

National Pharmacy Association Wholesaler Service Standards Member Survey: Responses Analysis

August 2019

Background (1)

In 2014, the NPA created a set of Wholesaler Service Standards following a consultation with members. These are standards that independent pharmacies believe are reasonable to expect from wholesalers. The NPA then ran a survey for members to rate their wholesaler(s) against these standards.

Given the current pressures on the supply chain – especially on community pharmacies – the NPA re-ran this survey in order to re-assess the quality of service being provided to members.

The purpose of these standards are to:

- gather data about wholesaler service standards generally, against the backdrop of limited distribution and direct-to-pharmacy supply arrangements;
- help NPA members measure and benchmark the performance of their wholesaler(s), therefore putting them in a better position to challenge poor service or acknowledge good service, and to make informed choices where choice exists; and
- inform wholesalers about how their service is viewed by NPA members. This feedback will be especially meaningful because it is based on principles that have been identified as most important by independent pharmacies.

Background (2)

The standards are set out as 22 markers falling across five core domains.

- 1) Fairness
- 2) Responsiveness and courtesy
- 3) Timely communication
- 4) Efficient service
- 5) Transparency

Members were asked to score their wholesaler(s) from 1 (very poor/failing) to 5 (excellent/fully compliant) for each of the markers.

Core domains and markers (1)

1. Fairness

- a) The wholesaler has a fair pricing system for surcharges, which are only applied when clearly justifiable and proportionate. The pharmacy is never penalised by surcharges for matters outside of its control.
- b) The wholesaler provides a system that allows a pharmacy to avoid inadvertently triggering a low spend surcharge.
- c) Irrespective of the item or type of account, stock is delivered in a timely manner.
- d) The pharmacy is satisfied that quotas are allocated equitably.
- e) If, in exceptional circumstances, it is necessary to charge more than the DT price, then the wholesaler accepts goods back without invoking a returns surcharge.

2. Responsiveness and courtesy

- a) The wholesaler responds to queries or complaints within three hours within the working day.
- b) Staff working for the wholesaler are courteous when dealing with the pharmacy.
- c) The wholesaler maintains accurate records of exchanges of correspondence.
- d) Contact details are provided of staff that can deal with queries.

Core domains and markers (2)

3. Timely communication

- a) The pharmacy is notified at the point of ordering if there is a supply problem, along with an explanation and estimated date of delivery (if applicable).
- b) The wholesaler provides a facility for pharmacies to receive a daily update on their cumulative qualifying spend and cumulative returns through the month.
- c) Short-dated items are identified on the invoice.
- d) The wholesaler provides facilities whereby pharmacies can see up to date stock information, details of drugs supplied exclusively, special obtained products and any associated surcharge.

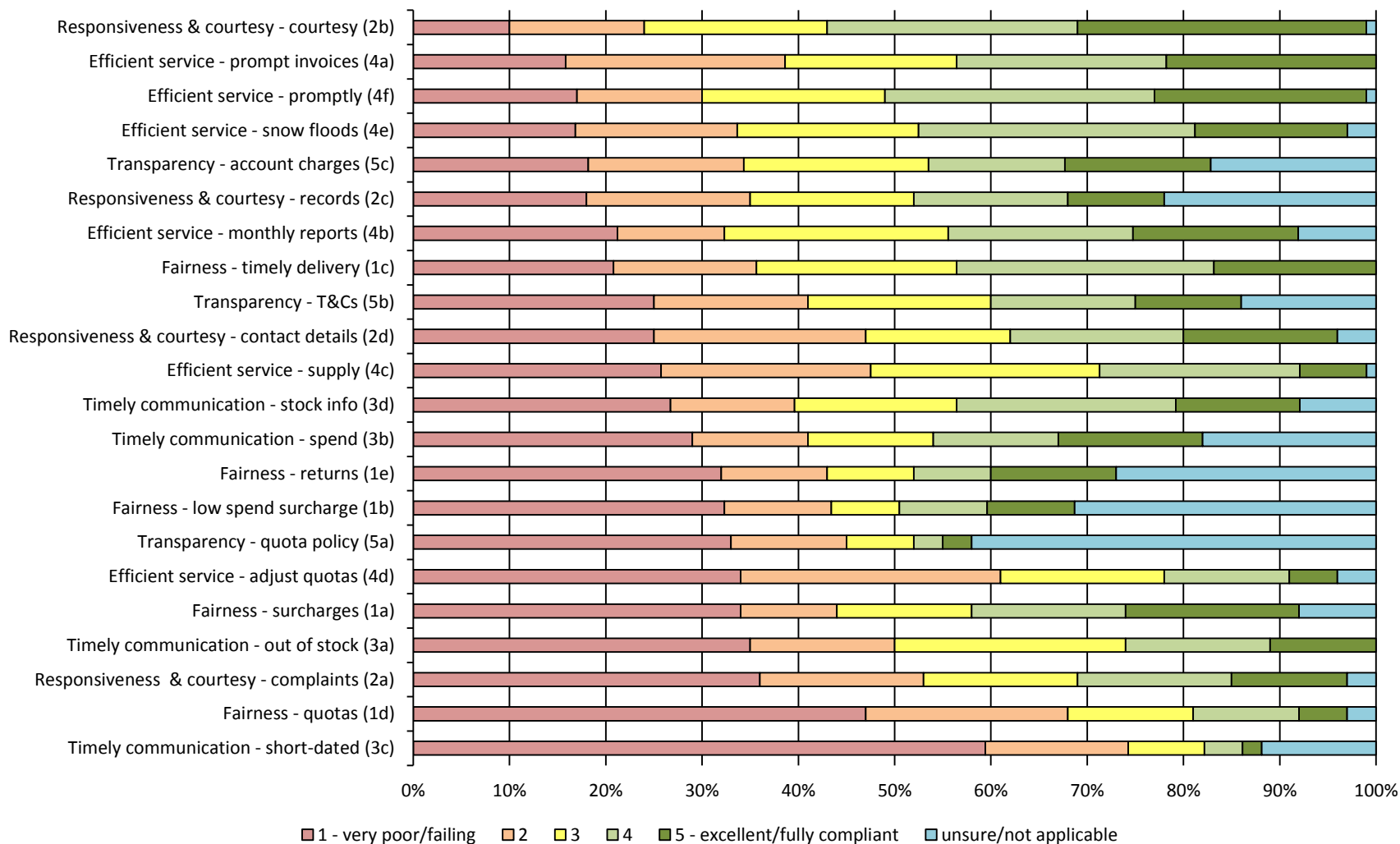
4. Efficient service

- a) The wholesaler supplies promptly relevant invoices and refunds.
- b) The wholesaler provides accurate net pricing reports monthly.
- c) The wholesaler is almost always able to supply products requested.
- d) The wholesaler adjusts the pharmacy's quotas promptly in response to the pharmacy's requests.
- e) An acceptable level of service is maintained in challenging circumstances, such as snow and floods.
- f) Orders are delivered promptly.

