

Annual Review of
**COMMUNITY
PHARMACY IN
IRELAND 2020**



Prepared for the Irish Pharmacy Union (IPU)

August 2021

Prepared by:





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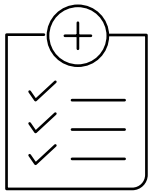
DIRECT QUOTES FROM THE SECTOR

49



ABOUT THIS REPORT

HIGH-LEVEL SCOPE



Sector survey

A survey was issued to IPU members to gather information on the sector's activity levels, finances, and wider sentiment.

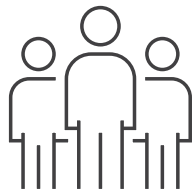
This robust survey data has been used across all workstreams



Economic impact analysis

Provide an estimate of the current baseline economic impact of the community pharmacy sector in terms of Gross Value Added (GVA), employment and exchequer impacts.

This analysis quantifies the impact the sector makes in communities across Ireland



Social contribution

Analyse the benefits to local communities and other areas which have benefited most from their local pharmacy.

This analysis quantifies the impact the sector makes in communities across Ireland



ABOUT THIS REPORT

KEY SOURCES

Survey of IPU question themes including (but not limited to):

OWNERSHIP AND STRUCTURE

LOCATION

FTE STAFF COMPOSITION

ITEMS DISPENSED

SERVICES PROVIDED

SOCIAL CONTRIBUTION

POLICY-RELATED GROWTH OPPORTUNITIES

MACRO TRENDS

THREATS

HEALTHMAIL

FINANCIAL INFORMATION ON INCOME (REVENUE) AND EXPENDITURE SOURCES

“...PROVIDE AN ESTIMATE OF THE CURRENT BASELINE ECONOMIC IMPACT OF THE COMMUNITY PHARMACY SECTOR IN TERMS OF GROSS VALUE ADDED (GVA), EMPLOYMENT AND EXCHEQUER IMPACTS.”

Desktop research of third party papers and reports, including from:

CSO

EUROSTAT

FITZGERALD-POWER

KPMG

IPU MEMBERS

PCRS

SEARCH4LESS

Conversations with the IPU Working Group, in particular with:

REBECCA BARRY

JAMES CASSIDY

ADRIAN DUNNE

KATHY MAHER

BRIAN MCCARTAN

DERMOT TWOMEY

SUPPORTED BY:

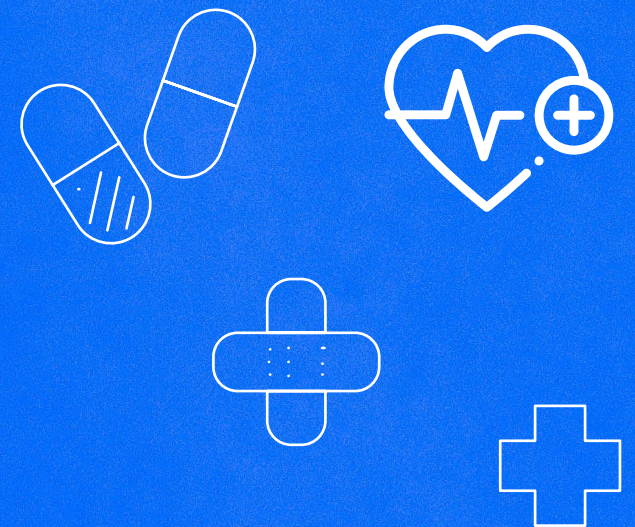
DARRAGH O'LOUGHLIN

JIM CURRAN

CLARE FITZELL

EXECUTIVE SUMMARY

A hand wearing a white nitrile glove is shown holding a blister pack of pills. The background is a solid blue color. The pills in the blister pack are of various colors, including white, black, and red. The text 'EXECUTIVE SUMMARY' is overlaid in large, white, bold, sans-serif capital letters.



EXECUTIVE SUMMARY

~ 2,000
Community pharmacies

There are ~2,000 community pharmacies located across the country. Most pharmacies are located in cities and urban areas (~45%), where population densities per pharmacy are also typically lower. Pharmacies in towns and villages, and in rural areas respectively account for ~30% and ~25% of the national total.

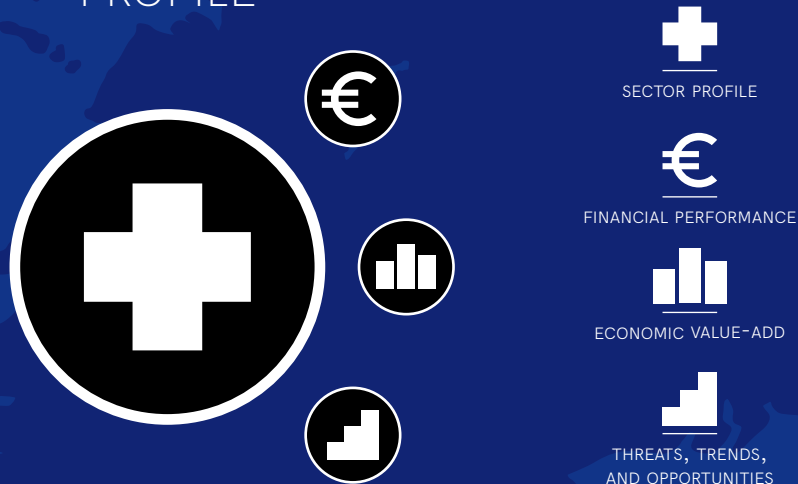
~13,300
Employees (FTEs)

Employment in the sector is estimated to be ~13,300 FTEs, with community pharmacies in cities and in urban areas having larger teams (10 or more), compared to nationally (7), in towns and villages (5), and in rural areas (5)

KEY SERVICE PROVIDER

Community pharmacies provide a wide range of services to the communities in their catchment areas, in addition to the dispensing of prescription medication, prescription medication and advice and counselling, and dispensing over the counter medicines. More than 50% of community pharmacies provide wider services, for example, blood pressure management and COVID-19 triage support, amongst others. Uniquely this year, the sector provided a vital support to local communities on COVID-19 triage support and a key local trusted source of reliable information.

SECTOR PROFILE



“ACROSS THE COUNTRY, OVER 83% OF THE POPULATION LIVES WITHIN 5KM OF A COMMUNITY PHARMACY.”

TOP SERVICES PROVIDED



Medicines advice, counselling, disposal



Blood pressure management, monitored dosing, first aid, smoking cessation



Flu/other vaccinations, COVID-19 triage and vaccination

55 hours/week
Top 5 services

€520m
Time-cost of top ten services

Across the top 5 most time consuming activities/services provided at an average pharmacy in 2020, the total time taken per week is ~30 hours for support staff and ~25 hours for pharmacists – summing to ~55 hours. Additionally, a further 5 activities require ~20 hours, including advice on medicines schemes, eligibility, and reimbursable items, advice on medicines disposal, and provision of the flu vaccination during vaccination periods

Individual pharmacies invest a significant proportion of time in these services – the equivalent ‘time cost’ of the top 10 services is estimated to be €520 million – the sector’s investment in providing these activities/services reflects its strong commitment to the communities it serves. Many of these services are provided free of charge as a value added service for customers

€40m
Pandemic adaptation and fit-out cost

Community pharmacies remained open throughout the course of the pandemic, and the cost to the sector of adapting pharmacies to remain open is estimated to have been in excess of €40m. Many pharmacies incurred considerable costs to ensure premises were compliant with government restrictions and to protect their teams. Rural pharmacies experienced an increase in footfall, with remote working reducing the commuter impact on retail patterns. While some costs such as COVID-19 physical barriers are one-off costs, other costs around infection controls (such as face masks, gloves and hand sanitisers) represent ongoing costs

“COMMUNITY PHARMACIES SPEND MORE THAN 75 HOURS ON VALUE ADDED PHARMACY SERVICES FOR THEIR PATIENTS, MANY OF WHICH ARE PROVIDED FREE OF CHARGE. THESE ESSENTIAL VALUE ADDED SERVICES ARE AT RISK AS MARGINS ACROSS THE SECTOR ARE IN DECLINE.”

EXECUTIVE SUMMARY

IMPACT

€3B_{Revenue}

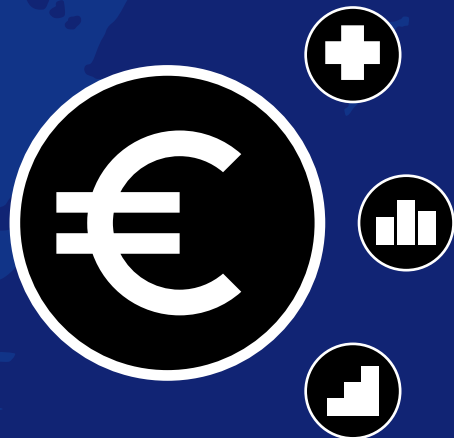
€2.8B_{Costs}

Community pharmacies' finances were impacted by a range of financial threats in 2020: these include lower footfall in typically high footfall locations, changes to dispensing operations and higher operating costs in response to the pandemic

Total revenue across the community pharmacy network is estimated to have been ~€3 billion in 2020, down 4% compared to 2019. Across all settlement types, payments through State Schemes account for the greatest share of revenue. Rural pharmacies generate less revenue on average from private dispensing and OTC sales, while community pharmacies located in towns/villages are more likely to generate revenue through retail (front of shop) and OTC sales

Total costs across the sector amounted to more than €2.8 billion in 2020. On a settlement level, cities and urban areas account for the greatest share of this total (46%/€1.3bn, from 45% of community pharmacies). Town/villages account for 29% of the total revenue while making up 30% of the sector, and rural pharmacies account for 26% of total revenue while making up 25% of the sector

FINANCIAL PERFORMANCE



SECTOR PROFILE



FINANCIAL PERFORMANCE



ECONOMIC VALUE-ADD



THREATS, TRENDS, AND OPPORTUNITIES

FOS

Front of Shop (FOS) sales are highest in city and urban areas, but have decreased from the previous year, largely due to the decreased footfall arising from pandemic travel restrictions

NET

Net margins across the sector are down compared to 2019 and differ by settlement pattern. Total net margins are highest in rural areas (~9%) and are lowest in cities and urban areas (~7%)

COSTS

City and urban area pharmacies face higher operating costs than pharmacies located in other regions. On a per pharmacy basis, pharmacies in towns and villages have the highest cost of goods sold when compared to the other settlement types

DEBT

Many community pharmacies across the country accessed some form of debt / refinancing to meet the immediate increase in costs / fall in revenue arising from the impact of the pandemic

“MANY COMMUNITY PHARMACIES ACROSS THE COUNTRY ACCESSED SOME FORM OF DEBT / REFINANCING TO MEET THE IMMEDIATE INCREASE IN COSTS / FALL IN REVENUE ARISING FROM THE IMPACT OF THE PANDEMIC.”

EXECUTIVE SUMMARY

VALUE

€1.2B

Contribution to economy

17,000

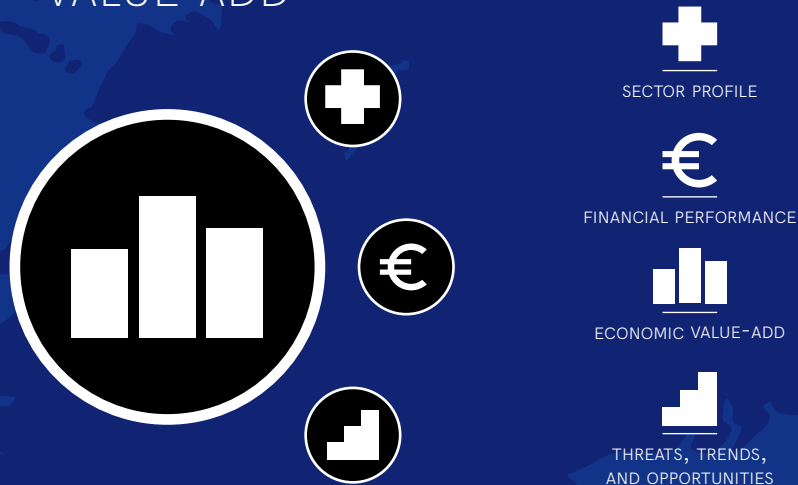
Indirect employment

Community pharmacies deliver a range of economic and social benefits for communities across Ireland. These primarily arise as economic value add, job creation, additional Exchequer returns, and social contributions on local levels

Through its operating activities, the sector makes a valuable contribution to Ireland's economic output: the sector's baseline economic value add is estimated to be ~€1.20 billion in 2020. This economic activity supports the growth of small businesses, creates education and training opportunities, and generates spillovers for other retailers and services providers in community pharmacies' catchment areas

The sector makes a strong contribution to employment. Over 13,300 jobs are directly supported with community pharmacies, with an additional 17,000 jobs supported in the sector's value chain as a result of spend on suppliers and by sector staff in local economies

ECONOMIC VALUE-ADD



€1.25B

Labour income

Through its activities, the sector supports labour income payments summing to €1.25 billion. The majority of this income (~€760 million) is paid directly to employees working in the sector in communities across the country

€9M

Contributions to local authorities

The sector contributes to local authorities and pays employers' pay-related taxes, while individual workers pay tax on their incomes. Local authority rates payments sum to more than €9 million in a typical year, contributing to many local authorities' ability to fund local services and invest in communities.

