



# Organisation of Eastern Caribbean States

## 12<sup>th</sup> Caribbean Conference on Health Financing



### Efficiency in Medicine Management: Selection, Procurement, and Protocols in the OECS

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## Outline

Background

SCM modules

Critical success factors

Tender/procurement schedule

Cost of medicines – ARVs, a case in point

Monitoring and evaluation

3A's: Access, available, affordable



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Anguilla



Antigua and Barbuda



British Virgin Islands



Dominica



Grenada



Montserrat



St. Kitts and Nevis



St. Lucia



St. Vincent and the Grenadines

9 OECS COUNTRIES  
0.6M people



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## **OECS/PPS**

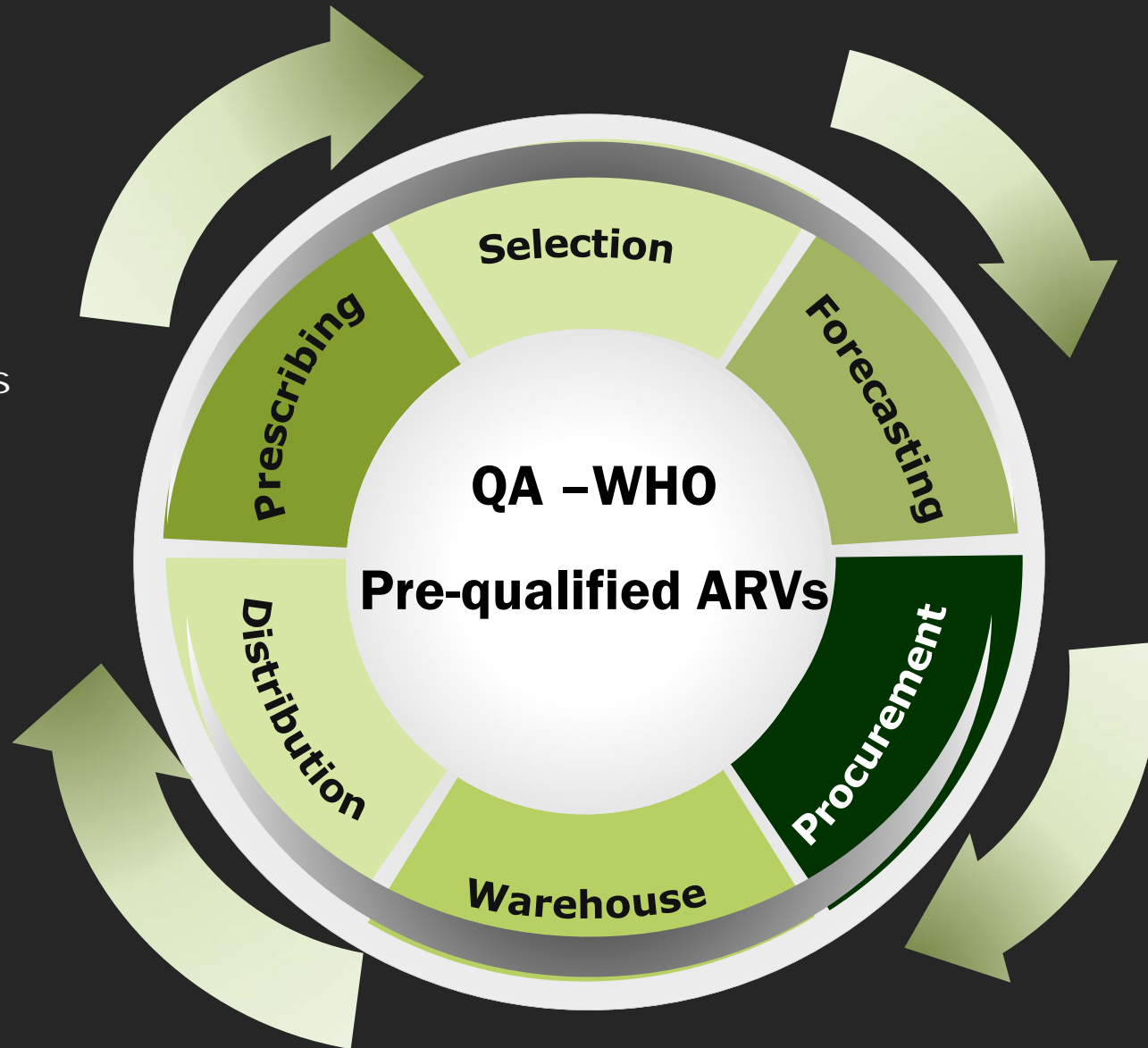
### **VISION STATEMENT**

**A pooled procurement agency that provides excellent procurement and supply chain management of medical products to the OECS Member States public sector**



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" A chain is as strong as its weakest link"