5. Transparency

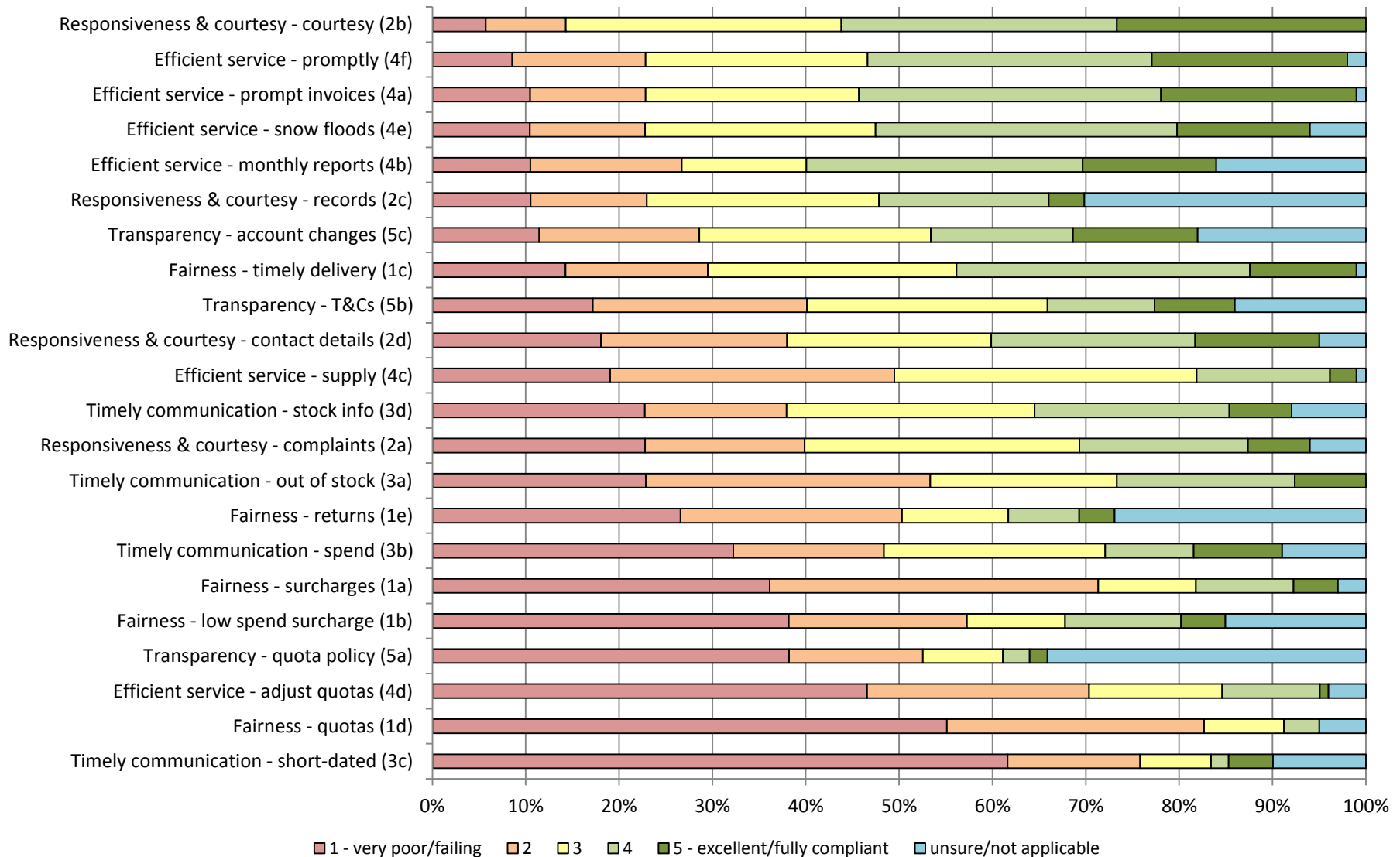
- a) The pharmacist can, on request, view a written policy on how any wholesaler managed quotas are operated.
- b) Terms and conditions of accounts are clearly presented, including information on pricing, discounts, surcharges and rebates.
- c) The pharmacy is notified promptly if terms and conditions of accounts are to be changed.

Community pharmacy assessment of wholesaler performance against NPA standards 2019

