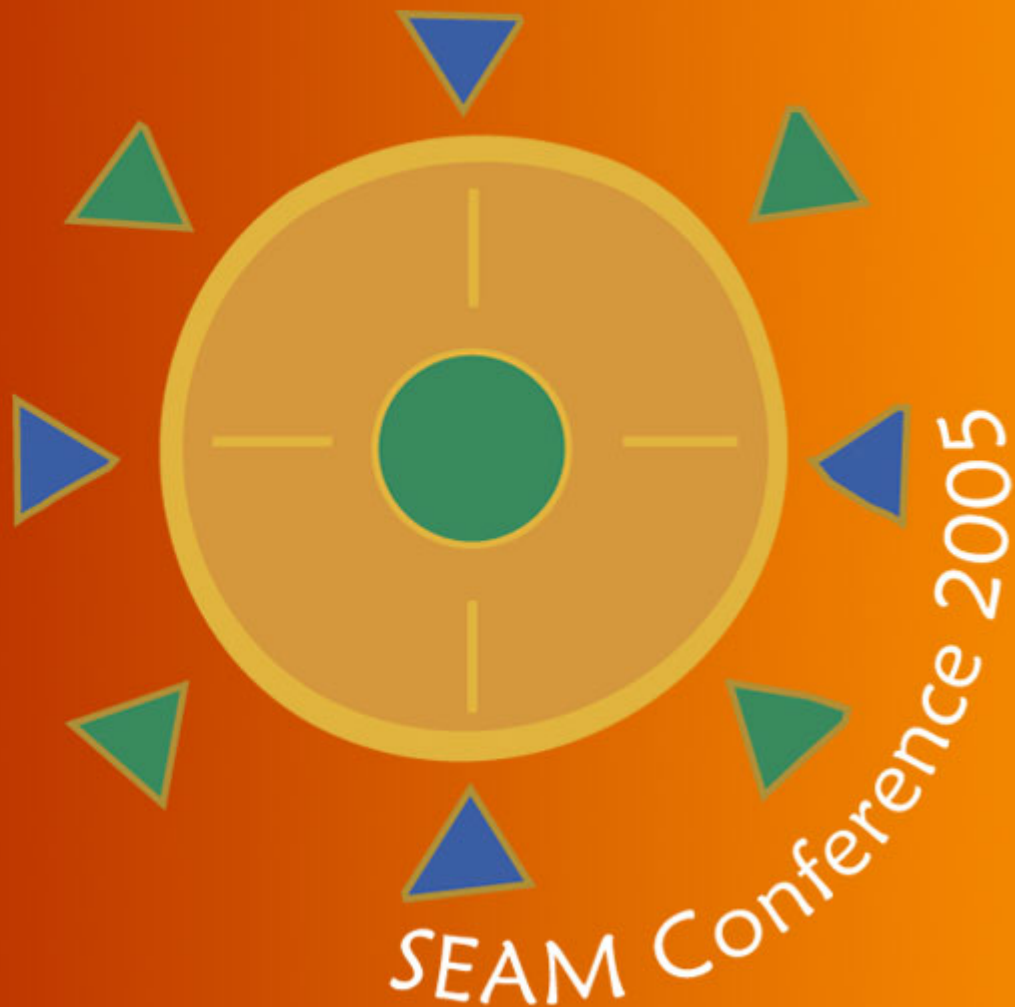




Accra, Ghana • June 20–22

Targeting Improved Access



MANAGEMENT SCIENCES *for* **HEALTH**

SEAM | Strategies for Enhancing Access to Medicines

Funding for the SEAM Program is provided by the Bill & Melinda Gates Foundation.

Targeting
Improved
Access



Accra, Ghana • June 20–22

Pooled Procurement for the Ghanaian Catholic Mission Sector: The Experience of the Catholic Pharmaceutical Services

Stephen Essuman, Department of Health, National Catholic Secretariat, Ghana

Funding for the SEAM Program is provided by the Bill & Melinda Gates Foundation.