€357M

On a national level, sector-wide Exchequer contributions are €375m: payments through income tax (€141 million), employer PRSI (€114 million), employee PRSI (€42 million) all add to the national tax take and fund wider services across healthcare, education, and infrastructure

€60M

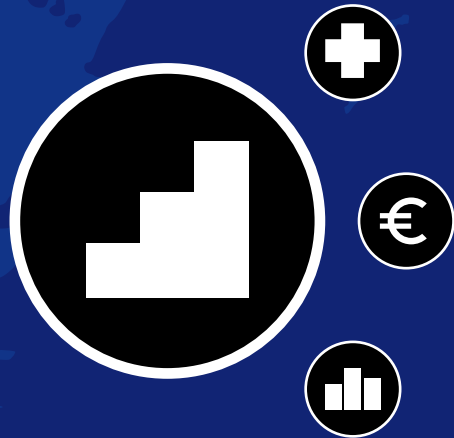
VAT payments

Note that VAT would mainly be paid on FOS sales, oral medicine is zero rated. Considering the direct VAT paid by the industry, the Exchequer would receive ~€60 million

“THE SECTOR CONTRIBUTES TO LOCAL AUTHORITIES AND PAYS EMPLOYERS’ PAY-RELATED TAXES, WHILE INDIVIDUAL WORKERS PAY TAX ON THEIR INCOMES. LOCAL AUTHORITY RATES PAYMENTS SUM TO MORE THAN €9 MILLION IN A TYPICAL YEAR, CONTRIBUTING TO MANY LOCAL AUTHORITIES’ ABILITY TO FUND LOCAL SERVICES AND INVEST IN COMMUNITIES.”

EXECUTIVE SUMMARY

THREATS, TRENDS, AND OPPORTUNITIES




SECTOR PROFILE


FINANCIAL PERFORMANCE


ECONOMIC VALUE-ADD


THREATS, TRENDS,
AND OPPORTUNITIES

COSTS

4.4/5

Impact of COVID-19

2020 was a challenging year for community pharmacies with lower footfall, higher pandemic-related costs, challenging working environments, and challenges accessing medicines

Additional costs relating to COVID-19 was the most significant trend observed in 2020. The size of this impact was scored 4.4/5 nationally (where 5 is greatest impact), with concern higher in towns/villages and in rural areas

4.2/5

Rural pharmacies' difficulty accessing medicines

A clear observable difference on a settlement level relates to accessing medicines in the supply chain. Pharmacies in rural areas (scoring the issue 4.2/5) and in towns and villages (scoring the issue 4.1/5) scored the impact of this issue 15%-20% higher than pharmacies in cities and in urban areas (scoring the issue 3.6/5).

FOS

The pandemic fast tracked the use of email and electronic prescription transfer across healthcare. These became increasingly embedded in healthcare provision as 2020 evolved. Community pharmacists noted that customers collecting prescriptions shared via Healthmail are less likely to buy OTC medicines or FOS products, limiting sales in those areas

FEES

Across all settlement types, the greatest threat identified in the short-medium term is the risk of reductions to fees paid for services for which pharmacies are remunerated, with concern most acute amongst community pharmacies based in towns and villages

Similarly, the sector is concerned about potential reductions to the fees paid for medicines dispensed under State Schemes. The extent of the threat is considered most significant in towns and villages and in rural areas

TRENDS

Throughout the 2020s, healthcare will become more consumer focused. By 2030, adoption of technology will enable healthcare providers to increasingly tailor services to individual need. Community pharmacies are well-placed to lead this transformation, building on the sector's baseline social and healthcare footprint

“ACROSS ALL SETTLEMENT TYPES, THE GREATEST THREAT IDENTIFIED IN THE SHORT-MEDIUM TERM IS THE RISK OF REDUCTIONS TO FEES PAID FOR SERVICES FOR WHICH PHARMACIES ARE REMUNERATED, WITH CONCERN MOST ACUTE AMONGST COMMUNITY PHARMACIES BASED IN TOWNS AND VILLAGES”

SECTOR OVERVIEW





THE BENEFITS OF COMMUNITY PHARMACY

COMMUNITY PHARMACY GENERATES A WIDE RANGE OF DIVERSE IMPACTS TO COMMUNITIES IT SERVES.

Community pharmacy impacts

Economic

- GDP
- Employment
- Employer taxes
- Income taxes
- Local rates
- VAT

These are explored in the sector impact section



Social

- Time invested in communities
- Low cost/free healthcare advice
- Community employment
- Emergency support
- Trusted healthcare provider

These are explored in this section on the sector's activities and performance in 2020

Healthcare

- Prescription services
- OTC medicines provider
- Diverse service offering
- Sector trends
- Role during pandemic

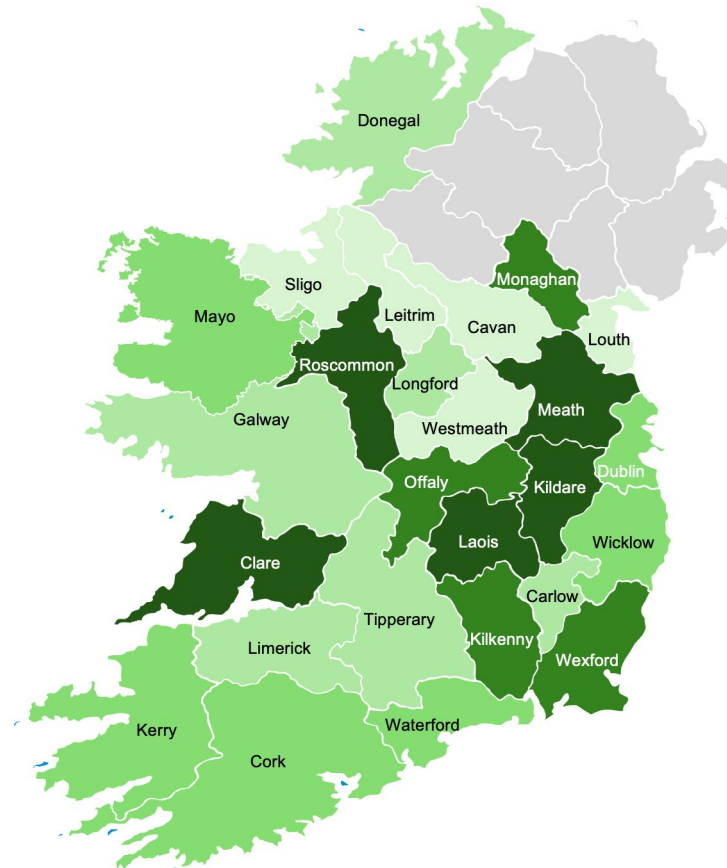
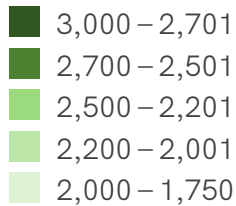
These are explored throughout this report

GEOGRAPHIC FOOTPRINT

THE SECTOR IS EMBEDDED IN COMMUNITIES ACROSS IRELAND.

Number of residents per pharmacy

Person / pharmacy



Source: PSI (2021), CSO (Census 2016), Pharmaceutical Group of the European Union (PGEU) data (2016)

Key takeaways

Nearly 2,000 pharmacies are registered with the Pharmaceutical Society of Ireland (PSI), with the number growing by 6% between 2019 and 2020. No growth in numbers seen in 2020. ~40% of pharmacies are registered in Dublin and Cork (27% and 13% respectively)

On a national average level, each pharmacy serves ~2,400 residents – Pharmacies in Leinster typically serve a higher number of residents compared to Connacht, Munster, and Ulster

Dublin has the highest number of pharmacies, however relatively lower population density per pharmacy (~2,500) – This may reflect dependency on inward commuters in Dublin pharmacies compared to pharmacies in other locations

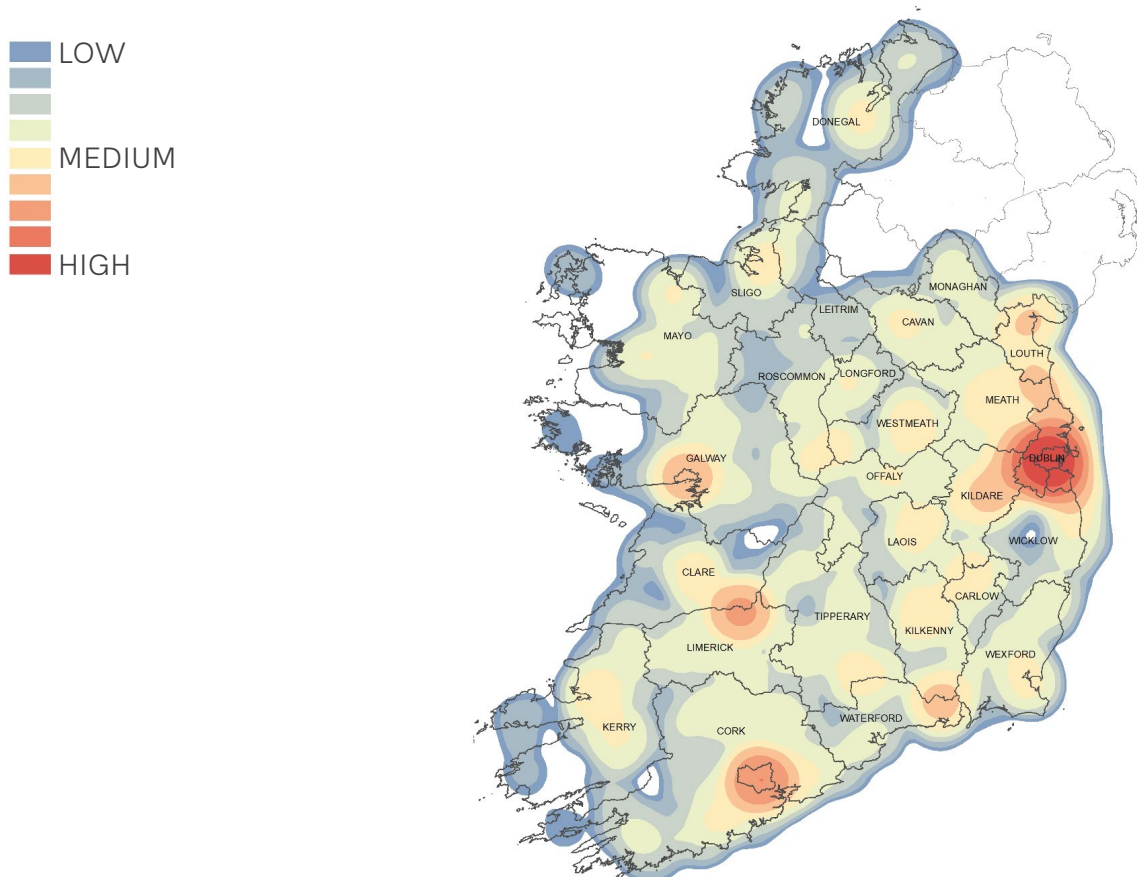
Counties with higher number of commuters (e.g. Meath) have higher population density per pharmacy (~3,100) – This is almost 75% higher than the density for Sligo, with 1 pharmacy per ~1,800 population

Comparatively, Ireland's population is well served by pharmacies. The national average of ~2,400 residents per pharmacy is lower than many other European countries: France (~2,900), Germany (~4,000), Italy (~3,300), and the UK (~4,500).

COMPETITION AND ACCESS

COMPETITION IN THE SECTOR IS STRONG. ACCESS IS WIDELY AVAILABLE WITHIN 5KM OF HOME.