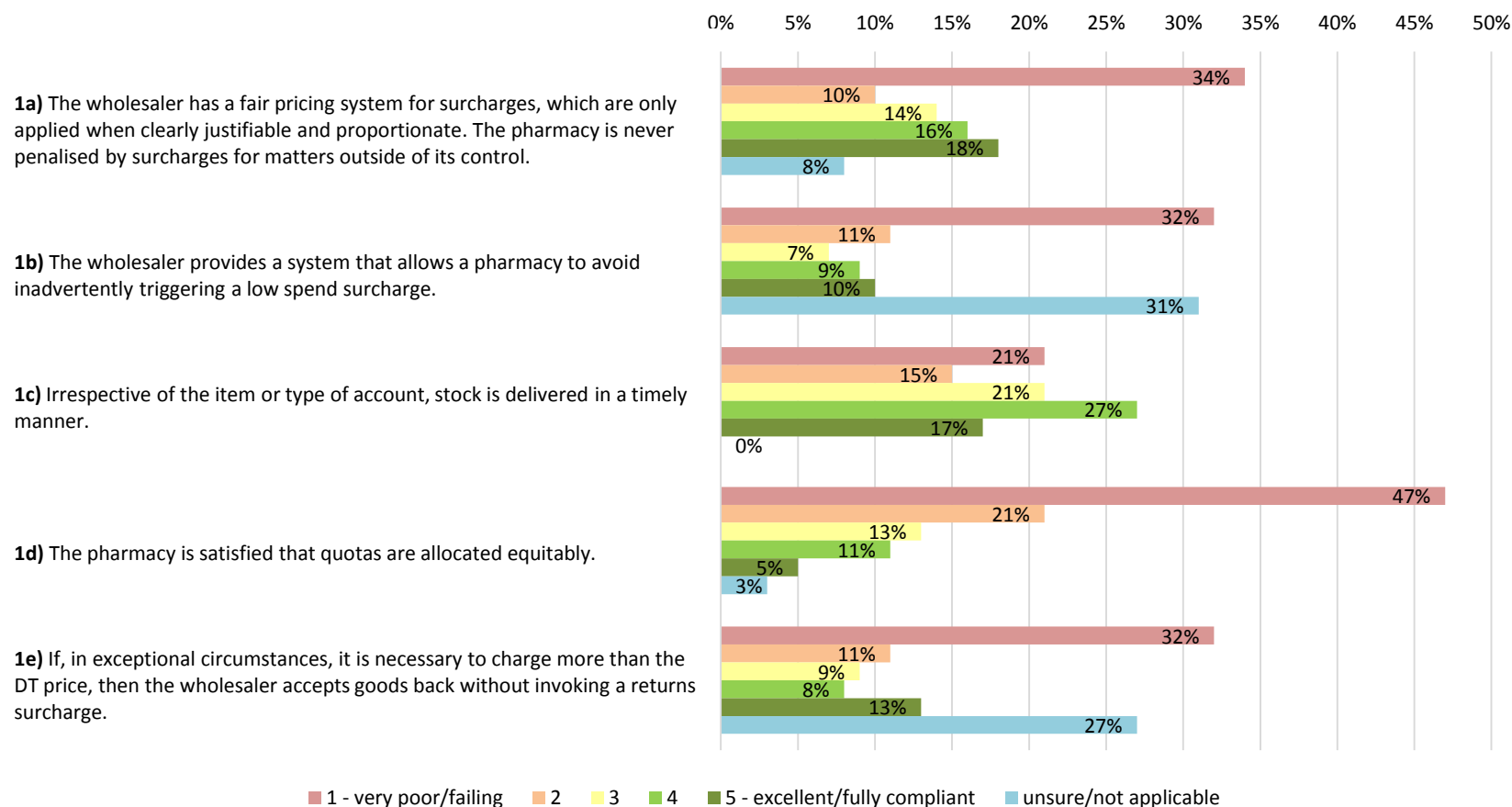


Community pharmacy assessment of wholesaler performance against NPA standards

2014



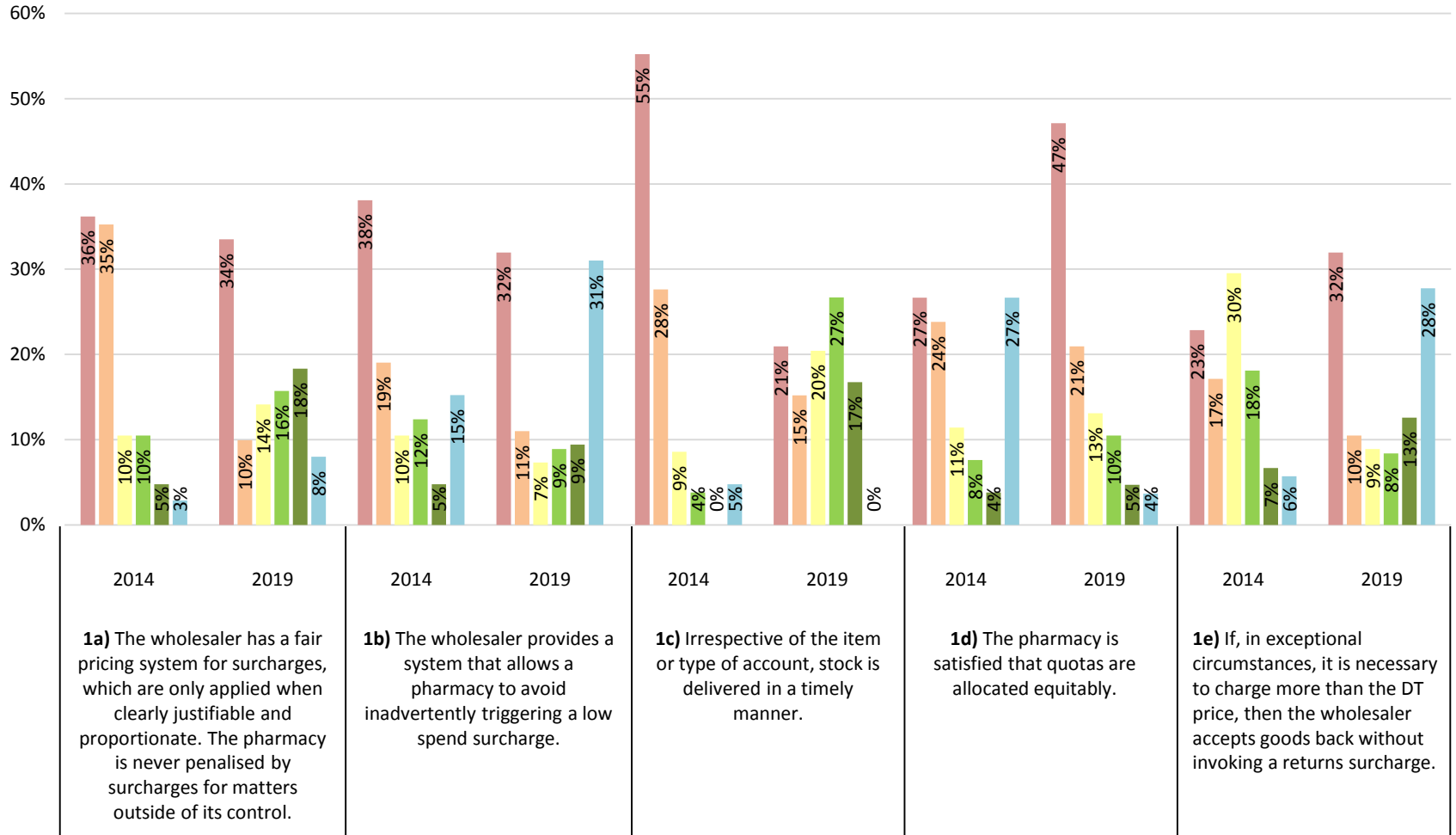
Wholesaler performance - Fairness



The 'Fairness' domain is rated the worst out of the 5 core domains with a large proportion of respondents scoring a 1 (very poor/failing) for the 5 markers.