MANAGEMENT SCIENCES *for* HEALTH

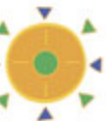
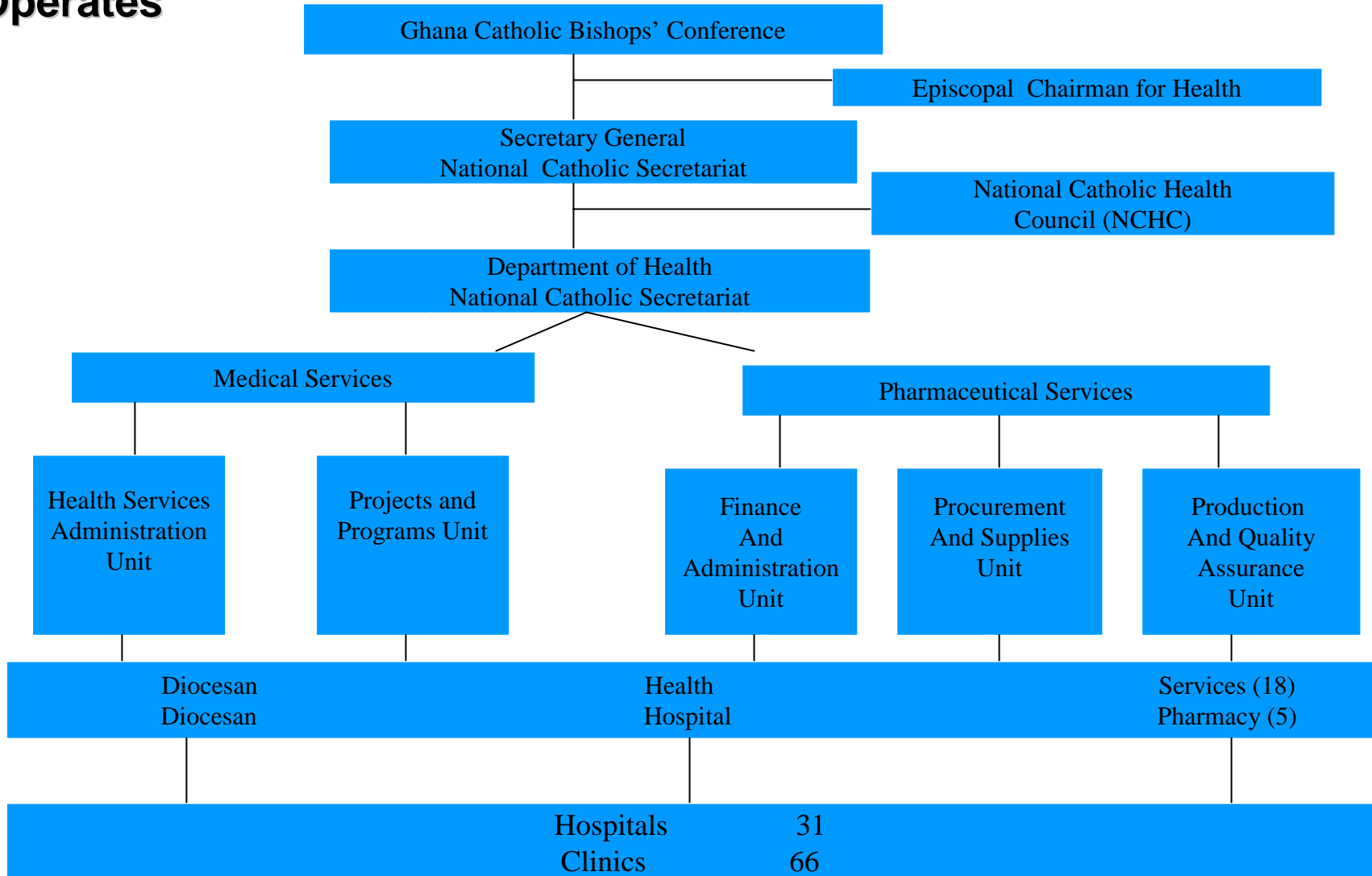
SEAM | *Strategies for Enhancing Access to Medicines*

Background

- ❖ MSH through SEAM provided Technical Support for the implementation of National public-private initiatives to increase access to medicines
- ❖ Ghana Catholic Pooled Procurement programme identified as innovative concept with the potential to obtain significant economies of scale through pooled purchases of essential medicines and supplies
- ❖ Programme designed to reduce cost and improve pharmaceutical supply management for the five Diocesan Hospital Pharmacies that supply medicines to Catholic Hospitals and clinics in their Zones
- ❖ Facilities operating under Department of Health accounts for 30% of health care delivery, serving primarily rural areas

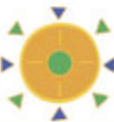
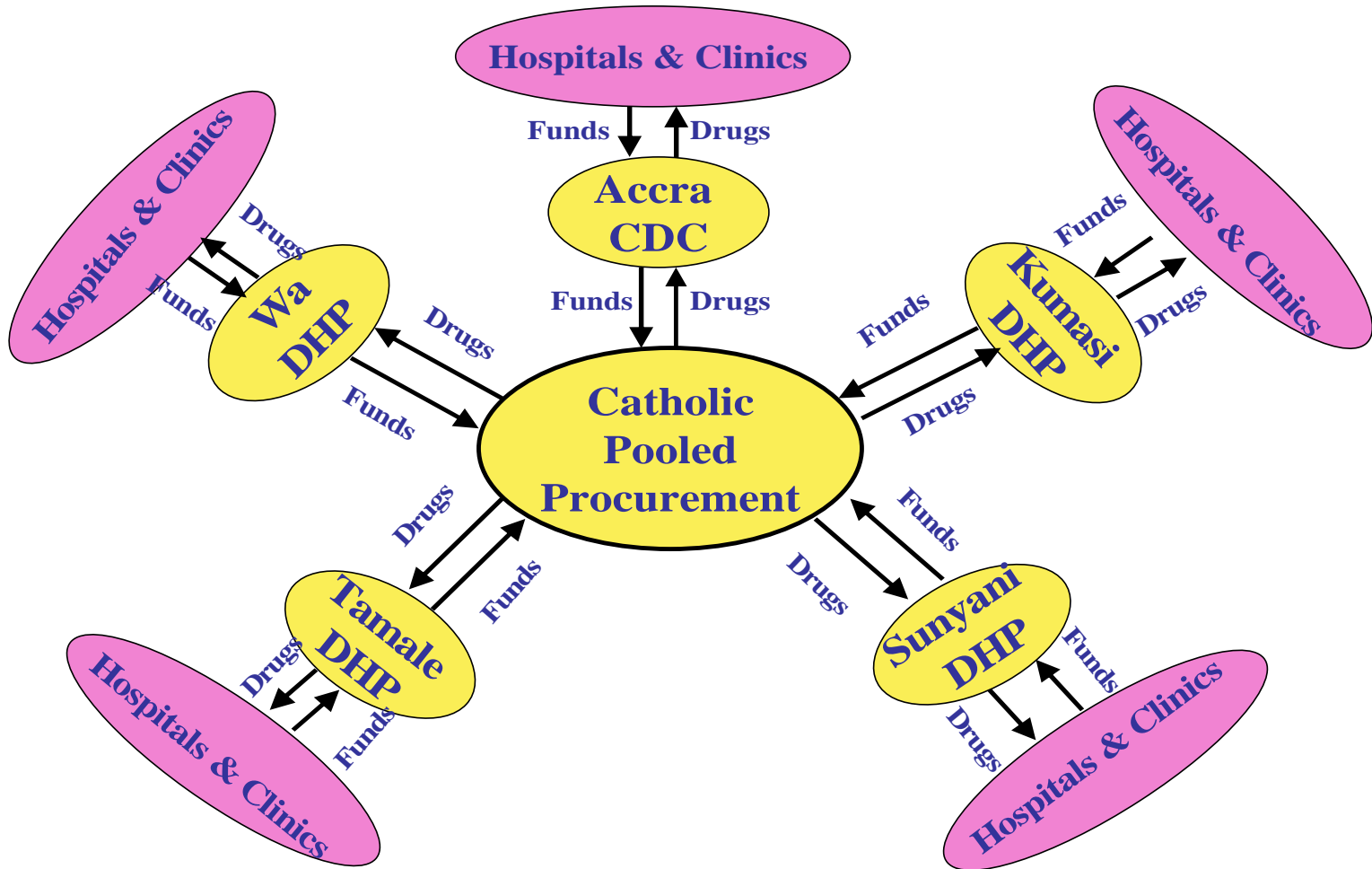
BACKGROUND