Concentration of community pharmacies



Key takeaways

On a national level, community pharmacies are most likely to be found in cities and in urban areas, with a good geographic spread evident across Ireland – lower levels of concentration is seen in areas with mountainous terrain and in remote areas

Broadly, there is a reasonable level of competition in the sector at the settlement level, and local communities have options around which community pharmacy to use and certainty that other pharmacies are available in the case of an emergency

Over 83% of Ireland's population lives within 5 kilometres of a community pharmacy, implying excellent coverage across the country and within near driving distances

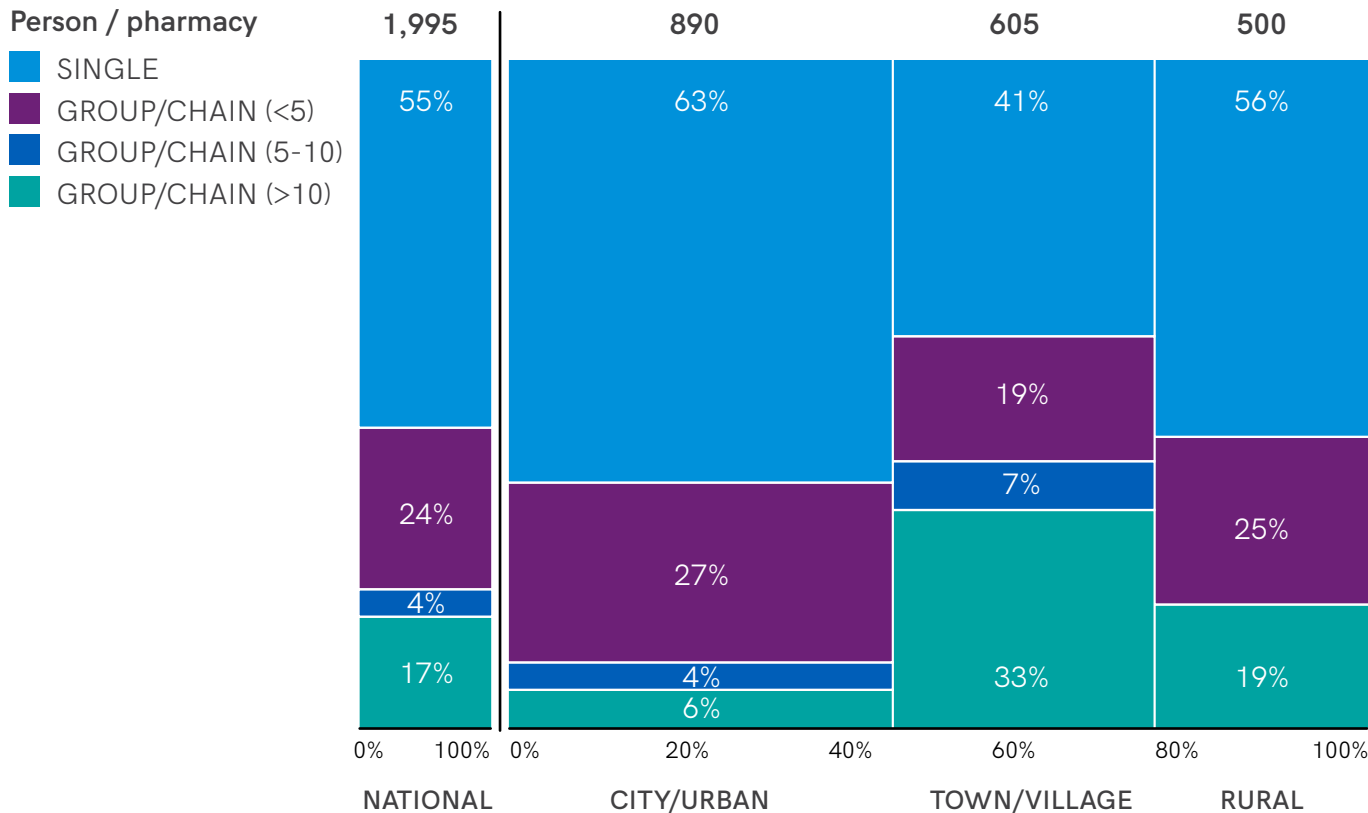
On a local level, community pharmacies have an even socio-demographic spread across areas with high levels of self-reported good health and areas with relatively high levels of self-reported bad health. This highlights that the sector is committed to providing accessible and vital services to all communities

Source: PSI (2021), CSO (Census 2016), KPMG analysis; note: some pharmacies not captured in dataset due to insufficient address information

SETTLEMENT AND OWNERSHIP

SINGLE RETAIL PHARMACIES ARE THE MAIN OWNERSHIP STRUCTURE, WHICH DIFFERS BY SETTLEMENT TYPE.

Settlement and ownership breakdown, by number of pharmacies



Key takeaways

~45% of pharmacies registered with the PSI are located in cities and urban areas – ~30% of pharmacies are located in towns and villages, and ~25% are located in rural areas

Single retail pharmacies (i.e. individual community pharmacies independent of other pharmacies) is the main ownership structure across all settlement types – these account for the largest share of pharmacies in city / urban areas

Pharmacies located in towns and villages tend to be more evenly split across ownership structures. Larger chains with over 10 stores are more likely to be present in rural towns and villages than in city / urban areas

Single retail pharmacies are more likely to be engaged in some form of debt financing to manage cash flow – Larger groups or chains may be in a stronger financial position and/or able to rebalance cash flow problems across their portfolio of pharmacies

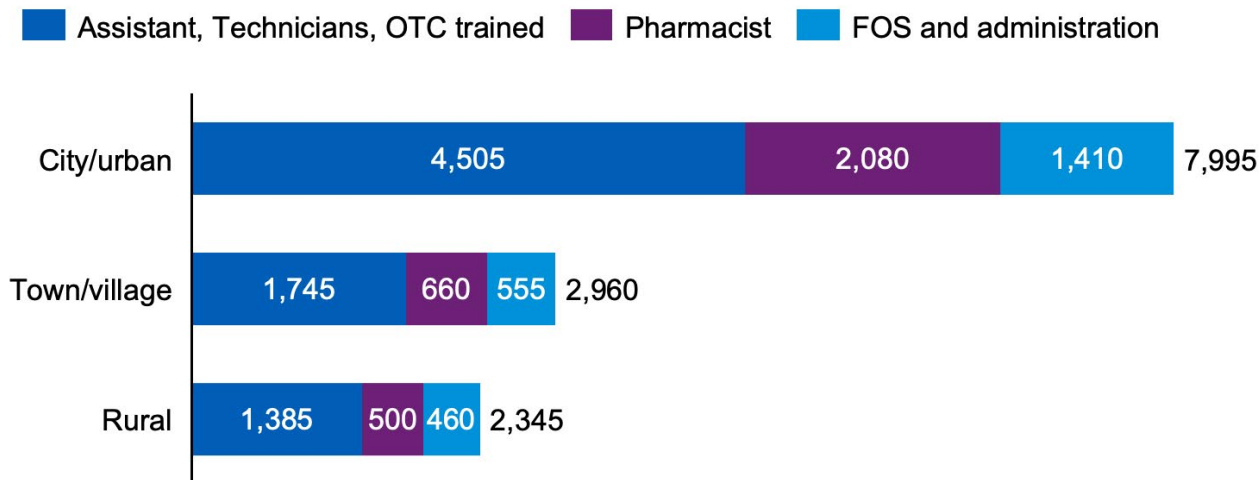
Source: IPU/KPMG Survey (January 2021), IPU COVID-19 survey (2020), FitzGerald Power (2020)

EMPLOYMENT

THE SECTOR SUPPORTS OVER 13,300 JOBS DIRECTLY.
FOOTFALL APPEARS TO DRIVE STAFFING NEEDS.

Sector employment, 2020

Total: 13,300



Source: IPU/KPMG Survey (January 2021)

Note: total jobs number includes full-time, part-time, and temporary positions

Key takeaways

Over 13,300 people are directly employed by community pharmacies – Supervising and support pharmacists represent 24% of sector employment, while assistants, technicians and OTC trained staff represent 57%

Front of Shop (FOS) and Administration and Over the Counter (OTC) staffing needs are higher in cities/urban areas, linked to higher footfall – Average staffing requirements for FOS / administration increased by 1 FTE between 2019 and 2020, likely due to changes in store layouts arising from COVID-19

Staffing costs increased by ~21% in 2020 compared to 2019 – Survey respondents noted higher number of sick days taken due to COVID-19 related issues (e.g. stress and self-isolation) and use of locum pharmacists was often required

Increasingly, community pharmacy staff are spending more time administering pharmacy claims. This removes these staff from providing other frontline services and serving customers needs

In some cases, terms and conditions and salaries are higher in public sector roles. This poses a challenge to the competitiveness of community pharmacies and can create upwards pressure on salary costs.

>> EMPLOYMENT

Average team size per pharmacy



■ Assistant, Technicians, OTC trained
 ■ Pharmacist
 ■ FOS and administration

Source: IPU/KPMG Survey (January 2021)
 Note: total jobs number includes full-time, part-time, and temporary positions

DISPENSING TRENDS

DISPENSING UNDER STATE SCHEMES INCREASED IN 2020, WHILE PAYMENTS REMAINED FLAT.

Total items dispensed, State Schemes 2019 and 2020 (million units)

GMS



DPS/LTI



Methadone, other



State scheme payments to pharmacies, 2019 and 2020 (€m)

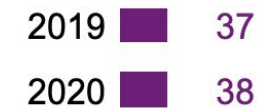
GMS



DPS/LTI



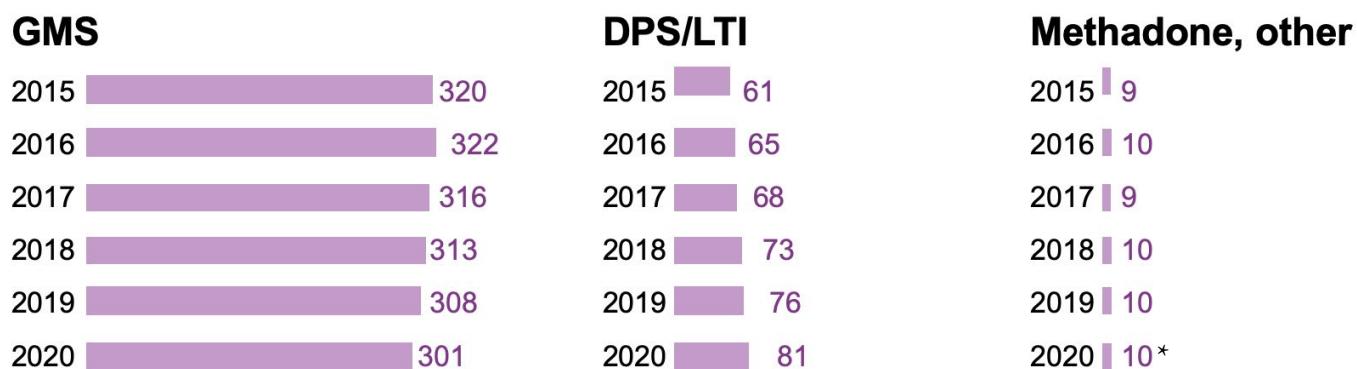
Methadone, other



Source: HSE PCRS (2019, 2020); Note: 'other' includes Hitech dispensing and non-dispensing

>> DISPENSING TRENDS

Historical State scheme payments (€m)



Key takeaways

Community pharmacies dispensed **81 million items through State Schemes in 2020, a 3% increase on 2019**. The vast majority (75%) of items are dispensed through the General Medical Service (GMS) scheme, followed by the Long-Term Illness (LTI) scheme (11%). Year on year, growth is observable in particular in relation to the Drug Payment Scheme (DPS)

Regarding private prescriptions, while the PCRS does not provide data on private prescriptions, we estimate that **~17 million private prescriptions were dispensed in 2020**. Total items dispensed across State Schemes and privately therefore amounted to ~98 million

Net payments through State Schemes to pharmacists amounted to €421 million in 2020 inclusive of fees for Hi-Tech services, remaining flat with a very marginal gain of 0.01% on 2019. Payments under the GMS scheme fell by 2%, with a fall in dental-related payment a driver. Meanwhile, DPS / LTI fees paid have increased over recent years and are steadily growing year on year

