHS services – medicine shortages and the increasing costs of sourcing medicines for the NHS, are a contributing factor to the shrinkage of the community pharmacy network. Between September 2023 and June 2024 alone, there was a reduction of 3.4m hours of pharmacy access per year – 62% due to permanent closures, and 38% due to reduced opening hours. Therefore, patients have experienced reduced access, and longer waiting times to obtain medicines whilst the remaining network serves a growing population.

CCA members have invested significant resource into central buying teams to procure medicines. The growing number of shortages mean that businesses must invest ever more resource into procurement. This is resource that could have been invested in reinforcing frontline pharmacy teams for direct patient care.

Managing medicine shortages is now a daily occurrence for community pharmacy teams on the frontline. A survey found that pharmacists are now spending eight hours a week dealing with shortages<sup>1</sup>. This is placing additional pressure on an already stretched workforce. The time and expense trying to source medicines in short supply, helping patients to find alternative sources and contacting prescribers for a substitute prescription for an alternative is not accounted for in the Community Pharmacy Contractual Framework (CPCF).

Sometimes where a medicine cannot be supplied, a member of the pharmacy team or the patient themselves must then speak to a prescriber to discuss an alternative. This causes unnecessary and additional workload for the prescriber and their team and the pharmacy, as well as potential angst for the patient who urgently needs their medicines. This can sometimes lead to frustrations with frontline staff, including abuse and violence in some cases. Additionally, it can cause frayed relationships between prescribers and pharmacy teams.

Medicine shortages also place additional strain on General Practice, hospitals and A&Es. In addition to the clinician time taken to re-prescribe alternative medicines, patients who cannot obtain their medicines are at risk of their condition worsening and, if they do deteriorate, face having to access

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<sup>1</sup> The Pharmacist, [Community pharmacists spend 'a day a week' dealing with medicines shortages](#), January 2025

another part of the NHS to seek care. In some cases, failure to obtain vital medicines can have fatal consequences<sup>2</sup>.

Patients may be forced to travel long distances or spend several hours on the phone trying to obtain medicines. This may have an impact on their ability to work, study or carry out caring duties. Where medicines still remain unavailable, patients may well turn to unregulated sources which introduces the potential for significant harm.

### **What solutions do you propose to address the challenge medicines shortages and mitigate the impact on patients?**

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- 1) Enhance the attractiveness of the UK as a market for manufacturers who operate globally
- 2) Review the size of the retained margin, in light of volume and cost growth, to ensure pharmacies are not supplying at a loss.
- 3) Review the supply chain to enhance resilience through the removal of legacy requirements and red tape.

The manufacturers and suppliers of medicines operate globally. DHSC-set reimbursement prices (Drug Tariff prices) are now so low that other global markets are prioritised for supply ahead of the UK.

At an individual medicine level, it is not uncommon for reductions in tariff price to precipitate the exit of suppliers from the UK market. This can result in a shortage of supplies, or a lack of competition, both of which can lead to significant increases in market prices. When the Drug Tariff price is significantly below market price, the DHSC will occasionally introduce a temporary higher price (price concession), to enable procurement and protect supply. Price concessions are taken from within the fixed level of retained margin. This means that whilst pharmacies can procure that specific medicine without seemingly losing money, the overall margin available to the network is squeezed to compensate, meaning in the long run that contractors are penalised.

Whilst the level of margin available to pharmacies remains static, the amount paid for the medicines by the taxpayer increases significantly.

CCA analysis of the Drug Tariff pricing for certain generic medicines shows that by DHSC trying to save small amounts driving generic pricing down, the result is often shortages in supply followed by inflated price concessions. Eventually, when the drug comes 'off' concession, the price is often significantly more than the initial value the DHSC tried to drive down. By trying to cut the price it pays, DHSC is often driving the market price up, whilst creating an 'avoidable' shortage. This is a false economy.

In the last ten years the **number of price concessions has risen from 195 to 1,640 per year<sup>3</sup>**; an **increase of over 740%**. This is causing unsustainable costs to the NHS and the taxpayer.

In the short-term, action is required to: (a) improve the attractiveness of the UK market to medicines manufacturers and suppliers that operate globally and (b) ensure there is sufficient margin available to reward effective procurement.

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<sup>2</sup> Chemist & Druggist, [Patient dies after pharmacy 'unable to supply' epilepsy meds for 10 days](#), January 2025

<sup>3</sup> Community Pharmacy England, [Price concession archive](#)

Firstly, we recommend investing in Drug Tariff pricing. This will avoid ultra-low Drug Tariff pricing, making the UK market more attractive to global manufacturers and suppliers. This will ensure there is more effective competition and competitive pricing.

Secondly, retained margin for community pharmacy must be increased. Retained margin, the money pharmacies are allowed to keep through the effective procurement of medicines stands at £800m. The core value has remained static for a decade, despite a nearly 14% growth in the number of medicines dispensed by pharmacies and a 26% growth in the value of those medicines. By increasing retained margin, effective buying by pharmacies would be further incentivised, giving the NHS the best value possible.

Longer term, we need an end-to-end review of the UK supply chain to establish how resilience can be enhanced at every stage, and to secure the supply of medicines for patients. This requires close working between all parts of the supply chain to identify pressure points and tangible solutions.

**Please use this box to share any further comments that haven't been covered previously.**

*Please note that there is a limit of 1250 characters, which is roughly 250 words.*

N/A