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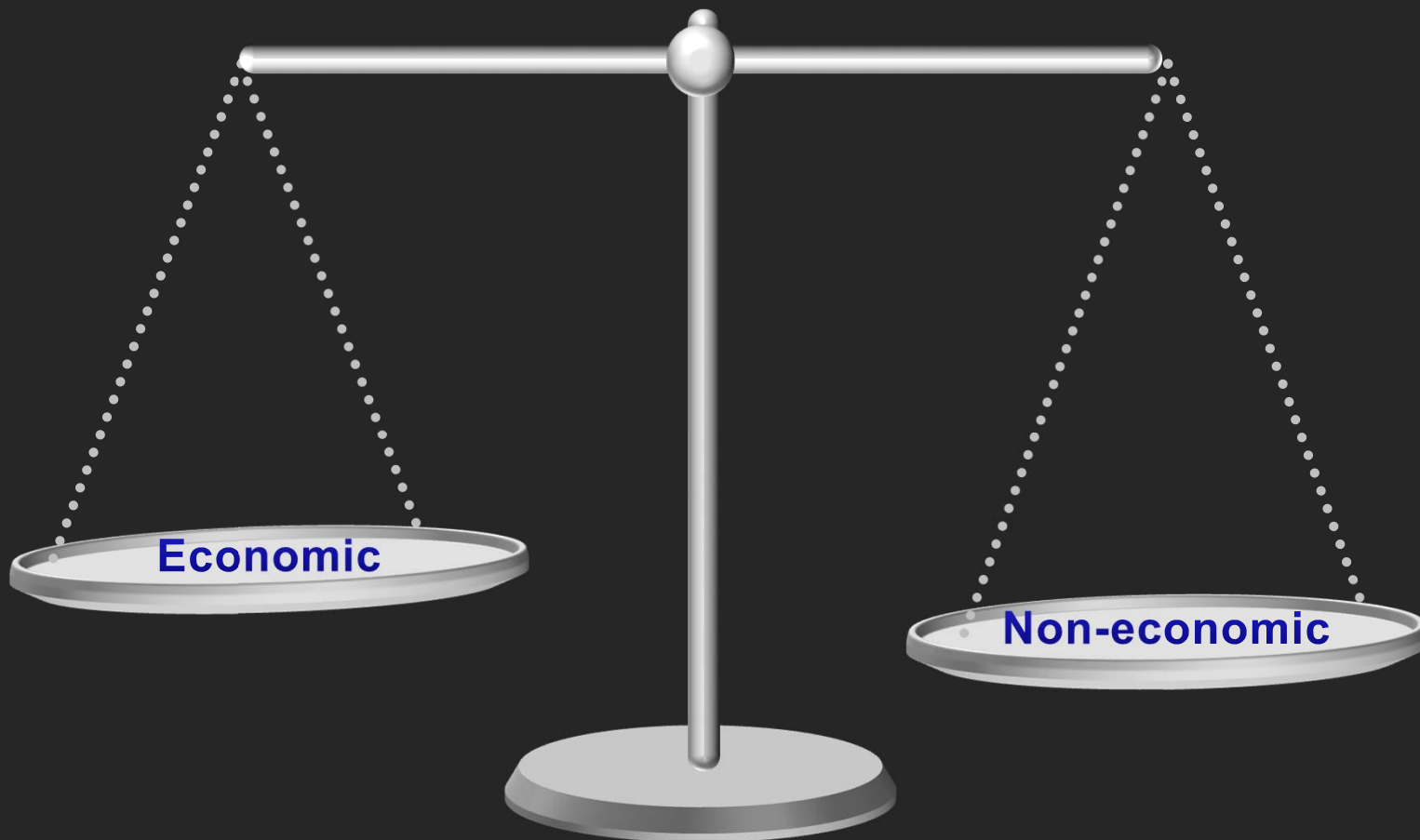
## OECS Pharmaceutical Procurement Service

- Established in 1986
- Medicine cartel
- OECS Economic Union
- Country-based committees
- Payments through Central Bank
- Self-financing with 9% surcharge
- Shared culture, language, ethnicity, currency
- Restricted International bid for 840 items with 20 suppliers



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## Benefits





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## Benefits of pooled procurement

### Economic

- Economies of scale, ↓ prices, 20%
- Monopsony, ↑ bargaining power
- Fixed, common price for tender period





# Procurement

**Annual purchases for FY17/18 : EC\$28.86M**  
**20% savings : EC\$ 5.80 M**



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## Benefits of Pooled Procurement

