

**Workshop of the public procurement agencies in the
WHO South-East Asia Region on improving access to medicines
11–13 July 2023, Chennai, India**

Background

Improving access to essential medical products is critical to achieving universal health coverage (UHC) and the health-related goals of Sustainable Development Goals (SDG). Its importance and commitment towards improving access in the WHO's South-East Asia Region and beyond was reaffirmed through the Delhi Declaration by SE Asia Region Member States in 2018 and it is part of the Regional Director's Flagship Priority Programme.

While the region has achieved some progress over the years, challenges remain. The situation was exacerbated by the COVID-19 pandemic, which resulted in shortages and disrupted supply chains of emergency medical supplies and essential medical products.

Public procurement agencies play an important role in providing essential medical products.

Strengthening procurement agencies' capacity plays a vital role in enhancing the equitable access to medical products. This entails ensuring that

quality products are available and affordable to all, procuring them at competitive rates, and reducing out-of-pocket expenses on medicines and medical products. Improved equitable access not only fosters increased utilization of public health facilities among underserved populations but also strengthens financial protection. Additionally, it is crucial to ensure the quality of products throughout the supply chain and minimize wastage and inefficiencies in procurement and distribution processes.

This first workshop brought public procurement agencies in the Region together and facilitated in-depth exchange of information and ideas. A face-to-face meeting provided an opportunity for the participants to network.

Moreover, the participants had an opportunity to conduct a field visit to Tamil Nadu Medical Services Corporation (TNMSC). This visit offered insights into the outstanding systems and practices of TNMSC, further enriching the workshop experience.

Aim of meeting

This meeting brought the head of national procurement agencies to discuss WHO tools for system assessments, sharing best practices, capacity-building activities, and discuss potential ways of cross collaboration in the Region. This sought to improve equitable access to medical products by strengthening the capacity of public procurement agencies.

The specific objectives were:

1. to share current challenges and best practices on public procurement and supply chain systems;
2. to discuss assessment tool, building capacity

to utilize the assessment tool, and to identify activities to improve efficiency, transparency, and quality assurance mechanisms;

3. to identify and discuss areas of potential regional collaboration and cross-country support policies to improve availability, affordability and price of medical products

Meeting secretariat

- Dr Uhjin Kim
- Dr Terence Fusire
- Ms Salil Chitra



Programme, participants and network updates

Overview of the programme:

Day 1

- Building resilient supply chains
- Procurement and supply chains
- Improving procurement efficiency

Day 2

- Field trip to Tamil Nadu Medical Service Corporation

Day 3

- Monitoring and evaluation
- Rational selection and use
- Quality assurance



This workshop is an opportunity for agencies across the Region to learn from each other and continue to improve procurement systems. The TNMSC model has been emulated by various states in India.

Thiru. Ma. Subramaniam

Minister, Health, Medical Education and Family Welfare, Tamil Nadu



Transparency in procurement is essential in the procurement of medicines and this workshop is important in sharing best practices from TNMSC and other agencies.

Mr Gagandeep Singh Bedi

Principal Secretary, Ministry of Health, Tamil Nadu



Public procurement agencies can contribute significantly to achieving access to life-saving health products. Together, let us work towards building stronger, more effective public procurement agencies that truly serve the needs of our communities.