NCHS Organizational Structure within which Pooled Procurement Operates



BACKGROUND

Operational Model Of Catholic Pooled Procurement





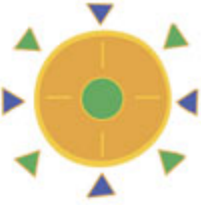
OBJECTIVES

❖ General Objective

❖ *To improve the capacity of the Catholic Pharmaceutical Service to achieve better pricing and more reliable supply service*

❖ Specifically, to:

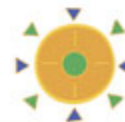
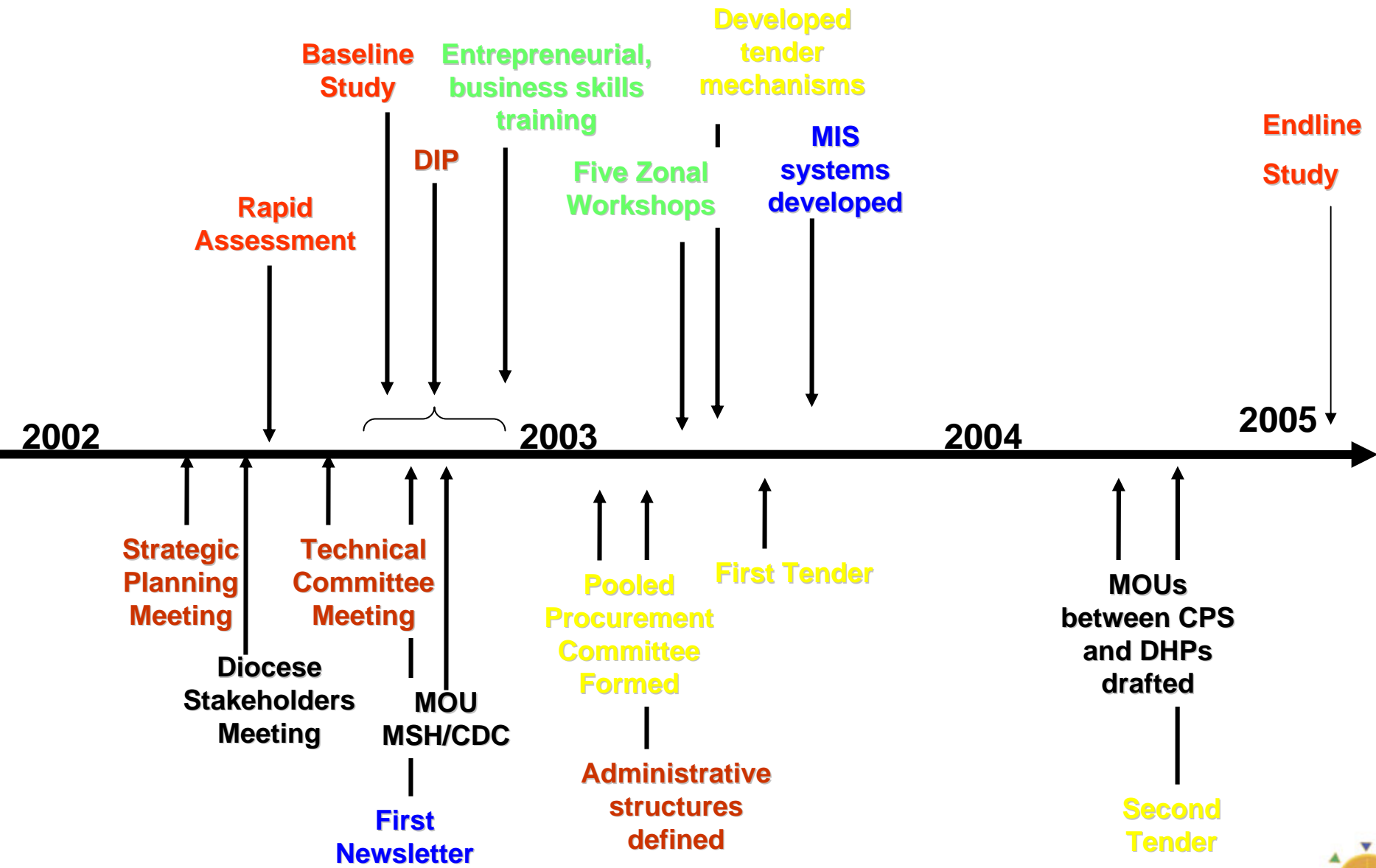
- ❖ *Reduce drug prices.*
- ❖ *Assure constant supply.*
- ❖ *Improved quality control*
- ❖ *Improve information exchange and sharing.*
- ❖ *Ensure equity of access*
- ❖ *Ensure sustainability.*



