



Monitoring Prime Vendor Pharmaceutical Supply System in Tanzania: MEMS Start-up Experiences

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Background

The prime vendor system was developed in response to hospital requests to provide an alternative, cost-competitive, quality drug supply system because the public sector supply system was unable to and continues to face difficulties in reliably meeting all of hospital requirements. A partnership between the Evangelical Lutheran Church in Tanzania (ELCT)/ Mission for Essential Medical Supplies (MEMS) and a private sector wholesaler/procurer/importer was viewed as a viable approach to implementing a supply system that could cost-effectively meet the needs of faith-based hospitals initially, with eventual rollout to all not-for-profit and public sector health facilities. Initial start-up issues have provided many valuable lessons in implementing a novel public-private sector supply system. The prime vendor supply system when fully developed is expected to provide a replicable model that has the potential to fill gaps frequently encountered in public supply systems in developing countries.

MEMS was established as an innovative supply and service organization for drugs and medical supplies for Church health facilities (the majority of which are in the rural areas) and other not-for-profit organizations in Tanzania. MEMS acts as an intermediary organization between the Church health facilities and a preselected private prime vendor. The process of identifying the prime vendor was conducted with technical assistance from Management Sciences for Health (MSH). The MEMS prime vendor supply system is supported through Health Sector Programme Support of the Ministry of Health.

MSH and MEMS staff played a key role in preparation of the hospitals to accept the prime vendor concept including development, discussions, and signing of Memoranda of Understanding in which the facilities agree to procure their supplies from the prime vendor via MEMS. MEMS agreed to improve communication systems at the facilities, coordinate facility orders and payments, undertake supply and system quality assurance, and supervise and train staff from health facilities. MEMS also agreed to monitor the performance of the prime vendor.

Initial Results

The prime vendor started supply operations in November 2004. Until April 2005, 14 hospital orders were received electronically from 10 Church health facilities with a total value of TZS 173,665,790 (USD 163,836) and an average of TZS 12,224,021 (USD 11,532) per order. The number of items per order on average was 141 (range 42–220) items. The prime vendor made a total of 29 deliveries, with an average of 2 deliveries per order (range



1–6). Significant deviation from prime vendor contracted delivery time of 10 days for fulfillment of all requirements was evident for all orders. The average delay for receipt of first deliveries was 12 days (range 5–46 days), but delay for final deliveries averaged 49 days (range 13–88 days).

An average of 77% of order items were fulfilled (range 58–89%), while partial deliveries constituted 3% of order items and 20% of order items were not delivered. One item (of 1,622 order-items supplied) was received already expired, and 29 items (1.8%) had short shelf life (less than one year).

For imported drugs, evidence of registration by the TFDA could be established in the majority of drugs (88%), while medical supplies from outside Tanzania that were ISO or CE registered were 86%. A total of 16 drug samples (antibiotics, antimalarial drugs, and analgesics) were collected, and all samples passed disintegration time and thin-layer chromatographic assay.

Conclusions and Next Steps

The prime vendor system has encountered a number of initial challenges in meeting its “one-stop shop” goal, including significant delivery delays and shortages of drugs and supplies. Rationalisation of the diverse facility drug and supply lists is needed to reduce the total number of SKUs stocked by the prime vendor. It is also recognized that strengthening of hospital supply management systems is a critical challenge that needs to be addressed, and a system to improve and access hospital consumption records is under development. The intent is for MEMS and the prime vendor to access hospital consumption data electronically and provide regularly scheduled replacement of required supplies. The prime vendor is making significant additional investments to address supply chain issues, and improvements in many areas have already taken place.