Mr Manoj Jhalani

Director, UHC/Health Systems, WHO SEARO

Participants

Bangladesh	Bhutan
<ul style="list-style-type: none"> • Dr Supriya Sarka • Dr Israt Jahan Ummon • Dr Tanvir Ahmed 	<ul style="list-style-type: none"> • Mr Chhimi Tsewang • Mr Tashi Norbu • Mr Ugyen Tshering
India	Indonesia
<ul style="list-style-type: none"> • Mr. Pradeep Aggarwal (Punjab state) 	<ul style="list-style-type: none"> • Ms L. Rana Esi Hapsari (Virtual)
Maldives	Sri Lanka
<ul style="list-style-type: none"> • Ms Fathimath Yuma • Ms Mariyam Amaanee • Ms Aishath Jaleela 	<ul style="list-style-type: none"> • Mr YLM Navavi • Dr Kapil Wickramanyake
Thailand	Timor-Leste
<ul style="list-style-type: none"> • Mrs Pagwalai Laochai • Ms Kasinee Juthasawat • Dr Tarit Taerakul 	<ul style="list-style-type: none"> • Mr Santana Martins • Ms Inacia Amaral Soares • Ms Ismenia Mateus da Costa Belo
Participants from TNMSC	Observers
<ul style="list-style-type: none"> • Mr M. Arvind • Dr M. Veerappan • Mr T. Thiagarajan • Mr G. Balamurugan • Mr K. Anandan • Mr S. Rajaram • Nr T. Ramesh • Mr B. Ramesh • Mr R. Hari • Mrs P. Kanimozhi • Dr S. Theagarajan • Dr C. Anjali 	<p><u>USP</u></p> <ul style="list-style-type: none"> • Mr Kishor Mogulluru • Mr Matruprasad Priyadarshi <p><u>UNICEF</u></p> <ul style="list-style-type: none"> • Ms Emma Creighton • Mr Bilal Zarga • Ms Rehka Zargar
WHO staff	
<u>Regional Office</u>	<u>Country Office</u>
<ul style="list-style-type: none"> • Dr Uhjin Kim • Dr Terence Fusire • Ms Salil Chitra • Mr Stephen Himley 	<ul style="list-style-type: none"> • Dr Roderick Salenga (Indonesia) • Dr Pyae Phyoe (Myanmar)



Regional progress

While there had been country-specific activities targeting national procurement and supply chain assessments, scoping work for improvements and some regional meetings discussing specific product access, there had not been specific meetings at the regional level to bring all the national procurement agencies in the Region together to exchange information and discuss cross-country collaboration.

This meeting brought the heads of national procurement agencies to discuss WHO tools for system assessments, sharing best practices, capacity-building activities, and to discuss potential ways of cross collaboration in the Region and potential WHO support to individual countries.

The Region conducted an MQAS (Model Quality Assurance System for Procurement Agencies) assessment in five countries in 2022.

Following the regional survey, it was evident that the Tamil Nadu Medical Services Corporation (TNMSC) Limited stood out among the participants, showcasing exceptional systems and practices.

Workshop modality

Considering this achievement, the city of Chennai was chosen as the venue for the workshop, where participants had the privilege of engaging in a one-day field visit to the TNMSC Limited.

This inaugural workshop served as a platform to bring together public procurement agencies from the region, fostering an environment for comprehensive information exchange and the sharing of ideas. The face-to-face interaction during the workshop not only enabled participants to establish valuable networks but also encouraged informal discussions.

Moreover, the workshop participants had the opportunity to take part in a site visit to the TNMSC Limited.

Category of participants

- Head of the Public Procurement Agencies
- Director/officers responsible for procurement or quality assurance
- Director/officers responsible for distribution of medical products
- WHO country offices

The role of public procurement agencies: Global challenges in the post-pandemic period

Dr Lisa Headman

- Current discussion in medicine procurement systems include pooled procurement, shortages of medicines and maintaining emergency readiness.
- Pooled procurement and collective negotiation benefits and incentives go beyond cost savings to include supply stability, access to quality markets, supply/demand visibility and financial stability.
- Global Public Health Good (GPHG) 157 recognizes the importance of issues related to shortages of medicines and health products. The WHO portal for reporting global shortages of medicines and vaccines was put on hold during the pandemic but will reopen in 2023.
- For generic products (80% of essential medicines!), shortages can be regional in nature, so trends may not always apply across regions.
- During the pandemic, the ACT-A treatment partners secured supply of antivirals in an adequate allocation scheme. Current ongoing demand is difficult to predict, but contracts remain in force.