Interventions

- ❖ **Planning**
- ❖ **Advocacy**
- ❖ **Tender Cycle**
- ❖ **Training**
- ❖ **Information system**
- ❖ **Monitoring and Evaluation**

Interventions Timeline



Evaluation Process

❖ Conducted baseline & endline sample surveys

| Facility Type | Baseline Sample Size | Endline Sample Size |
|--------------------------------|-----------------------|-----------------------|
| DHPs | 2 | 4 |
| RMS | 2 | 4 |
| Catholic Hospitals and Clinics | 24 Pooled Procurement | 24 Pooled Procurement |
| Public Hospitals | 5 | 5 |

Evaluation Process (2)

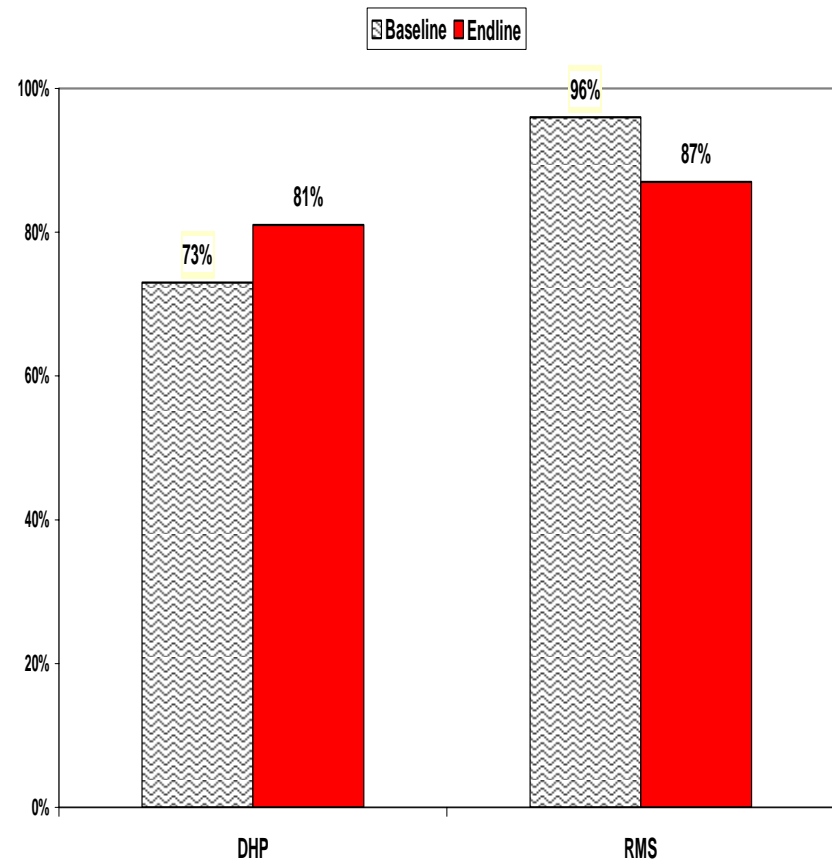
- ❖ Survey included review of
 - ❖ Tracer item availability
 - ❖ Tracer item supplier & customer unit prices
 - ❖ Product registration status
 - ❖ Staff satisfaction interviews
- ❖ Stakeholder workshop to review survey findings and discuss next steps

Results

1. Availability

- ❖ Availability of essential tracer medicines increased at the DHP Level (B=73%, E=81%) while it decreased at government RMS (B=96%, E=87%)

