International best practices on supply-chain management for improving efficiency of health investment

Douglas Ball
Public health pharmaceutical consultant

Myanmar Health Forum
28-29 July 2015

Health commodities supply cycle

- Selection
- Quantification
- Procurement
- Storage & distribution
- Use

Management support
Financing
Policy & legal framework

Rational informed processes
Functioning healthcare system
Sustainable financing
Selection

- Focus on a smaller group of ESSENTIAL medicines (-300)

- Easier to determine quantities, budget, procure, store, distribute, prescribe/use
  - Cover basic health care services for all before high cost services for a few

- Clear selection criteria to ensure evidence-based, quality, cost-effective care
  - Formal process, multidisciplinary MOH committee, transparent
  - Update regularly (e.g. every 3-4 years)

- Having national standard treatment guidelines guides selection

- NEML must be implemented – procurement, prescribing

Forecasting / quantification

- Basis for budgeting & planning to meet health objectives

- Requires accurate data, reported regularly, acted upon
  - As health spending increases, can’t rely on past ‘consumption’

- Restrict to NEML and NSTGs

- Need responsible body/persons and formal procedures
  - Standard methods – with stated assumptions
Procurement

• Major factor: availability, quality and total cost
  • Public procurement restricted to NEML

• Competitive, transparent, good governance
  • WHO Principles of good procurement practice

• Levels of procurement and responsibilities
  • Maximising use of bulk procurement, competitiveness, training

• Supplier monitoring and contract management
  • Installation, maintenance and repair of equipment part of contract

• Paying on time

Storage and distribution

• Scaling up faces capacity and management issues
  • Standards: good storage & distribution practice

• Storage capacity and conditions weak especially away from centre
• Inventory management systems weak with little IT
• Cold storage capacity limited
• Laboratory supplies often overlooked

• Costing and optimisation studies for warehousing and transport

• Strengthen national supply chain in phased approach
  • Map warehouse and distribution operations vs. plans
Rational use of medicines

• Inappropriate medicines use undermines the supply chain function and program objectives

• Standard treatment guidelines (STGs) need to be developed and implemented and monitored
  • Formal, inclusive process, supportive supervision, M&E, incentives/disincentives for prescribers

• Drug & therapeutic committees at hospitals
  • Promote/develop STGs / EML, monitor medicines use, CPD, report to MOH

• Monitoring & evaluation of prescribing compared to STGs
  • WHO medicines use indicators and pharmaceutical indicator surveys

Enabling environment

• Management and Information technology
• Financing
• Legal framework and policy

• Staffing
  • SCM a core competency
  • ID skill gaps, reducing staff turnover, fill posts, train, plan, job descriptions
  • ID what cadres of staff are available and making use of them

• Regulatory strengthening
  • More manufacturers, wholesalers, retailers needing registration and inspection
  • Strengthening and enforcing prescription regulations
  • Pharmacovigilance – ADRs and quality
Summary

• Meet minimum standards, plan for the future, gradual improvements
  • Sustainable logistics strengthening requires a phased approach, continuous quality system improvements combined with human resource development

• Need to develop and implement:
  • National medicines policy
  • National standards – GSP, GDP, GMP, EML, STGs

• Increased investment in logistics services with a systems approach
  • Planning for expansion with optimisation analysis to guide investment
  • Need data systems and reporting

Thank you