

TITLE OF PROJECT

Electronic Transmission of Prescriptions

OGC Gateway review: Gateway 2 – Procurement strategy

Status of report: Final

Senior Responsible Owner: <Text Redacted>

Review Date: February 2 – 5, 2004

Review team:

<Text Redacted>



Office of Government Commerce

Background

1. The Electronic Transmission of Prescriptions (ETP) programme, the Care

Record programme, the N3 infrastructure programme and e-Bookings comprise the National Programme for IT (NPfIT). The driving force for the ETP programme is the policy paper "Delivering 21st Century IT Support for the NHS", which describes a patient-centric approach.

2. The role of community pharmacy is articulated in the document 'Vision for Pharmacy in the New NHS' published in 2003. The vision promises the sharing of the common patient record with pharmacists and the introduction of electronic transmission of prescriptions.
3. The principal objectives of the ETP programme, as stated in the Outline Business Case, are:
 - to deploy the technology required to facilitate achievement of the Government's target of 50% of a National Prescriptions Service delivered by the end of 2005 and 100% by the end of 2007;
 - to facilitate the provision of network connectivity and the system functionality needed for community pharmacies to access the NHS Care Record provided by the National Spine programme; and
 - to enable the PPA to re-engineer their processes to increase capacity and reduce the unit cost of processing prescriptions..
4. The ETP programme is perceived to have gone slower than other programmes over the past twelve months. This arises from several factors, amongst them the pharmacists' contract renegotiation, a referral of pharmacy competition to the Office of Fair Trading, and the major procurements taking place for the National and Local Service Provider contracts.
5. The Gate 0 report was delivered for the programme in September 2003. The recommendations are either implemented or are work-in-progress.

Purpose and conduct

6. The purpose of this review is described in Appendix A.
7. This is an unusual programme, in that only a modest proportion of the scope is being directly procured. The Review Team has commented on the specific procurement being undertaken, but has also reviewed status, progress and potential for success of the programme as a whole. [The Review Team was made aware of the links between the project and the Pharmacy Contract, but has only commented on the Contract inasmuch as it impacts on the project.](#)
8. The review was carried out during February 2 – 5, 2004 in Leeds and London. The team consisted of <Text redacted>
9. Those interviewed are listed in Appendix B. The Review Team would like to thank everyone involved for their support and openness, which contributed to the Review Team's understanding of the project and the outcome of this review. We are particularly grateful for the help and support of <Text Redacted>and <Text Redacted> for organising the programme in Leeds and London.

Conclusions

10. The overall aim of the programme has become the means of enabling the Government's vision for community pharmacists. Project management techniques are well applied and good progress is being made on technical matters within the National Programme. This progress brings into sharp focus the complexities of connecting the pharmacy community. We found this part of the programme depends on assumptions (that we regard as untested) about the ability and willingness of the sector and its systems suppliers to mobilise. Major upgrades of an organisation's IT capabilities, in this case the pharmacist community, are usually harder to effect than planned, involving as they do significant changes to behaviour as well as to systems. This, in turn, depends on success in negotiating a new pharmacy contract that will fund and incentivise the sector. In Review report-back to the SRO we were told that it is the intention of DoH to mandate ETP connectivity in the new contract as a condition of pharmacists retaining NHS work. Nevertheless, we remain convinced that this is a high-risk strategy, and one where the risks have not been fully reflected in the project plans.

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11. The status of the Programme is Red. This does not mean stop the programme, it means that the principal recommendations need to be acted upon with immediate effect.

Summary of recommendations

12. The Review Team makes the following recommendations:-

Principal recommendations:

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- I. More realistic targets be determined, derived from knowledge of the implementation rates for LSPs, now being finalised, and prudent assumptions about the likely rollout rate of pharmacists' upgraded IT.
- II. The strategy to rely on pharmacists and their suppliers to upgrade and roll out systems be re-examined.
- III. The procurement of the rollout facilitator be delayed until there is a better understanding of how the systems refresh and system replacements in the pharmacy community are going to happen.
- IV. Extra resources be found for the operationalisation of policy. These resources could be placed within the pharmacy side of the project team.
- V. If DoH is about to set up a Programme Board for the pharmacy contract and associated projects, then the pharmacy part of the ETP project be included within the remit of that Board. The Board should consider adopting the same programme management methodology and controls as the NpFIT programme.
- VI. The SRO considers whether pharmacy capability and rollout be a separate project.

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Other recommendations:

- VII. Plans be laid for reimbursement during the period of transition that will rely on

paper and electronic data.