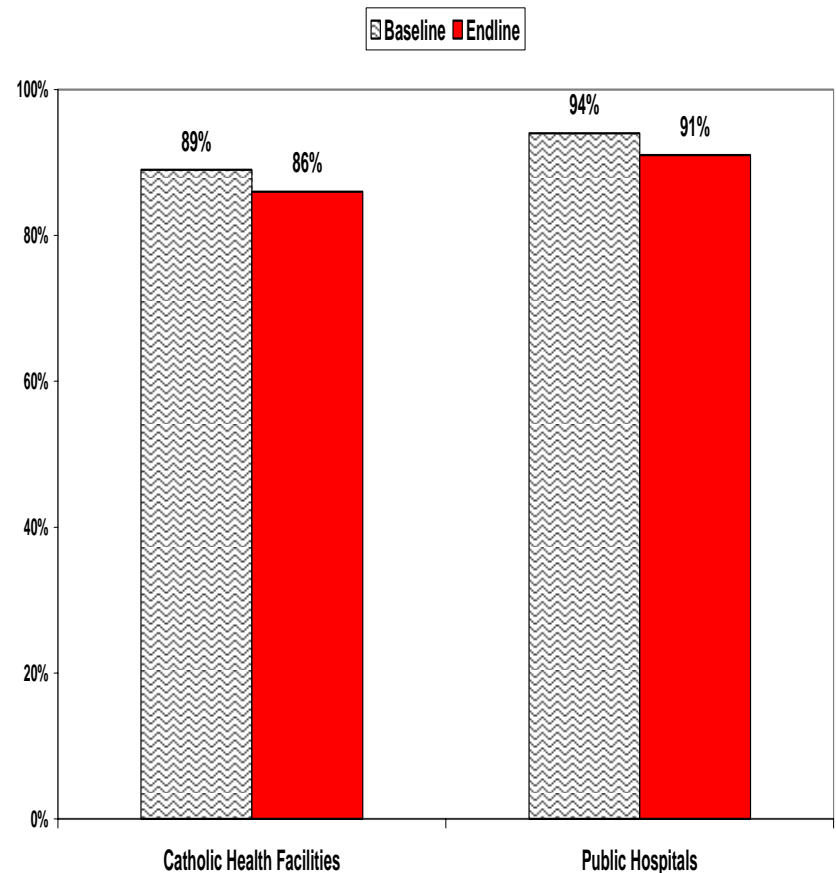
Comparison of the Average Availability of Thirteen Non Program Tracer Drugs at DHPs and Regional Medical Stores
Baseline and Endline Surveys, CPS Project



Results

❖ Availability at both Catholic facilities (B=89%, E=86%) and government hospitals (B=94%, E=91%) dropped slightly but was essentially maintained

Comparison of the Average Availability of Thirteen Non Program Tracer Drugs at Catholic and Public Health Facilities
Baseline and Endline Surveys, CPS Project

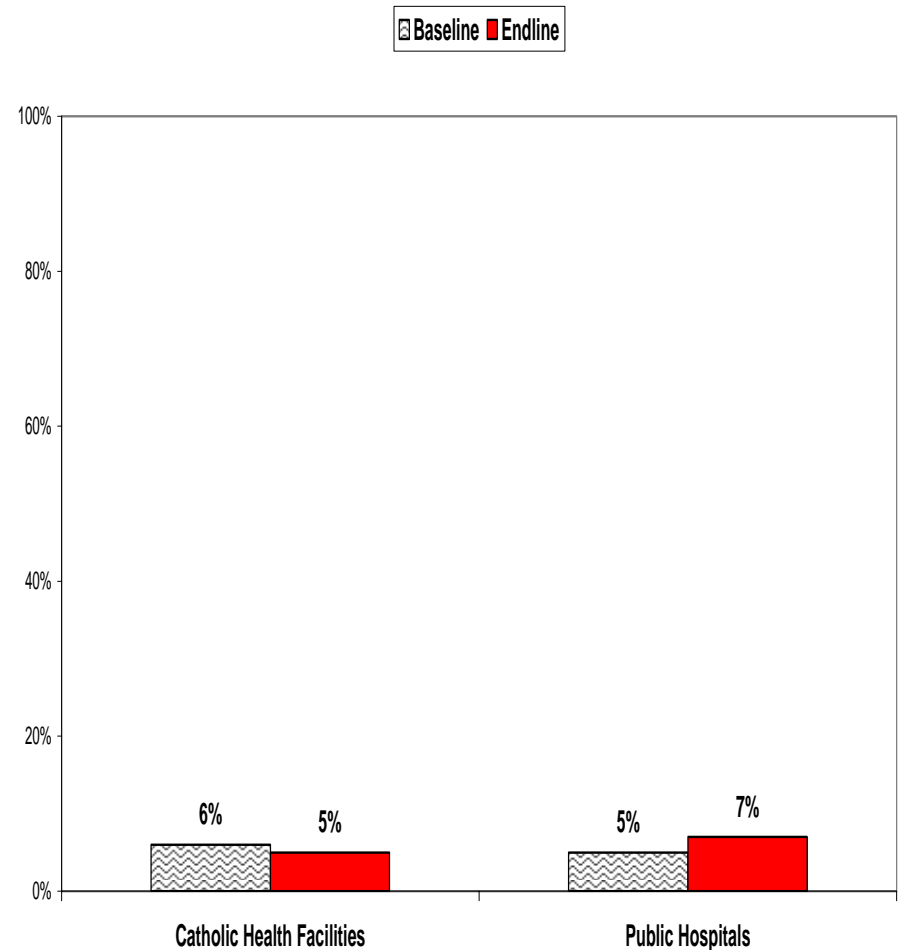


Results

2. Stock-Outs

- ❖ The % of time out of stock was low for both Catholic (B=6%, E=5%) and government facilities (B=5%, E=7%)

Comparison of Average Percent Days out of Stock of Thirteen Tracer Medicines
CPS Project, Baseline and Endline Surveys

