

# Hub & BeSpoke

## Welcome

Welcome to the latest issue of Hub and Bespoke. We start this issue with the disappointing news that hub and spoke legislation, which would have allowed for the model to be extended so dispensing could take place between different legal entities, has been delayed indefinitely.

With many pharmacies already struggling to survive, this will only exacerbate many of the challenges faced by pharmacy. While this legislation is not in place there will never be a level playing field for hub and spoke in community pharmacy. And it is those smaller groups and independents, who are already fighting for survival, that it will impact the most.

There is no doubt that community pharmacy is ideally placed to deliver the Government's vision of preventative care in the community. But moving clinical services into community pharmacies has, so far, been nowhere near as successful as it could have been due to the current climate pharmacies find themselves in. The Pharmacy First scheme is testament to this. Just this week it was announced that consultation thresholds for the Pharmacy First scheme have been reduced from 30 consultations to 20. It's the second time in three months that the thresholds have been reduced and it follows an intervention from Community Pharmacy England who wanted to "save many pharmacies from missing out on a vital payment this month." In June alone, 3,269 participating pharmacies failed to meet the threshold – that's almost a third of all community pharmacies in England.

Community Pharmacy England says more needs to be done to market the Pharmacy First scheme and ensure GPs are actively referring patients to the service. And they are right – it does. But more also needs to be done to release capacity to deliver the scheme. Pharmacy First will struggle to get fully off the ground without significant changes to the way medication is dispensed. Pharmacies have to become more efficient in the way they dispense

medication if they are to ever meet the current Pharmacy First thresholds and deliver any new clinical services that may be put in place in the future. The current way of dispensing is inefficient and antiquated, a hub and spoke model of dispensing that is accessible for all pharmacies would change that.

In this issue we will take a look at the tangible benefits of a hub and spoke dispensing model. Hub and spoke has been cited as a way to create capacity within pharmacy branches and that additional capacity is very much needed at the minute. But it is fair to say that there has also been a lot of skepticism about this. This is because the evidence to back that theory up has been missing... until now.

At Centred Solutions we have been providing hub and spoke solutions to a range of pharmacy groups for over three years. This has put us in a unique position to evaluate the effectiveness of hub and spoke models in different environments. We have been able to use this local data, alongside national data, to produce a report which details the benefits and potential return on a hub and spoke investment. The results are incredibly promising and you can read more about them in this issue.

This edition of Hub and BeSpoke also focuses on some of the different models of hub and spoke that are now being used in the pharmacy sector. Past editions of the newsletter have focused on our own FLOWRx Hub solution, but in this issue we will be looking closely at how some companies are simply using the FLOWRx software alongside other technology providers to centralise their dispensing process.



**Shelley Dyer**  
Head of Marketing

We hope you find the issue useful and we look forward to seeing you at this year's Pharmacy Show. We would love to hear your feedback so we can ensure future issues remain relevant. You can contact us at [enquiries@centredsolutions.co.uk](mailto:enquiries@centredsolutions.co.uk)

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# Hub & BeSpoke

## ROI in Two Years

We've produced a report which shows a hub and spoke model of dispensing can pay for itself within two years. Director of Sales and Marketing, Louise Laban, talks through the detail of the report and what it can mean for pharmacy.

We've recently spent a considerable amount of time going through data with our customers to fully evaluate the benefits of a hub and spoke model of dispensing. Our modelling has been able to show that when purchasing a [FLOWRx Hub](#), an average pharmacy can expect to see a return on investment within two years. This takes into account all the capital expenditure and operating costs incurred with setting up a hub. This return on investment can come from either redirecting time saved into delivering services or as a result of staff savings, or a combination of both.

### Significant profits from services

We also discovered a number of benefits that can be realised from hub and spoke models of dispensing. For example, moving to this model of dispensing will take a minimum of 50% of total dispensing volumes out of an average pharmacy and 70-80% of repeat dispensing volumes.

Removing the dispensing process from stores frees up capacity for staff to deliver more services.

Even with a conservative NHS services model, a five-group branch each dispensing an average of 8,000 items, could make an average profit of £234,597 per year from services after year one and £909,712 over five years. This profit takes into account the capital expenditure and operating costs incurred with setting up the hub. The more stores the greater the profit. A 10-group branch dispensing an average of 8,000 items, could make an average profit of £521,930 per year from services after year one and £2,176,251 over five years and a 20-group branch dispensing an average of 8,000 items, could make an average of £1,189,605 per year from services after year one and £4,993,745 over five years after costs.