- VIII. A critical path analysis be completed, leading to stronger change control on all issues including policy matters.
- IX. Interactions with suppliers and pharmacists be stepped up from now on.
- X. A detailed transition strategy and plan be set out as part of the pharmacist capability and rollout work.
- XI. Contingency action – as well as remedial action - be thought through now for the major risks, including appreciable delay to the pharmacy contract.
- XII. The Risk Register be updated following this review with specific attention to the pharmacists' part of the project.
- XIII. The next review be a Gate 3 at around the end of 2004.

Business case

- 13. The scope of the programme has moved from the narrow objective of enabling electronic transmission of prescriptions to a wider vision of enabling the pharmacist as a community health worker. In this sense, the programme underpins a major cultural as well as an IT and business process shift. The outline Business Case reflects the complexity of this vision – seeking to capture the benefits for the patient as well as the prescribers, dispensers and the PPA (information is currently keyed in at least three times), the PCT's and the wider health community. These benefits are couched in terms of safety, fraud, reduction in error, as well as handling of repeat prescriptions and cost-efficiency.
- 14. The programme has good strategic fit with the department's aims and is properly owned and well supported both from the top and across the relevant agencies. Within NPfIT (where the project now sits) - but excluding the pharmacy systems roll-out - the project appears affordable. The budget seems secure and VFM is not in question now that the decision has rightly been made to include the ETP programme within NPfIT.
- 15. Realistic targets, however, are difficult to pin down. The Business Case states clearly that 50% of the national prescriptions service be delivered by end 2005 and 100% by end 2007. But the project team members spoke variously about targets anywhere up to 40% for 2005 (though whether this relates to prescription traffic or users connected or some other measure was not clear). Some Ministerial latitude has been won and, in the view of the expanded objective underpinning a new role for community pharmacists, this is reasonable. Nevertheless, a clearly managed project needs specific targets, and this lack of clarity is a serious weakness. We recommend that more exact targets be determined. These should be derived from knowledge of the implementation rates for LSPs, now being finalised, and prudent assumptions about the likely rollout rate of pharmacists' upgraded IT.
- 16. The consequences of ETP for the work of the PPA are highly significant but its business process re-engineering is outside the scope of the programme, beyond the introduction of electronic prescription messages to the PPA. However, there are major benefits to be gained by PPA following the full introduction of ETP. Although, during implementation and later, there will remain the need to process paper FP10s. In addition, the reimbursement to pharmacists for performing other services under the new contract will require either a paper system or changes to

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IT. We recommend that plans be laid recognising this transition and how reimbursement will be effected during this period of continued paper operation. This should be part of the pharmacy take-up in the programme or a related DoH programme.

17. A number of policy issues still need to be fully resolved. Changes to the law appear feasible (eg secondary legislation about authentication), but other issues include:

- Whether changes to 'Over the Counter' drugs processes are required
- What form token and signature requirements will take
- Consequences from the Shipman enquiry (eg controlled drugs)
- Confidentiality and patient "opt out"
- Pharmacists' permitted access to patients' records
- Implications of simplifying remuneration/reimbursement.

18. There seems to be insufficient appreciation of a critical path to success. We recommend a critical path analysis be completed, leading to stronger change control on policy issues. This should include clear dates at which policy issues have to be resolved or their implementation put back to a later phase of the programme.

19. The least defined aspect of the programme – bearing directly on achievability and the realism of its critical path - revolves around the take-up by community pharmacists. This is crucial to the success of the project and to gaining the benefits of expanding the role of the pharmacist. The pharmacists' systems are basic and do not generally seem to have the functionality to deal with electronic dispensing or connection with NHS systems. There is very little factual knowledge of 'who has what' across the community, pharmacists have been very little engaged in the programme, and there is an overarching policy assumption that pharmacists' commercial interests will ensure their suppliers upgrade their systems. The Review Team's evidence was that this could not be assumed.

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20. While stakeholder support is generally positive for change, the appetite of pharmacists and suppliers for introducing upgraded systems has not been fully tested. Roll-out of this upgrade and its synchronisation with NASP implementation depends on the pharmacists commissioning new systems, kit and connections and suppliers providing compliant software; but engagement with the sector has been slow because of fears that detailed technical and business discussions will jeopardise the contract negotiations. There has also been caution about intervening in the market in a way that may provide commercial advantage to some (larger) suppliers. (In Review report-back to the SRO we were told that it is the intention of DoH to mandate ETP connectivity in the new contract as a condition of pharmacists retaining NHS work. Mandating is important, but does not necessarily lower the risk in this area.)