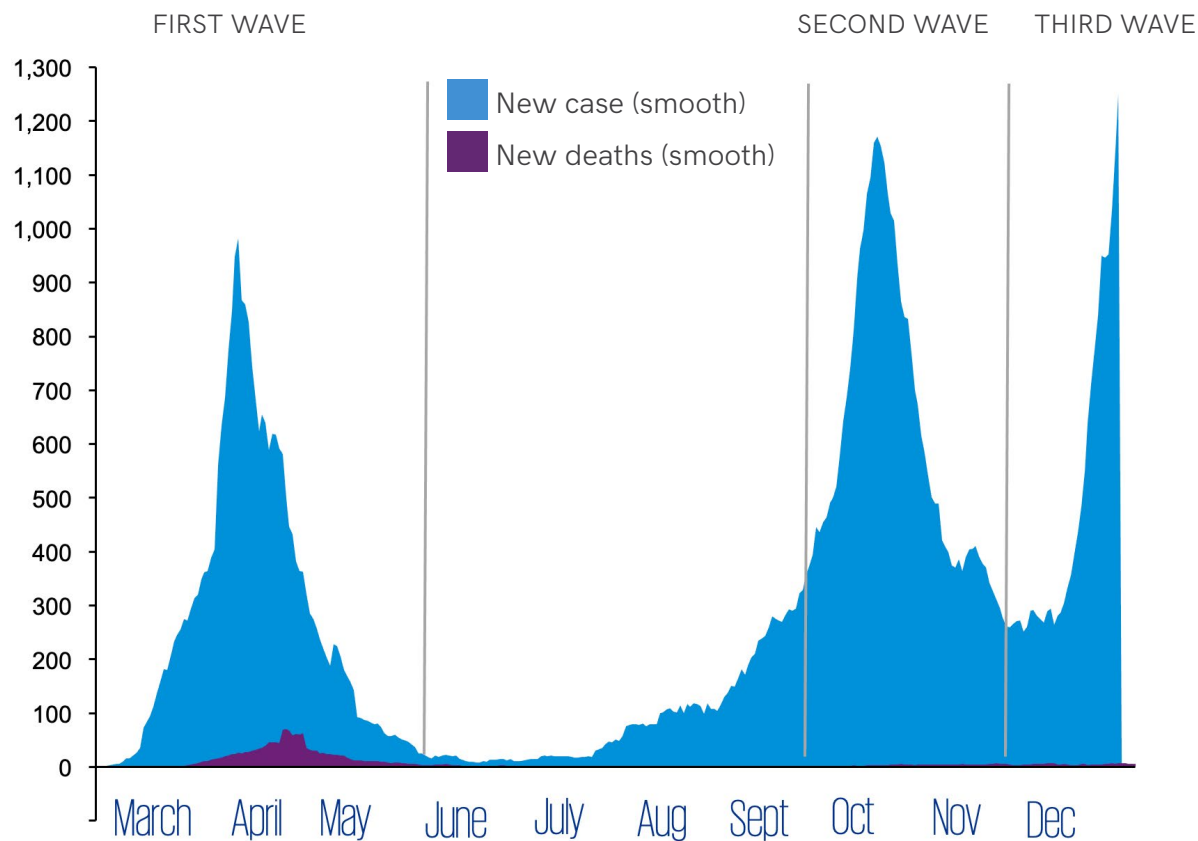
The general trend appears to indicate that demand for medicines under state schemes is evolving.

*Note: graph does not include Hitech Dispensing and Non-Dispensing Fees

IMPACT OF THE PANDEMIC

COMMUNITY PHARMACIES PLAYED A KEY ROLE IN HEALTHCARE PROVISION THROUGHOUT THE PANDEMIC.

Trends in COVID-19 cases in Ireland in 2020



Source: IPU/KPMG Survey (January 2021); IPU COVID-19 survey (2020)

Key takeaways

When the pandemic emerged in Spring 2020, community pharmacies responded positively by remaining open, increasing the availability of services provided virtually, and ensuring pharmacies were safe environments for customers and patients to visit

To protect staff and the public from the risks of COVID-19, the sector invested in physical distancing measures such as visual aids (i.e. posters and signage) and physical barriers

Based on the KPMG/IPU survey in January 2021, operational costs accounted for a larger share of overall costs in 2020 compared to 2019 (13%, up from 10%), driven partly by additional costs to adapt community pharmacies to the risks of COVID-19

In the first wave, these increased costs relating to mitigation and signage meant that many community pharmacies had to avail some form of debt finance / restructure of debt in order to remain operational. Equally, in that first wave, a quarter of pharmacies reached their credit limit with medicine wholesalers and had difficulty obtaining stock to meet their patients' needs

As of summer 2021, community pharmacies have vaccinated more than 200,000 people, two-thirds of whom are under the age of 29.

AVAILABILITY OF SERVICES

A WIDE RANGE OF SERVICES ARE BROADLY AVAILABLE FROM MOST COMMUNITY PHARMACIES.

Availability of services, by % of pharmacies providing services

Services offered	City / Urban	Rural	Town / village	National
Medicines advice	100%	100%	100%	100%
Medicines counselling	100%	100%	100%	100%
Advice about medicines shortages	91%	100%	95%	94%
Unwanted medicines disposal	85%	100%	100%	93%
Blood pressure management	79%	92%	81%	82%
First aid support	72%	91%	71%	75%
COVID-19 triage support	66%	83%	76%	72%
Flu vaccination (during vaccination period)	75%	78%	53%	70%
Smoking cessation	61%	82%	67%	67%
Home delivery of medicines/essential items	74%	50%	41%	59%
Monitored dose supply	97%	100%	100%	99%

Service availability >90% >80% >71% >40% – 70%

Key takeaways

Community pharmacies play a vital role in providing a wide range of services, some of which are remunerated (commissioned services', e.g. Emergency Hormonal Contraception and the Flu Vaccination) and some of which are provided free of charge

Pharmacies based in towns/villages and rural areas are more likely to provide commissioned services – Where these are remunerated, they provide pharmacies with a stable source of revenue

Many pharmacists spend over 25 hours per week on monitored dose supply – More than 40% of pharmacists spend more than 25 hours per week on monitored dose systems

Similarly, 20% of pharmacists spend over 25 hours per week counselling patients on medicines. Medicine counselling has a 100% availability across settlement types

Rural pharmacies are more likely to spend more time on average providing advice and counselling services (>10% more time spent on these services than national average)

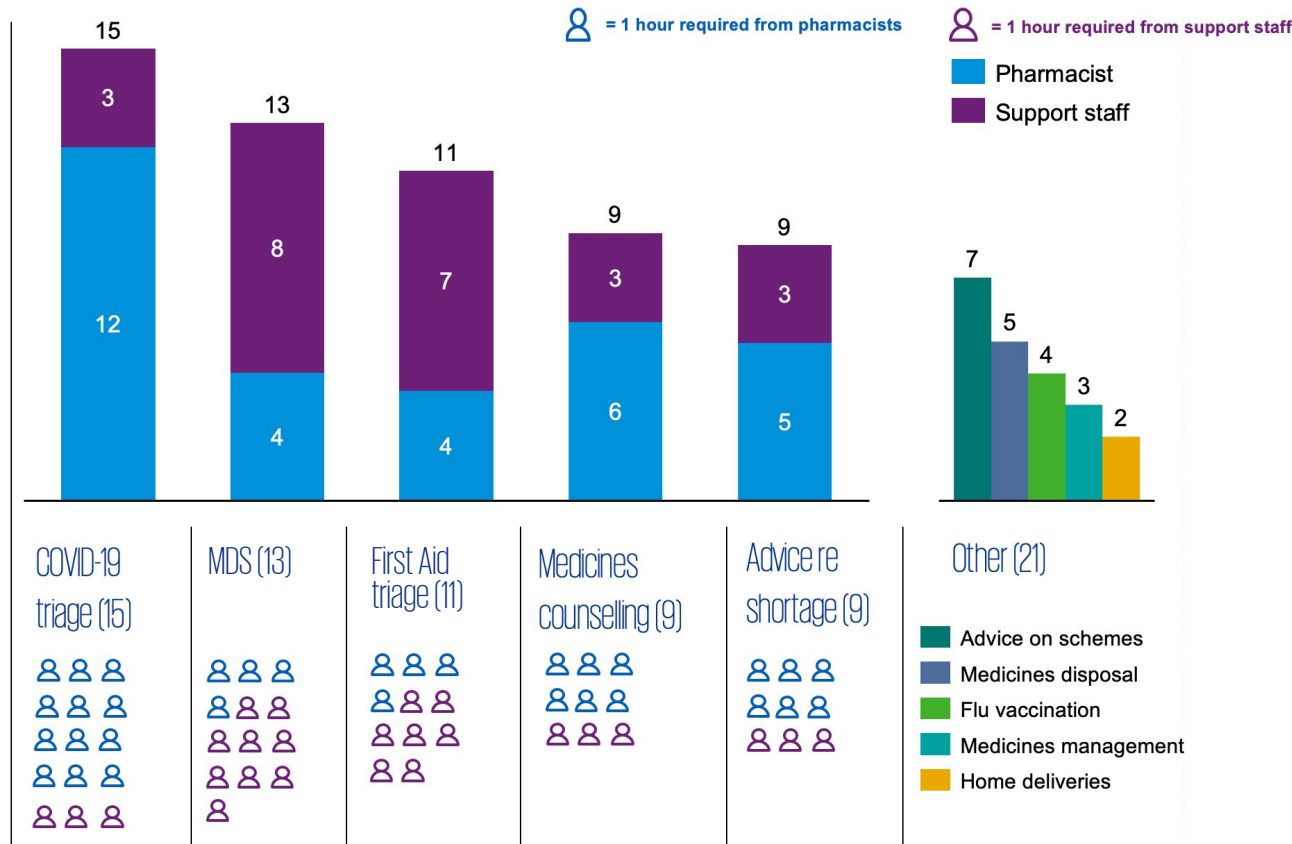
Overall, the relative consistency in the time spent on services highlights the time commitment made by the sector in the communities it serves

Source: IPU/KPMG Survey (January 2021). MDS = Monitored Dose Systems

TIME REQUIRED FOR KEY ACTIVITIES AND SERVICES

COMMUNITY PHARMACIES INVEST TIME IN PROVIDING A WIDE RANGE OF SERVICES AT GOOD VALUE. RISKS TO THIS INCLUDE WAGES, STAFFING, AND ADMINISTRATIVE REQUIREMENTS.

Hours required to provide Top 10 activities on a pharmacy level per week



Key takeaways

The provision of services and activities by community pharmacies takes time. This can include meeting customers, giving advice and direct care, and supporting patients in cases of emergency

Some services and activities require more time to provide to local communities than others services. Providing support to patients about COVID-19, and triaging these patients, required an average of 15 hours at a pharmacy level per week in 2020. This service was provided free of charge and was essential as pharmacists were the most accessible trusted source of information during the pandemic, as GPs had moved to online-only.

Pharmacies provide an invaluable resource to local communities. Across the top 5 most time consuming activities/services provided at an average pharmacy, **the total time taken per week is ~30 hours for support staff and ~25 hours for pharmacists – summing to ~55 hours**

Additionally, a further 5 activities require ~20 hours, including advice on medicines schemes, eligibility, and reimbursable items, advice on medicines disposal, and provision of the flu vaccination during vaccination periods

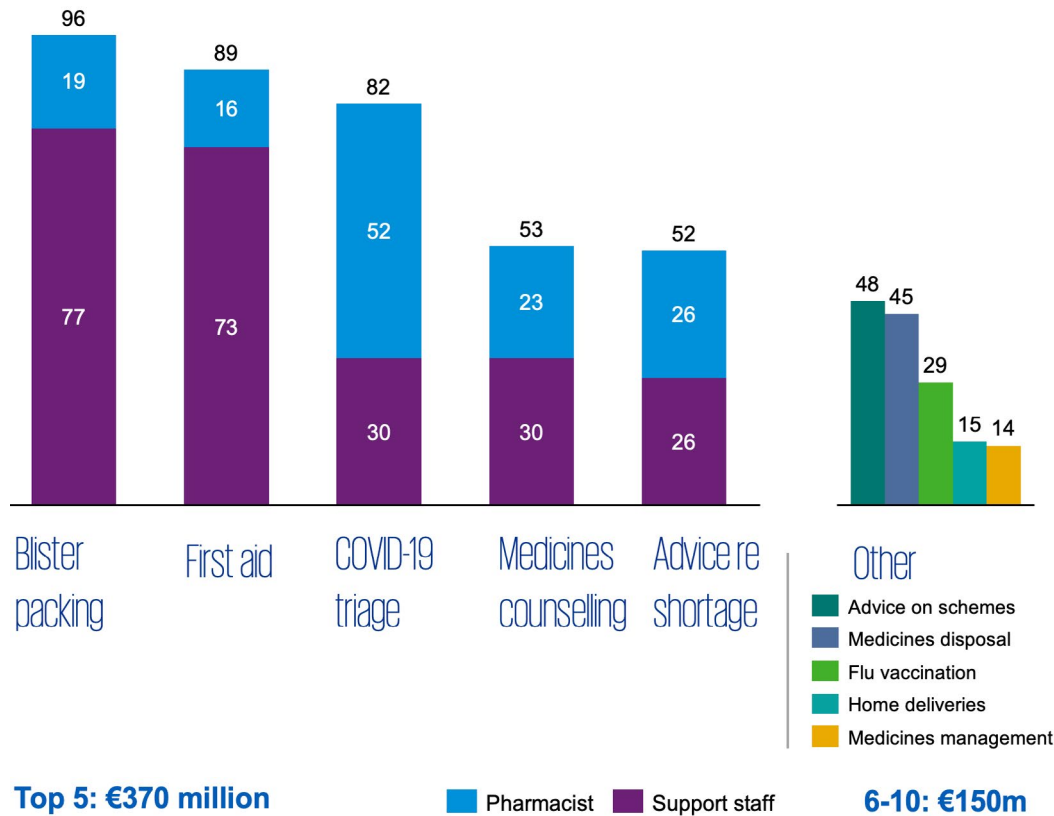
While time consuming and costly, not all services are fee paying. Blister packing, which accounts for ~12.5% of the total wage bill in time costs, is primarily a free service or offered at a very low margin

Source: IPU/KPMG Survey (January 2021)

TIME COST OF SERVICE PROVISION

TIME SPENT ON KEY ACTIVITIES AND SERVICES COST THE SECTOR ~€520 MILLION IN 2020.