### Cost Savings

Our data also showed a reduction of 81% of payroll costs per item when comparing a hub model of dispensing to an in branch model of dispensing. Payroll costs per item to dispense in a hub are 19p compared to 99p in a store. This means pharmacies can save 80p on payroll costs per item by moving to a hub and spoke model.

That wasn't the only cost saving either. Moving to a hub and spoke model allows an average pharmacy to reduce stock in store by 50%, resulting in a one-off stock

## The Long Read

saving. Pharmacies creating their own hubs will also benefit from improved buying power and better stock control – providing medication only where it is needed and preventing over ordering in branch. It will also mean they save significant amounts of time absorbed by medication shortages, with all stock centralised into one location.

### A realistic and affordable option

The evidence-based report that we have developed finally demonstrates that hub and spoke dispensing is a realistic and affordable option for many pharmacies across the UK. Clearly every pharmacy is different so the findings in the report are based on averages and only look at NHS service fees. The potential profits to be made from private services will be even higher.

For pharmacies wanting to learn more we have developed a [tool](#) that will allow us to provide more specific data based on a particular pharmacy's demographics. This tool will help us to bring to life the potential benefits and return on investment for specific pharmacies or pharmacy groups who are considering hub and spoke right from the outset.

For pharmacies who have the appetite for it, hub and spoke has the potential to be a hugely profitable venture despite the ongoing funding challenges. Our advice to all pharmacy businesses would be to explore what hub and spoke could mean for your cash flow by contacting us today to get a bespoke savings and earnings forecast.



In the meantime, why not [download a copy of the report](#) to read the full detail.

# Hub & BeSpoke

## ROI Data at a Glance

### REDUCTION IN ONSITE DISPENSING

Moving to a hub and spoke model will take a minimum of **50%** of total dispensing volumes out of your store.



### ROI

An average pharmacy will see a return on investment from a FLOWRx hub within\*

**2 YEARS**

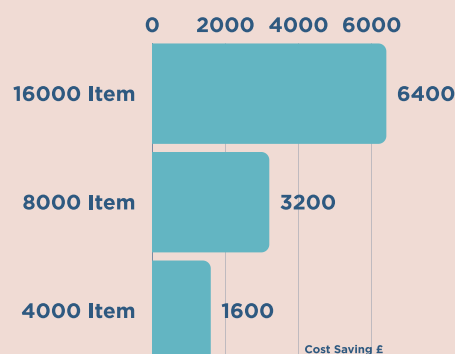


### PAYROLL COSTS PER ITEM



Payroll costs per item are reduced by 80p from **99p in a pharmacy** to **19p in a hub**.

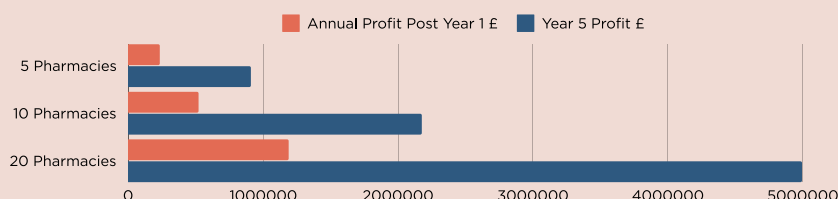
### PAYROLL COST REDUCTION PER MONTH BY ITEM VOLUMES



The 80p reduction quickly adds up when you scale it up based on volume of items dispensed in store.

### SERVICE POTENTIAL

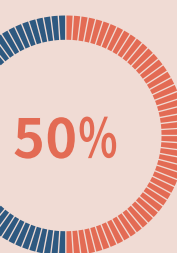
Using a conservative model for an 8,000 item pharmacy, with 50% of the pharmacist's time freed up used for services and 27% of freed up dispenser hours.



### FREE UP TIME



In an average 8,000 item pharmacy open 48 hours per week, central fulfillment can mean a reduction of 48 dispenser hours per week and freeing up 24 hours of the pharmacist's time.



### STOCK REDUCTION

An average pharmacy will reduce stock in store by an average of 50% in year one by moving to hub and spoke.

# Hub & BeSpoke

## Peak Pharmacy use Centred Solutions

We've been supporting one of England's largest pharmacy groups to implement a major dispensing hub. FLOWRx is the crucial software connecting the automated dispensing line and warehouse management system to Peak Pharmacy's stores, ensuring their hub and spoke vision became a reality.