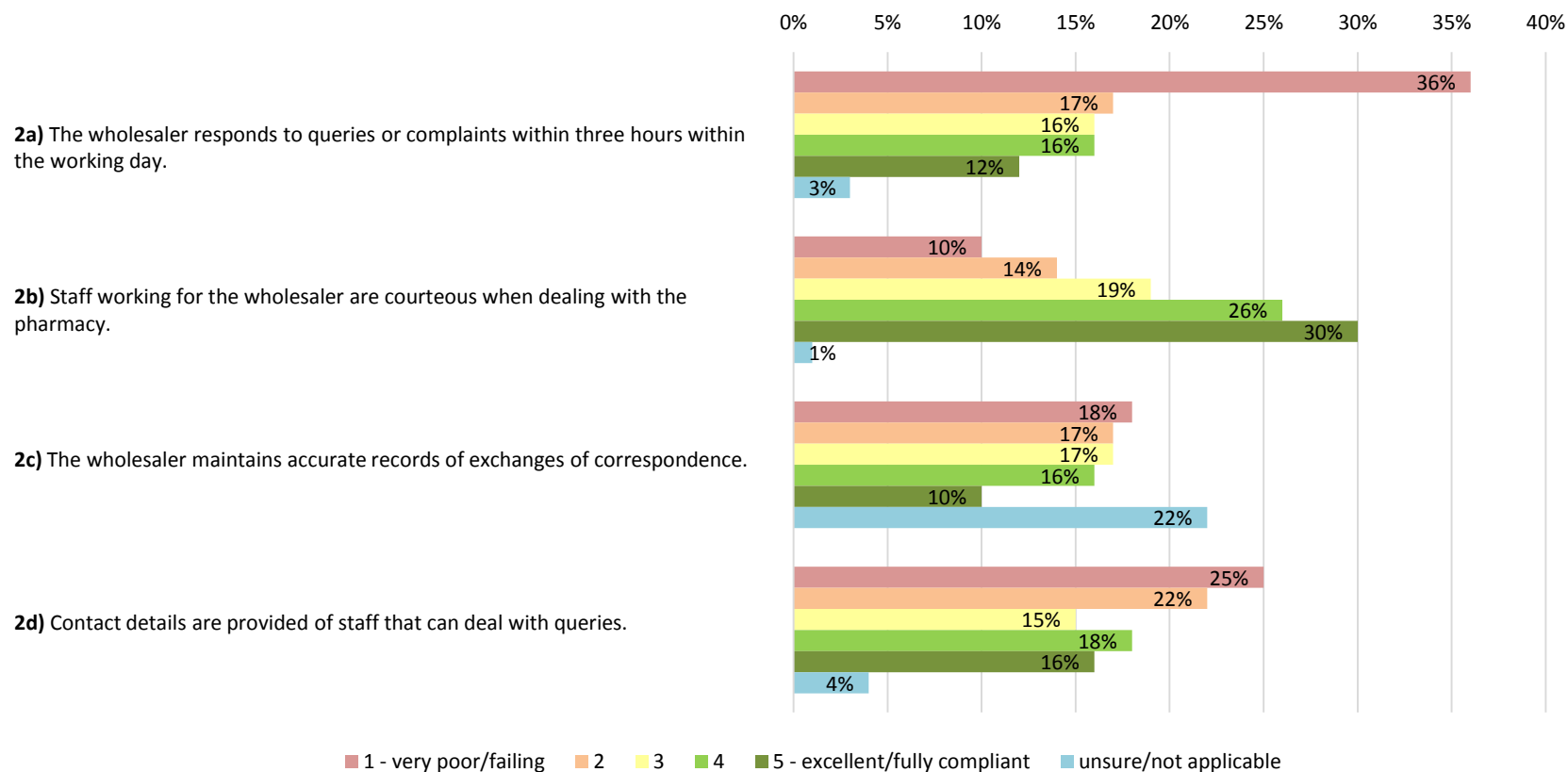
'Fair Surcharges', 'Avoiding low spend surcharges', 'Equitable quotas' and 'Fair returns' are the worst scored markers in this domain.

Wholesaler performance – Fairness 2014 vs. 2019



1 - very poor/failing 2 3 4 5 - excellent/fully compliant unsure/not applicable

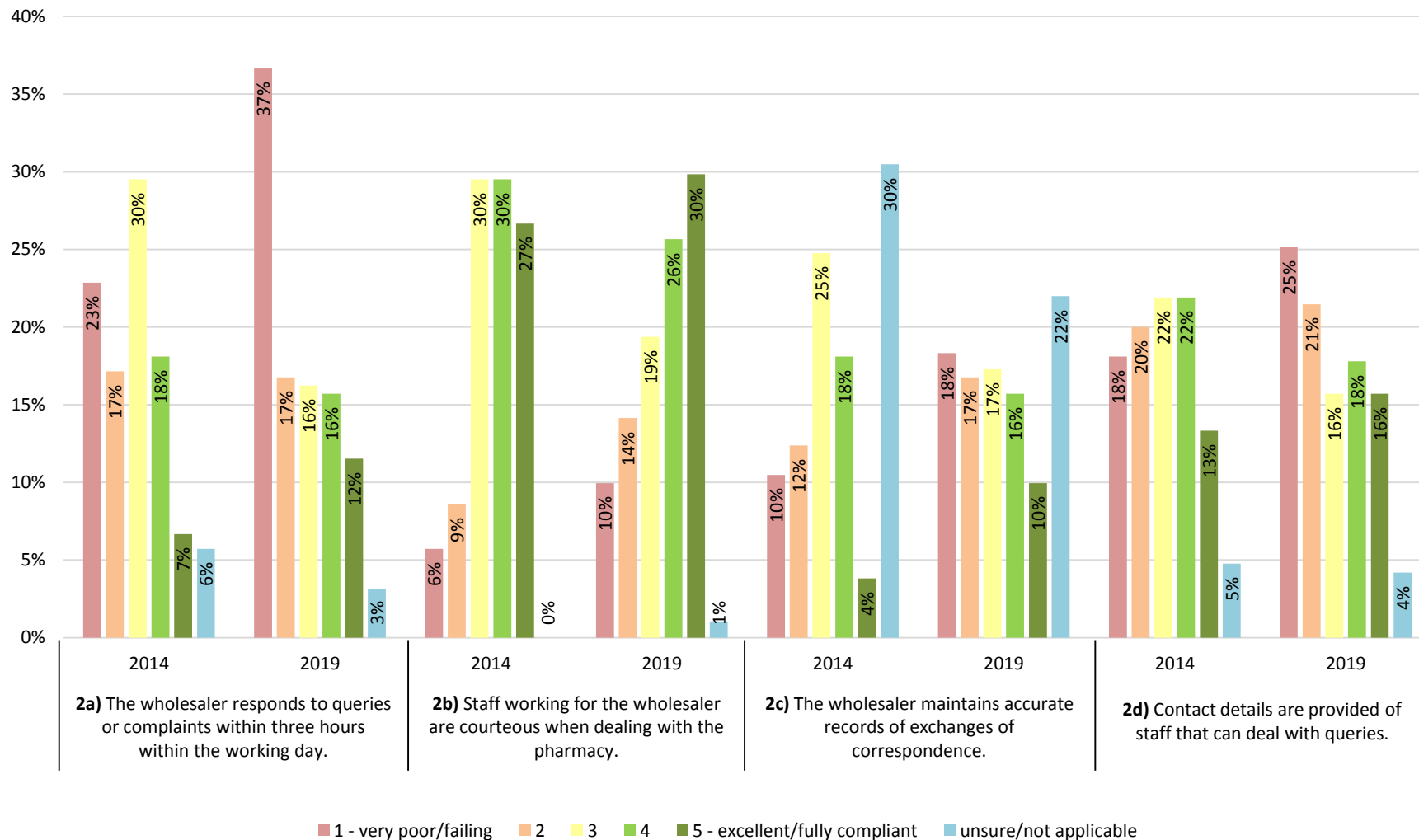
Wholesaler performance - Responsiveness & courtesy



