

July 22<sup>nd</sup>, 2023  
Janet Morrison  
Community Pharmacy England CEO  
Letter by email to Janet Morrison

Dear Janet,

I am writing to you today on behalf of all 224 Community Pharmacies within Leicestershire and Rutland to highlight their serious concerns regarding price concessions and soaring procurement prices for many medicines.

The current situation is causing grave cashflow deficits for many Leicestershire and Rutland contractors. And unfortunately, the state of affairs is beyond critical but in fact broken as they desperately try to keep their businesses afloat.

Contractors are experiencing outrageous procurement pricing hike strategies employed by wholesalers whilst Drug Tariff pricing remains unchanged.

An example of the worsening situation is that of procurement price Atorvastatin 28 tablets versus the Drug tariff price.

Atorvastatin 28 tablets	DT price	Procurement Price	Loss per dispensing
10mg	71p	£2.35	£1.64
20mg	91p	£3.59 Limited Stock	£2.68
40mg	£1.00	£3.70	£2.70
80mg	£1.32	£2.45	£1.13

Last week, I spoke to many contractors all of whom are worried that soaring procurement pricing is affecting their ability to finance their pharmacy. One contractor, FXH79, Jot Gokani, informed me that his average monthly dispensing of atorvastatin 10mg 28 tablets can exceed 1000 boxes. This means he is losing in excess of £1,640 on this item alone. This is just one medicine, and the situation is the same across many other medicines.

Community Pharmacy Leicestershire and Rutland is encouraging all its contractors to continue to report pricing issues through the CPE website. But the fact of the matter is contractors are waiting longer than 8 weeks for a price concession to be granted. This is simply now not financially viable for many Leicestershire and Rutland contractors.

Please can CPE take our concerns to negotiations and present the example stated above to demonstrate the current picture.

Many contractors are losing confidence in the existing price concession process as it just isn't working. This in turn is deterring them from using the reporting tool on the CPE website.



We would sincerely welcome any further support and help you can provide to our contractors, including practical steps to ensure contractors can mitigate the impact of price increases.

I thank you for your time and consideration on this matter.

Yours Sincerely,

Rajshri Owen  
Chief Officer