The group invested in a dispensing hub at its new headquarters in Chesterfield and opted to use Knapp automation for its medication dispensing line.

"The P2P line at Peak Pharmacy supports the ability to pick and process products by using fully automated and manual picking zones. Centred Solutions was contracted to develop the integration between the pharmacy PMR and customer ERP," explains Centred Solutions Chief Commercial Officer, Paul O'Hanlon.

"We know that very few pharmacy groups have their own IT team or the knowledge of what is required to build the software needed to connect pharmacy stores to the Knapp solution and the warehouse management system. At Centred Solutions we have the expertise and experience to develop the software required to enable hub and spoke dispensing.

"Our software allows the pharmacy stores to send an order to the hub which can then be run through its dispensing line. The software will batch patient orders and provide all the patient labelling data for the production line. This then allows the automation to produce patient specific totes with labelled and bagged medication which can then be sent back

to the store as completed bags ready to be booked back into the PMR for collection. The software also notifies the store when the order has been completed and is on its way back to the hub."

A total of 82 pharmacies are now sending their original pack repeat dispensing orders to the Peak Pharmacy hub, with the plan to onboard the group's remaining 53 stores by the end of September.

"The Peak Pharmacy hub project has been a real collaborative effort and it is a great example of what can be achieved when different technology and automation companies work together alongside pharmacy. We have all brought our different level of expertise to the table and have created a cutting edge solution which is taking volume out of our stores so that staff have more time to spend on face to face patient care," said Darryl Dethick, Head of Business Transformation at Peak Pharmacy.

"We currently process around 1.5% of the country's prescriptions across our pharmacy branches. We knew we needed to adapt what we do to ensure we're at the forefront of community pharmacy. We've been able to work with the likes of Centred Solutions and Knapp to create the opportunity for us to survive during very real economic challenges for pharmacy. We must engage with other ways to support our patients, rather than just focusing on prescription fulfilment. By using technology we can offer so much more to our patients across the country and support them with their requirements," said Joe Cattee, Managing Director at Peak Pharmacy.



# Hub & BeSpoke

## Day Lewis Pharmacy: The journey to hub and spoke

Danny McNally, Pharmacy Process Improvement Manager, at Day Lewis Pharmacy discusses the group's journey to a hub and spoke model of pharmacy dispensing, covering everything from their approach to what they have learnt along the way.



“At Day Lewis our teams put patients first and we want to deliver the best healthcare services for them. Business growth for us is defined by the impact we make on people's lives. We want to grow our patient base and then do more with those patients to improve their health for the better and even save lives.

We knew that to make more time for more face-to-face patient care, dispensing efficiency was important. We'd already used technology to automate the

production of MDS trays and we knew the next step was an efficient solution for the dispensing of repeat original pack prescriptions.

As a business we spent significant time exploring different ways of achieving this, including hub and spoke and the various models that exist. We concluded that due to the scale of our business and our ambitions we would ultimately need one central hub with large-scale automation to meet our needs.

However, we also realised two very important things. Firstly, we needed a software solution that would ensure seamless communication between our stores and the hub so that teams in store had full visibility and control. Secondly, the way we managed this change would be crucial. We knew going with a 'big bang' approach and turning everything on, everywhere, all at once, would be a real risk to successful adoption of this new way of working.

Based on this we decided to manage the change in small steps. Stage one has involved partnering with Centred Solutions and using their FLOWRx software to put in place a tote to spoke model. We've done this as we believed the biggest change for the pharmacy teams would be sending dispensing 'offsite' and so we wanted them to become acclimatised to that.

This simplified model of hub and spoke dispensing is an option for all pharmacies. The process starts with the pharmacist in the store who does the clinical and accuracy check in the PMR up front. Patient orders are then transmitted to the 'hub' using the FLOWRx software.

At the warehouse, staff 'batch pick' medication required for specific patients and pack it into 'patient specific totes' containing loose medication for up to

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# Hub & BeSpoke

30 different patients. These are delivered back to the pharmacy where staff scan the tote barcode to display in FLOWRx the medication included in that tote and any items that need to be picked locally in store and added to it. The software then guides dispensers through the dispensing process using barcode technology as an additional safety net.