Review of current phase

21. It is clear that huge progress has been made in moving ETP from an amorphous,

delayed initiative into a well-managed, mainstream project. The project documentation is well presented and thorough; there are good project controls; and the project benefits from clear, informed and committed managerial expertise. The project team has made good progress, especially in terms of the NPfIT requirements. There is strong recognition of the many interdependencies. The team enjoys a good reputation amongst its peers.

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22. The project has made considerable progress in finalising the technical specifications for the interfaces and messaging.

23. Meetings have recently begun with stakeholders and more are planned. The appointment of a communications manager signals the introduction of a vigorous and professional campaign based on newsletters, bulletins and workshops. This – and research into stakeholders’ concerns and needs – is welcomed as are plans to engage in public campaigns. But the team needs to discuss technical and logistic issues with pharmacists and suppliers now. The message from the pharmacists and suppliers is that they need help. The programme has done much less than would be expected of a project at this stage in respect of communications and involvement of principal stakeholders. We understand that this has been due to sensitivities around the new contract. We recommend that interactions with suppliers and pharmacists be stepped up from now on.

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24. The Review Team feel that the pharmacy systems work is broader, more complex and more open to failure than the current plan envisages. We see the programme as having three principal workstreams:

- Messaging and technical specifications to others, for the NASP, LSP, PPA and Pharmacy systems. The NASP and LSP messages and interfaces are cleanly defined and are largely being implemented by the NASP and LSP teams. The PPA interface defines a clean split of roles between ETP team work and PPA work. The interface to the pharmacy systems could represent a similar scope split. These tasks are integral parts of the NPfIT programme and are well understood.
- Getting the pharmacy community equipped both for connection and for the greater IT functionality required to deal with read/ write access to the medical records and delivering the supplementary services proposed in the contract: the end result is that most pharmacists have the required ‘kit’ and are trained to use it. This includes security, the funding mechanism, the way in which the systems will be refreshed, working with suppliers, etc. The project links tightly to the parallel rollout of the pharmacists contract, and to some extent to the GPs’ GMS contract, and to other initiatives going on in the DoH section such as that dealing with simplified reimbursement. In here are, help on what the technical specs mean or their interpretation, training, support to pharmacists.
- A coordination exercise to align GP practice enablement and Pharmacy enablement across the country, authentication capability and accreditation approval and to ensure there is no unfair competition, etc.

25. The second of these represents a large portion of the required work; and raises questions of whether programme governance should be exercised more by those

responsible for all the associated pharmacy matters, like the contract, and whether the work is better organised as a separate project.

26. On governance, this part of the project may fit more tightly into core DoH activities than is currently represented in the programme. We understand that the DoH is about to set up a Programme Board for the pharmacy contract and recommend, if so, that this part of the project be included within the remit of that Board. The Board should consider adopting the same programme management methodology and controls as the Npfit programme.
27. If it was a separate project, the interface with the current ETP project would be via an agreed interface specification, like the scope split between ETP and PPA. We recommend that the SRO gives consideration to the best strategy.
28. In discussing our concerns about the pharmacy rollout, we have predominantly in mind the smaller community pharmacists rather than the large chains, who we expect may be more able to organise themselves. However, interviewees were also cautious about the extent to which some of the larger chains would be ready to upgrade.
29. Transition will be an important phase of this programme. The community will be living with a mixture of electronic and FP10 material for some years. There is immense potential for confusion, and for double-counting and fraud. We recommend that a detailed transition strategy and plan be set out as part of the pharmacist take-up work, and incorporated into the project plans.
30. There are no contingency plans. All hinges on the new contract being agreed and implemented willingly. These risks are known to the project, but we recommend that contingency action – as well as remedial action - be thought through now for the major risks.

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Procurement approach

31. The DoH and the NPfit have made a good decision to base the messaging around the NASP spine rather than any alternative backbone; as a result much of the procurement has been subsumed into the NASP and LSP requirements and their subsequent contracts.
 - The ETP component of the NASP and LSP contracts is estimated in the business case as having a value of £79m.
 - The second major procurement element, an indirect one and one that is yet to be confirmed, is that of procuring new functionality for pharmacy systems via funding of pharmacists new contract, with an estimated value of £82m.
 - The third element is a smaller procurement, currently being put together, of procuring an integration service/ rollout facilitator; currently with an estimated value of £3 to £10m.
32. There are also documents proposing other procurements (for example, for due diligence of the systems base and for consortia to implement system builds), but

these do not yet appear in the mainstream plan.