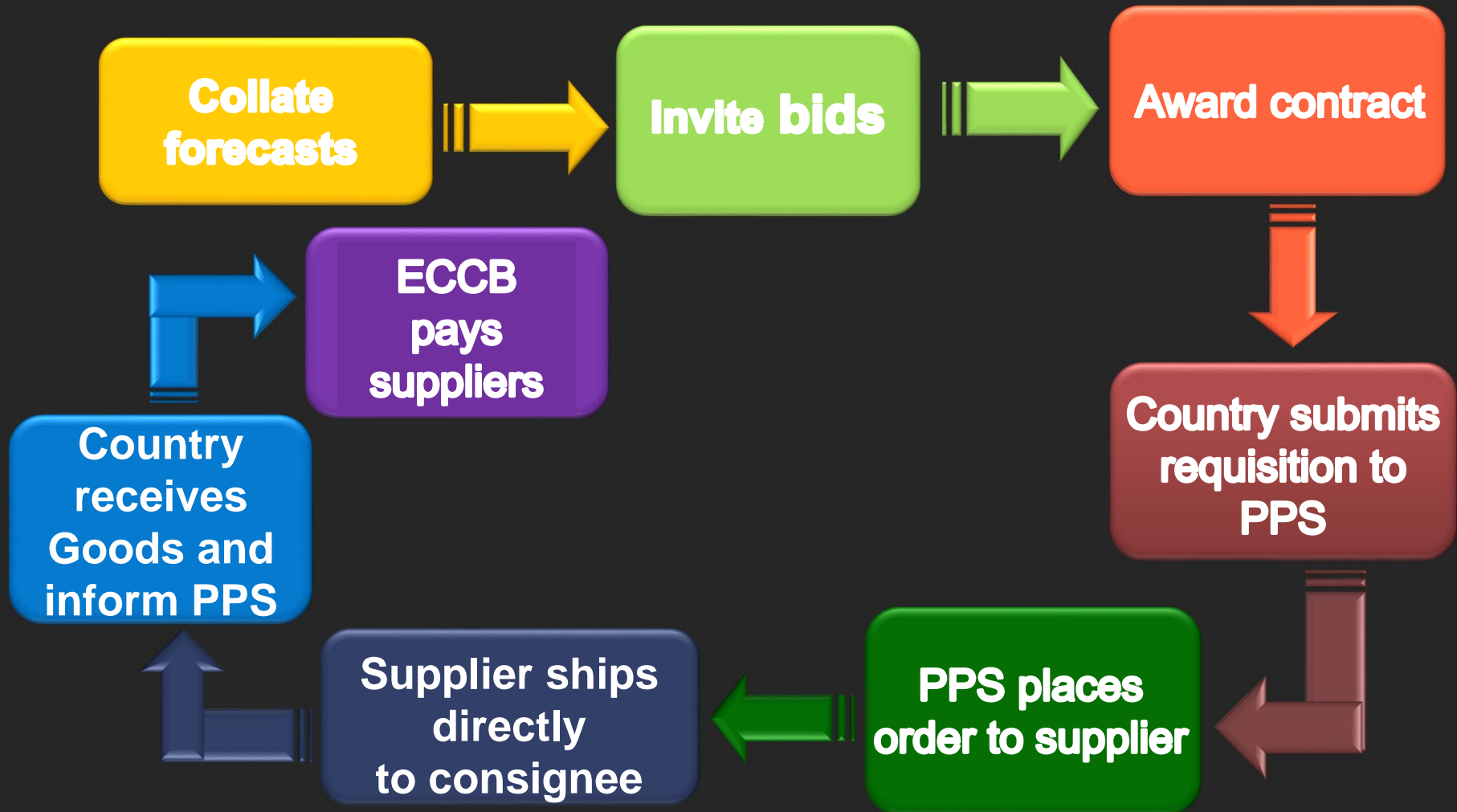
### Non-economic, value-added

- Enhanced quality assurance
- Coordinated training, research, M&E
- Regional cooperation and integration
- Harmonized formulary manual, STGs
- Sharing of information and pharmaceutical intelligence



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## Tendering/Ordering/Payment Cycle



# Electronic pooled procurement system, E-PPSS

## Three main modules

### Pre-Procurement

- Registers suppliers
- Pre-qualifies suppliers
- Aggregates forecasts

### Tendering/ Contracting

- Creates tenders
- Invite bids
- Evaluates tenders
- Awards contracts

### Procurement

- Requisition orders
- Places purchase orders
- Accepts invoices
- Process Goods Received Notes

## Lessons Learnt from E-ppss

- Increased suppliers' confidence
- Improved procurement system design
- Increased productivity – reusable templates
- Eliminates errors: automatic PO's processing
- Reduce cost: staff time, paper-work, automated reports
- Compliance with policy: controls, levels of authorization
- Shortened procurement cycle: e-enabled bid aggregation

# Principles of Drug Selection

- Established criteria
- Scrutinize new medicines
- Determined only by the DTC
- FDCs with superior advantages
- Drugs of choice for prevalent diseases

# Selection

## *Advantages of Formulary*

- Drug therapy is improved
- Procurement is enhanced
- Distribution cost is reduced
- Purchasing power is strengthened
- Inventory holding cost is decreased