Meeting summary

Discussion points

- Public procurement agencies play an important role in universal health coverage
- The importance of building resilient supply chains for the future
- Procurement and supply chains of vaccines, medical devices
- Improving procurement efficiency
- The use of ABC/VEN analysis
- Rational selection and use
- Quality assurance.



Participation: 9 countries; > 30 participants

The way forward and areas of collaboration

- Countries are interested to learn more
- Topics of interest and best practices
- Tendering and price negotiations
- Quality assurance.

Lessons learnt from the Tamil Nadu Medical Service Corporation

The TNMSC model

- Tamil Nadu Transparency in Tenders Act 1998 is the legal framework that governs operations
- Manages 32 drug warehouses – one for each district and 5 new warehouses in newly formed districts
- Centralized purchase on an annual basis for consolidated quantities and supply directly from manufacturers.



TNMSC drugs and medicine procurement

- TNMSC revolves around a centralized procurement system with decentralized distribution pattern
- DDMS offers end-to-end computerization of drug distribution-from procurement, quality assurance, drug distribution and payment to vendors
- Public health facilities use their budget allocation and passbook system to procure from TNMSC.



TNMSC medical equipment procurement

- Technical specifications during tendering are generic, unbiased and detailed, indicating the output levels
- Evaluation of prices include the NPV with CAMC charges for 7 years after a 3-year warranty period
- Full involvement by the stakeholders and end user at the appropriate stage of procurement process.



Session highlights

Building resilient supply chains

- Resilience of medical supply chains is important for the overall resilience of health systems.
- Medicine shortages were a growing concern even before the COVID-19 pandemic
- Policy options are needed to prepare for future health crises and avert or mitigate shortages.
- Closer cooperation and communication between governments and private sector is needed to improve preparedness in public health crises

Procurement and supply chains

- Successful immunization programmes are built on functional, end to end supply chain and logistics systems.
- The procurement of medical devices is even more complex and there is need to engage biomedical engineers in developing technical specifications and evaluating bids.

Improving procurement efficiency

- Pricing policies are important to promote competition and innovation; ensure transparency in the pharmaceutical market; reducing wastage and cost containment
- Tendering process should ensure fairness and transparency in the selection process from bidders.
- Pooled procurement can unlock universal health coverage by leveraging on economies of scale and scope and increase access.

Monitoring and evaluation

- Effective medicine management is crucial in providing quality healthcare services and achieving positive patient outcomes.
- ABC/VEN analysis is a powerful tool for optimizing medicine management.
- The ABC analysis categorizes medications based on their annual consumption value, enabling prioritization of high-consumption items for efficient stock management.

- VEN analysis evaluates medications based on their clinical value, essentiality and cost, allowing for informed decision-making regarding medication selection, utilization, and cost effectiveness.
- By combining ABC and VEN analysis, healthcare organizations can identify high value, essential medications that require close monitoring and optimize resource allocation for optimal patient care

Rational selection and use

- Procurement should be based on careful selection and prioritization of medicines based on parameters that are meaningful to the needs and context of the institution/setting.
- Procuring what is essential results to advantages in terms of supply management, quality of care and cost.
- New technologies come with high price and can potentially escalate financial stress.
- Complexity in medical device procurement can be reduced by developing a national essential diagnostic list and having a priority list.
- Essential medicine and rational prescribing are two inseparable pillars of a healthcare system that strives to provide optimal and equitable care to all.

Quality assurance

- USP conducted a regional assessment of 6 procurement agencies to measure their level of compliance in implementing WHO's Model Quality Assurance System (MQAS) for the procurement of medicines.
- MQAS tool touched on different functions in procurement that may be covered by other agencies/entities (e.g. Regulatory Authorities and/or National Quality Control Laboratories.
- Significant differences observed among countries in terms of procurement (decentralized system, prequalification/re assessment of manufacturers vs distributors) and affected participants understanding of MQAS guidelines, and questions in the tool.
- Key recommendations included institutional development plans (IDPs) with specific measurable actions to address gaps.

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