Time cost of top 10 services and activities, national level (€m)



Key takeaways

Based on the average time incurred on a pharmacy level to provide the range of key services and activities, and adjusted to account for the staffing composition across community pharmacies, the estimated time cost of providing the 10 key activities reviewed is equivalent to €520 million

The time cost of providing the Top 5 most time-consuming services is equivalent to €370 million, highlighting that there is concentration on time in a small number of activities and services

Monitored Dose Systems medicines is a time-consuming activity, especially for delivery to patients' homes. The time community pharmacy staff devote to such activities cost an equivalent of €96 million in hourly pay

In 2020, the emergence of the pandemic and the public demand for community pharmacists to triage patients added additional time requirements on the sector – the aggregate equivalent time cost is estimated to have been €89 million – this was an unforeseen time cost at the outset of the year and one which was greater as the prevalence of COVID-19 in the community was higher

Source: IPU/KPMG Survey (January 2021)

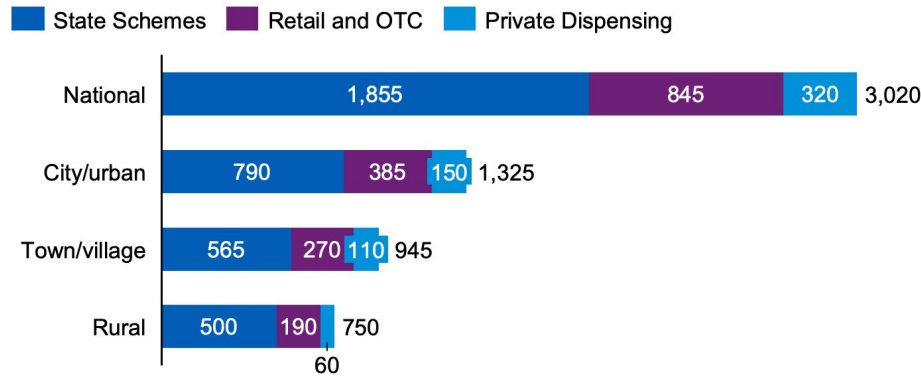
FINANCIAL PERFORMANCE



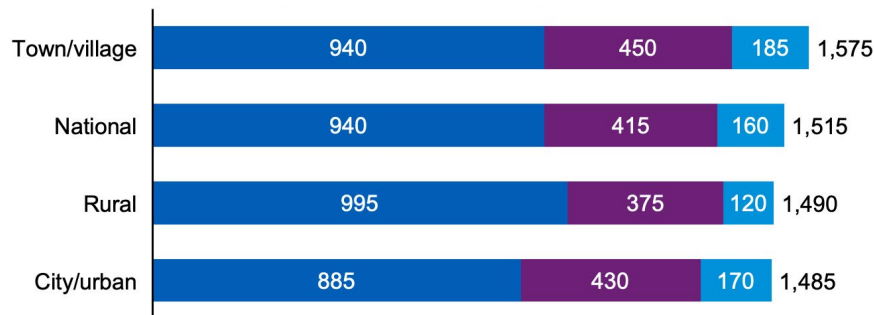
SECTOR REVENUE

SECTOR REVENUE WAS ~€3.0 BILLION IN 2020. STATE COMMUNITY DRUG SCHEMES ARE THE MAIN SOURCE OF REVENUE.

Total sector revenue by income type (€m)



Average pharmacy revenue (€'000s)



Key takeaways

Total revenue across the community pharmacy network is estimated to have been ~€3 billion in 2020, down 4% compared to 2019.

Revenue in city/urban areas is 43% of the total revenue for the sector while making up 45% of pharmacies in the sector. Towns/villages account for 38% of the total revenue while making up 30% of the sector, while rural pharmacies account for 19% of total revenue while making up 25% of the sector, suggesting some relative outperformance of town/village pharmacies and rural pharmacies over pharmacies located in city centres/urban area

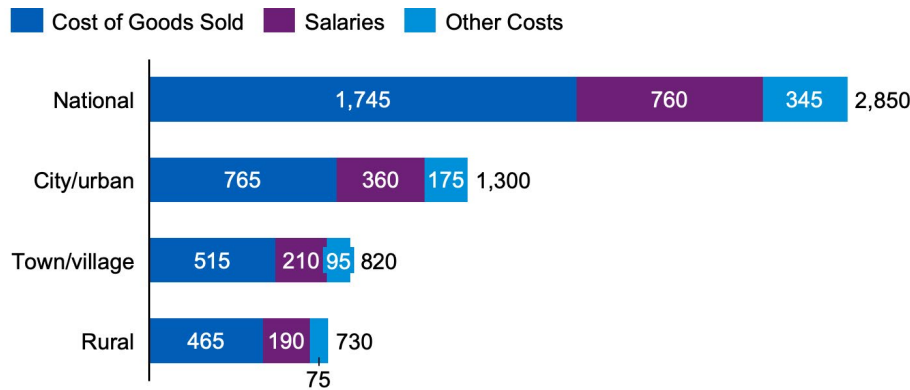
GMS revenue accounts for the largest portion of revenue for each settlement type. Rural pharmacies generate the largest share of revenue from GMS prescriptions and less revenue on average from dispensing of private prescriptions and OTC sales. Pharmacies located in towns/villages are more likely to generate revenue through retail (front of shop) and OTC sales

Town/village pharmacies have the highest turnover on average. Survey respondents noted that the pandemic resulted in increased footfall in areas outside city/urban areas. Government mandated travel restrictions meant that customers were more likely to stay local, likely driving growth in average revenue for pharmacies located in towns and villages

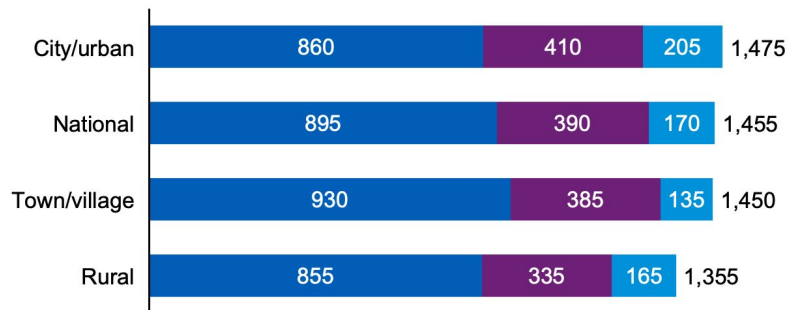
SECTOR COSTS

SECTOR COSTS WERE MORE THAN €2.8 BILLION IN 2020.
COSTS OF GOOD AND SALARIES ACCOUNT FOR >70%.

Total sector costs by cost type (€m)



Average pharmacy level costs (€'000s)



Key takeaways

Total costs across the sector amounted to ~€2.85 billion in 2020.

On a settlement level, cities and urban areas account for the greatest share of this total (46%/€1.3bn, from 45% of community pharmacies). Town/villages account for 29% of the total amount while making up 30% of the sector, and rural pharmacies account for 26% of the total while making up 25% of the sector

It is evident that the settlement pattern and total costs are linked.

In particular, costs of goods sold and salaries account for 87% of all costs nationally, and is notably higher in cities/urban areas, where they are respectively 6% and 15% above the national average

Higher living and operating costs in denser urban areas are driving total costs.

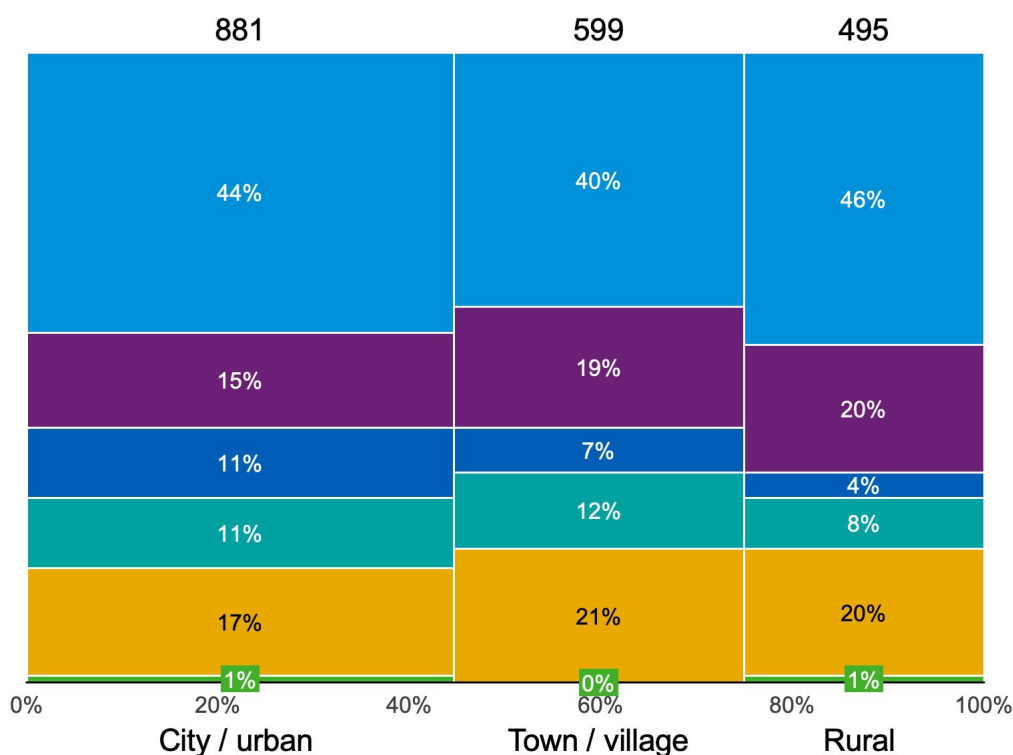
See earlier analysis highlighting that pharmacies in cities have higher headcount (nearly 4 additional staff members per pharmacy). Other costs (COVID-19 adaptations, rates, stationery, maintenance and insurance) are relatively consistent across settlements

REVENUE AND PROFITABILITY BY REGION

THERE ARE NO MATERIAL DIFFERENCES IN THE BREAKDOWN OF REVENUE ACROSS SETTLEMENT TYPES.

Breakdown of all revenue by settlement type (% of total revenue)

■ GMS scripts ■ DPS/LTI ■ OTC ■ Private prescriptions ■ FOS ■ Other



Source: IPU/KPMG Survey (January 2021), company financials

Notes: Other includes Vaccinations, Methadone, Other prescriptions and any other Non-Contractual service income.