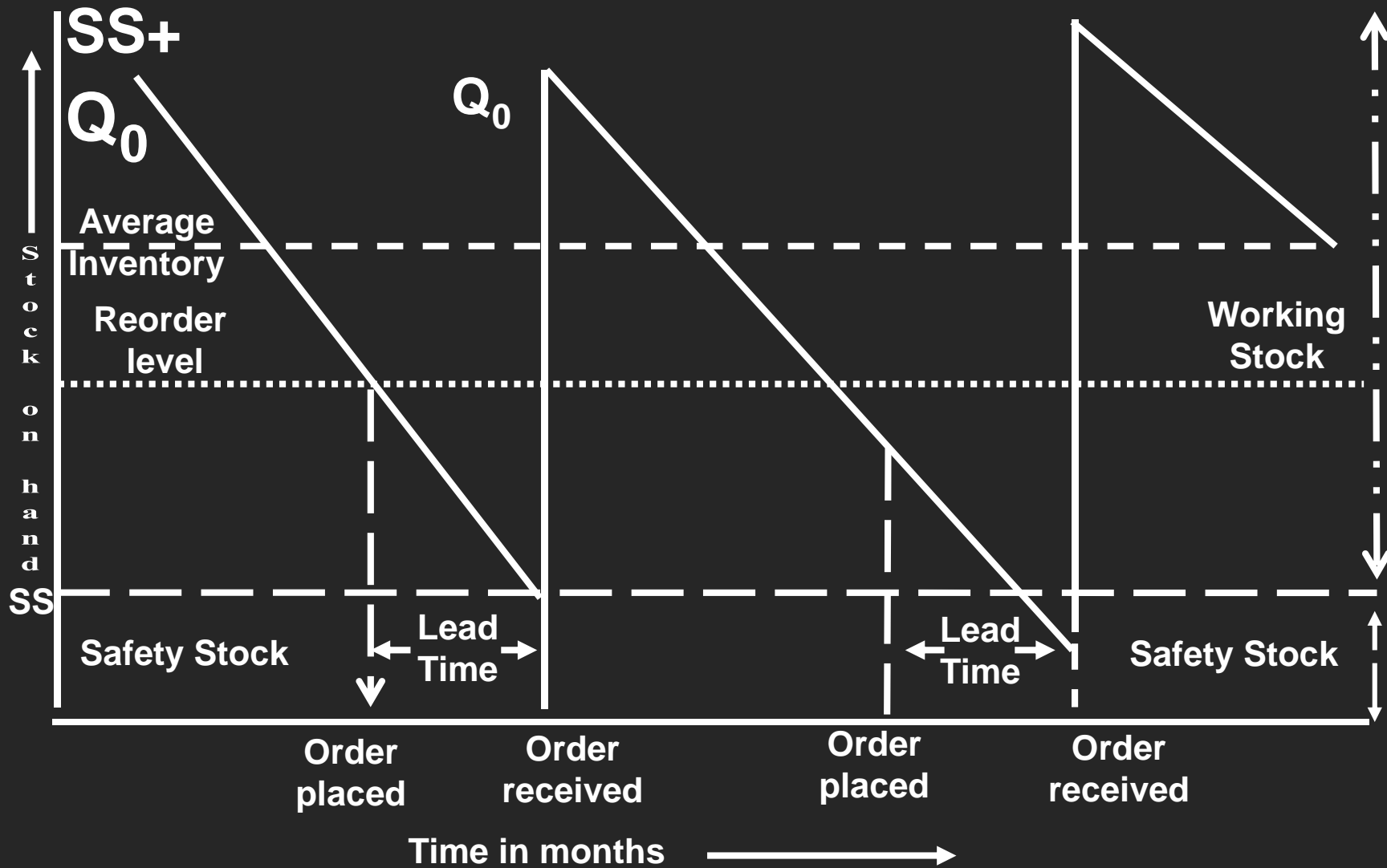
# Cost Comparison

## *WHO criteria*

Drug	Efficacy (50%)	Safety (20%)	Suitability (10%)	Cost (20%)	Score (100%)
A	5	4	3	2	
B	4	3	4	4	
C	3	2	3	3	



# Ideal Inventory Control Model



# What is Pharmacovigilance?

WHO definition:

The science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other drug-related problem.

## Limitations of Pre-marketing Phase

- Short duration
- Limited pts; age
- Conditions; controlled
- Limited size; <5000 pts before licensing