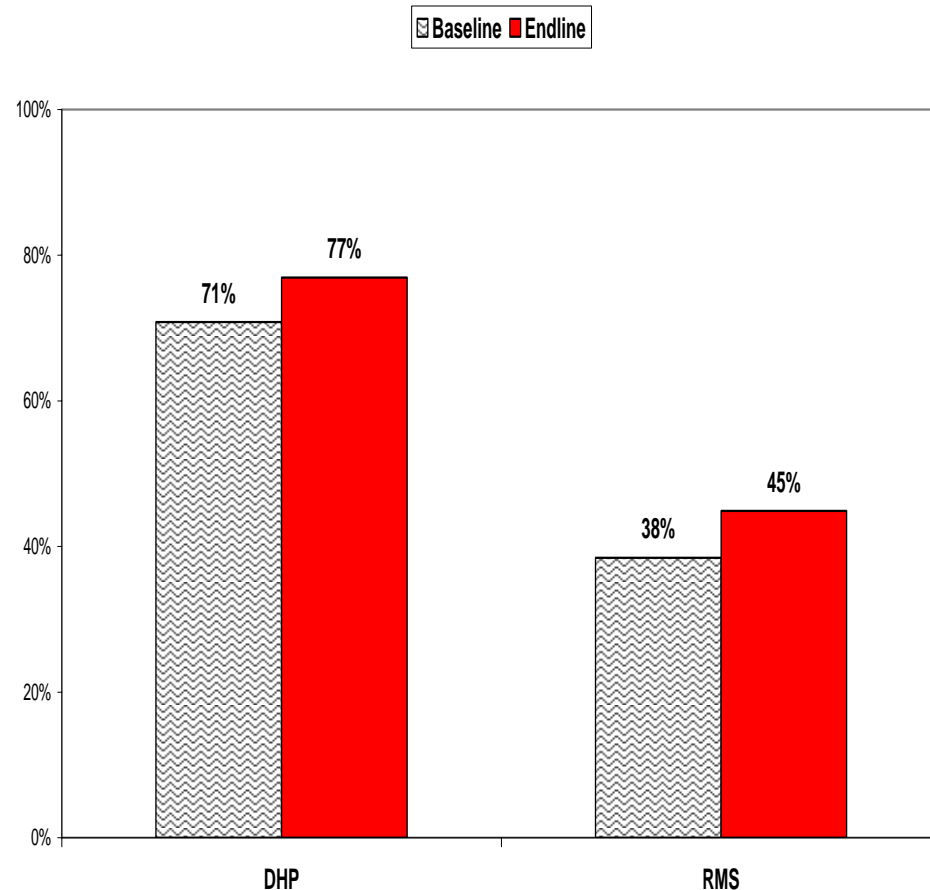


Results

2. Stock-Outs

❖ Essential tracer medicines experiencing any stock-out were seen more often at the DHP Level (B=71%, E=77%) compared to the RMS (B=38%, E=45%)

Comparison of Average Percent DHPs and RMSs Ever Experiencing Stockouts for Thirteen Tracer Medicines
CPS Project, Baseline and Endline Surveys

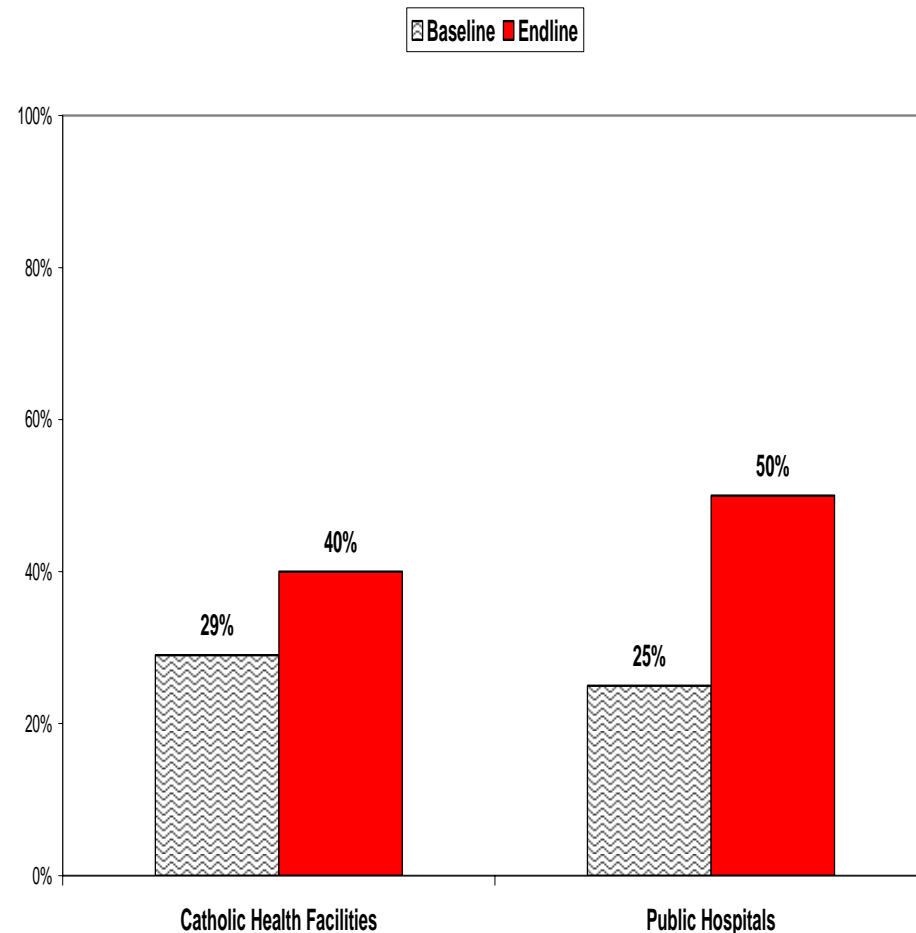


Results

2. Stock-Outs

❖ At the facility level, while overall the number of tracer items that experienced stock-outs increased, the Catholic facilities experienced fewer stock-outs (B=29%, E=40%) compared to government health facilities (B=25%, E=50%).