Key takeaways

Across all settlement types, pharmacies in city centres and urban areas generate the largest share of total revenue by settlement, accounting for 45% of the overall revenue. Town/Village pharmacies account for 30% and rural pharmacies account for 25% of total revenue respectively

Rural pharmacies generate the greatest share of their revenue (46%) from GMS prescriptions, greater than the share generated by pharmacies in city centre/urban areas (44%) and pharmacies in towns and village (40%). On a wider level, rural pharmacies also generate the largest share of revenue from State Schemes (i.e. GMS/DPS/LTI prescriptions) at 66% while the other settlement types generate 59% of revenue from these sources

Relatively higher levels of eligibility for State Schemes in rural areas may drive up the share of revenue generated through State Schemes

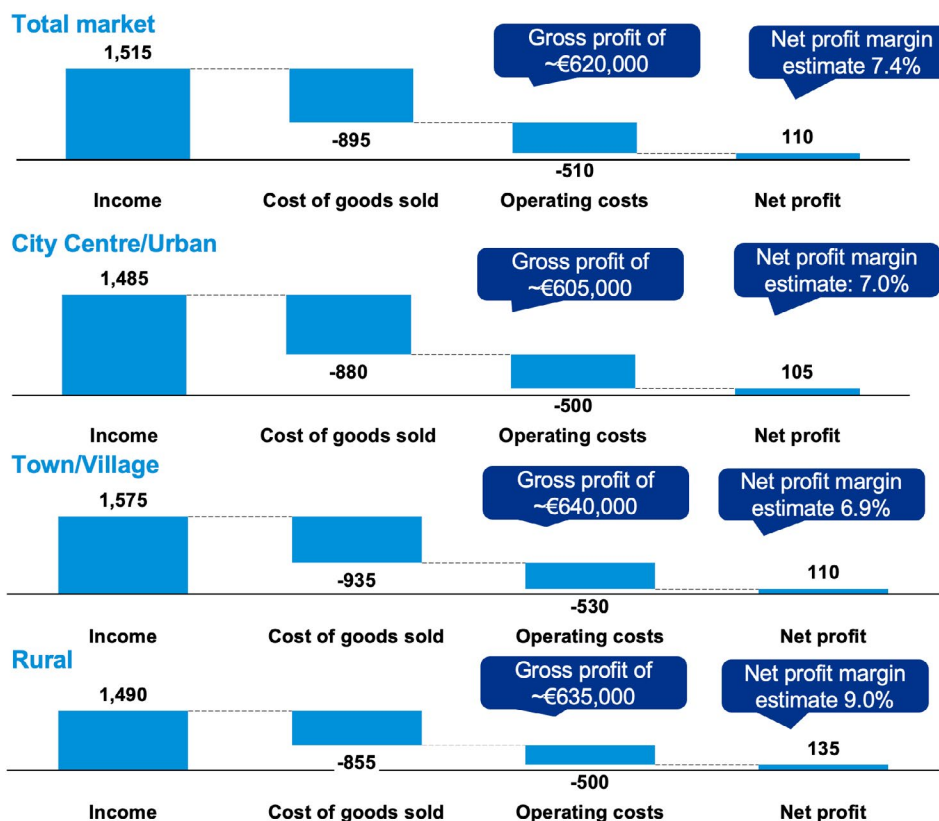
Over the counter sales are strongest in city centres and urban areas, while pharmacies in rural area generate the smallest share of total revenue from OTC sales

City centre and urban pharmacies generate 3-4 percentage points less from Front of Shop sales compared to the other regions – This may be linked to the lower footfall experienced due to COVID-19 restrictions. Conversely, rural settlements have benefited from this trend in footfall away from more densely populated areas.

REVENUE AND PROFITABILITY BY SETTLEMENT TYPE

NET PROFIT MARGINS ARE DOWN FROM 15.5% LAST YEAR TO 7.4% THIS YEAR.

Revenue and profit by settlement type (€'000s)



In terms of gross and net profit by turnover range, these are shown below.

	Gross Profit	Net Profit
<€1m	42.5%	8.5%
€1m-€1.5m	40.7%	7.7%
€1.5-€2m	41.4%	7.3%
>€2m	40.0%	7.0%
Average	40.9%	7.4%

Source: IPU/KPMG Survey (January 2021), company financials

Notes: Other includes Vaccinations, Methadone, Other prescriptions and any other Non-Contractual service income.

Key takeaways

In line with earlier analysis, increases in costs in 2020 outstripped increases in revenue, eroding profit margins for pharmacies

Average gross profit margins for the sector experienced a significant fall from 45.0% in 2019 to 40.9% in 2020. Pharmacies in city centres/urban areas face the lowest gross profit levels on average, related in particular to lower revenue levels arising from the pandemic's negative impact on footfall

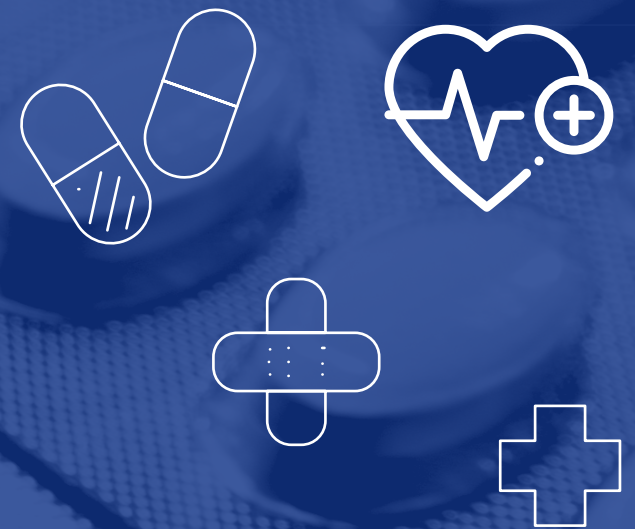
Average net profit margins for the sector fell from 15.5% in 2019 to 7.4% in 2020. Community pharmacies in rural locations outperformed community pharmacies elsewhere, with net profit higher in rural areas (9.0%) than in city centres/urban areas (7.0%) and in towns/villages (6.9%)

Comparatively, net profits are low when benchmarked against other sectors. In healthcare, net margins are lower than in pharmaceutical sector (15%-20%), while another vital sector - similar to community pharmacy - ICT, generates a net margin range of 15%-25%.

As previously observed, the COVID-19 restrictions contributed to changes in spending patterns away from city centres and urban areas. Pharmacies outside the city areas have seen increased footfall, which has driven higher turnover. However, this also contributed to higher operating costs.

The overall trend to lower gross profit and to lower net profit in 2020 is a concern for the sector.

SECTOR IMPACTS



BACKGROUND:

ECONOMIC IMPACT ANALYSIS

Impact assessments consider the injection of income as a result of a sector's activity.

DEFINITIONS AND VIEWPOINT

Economic impact assessments consider the injection of income as a result of a specific event, policy choice or economic activity from a specific industry.

The pharmacy sector's economic activities can be classified into two broad categories:

1. **Healthcare contribution:** Health and social impacts arising from the sector.
2. **Operational expenditure:** Expenditure on the operations of existing services to local communities.

Healthcare contribution cannot be easily defined as it extends far beyond providing a service to local communities. Some auxiliary services provided such as signposting for local communities and providing medical advice where medical appointments are unavailable are some such services.

Operational expenditure can be seen as the initial round of expenditure that creates further economic impacts. These direct expenditures create additional rounds of expenditure that circulate through the economy, based on the specific sectors in which the expenditure occurs and on the specific inter-industry linkages with the rest of the economy.

For our analysis of the sector, we have taken a view that our respondents to our survey form an accurate representation of a sample that makes up the wider group of community pharmacies. From this we have used pro-forma metrics to build up a representation of the national income and expenditure of the community pharmacy sector.

This direct/primary operational expenditure is directed to various sectors in the economy and this creates additional rounds of expenditure in the value chain, also referred to as the multiplier impact.

The overall impact of direct/primary expenditure can be categorised in terms of three components:

1. **Direct:** Impacts directly accruing from expenditure by firms in the sector (e.g. operations: maintenance costs, capital investment: fixtures and fittings)
2. **Indirect:** Impacts generated by expenditure by firms and staff within the sector's supply chain (e.g. for operations: purchases by entities providing maintenance services, for capital investment: purchases made by equipment or service suppliers).

3. **Induced:** Impacts generated by the spend of individuals and firms outside the sector as a result of increased incomes (e.g. additional household expenditure as a result of increased incomes)

For the overall operational and capital investment expenditure, we consider the direct, indirect and induced impacts in terms of Gross Value Added (GVA), employment and labour income.

>> BACKGROUND: ECONOMIC IMPACT ANALYSIS

Total sector-level spend flows into the sector's supply chain, generating wider impacts.

BACKGROUND

For the current baseline impact of operational expenditure, we considered the costs based on our survey results.

We used these estimates to calculate the average expenses of each pharmacy by region. We then used these figures to estimate expenses for the sector on a national basis.

This expenditure is incurred to pay for goods and services provided by suppliers in the value chain. **From this direct or primary expenditure, we can identify the potential direct, indirect, and induced impacts across the value chain.**

The disruptive impact of COVID-19 made 2020 a relative outlier year for considering operating expenditure:

- For the current **baseline (2020)** impact of expenditure, the average level of income and expenses incurred in the year are considered
- This is used to estimate the annual investment expenditure per community pharmacy to calculate the corresponding capital expenditure of the industry
- Our methodology considered the cost for front of shop (FOS) products, pharmaceutical goods (i.e. medicines) and other operating costs:

- » FOS sales refer to retail sales of products that can also be bought in other stores and are not specific to pharmacies (e.g. hair products, make-up, personal care)
- » Pharmaceutical goods (i.e. medicines) are specific to pharmacies and represent the largest relative cost/expenditure item in the sector
- » Other operating costs include utilities, rent, insurance, IT, maintenance, stationery and COVID-19 adaptation

NOTE ON THE NATURE OF PHARMACY EXPENDITURE

By considering the broader value chain impact of expenditure, impact modelling accounts for the retail and manufacturing components of pharmaceutical products

In addition, the industry's expenditure to provide FOS goods, as well as expenditure on other operating costs, are accounted for in terms of the backward linkages to the supplying industries.

CONTRIBUTION TO ECONOMIC OUTPUT (GVA) TODAY



Community pharmacy's baseline total economic value add is ~€1.2 billion.

Beyond its social and healthcare impact, the community pharmacy sector contributes to Ireland's national economic output, measured as Gross Value Add (GVA), through its spend on goods and services, salaries, and investments, amongst others.

Impacts are measured on a direct level (allowing for the estimation of the direct effects of economic activity) and on indirect and induced levels (the knock-on business activity that is supported through direct economic activity).

Directly, community pharmacy contributes a minimum of €1.05 billion to the Irish economy. This is predominantly generated by expenditure on wages and salaries, reflective of the tangible, direct impact of community pharmacy's day-to-day spend. Indirectly, through its spend in its supply chain, in particular its spend on medicines, the total contribution of this spend to national economic value add is a minimum of €150 million.

Altogether, total direct, indirect, and induced impacts arising from the activities of community pharmacy sums to a minimum of €1.20 billion.

GROSS VALUE ADD	
DIRECT IMPACTS	€1,050 BILLION
This captures the direct impact of spending by players in the community pharmacy sector	
	+
VALUE CHAIN IMPACTS	€150 MILLION
This captures the additional economic impact of spending by suppliers within the supply chain	
VALUE ADD CREATED THROUGH OPERATIONAL ACTIVITIES	€1.20 BILLION
Together, the operational activities generate at least €1.20 billion for the Irish economy, with a multiplier of 1.14	
= TOTAL ECONOMIC VALUE ADD OF €1.20 BILLION, AFTER AN ECONOMIC MULTIPLIER OF ~1.14	

CONTRIBUTION TO EMPLOYMENT



Employment in the sector and throughout its supply chain is in the region of 31,000.

Through its activities, community pharmacy makes a vital contributing to employment in communities across Ireland, both directly and throughout its supply chain.

Directly, community pharmacies support employment of approximately 13,300. These employees work as pharmacists, technicians, and in Front of Shop roles, amongst others. These are well-paid jobs, with staff based in cities, towns, villages, and in rural areas across Ireland (see earlier analysis) and it highlights the local economic role that the sector plays.

Indirectly, community pharmacies supports the employment of a minimum of an additional 17,700 workers throughout its value chain. These workers are employed in roles supporting community pharmacy activities and operations, such as in wholesale, retail trade, and professional services, amongst others, as well as arising from the spend of the sector's staff in local shops and on local services.

Altogether, approximately 31,000 jobs are supported through the sector's activities and throughout its value chain.

EMPLOYMENT	
DIRECT JOBS	~13,300
Over 13,300 are directly employed in community pharmacies.	
	+
VALUE CHAIN JOBS	~17,700
The sector creates value chain jobs through indirect supply chain purchases, including maintenance inputs, and the spend of employees in shops and local communities.	
JOBS CREATED THROUGH OPERATIONAL ACTIVITIES	~31,000
= TOTAL EMPLOYMENT ACROSS THE SECTOR AND SUPPORTED THROUGHOUT ITS VALUE CHAIN OF MORE THAN 31,000	

CONTRIBUTION TO INCOMES



Through its activities, the sector supports labour income payments summing to €470 million.

The community pharmacy's contribution to the payment of incomes to workers across Ireland is strong, through payroll, supply spend, and the activities of suppliers.

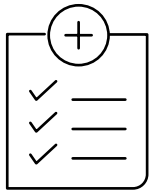
Direct labour income sums to more than €760 million, with this spend flowing to employees working in local communities across the country. These payments provide workers in the sector with a level of income that provides them with a degree of financial security. Through these payments, additional spend occurs on local levels, as the sector's staff spend on other goods and services available locally.

In addition, the sector also contributes to the payment of labour incomes indirectly, through its spend on suppliers. These sum to a minimum of €485 million.