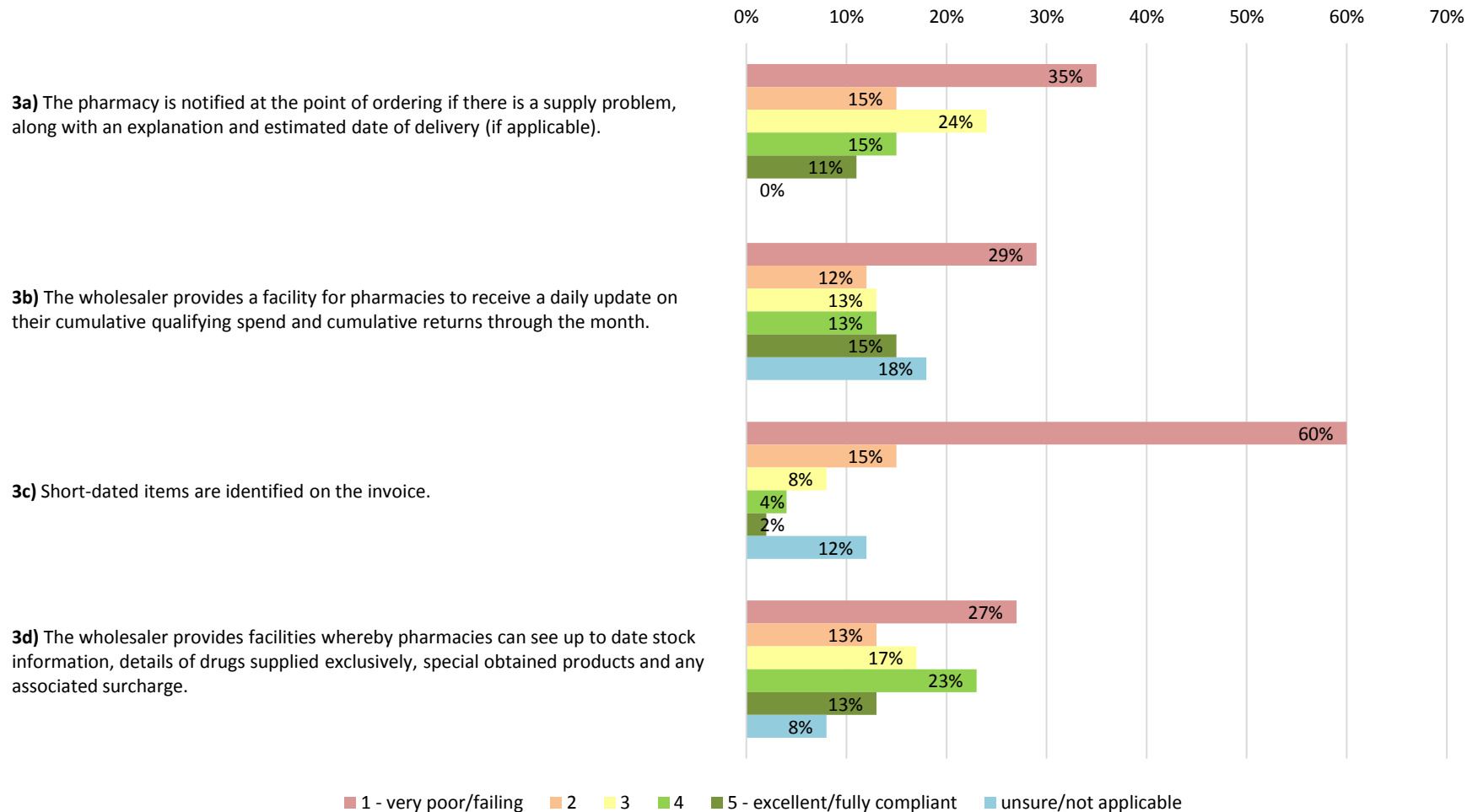
The 'Responsiveness and courtesy' domain has the best rated marker out of the 22 ('staff working for the wholesaler are courteous when dealing with the pharmacy') with 30% of respondents scoring this marker a 5.

'Responding to queries or complaints' is the worst scored marker in this domain with 36% of respondents scoring this marker a 1.