Comparison of Percent Facilities Ever Experiencing Stockouts
for Thirteen Tracer Medicines
CPS Project, Baseline and Endline Surveys

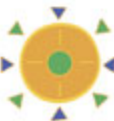
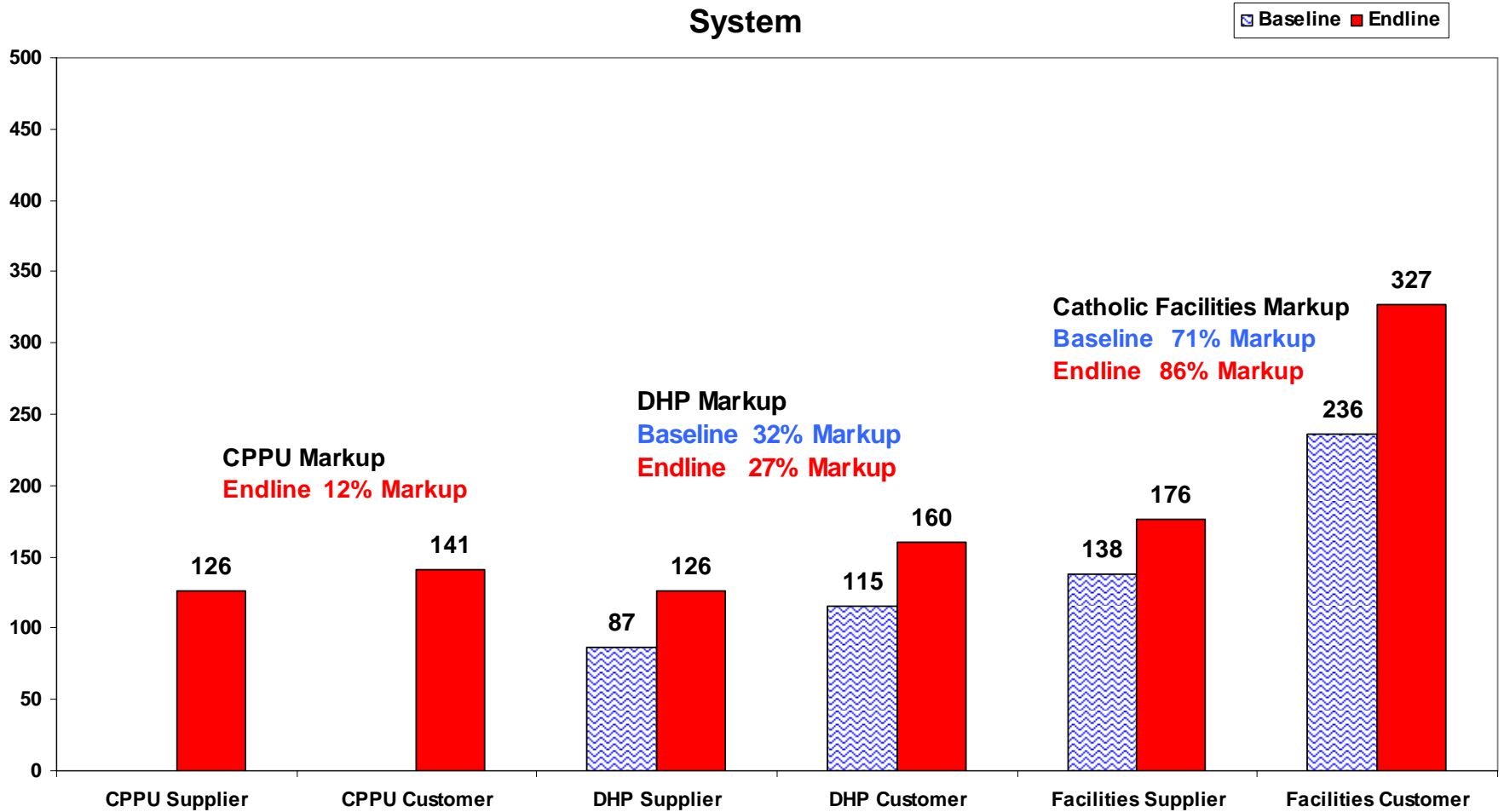