- Need 30k pts to detect rare ADR 1/10,000
- Absence of co-morbidity and special groups

## Why Pharmacovigilance?

- Genetics, diet, culture
- How product is prescribed
- Concurrent use of herbal medicines
- ADR monitoring is a key regulatory tool for safe and effective medicines

# Indicators

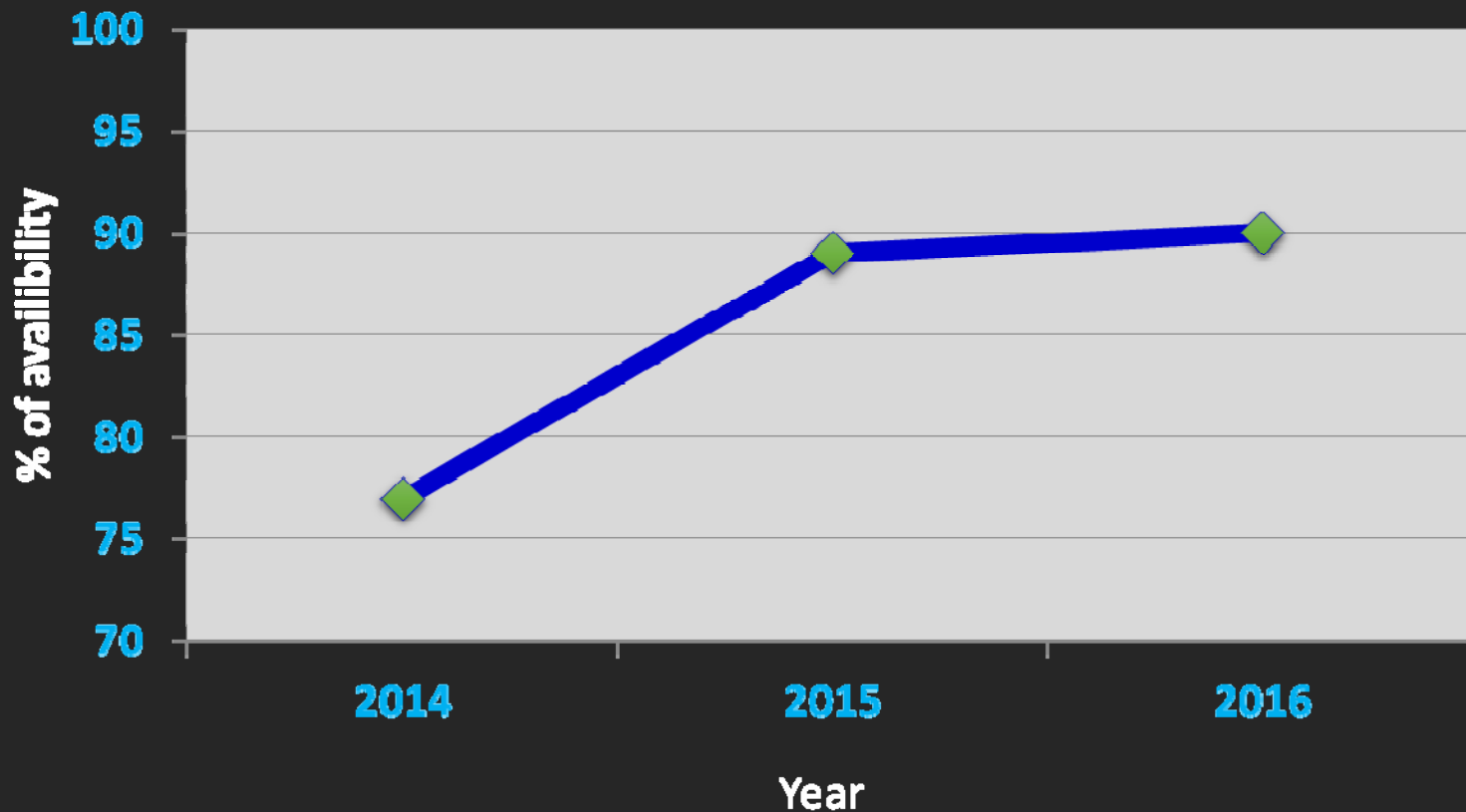
- Weighted average percentage of inventory variation
- Average percentage of available medicines
- Average of time that indicator medicines were out of stock
- Service level for prescribed medicines