Wholesaler performance - Responsiveness & courtesy 2014 vs. 2019

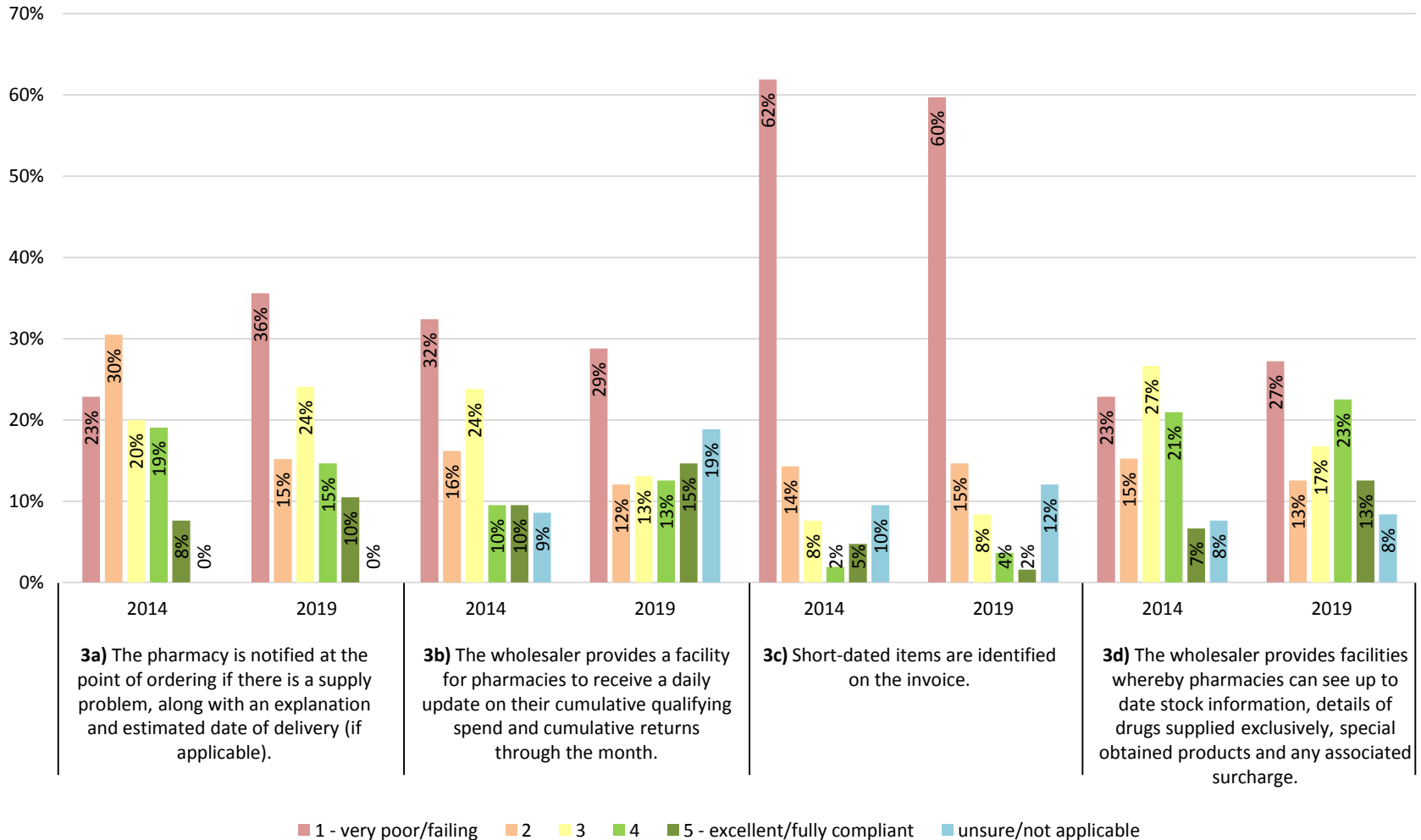


Wholesaler performance - Timely communication

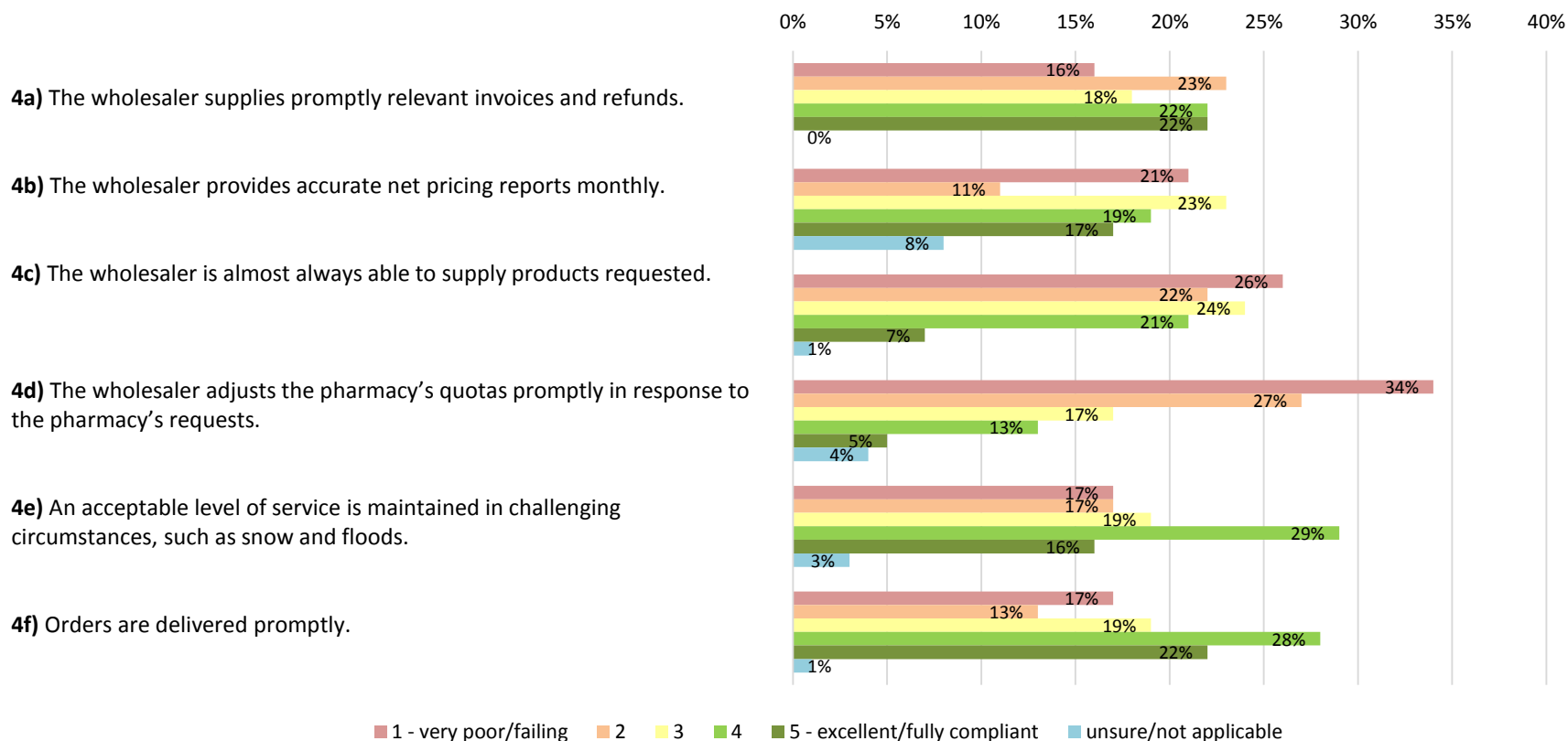


The 'Timely communication' domain has the worst rated marker out of the 22 with 60% respondents scoring a 1 (very poor/failing) for the 'Short-dated items are identified on the invoice' marker.

Wholesaler performance - Timely communication 2014 vs. 2019



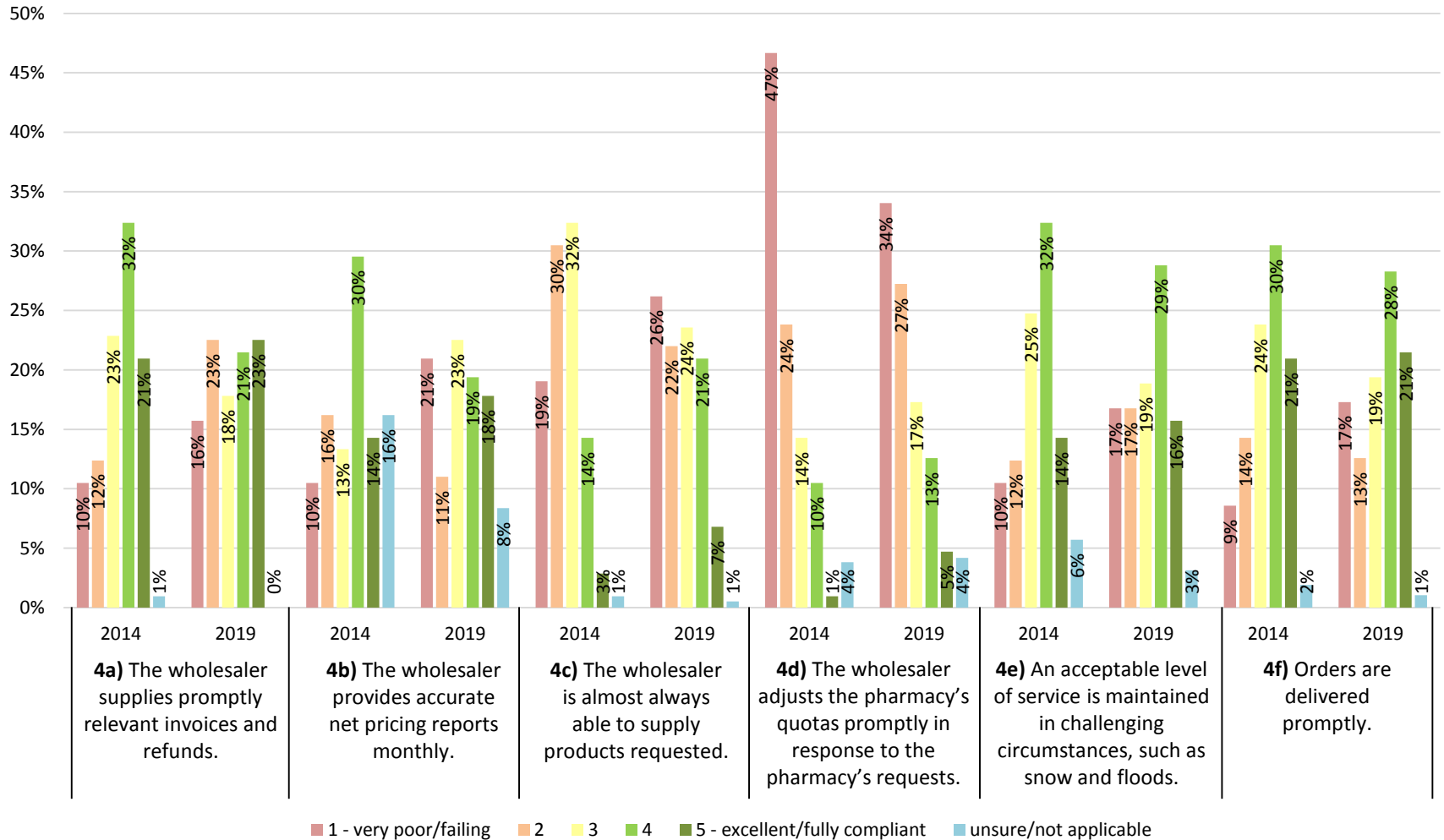
Wholesaler performance - Efficient service