The dispenser selects medication from the tote and scans the medication barcode. FLOWRx matches that medication to a patient and automatically prints a patient label, which is scanned before the medication is assigned to a patient specific basket. Once all medication in the tote has been scanned into the patient specific baskets, the dispenser begins packing by scanning a basket barcode to print the patient bag label. Medication in the basket is then scanned into the bag which gets a final

## A view from Sue Porter ACT at Kingsbridge Store:

"The team like it and we are looking forward to the next step when the medication starts arriving back to the store in bags because we think that will be easier still. We've definitely saved time in putting away stock orders. When the orders arrive it's a great feeling to simply put the ones marked original pack dispensing to one side and to know we don't need to put everything in them away as we now dispense directly from those totes. Sending offsite has also meant a quicker turnaround for patients. Prescriptions sent through FLOWRx are now ready to dispense to the patient within 24 hours, whereas when we were dispensing from the branch it would be 48 hours before the prescription was ready to collect.

scan to confirm it is complete before being scanned into the PMR.

The pharmacist will only get involved if an anomaly arises in the dispensing process. For example, a short expiry date or medication placed in the wrong patient basket halts the dispensing process for that patient until it has been checked and cleared by a pharmacist.

We rolled out this dispensing process to nine of our pharmacies. Training was initially done by the team at Centred Solutions but now we have created a team of Change Champions to embed good practice. What we have achieved so far is a whole new level of accuracy when it comes to patient prescriptions. The barcode scanning functionality of FLOWRx coupled with the end to end audit trail of every patient order helps us to ensure the right dose and the right medication is dispensed to the right patient.

Time is saved in pharmacy as staff are now putting away less stock on the shelves because they are assembling and dispensing directly from the tote. Our pharmacists also work smarter. There is a specific point in their day which is dedicated to checking for repeat original pack prescriptions and after that the pharmacist is not required in the process unless there is an anomaly. This concentrated approach is a far more efficient way of working as it means the pharmacist isn't spending the entire day checking medication. We currently send around 70% of our repeat prescriptions through the hub.

We're now in the process of rolling out phase two which involves using our Knapp automated packing line along with the FLOWRx software. This means medication is delivered back to the store bagged and labelled ready to dispense. The FLOWRx technology sends orders to the hub and it is also used to process the bagged medication back in the store

## A view from Regional Senior Manager, Charlotte Sharp:

"Kingsbridge Pharmacy in Devon were one of the first pharmacies in the group to use the FLOWRx solution and they have adapted to it really well. The branch dispenses around 12,000 items and its located next door to a GP surgery. The first couple of weeks using it was all about changing the dispensing mindset within the pharmacy and they have done that brilliantly to make it work for them. The team are fully on board and they have been vital in providing feedback so that we learn and improve moving forward. I think improved patient safety is one of the benefits to using a solution like this. Because of the amount of times the team scan the medication in the process I would be surprised if patient safety hasn't improved since we started using it, that includes near misses and dispensing errors. Anything that doesn't follow the normal dispensing path for FLOWRx is put into quarantine and can't be processed further until it has been checked by a pharmacist or ACT."

along with any exceptions not fulfilled by the hub. Staff are now familiar with the technology which is crucial as part of the change management process.

We've rolled out successfully to our pilot sites and our next step is to have two "centres of excellence" pharmacy stores in each of our 17 regions. They will be our best practice sites that other stores in the region can turn to as we roll out this new way of dispensing to our whole estate."

# Hub & BeSpoke

## Visit us at the Pharmacy Show

If this issue has peaked your interest in hub and spoke and you are interested in learning more then you can find us at this year's Pharmacy Show at Birmingham NEC on October 13 and 14.

If you haven't got your free pass already then you can [register here](#).

The Pharmacy Show is the largest dedicated trade show and education conference designed for the community and primary care pharmacy sector.

The event will give pharmacists and their teams the tools needed to stay ahead on the latest knowledge, innovations and technology in pharmacy. There will also be a number of talks, some of which will focus on hub and spoke dispensing and ways to release capacity in pharmacy.



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Centred Solutions will be among several automation companies exhibiting at the event but will be the only specialists there for hub and spoke dispensing. You can find us at stand B30 as you walk through the main entrance. We'll be showcasing our full range of hub and spoke solutions and will have a range of experts on hand who can talk you through the best solution for you and your pharmacy.

Make sure you call on to say hello and find out more.

We look forward to seeing you.

## +Pharmacy Show

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## Want to know more?

If you are interested in learning more about Centred Solutions hub and spoke and tote-to-spoke offerings then visit [www.centredsolutions.co.uk](http://www.centredsolutions.co.uk) or [enquiries@centredsolutions.co.uk](mailto:enquiries@centredsolutions.co.uk) or call us on 0333 335 5023

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