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## Percentage of Prescribed Medicines Dispensed

### Access to essential medicines



**OECS average percentage of medicines for 2014 - 2016**

## Indicators cont'd

- Warehouse assessment
- Percentage of requisitions delivered on time
- Percentage of consignments cleared on schedule
- Value of expired products

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## Level of HAART

1<sup>st</sup> line

Tenofovir

+

Emtricitabine

+

Efavirenz



2<sup>nd</sup> line

Zidovudine

+

Lamivudine

+

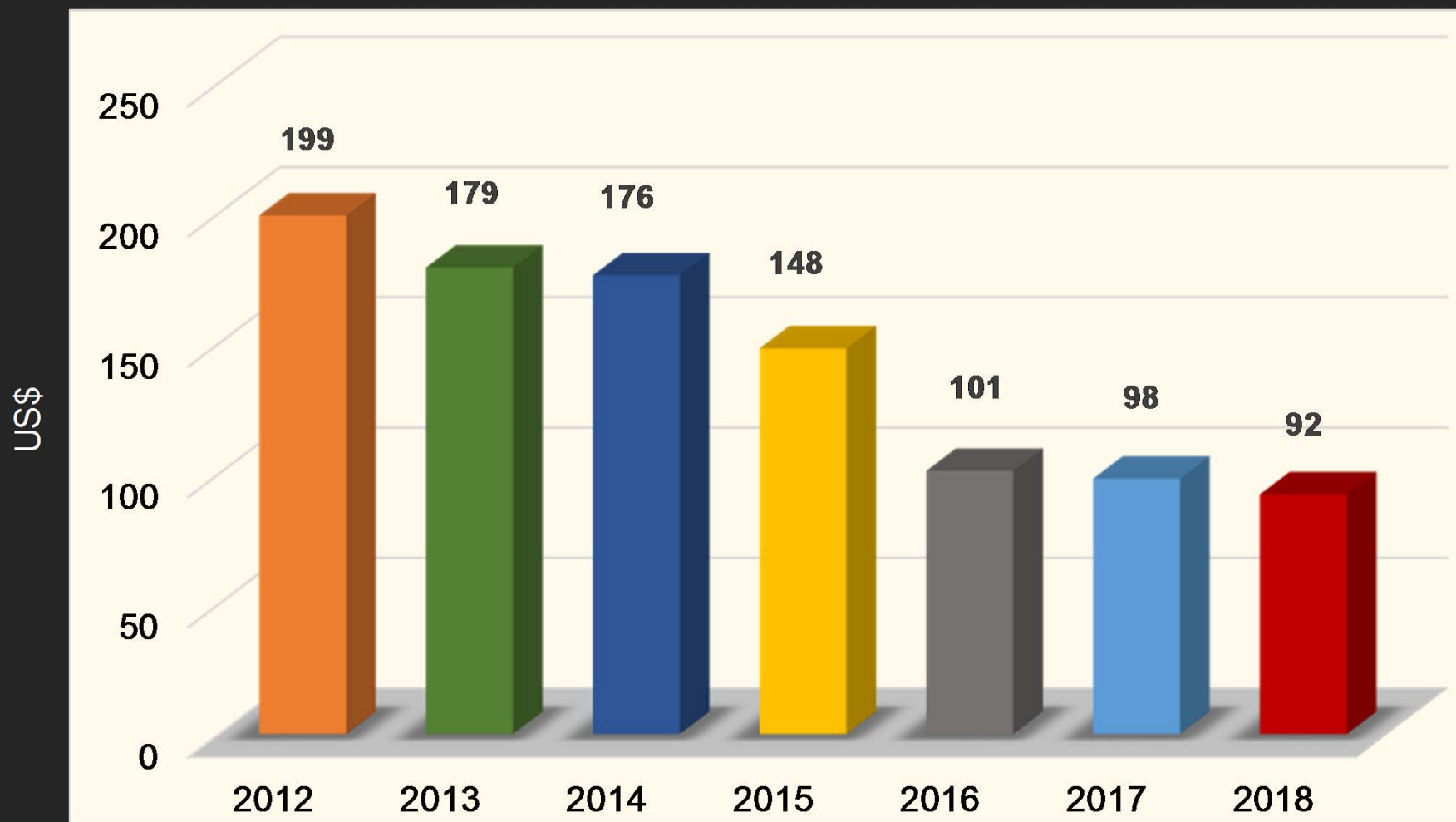
ATV/r or LPV/r







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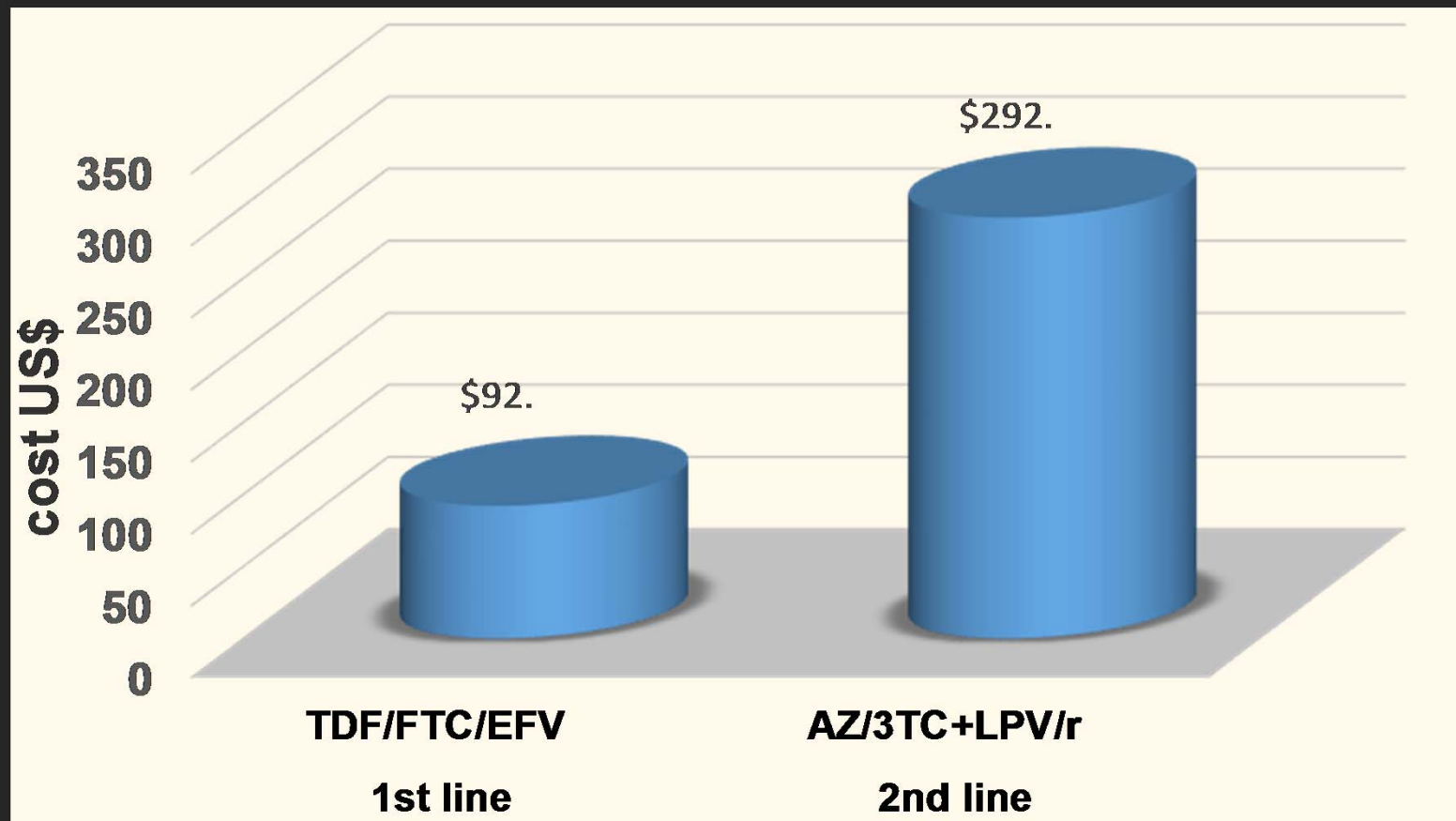