The 'Efficient service' domain has the joint second best rated markers out of the 22 ('The wholesaler supplies promptly relevant invoices and refunds' and 'Orders are delivered promptly') with 22% of respondents scoring these markers a 5. However, both markers showed an increase in the percentage of respondents scoring a 1 compared to 2014.

'Supplying products requested' and 'Adjusting quotas' are the worst scored markers in this domain with 26% and 34% (respectively) of respondents scoring these markers a 1.

Wholesaler performance - Efficient service 2014 vs. 2019

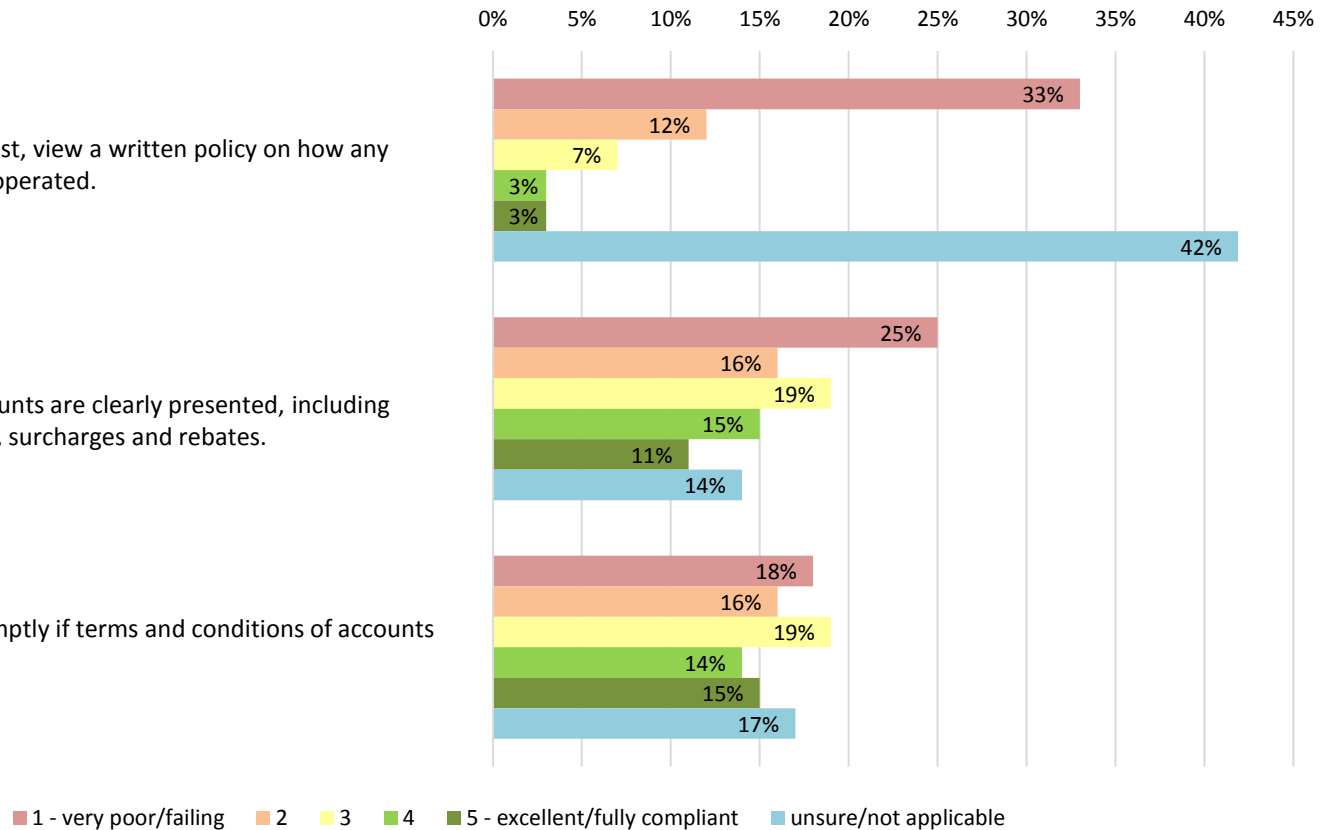


Wholesaler performance - Transparency

5a) The pharmacist can, on request, view a written policy on how any wholesaler managed quotas are operated.