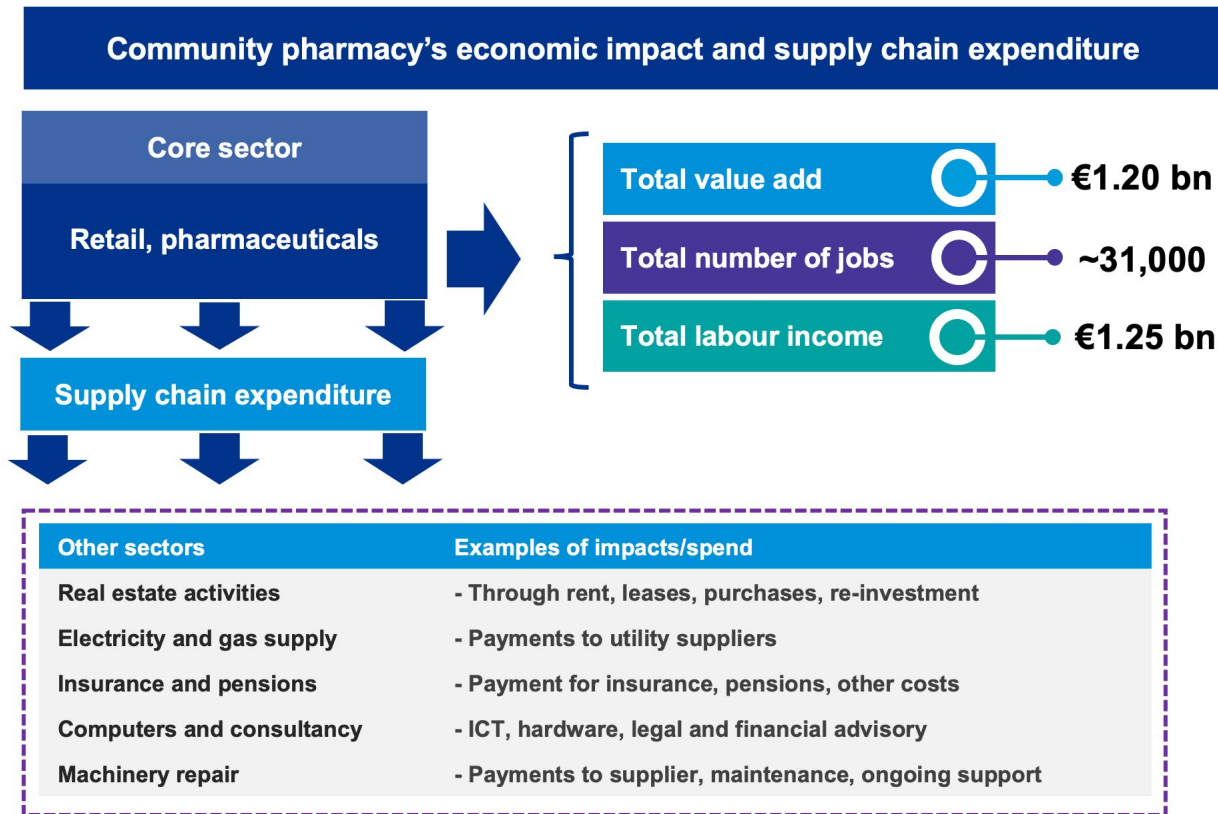
Taking account of direct and indirect labour incomes, the sector's aggregate contribution to same sums to approximately €1.25 billion.

LABOUR INCOMES	
DIRECT LABOUR INCOME	~€760M
This is direct income created by community pharmacies' operations.	
	+
VALUE CHAIN LABOUR INCOME	~€485M
Through purchases in the supply chain and local spend, indirect labour income amounts to €485 million.	
LABOUR INCOME THROUGH OPERATIONAL ACTIVITIES	~€1.25 BILLION
Together, total labour income generated through operating activities is estimated to be €1.25 billion	
= AGGREGATE SUPPORT FOR DIRECT AND INDIRECT EMPLOYMENT EQUATES TO LABOUR INCOME SUPPORT OF UP TO €1.25 BILLION.	

OVERALL ECONOMIC IMPACT



Community pharmacy’s total spend generates impacts across sectors.



OVERALL IMPACTS

The community pharmacy sector generates impacts across sectors and across regions, contributing to national Gross Value Add (GVA), employment, incomes, and Exchequer revenue.

The sector’s total contribution to GVA through its own activities and activities in its value chain is €1.2 billion, while over 31,000 jobs are supported as a result.

CONTRIBUTION TO THE EXCHEQUER TODAY

The sector contributes to local authorities and pays employers' pay-related taxes, while individual workers pay tax on their incomes.

PAY-RELATED TAXES

Through its direct payment of salaries and through indirect support for salaries in the wider supply chain, the sector makes significant contributions to pay-related taxes. Baseline contributions are shown below:

- Income tax and USC paid by direct employees and employees within the supply chain is estimated to be greater than €141 million.
- Contributions through employer PRSI is estimated to sum to more than €114 million
- Contributions by employees in PRSI sums to €42 million

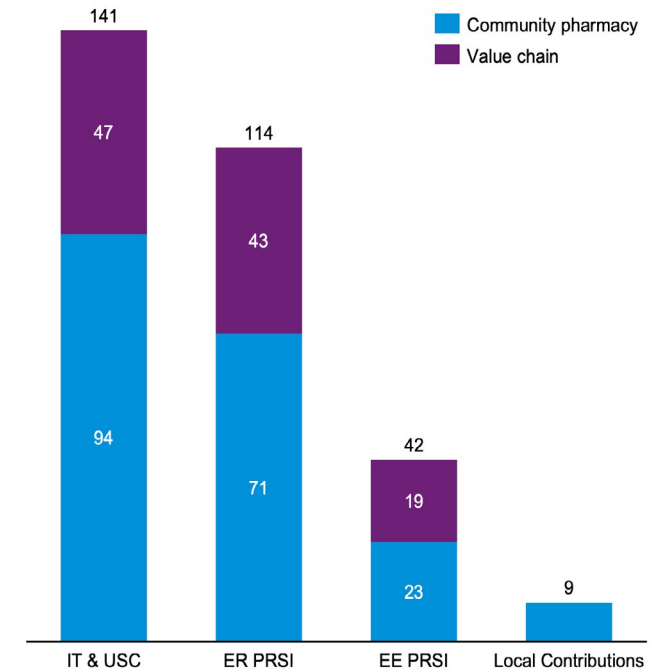
These pay-related taxes – paid by employers and employees throughout the supply chain – contributes to the overall Exchequer tax take, enabling it to reinvest in communities and services across Ireland. Additionally, VAT paid on FOS sales (oral medicine is zero rated) is estimated to generate ~€60 million for the Exchequer.

Overall, the community pharmacy sector in Ireland plays an important role in contributing to the Exchequer while making a positive contribution to the social and economic outcomes of Irish communities.

LOCAL CONTRIBUTIONS

Across Ireland, the community pharmacy sector contributes more than €9 million to local authorities tax take. This is a significant sum, supporting local employment, local services, and investments in communities. Without this, many local authorities would either need to find alternative funding sources, or would have to fund services with a lower overall tax take.

PAY-RELATED TAXES AND LOCAL CONTRIBUTIONS, BASELINE (€M)














TRENDS, THREATS, OPPORTUNITIES



TRENDS IN 2020

Pharmacies across all settlement types saw additional costs as the main trend of 2020. Staff shortages and supply chain challenges were also prevalent.








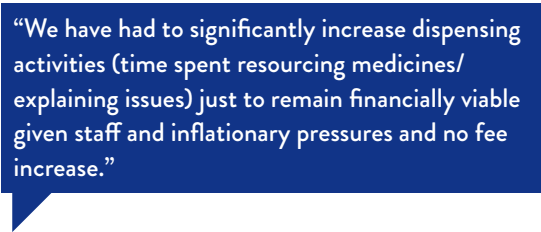



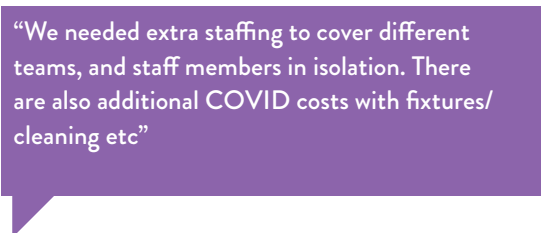
TOP 3 MACRO TRENDS IN 2020 BY THE EXTENT OF THEIR IMPACT (1-5 SCALE, 5 IS GREATEST IMPACT)

	City/Urban	Town/Village	Rural		QUOTES FROM THE SECTOR
Additional costs due to COVID-19	 4.1	 4.6	 4.7	<p>2020 was a challenging year for community pharmacies, which faced higher pandemic-related costs. The extent of this impact was scored 4.4/5 nationally. This was lower in cities and urban areas and higher in towns/villages and in rural areas.</p>	<p>“PPE, greater sick leave costs due to COVID, increased frequency of professional cleaning, new glass partitions, greater printing costs, ink costs etc contributed to increased costs in 2020.”</p>
Challenges accessing medicines in supply chain	 3.6	 4.1	 4.2	<p>A clear observable difference on a settlement level was accessing medicines in the supply chain. Pharmacies in rural areas and in towns and villages scored the impact of this issue 15%-20% higher than pharmacies in cities and in urban areas.</p>	<p>“Supply of emergency medicine for patients unable to access their GP, chasing high tech items, sourcing medicines not available from regular wholesalers have become a huge and time consuming problem.”</p>
Increase in share of prescriptions transferred to pharmacies via email/Healthmail	 3.9	 3.8	 3.9	<p>The pandemic fast tracked the use of email and Healthmail across healthcare settings. Respondents to the 2020 survey noted that customers collecting prescriptions medicines (where the prescription was emailed to the pharmacy) are less likely to also buy OTC medicines or FOS products, limiting sales in those areas.</p>	<p>“With Healthmail prescriptions being sent to pharmacies, there is likely an impact on growth in other parts of the pharmacy business.”</p>

THREATS IN 2021

Risks of fee reductions seen as a significant threat. Some differences by settlement pattern. Accessing and affording staff and cover and managing workload increases are also key threats.

TOP 3 THREATS IN 2021 BY THE EXTENT OF THEIR IMPACT (1-5 SCALE, 5 IS HIGHEST THREAT)

	City/Urban	Town/Village	Rural		QUOTES FROM THE SECTOR
Fee reductions for medicines	 3.9	 4.4	 4.3	Similarly, the sector is concerned about potential reductions to the fees paid for medicines. The extent of the threat is considered most significant in towns/villages and in rural areas. City/urban pharmacies are less concerned, potentially as these are less dependent on state scheme revenue.	 “It is not sustainable to provide free or less than cost price services in this climate and we are already being forced to prioritise resources.”
Fee reductions for reimbursed services	 4.3	 4.8	 4.4	Across all settlement types, the greatest threat identified was the risk of reductions to fees paid for reimbursed services. There is a concern in the sector as to how it can remain viable. Community pharmacies in towns and villages are most concerned about fee changes.	 “We have had to significantly increase dispensing activities (time spent resourcing medicines/ explaining issues) just to remain financially viable given staff and inflationary pressures and no fee increase.”
Ongoing impact of COVID-19	 3.8	 4.3	 3.3	The threat arising from the pandemic in 2021 was considered most significant in towns and villages. This may be due to anticipated lower footfall in towns and villages as typical commuting patterns return and footfall in these settlements falls.	 “We needed extra staffing to cover different teams, and staff members in isolation. There are also additional COVID costs with fixtures/ cleaning etc”

SOCIAL CONTRIBUTION

Broadly consistent views on social contribution, with some exceptions.

SOCIAL CONTRIBUTION BY THE SIZE OF THE CONTRIBUTION (1-5 SCALE, 5 IS LARGEST CONTRIBUTION)

Telephone/video consultations for patients in need (e.g. medicines support)

4.2

Despite 2020 being a challenging year for community pharmacies and the wider community, our respondents, on average most found they contributed positively to local communities (Scoring 3+ on average under each option).

Triage/GP referral over phone/video

3.8

The area community pharmacies felt they contributed the most with was in terms of providing triage services for patients. This demonstrates the role of pharmacies in providing access to health care services, particularly for vulnerable members of society who were cocooning.

Health promotion advice

3.7

Pharmacies identified a positive impact with regards to general health promotion advice which was key in the early stages of COVID-19. There is no charge for this service and shows the key role pharmacies play in local communities.

Signposting for wider services in the community

3.0

Pharmacies felt they contributed equally with regard to signposting for wider services in the community and offering of home deliveries. Previously, people had always been aware of the role of the pharmacy team in local communities as signposting and directing people to other healthcare professionals. This become more important during COVID-19 due to the challenges faced by all healthcare professionals to provide care.

Home deliveries

3.0

On average, our respondents located in Town/Villages and Rural areas scored their (both scoring 3.5 on average) social contribution marginally slightly higher on average than their city/urban area (3.2 on average) counterparts.