Results

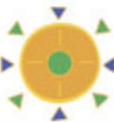
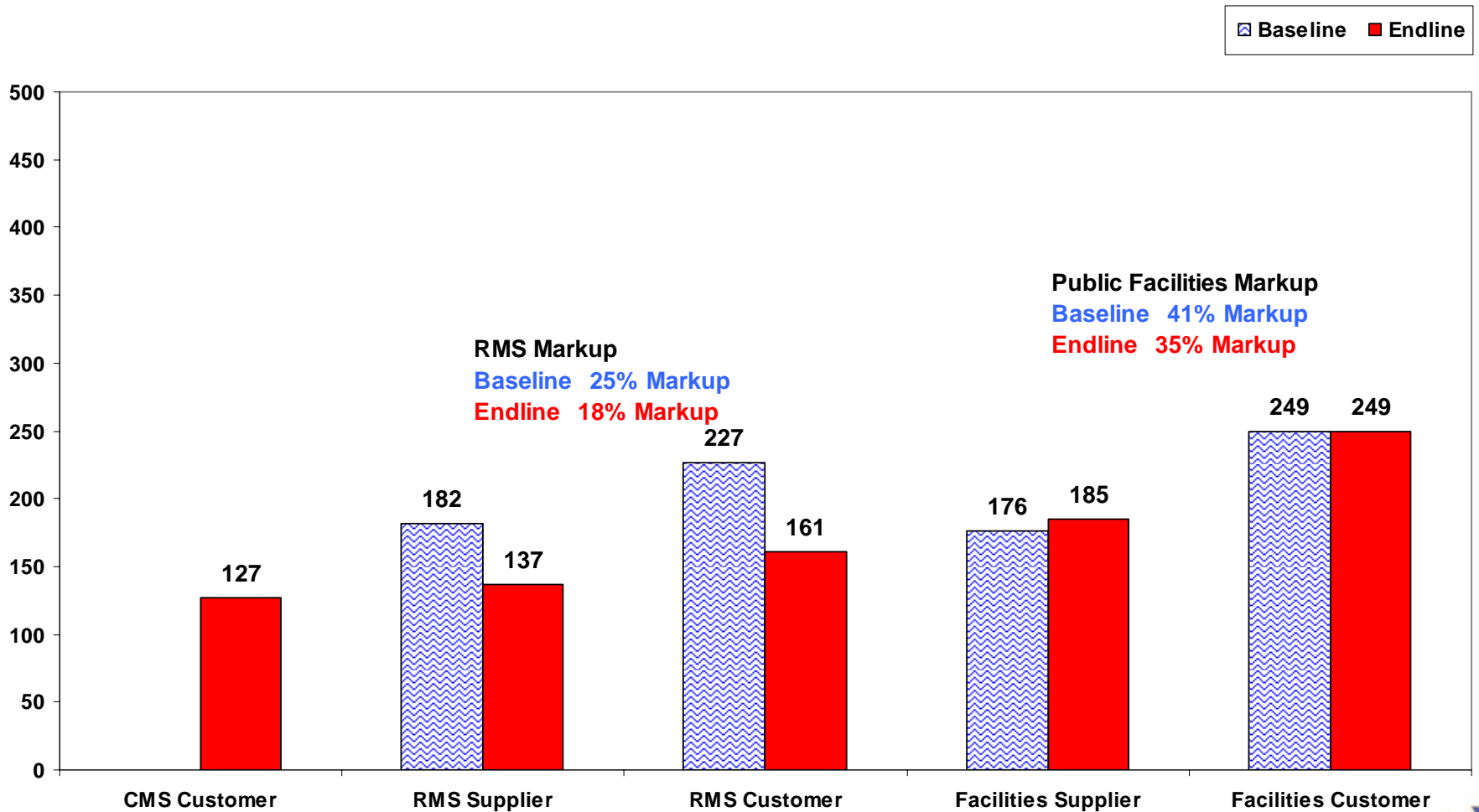
❖ 3. Pricing

- ❖ The two pool procurements carried out recorded 20% and 48% cost reductions respectively for 20 and 50 products.
- ❖ The pooled procurement has had a positive impact on market pricing.
- ❖ These reductions did not translate through the various levels to the patients attending Catholic facilities

Comparison of Median Supplier and Customer Prices (Cedis) of Thirteen Non Program Medicine Tracer Items by Level of Supply in the Catholic Health System



Comparison of Median Supplier and Customer Prices (Cedis) of Thirteen Non Program Medicine Tracer Items by Level of Supply in the Government Hospital System



Results

❖ 4. Quality of Products

- ❖ Endline assessment of quality using products approved for marketing by the FDB as a proxy showed that:
 - ❖ DHPs had 87% of products on their shelves that were approved compared to the RMS that had 65%
 - ❖ At the facility level, Catholic facilities had 76% registered products on shelves as compared to government hospitals which had 72%

KEY LESSONS

- ❖ Central procurement unit should have adequate funds independent of the purchasing institutions to initiate and sustain a pooled procurement program
- ❖ Transparent competitive tender process results in lower prices and supplier confidence in the programme
- ❖ Commitment cannot be taken for granted because there is shared vision, beliefs and goals, but other systemic issues also need to be addressed
- ❖ To integrate pooled procurement programme into an existing structure critical human resource capacity needs to be in place
- ❖ Consensus building is crucial to the acceptance and sustainability of the Pooled Procurement Programme

Challenges

- ❖ Institutions view DHPs as alternative Supplier and not as a Partner
- ❖ Working capital constraints
- ❖ Persistent Stock outs of critical items cause institutions to question the viability of sole sourcing from the DHPs.
- ❖ Forecasting requirements within the pooled procurement environment is very difficult.
- ❖ Loose commitments exhibited by the health Institutions to DHPs threatens the sole sourcing principle in the pool procurement program

Challenges

- ❖ The distribution of stock from the DHPs to the Catholic Institutions is unreliable because the DHPs lack an adequate transport fleet for delivering supplies.
- ❖ Human resource capacity to coordinate the implementation of the programme.
- ❖ Passing savings from Tender onto the patient

Conclusion

- ❖ The pooled procurement program has made good progress.
- ❖ Tender results from the 2003 – 2005 has demonstrated that the Ghana Catholic Pooled Procurement Programme can produce tangible economic benefits to its constituents.
- ❖ Significant steps must be taken to ensure the benefit is sustainable
- ❖ The supply relationship between the DHPs and institutions must be strengthened and enhanced for the pooled procurement program to survive.
- ❖ Competitive pricing at the institutional level must be addressed as well as working capital constraints.
- ❖ DHP pricing disadvantages for non-pooled items are eroding confidence in the DHP as a sole supplier.