Cost of 1<sup>st</sup> Line ARV PPPY-TDF/FTC/EFV



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## Price of ARVs - 2018

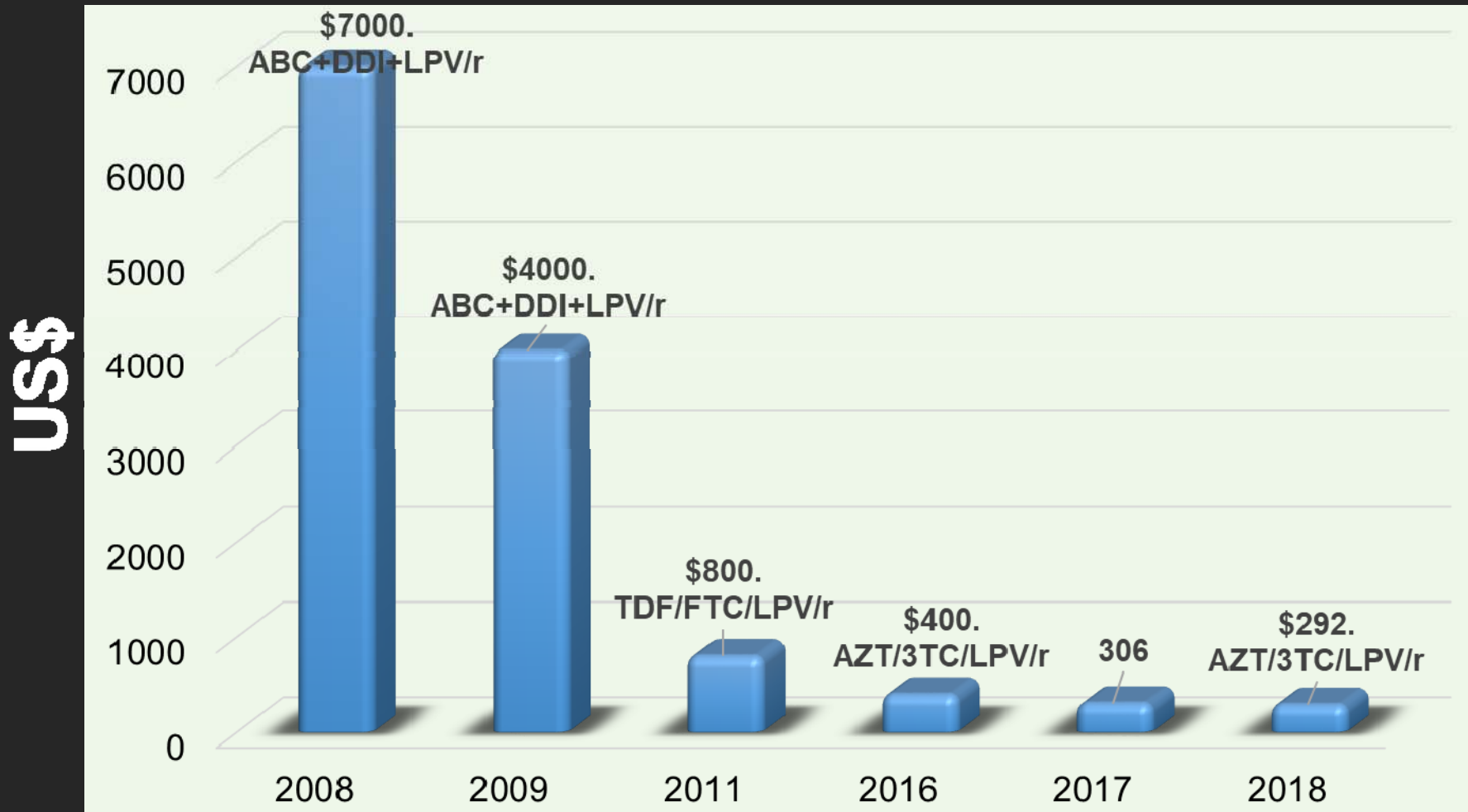


### Antiretrovirals

N.B. Cost of ATV/r = LPV/r per day



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**Cost of 2nd line ARVs, PPPY**



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**ARVs :  
Always  
Available**





# Organisation of Eastern Caribbean States (OECS)

Pharmaceutical Procurement Service (PPS)

## **OECS/PPS challenges**

- **Late payments**
- **Poor forecasting**
- **Managing donations**
- **Purchasing outside the cartel**
- **Small countries and purchase orders**