Pharmacy systems and pharmacists take-up 'procurement'

33. The funding for the IT software and network work that has to be done by the pharmacists and their suppliers is a major uncertainty. We have understood that the mechanism will be via an incentive mechanism in the pharmacist contract. However, we have not seen any details, and we understand that technical data has not yet been discussed with pharmacists or their systems suppliers. This will not be easy, and we imagine it could take much longer to get right than the two months remaining in which to complete the contract.

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34. The Review Team believe it might be hard to get the pharmacy systems in place promptly and that relying on an incentive approach (or as we have learnt, mandating connectivity to ETP in the contract) is a high risk strategy. By comparison, on the GP side, where they already have good systems, the upgrading is being directly done for them by LSPs. Pharmacists are a generation or more of technology behind – most current systems are label-producers, stock control and ordering systems. Many stand on old or low specification platforms. The pharmacy software market looks to be small and not dynamic. Major changes in IT technology and associated changes in behaviour of a whole sector, as in this case, tend to be more complex and take much longer than envisaged.

35. There is also doubt about the capability of the supplier community. It is a low profit, low innovation environment. In some cases, IT software has been used as a hook by wholesalers to partially lock in pharmacists. It is not a dynamic, competitive market. It is questionable whether they will make investments without direct funding and in a timely manner.

36. We also believe that the policy of not funding the systems and network upgrades directly should be reconsidered.

37. We think that it needs both approaches: incentives to move to the new software plus incentives/ support/LSP to get adequate software into the market. This needs to be debated on the basis of the current IT user competence and software stock out there, which seems not to be well known. There may be wider options that bypass the current suppliers (for example, stand-alone web-based applications). The current report on options does not seem to us an adequate exploration of the issues.

38. Taking all these points, we recommend that the strategy to rely on pharmacists and their suppliers to upgrade and roll out systems be re-examined.

Rollout facilitator procurement

39. Our concerns about the scope of what needs to be done with the rollout facilitation procurement bring up the question of whether there is a need to go this route at this stage.

40. We have every confidence that the procurement of the rollout facilitator will be well done via the very experienced procurement group in NpFIT. However, given

our concerns on scope above, we recommend that the procurement should be delayed until there is a better understanding of how the systems refresh and system replacements in the pharmacy community are going to happen.

Risk Management

41. Risks are being actively managed by the programme using the defined processes of the National Programme. However, we believe the Risk Register does not adequately reflect the threats around the pharmacists' implementation. In addition, there is not a specific risk of the impact of failure to agree or finalise the pharmacy contract by March 31, 2004 and consequent delay of 6 or 12 months.
42. We recommend that the Risk Register be updated following this review with specific attention to the pharmacists' part of the project.

Readiness for next phase

43. As discussed above, the principal issue is pharmacy readiness. We believe that the programme team should re-look at the whole area of upgrading the pharmacy IT capability and redefine a more robust way of effecting this transformation – if only as a contingency plan. This may redefine how the assistance, authentication, co-ordination and other support tasks should be performed.
44. The huge pressure on the DoH over the next 24 months, as policy turns to operational interpretation, means that resources will be needed to assist. The Review Team considers that there are currently insufficient resources for the operationalisation of policy: this is a significant risk and is essential to the success of the project. We recommend that extra resources be found for the operationalisation of policy on the pharmacy side: these could take the form of resources sited within the pharmacy side of the ETP project.
45. We recommend that the next review be a Gate 3: half 'investment decision' and half 'readiness to implement'. In this case, the investment decision is minor, but the readiness to proceed, particularly with the refresh of the pharmacists' IT capability, is critical. This is expected to be around the end of 2004.

- Confirm the outline business case now the project is fully defined
- Ensure that the procurement strategy is robust and appropriate
- Ensure that the project's plan through to completion is appropriately detailed and realistic, including the contract management strategy
- Ensure that the project controls and organization are defined, financial controls are in place and the resources are available
- Confirm funding availability for the whole project
- Confirm that the development and delivery approach and mechanisms are still appropriate and manageable
- Check that the supplier market capability and track record are fully understood
- Confirm that the project will facilitate good client/ supplier relationships in accordance with government initiatives such as Achieving Excellence in Construction
- Confirm that there is an appropriate procurement plan in place that will keep procurement timescales to a minimum
- Confirm that the appropriate project performance measures and tools are being used
- Confirm that the quality procedures have been applied consistently since the previous review
- For IT enabled projects, confirm compliance with IT security requirements
- For construction projects, confirm compliance with health and safety and sustainability requirements

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