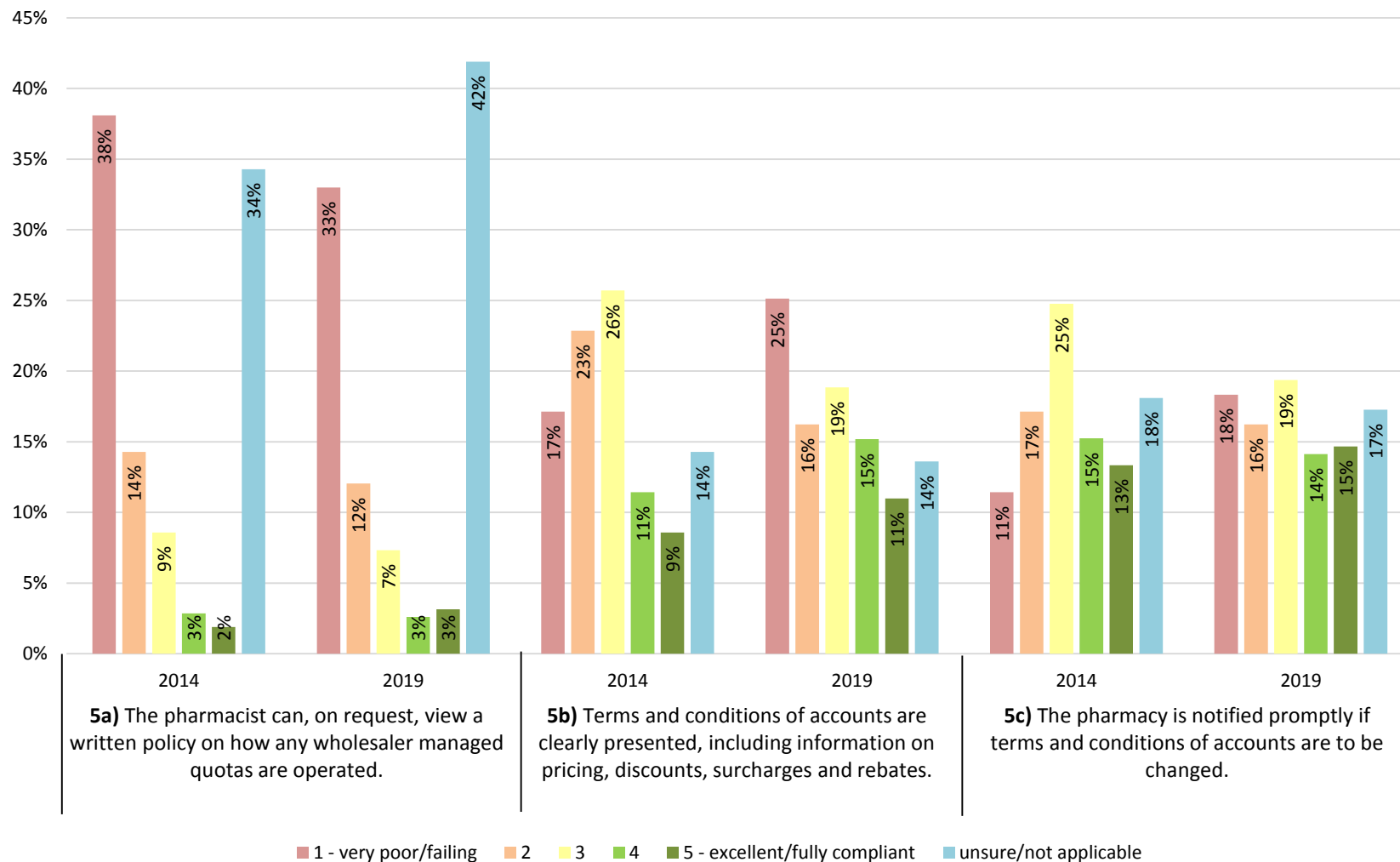
5b) Terms and conditions of accounts are clearly presented, including information on pricing, discounts, surcharges and rebates.

5c) The pharmacy is notified promptly if terms and conditions of accounts are to be changed.



Marker 5a is the worst scored marker in this domain with 33% of respondents scoring this marker a 1 (very poor/failing) and 42% selecting 'unsure/not applicable'.

Wholesaler performance – Transparency 2014 vs. 2019



2014 vs. 2019 comparison

The 2019 results are more polarised than the 2014 results as the percentage of respondents scoring a 3 has dropped by an average 3.7% whereas scores of 1 & 2 and 4 & 5 have increased by an average 0.2% and 2.9% respectively. Respondents selecting unsure/not applicable has also increased by an average 0.6%.

- 13 of the markers have an increase in respondents scoring them 1 or 2.
- 6 of the markers have an increase in respondents scoring them 3.
- 15 of the markers have an increase in respondents scoring them 4 or 5.
- 10 of the markers have an increase in respondents selecting 'unsure/not applicable'.

This demonstrates that respondents have less of a neutral feeling towards their wholesalers than those who completed the 2014 survey.

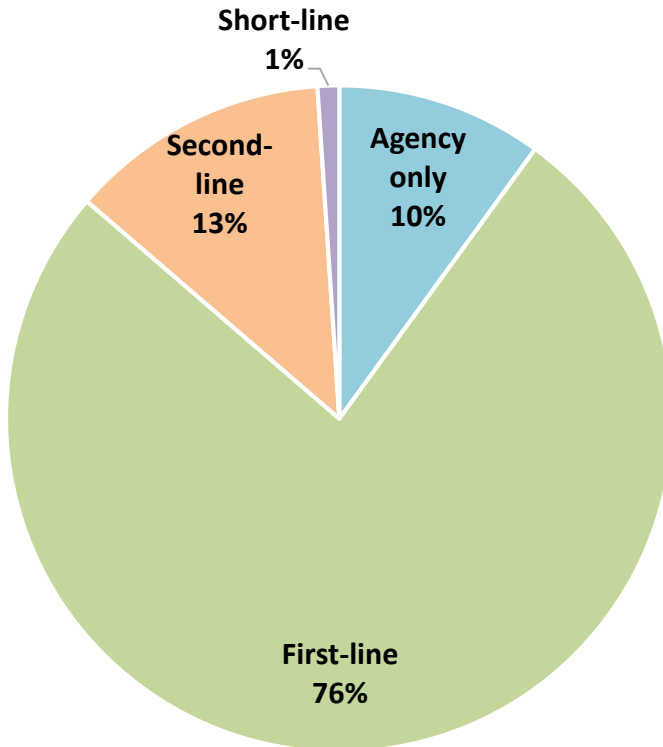
The 'Fairness' domain has seen the biggest shift in positive scoring with an average 8.4% increase in respondents scoring the markers either 4 or 5.

In comparison the 'Responsiveness and courtesy' domain has seen the biggest shift in negative scoring with an average 11.1% increase in respondents scoring the markers either 1 or 2. It does however, have the best scoring marker out of the 22.

Those markers with the worst rated scores have actually seen a decrease in respondents scoring 1 or 2 and the markers with the best rated scores have seen an increase in respondents scoring 1 or 2.

The 'Fairness – low spend surcharge' marker saw the highest percentage increase (+15.8%) of respondents selecting 'unsure/not applicable'.

Wholesaler type



76% of respondents selected the wholesaler they were rating as First-line.

13% of respondents selected the wholesaler they were rating as Second-line.

10% of respondents selected the wholesaler they were rating as Agency only.

1% of respondents selected the wholesaler they were rating as Short-line.

How many hours are spent managing stock supply issues in a typical week?

Respondents were asked how many hours they typically spent each week managing stock supply issues within their pharmacy.

Respondents who chose not to answer this question have been categorised as N/A.

Typically pharmacies are spending 6-10 hours a week managing stock supply issues with 16% of respondents selecting this group which was the highest percentage aside from the N/A category.