7th May 2018



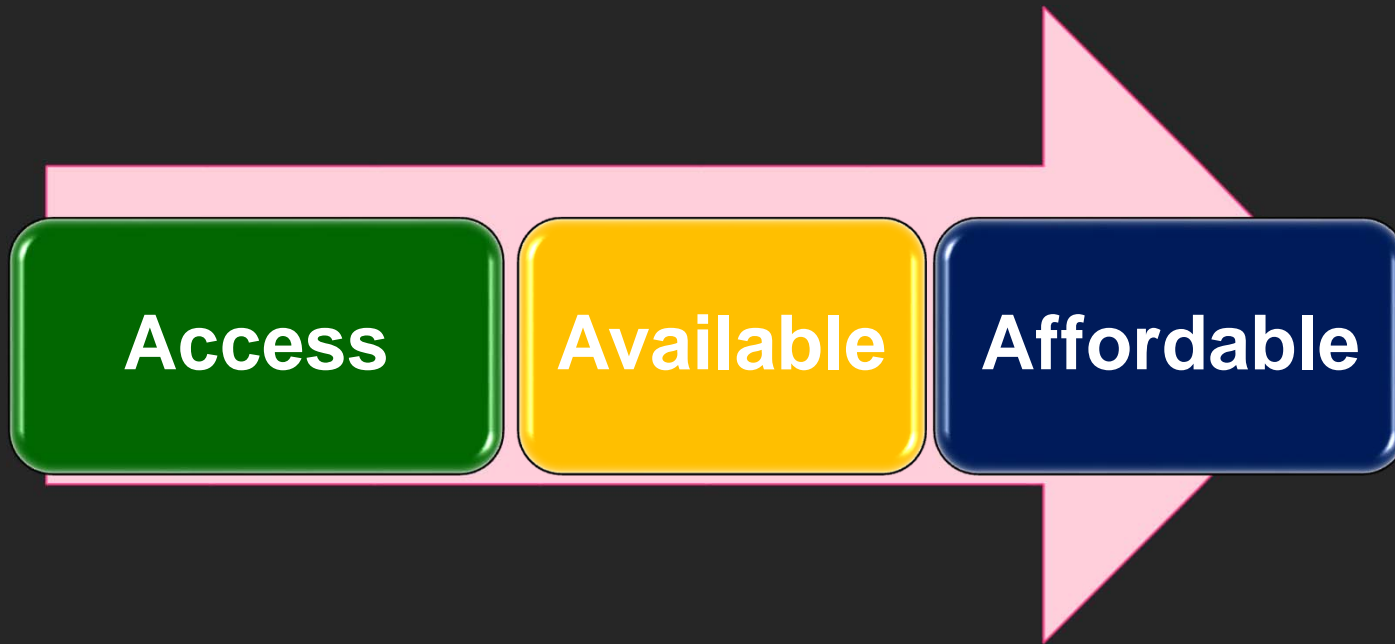
## Conclusion

**OECS/PPS has produced significant benefits for the Organization of Eastern Caribbean States (OECS) Member States.**



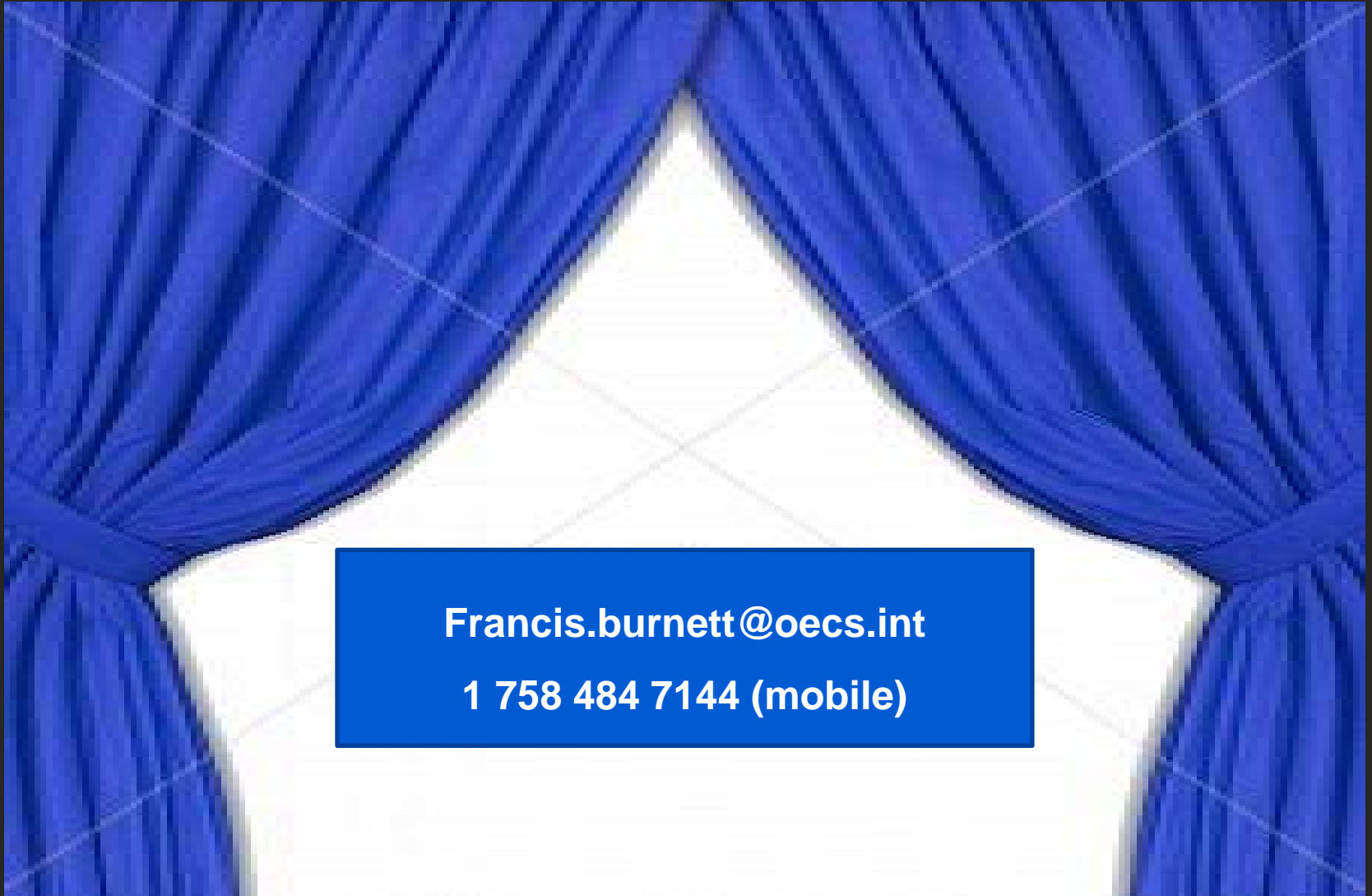
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**Take home message**  
**Medicine management**





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