QUOTES FROM THE SECTOR

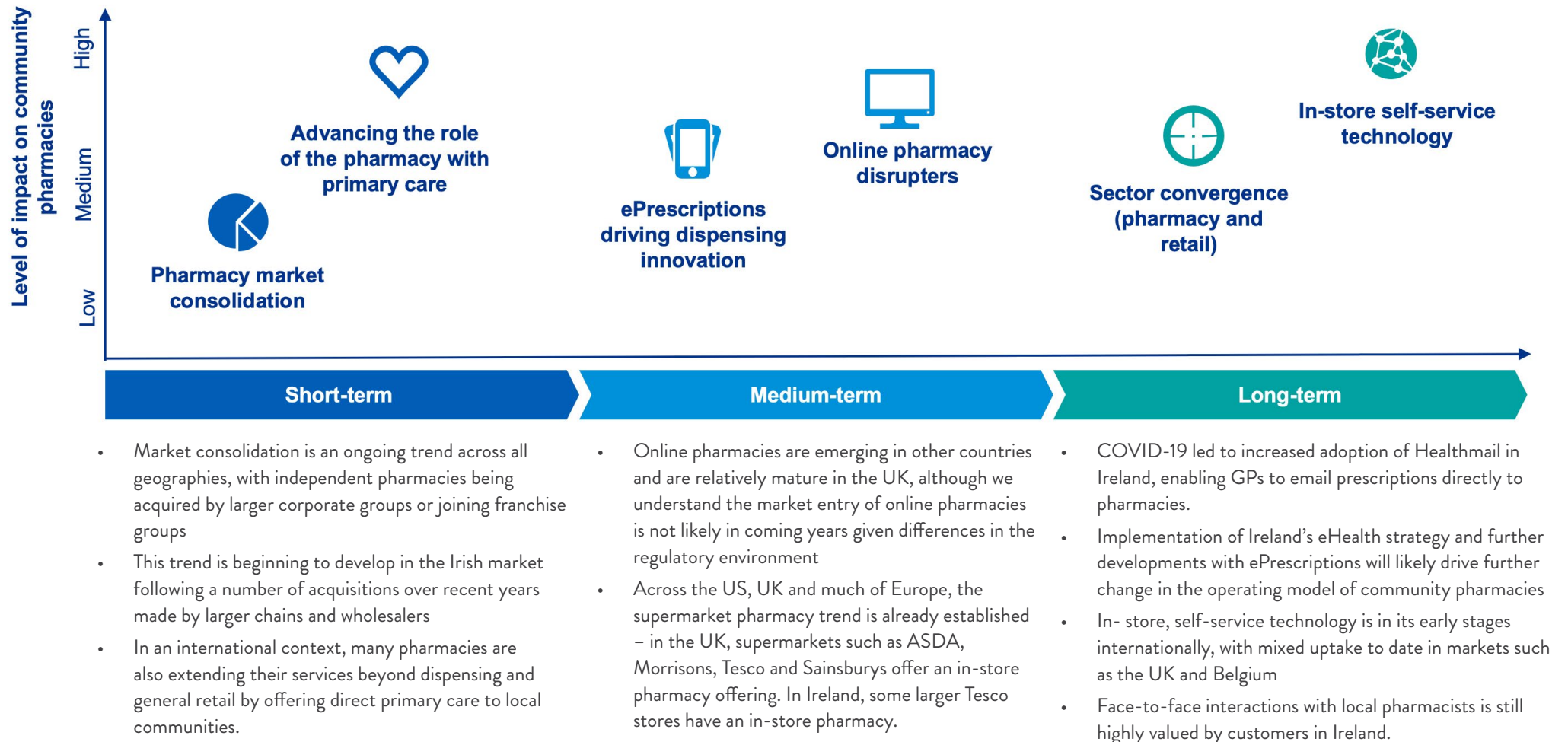
“We are regularly reassuring people via phone calls and helping triage patients. We have not seen a fee increase proportional to our role, particularly for more vulnerable people in the community.”

“More digital connectivity with customers and local GP is helping improve the quality of our care.”

“We have Increased home deliveries to prevent those most vulnerable patients being required to visit the pharmacy”

INNOVATION AND DISRUPTION

The sector will evolve this decade. Innovation will be a driver.



WIDER TRENDS IN HEALTHCARE

Healthcare will be more consumer focused this decade. Community pharmacy can lead.

EMERGING THEMES IN HEALTHCARE IN THE EARLY 2020s...

1. DEMAND: A DEMOGRAPHIC DIVIDE

Younger people and older people, both of whom are entering new life phases in the 2020s, use healthcare services differently. Community pharmacies are sufficiently agile to balance evolving healthcare needs on local levels



2. ECONOMICS: PRICE OF INACTION

The prevalence of co-morbidity is rising in Ireland. This will drive up healthcare costs and primary care demand. Early intervention, through the community pharmacy sector, can help manage this trend and ensure people in the community are able to manage this independently



3. DISRUPTION AND NEW ENTRANTS

As demand for convenience grows, the approach to delivering healthcare will likely change, for example through the widespread adoption and reimbursement of digital health tools. This offers an opportunity for the sector to lead the pilot and integration of digital tools



EMERGING THEMES IN HEALTHCARE IN THE MID/LATE 2020s...

1. KEEPING PACE WITH CONSUMERS DEMANDS

It is likely that there will be a transition to personalised healthcare services, whereby healthcare providers have access to individual preferences and health records. Data sharing across healthcare providers will enable this (e.g. Electronic Health Record)



2. COMMIT TO TRUE VALUE FOR OUTCOMES

Investment in more forward thinking technologies (such as artificial intelligence) may become the future of healthcare. Community Pharmacies need to invest in the right technologies to stay ahead of these emerging trends



3. CARE CONTINUITY, LAYERED DELIVERY METHODS

As Sláintecare is rolled out over the coming decade, care will be increasingly provided in primary care settings, while digitisation will drive remote/virtual care provision. Community Pharmacies need to strategically plan to adapt to these forthcoming changes



WIDER TRENDS IN HEALTHCARE

Healthcare will be more consumer focused this decade. Community pharmacy can lead.

PERSONALISED HEALTHCARE AND
DIGITAL TOOLS COMPLEMENT THE ROLE
OF COMMUNITY PHARMACIES IN THE
PROVISION OF CARE AND MEDICINES TO
PATIENTS.

DIRECT QUOTES FROM THE SECTOR



VIEWS FROM THE SECTOR

Respondents to the 2020 Annual Review survey provided a range of feedback.

“Reduced opening hours and split teams during peak COVID more support and professional staff due to changes in workflow due to COVID/ GP availability asking software providers to innovate a little to make the software more useful, we ring them and features, with modest success but we request will keep trying.”

- **Single Retail, Cork**

“Higher stock holding to overcome stock shortages and delivery delays. Poor access to FOS meant lower FOS than would have been the case. I had to replace one support pharmacist and could only get locum as replacement at much higher cost.”

- **Single retail, Dublin**

“More rapid dealing with customers, less customer interaction face to face for staff...Reduced front of shop staff presence, increased work load in dispensary, increased phone call interactions. Staff loyalty the key to sustaining the safety of enterprise..”

- **Owner, Tipperary**

“installation of customer and staff protection and screens, new phone systems, staff PPE, increased admin role / wages, decreased FOS discretionary / luxury sales

- **Group/Chain, Kerry**

“Extra costs involved in purchasing consumables, improving infrastructure and extra staff costs

- **Group/Chain, Galway**

“Dispensary staffing needs increased due to increased complexity in dispensing process. OTC and FOS sales plummeted.

- **Single Retail, Meath**

“COVID restrictions have meant that demand for services are higher during the day and footfall has dropped in the evenings”

- **Owner, Dublin**

“A lot of extra expense & HR issues leading to additional stress with zero support from the state.”

- **Group/Chain, Carlow**

“Due to the pandemic and staffing demands we needed to increase the number of staff present but could not afford to take on enough extra staff so hours were reduced to relieve pressure.”

- **Single Retail, Dublin**

Theme: ■ COVID ■ COSTS ■ STAFF

IEWS FROM THE SECTOR

Respondents to the 2020 Annual Review survey provided a range of feedback.

“Due to higher demand in the future for these services I would like to see a charge introduced at some point or a HSE Fee paid”

- **Group/Chain, Dublin**

“Advice on accessing GPs, advice on GMS/LTI applications, sourcing short items, sourcing HT items where patients didn't order, processing hardship applications, giving the odd item at cost to homeless, the odd loan item where patient cannot pay levies.”

- **Single Retail, Cork**

“It's probably not sustainable particularly if cuts with a new contract. Technicians could have a role in some of this work. Also, it would be good if pharmacists had a formal role in disease management / screening (such as blood pressure management) and be paid for the service. I feel we are an under utilized resource.”

-**Single Retail, Tipperary**

“Performance was slightly down in 2020 as most doctors were not seeing patients. COVID-19 has benefited rural pharmacies.”

- **Single Retail, Longford**

“Lockdown caused no FOS for March to May, though caught up with increased FOS December 2020.”

- **Single Retail, Limerick**

“Restriction of customers of the number of customers allowed in the pharmacy- big impact on sales - negatively so”

- **Group/Chain, Dublin**

“Drop in sales of OTC meds and cosmetics continue and sales of lower margin sanitizing equipment declines.”

- **Group/Chain, Donegal**

“App development to enable prescription fulfilment, Increase in home deliveries in order to prevent those most vulnerable patients being required to visit the pharmacy.”

- **Group/Chain, Dublin**

“Direction of healthmail prescriptions to existing pharmacies preventing growth of new business...GP's not co-operating with emergency supply requests and prescriptions not coming through

- **Group/Chain, Galway**

“More electronic connectivity with customers and local GPs. More training and empowering of staff. Continued encouraging of customers to order larger prescriptions in advance.”

- **Single Retail, Tipperary**

“Development of healthmail to more user friendly and a push system”

- **Owner, Dublin**

Theme: ■ SERVICES ■ SALES ■ TECHNOLOGY

APPENDICES



QUESTIONS	TYPE OF RESPONSE
1 RESPONDENT PROFILE	
1.1: Type of pharmacy responding on behalf of	-Drop down list of options
1.2: Pharmacy owner	-Yes / No
1.3 State your Gender	-Male / Female
1.4 Breakdown of the number of staff (Full-Time Equivalents / FTEs) employed in your pharmacy at end-December 2020 by role and approximate salary	Drop down list of options Free text, numeric answer
1.5 Age cohort of respondents	-Drop down list of options
1.6 Number of pharmacies in area (single pharmacy)	-Free text, numeric answer
1.7 Average number of hours you are open per day in 2020	-Free text, numeric answer
1.8 Did opening hours increase / decrease in 2020	-Drop down list of options
1.9 If opening hours changed, why	-Drop down list of options

QUESTIONS	TYPE OF RESPONSE
2. DEMAND AND SUPPLY	
2.1 Breakdown of the number of items dispensed under each public scheme and to private patients in 2020	Drop down list of options Free text, numeric answer
2.2 Breakdown of the services provided in 2020, the estimated time spent on these services across all staff in an average week, and the estimated number of customers/patients supported.	Drop down list of options Free text, numeric answer
2.3 A score for the social contributions made by pharmacies to local communities by the extent of each contribution (10 is highest, 1 is lowest).	Drop down list of options Free text, numeric answer
2.4 A score for the policy-related opportunities by the potential size of the opportunity to the sector overall (scale is 1-5, 5 is greatest opportunity)	Drop down list of options Free text, numeric answer

QUESTIONS	TYPE OF RESPONSE
3 SECTOR TRENDS AND THREATS.	
3.1 A score for the macro trends by the extent to which they impacted on pharmacies in 2020 (scale is 1-5, 5 is largest impact).	Drop down list of options Free text, numeric answer
3.2 An estimate percentage share of prescriptions that were requested remotely in 2019 and in 2020	Free text, numeric answer
3.3 Please score the following threats by the extent of the threat to your pharmacy in 2021 (scale is 1-5, 5 is greatest threat).	Drop down list of options Free text, numeric answer
3.7 Outline any initiatives you introduced in 2020 that you intend to continue with in 2021.	Free text response

QUESTIONS	TYPE OF RESPONSE
4 INCOME, SPEND, PERFORMANCE	
4.1 Provide an estimate of pharmacy's total income in 2020 and an estimate of the breakdown of this income by source	Drop down list of options Free text, numeric answer
4.2 Provide an estimate of your pharmacy's total costs/spend in 2020 and an estimate of the breakdown of these costs by source.	Drop down list of options Free text, numeric answer
4.3 Provide an estimate of your pharmacy's overall financial performance in 2020	Free text, numeric answer
4.4 Share any insights on how COVID-19 impacted pharmacy performance in 2020. For example, these impacts may include consumables costs, staffing, FOS sales, infrastructure needs.	Free text response



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Prepared for the Irish Pharmacy Union (IPU)

AUGUST 2021

Prepared by:

