Public Distribution of Medicines and Medical Supplies: Challenges and Resolutions

Sikika

Public Distribution of Medicines and Medical Supplies: Challenges and Resolutions

A Follow up Stakeholders' Meeting

November 2013

Dodoma, Tanzania

Table of Contents

List of Abbreviations

BF	-	Basket Fund
CHF	-	Community Health Fund
CHMTs	-	Council Health Management Teams
DD	-	Direct Delivery
DED	-	District Executive Director
DMO	-	District Medical Officer
DPHARMs	-	District Pharmacists
DRF	-	Drug Revolving Fund
HFs	-	Health Facilities
HCW	-	Health Care Worker
M&S	-	Medicines and Medical Supplies
MoHSW	-	Ministry of Health and Social Welfare
MSD	-	Medical Stores Department
NHIF	-	National Health Insurance Fund
OS	-	Out of Stock
PSS	-	Pharmaceutical Service Section
R&R	-	Report and Request
SAM	-	Social Accountability Monitoring
ToR	-	Terms of Reference

Acknowledgment

I would like to acknowledge the efforts of all individuals who contributed to the preparations and success of the meeting with stakeholders in the public procurement and distribution of medicines, medical supplies and reagents in Tanzania.

Special thanks go to officials from the Pharmaceutical Services Section, the Medical Stores Department and District Pharmacists for their participation and valuable contributions. Without them the meeting would not have been possible.

I would also like to acknowledge Sikika staff for their tireless efforts in the coordination of the meeting and production of the report. I am especially grateful to Mr. Josaphat Mshighati -Head of Programs, Dr. Andrew Makoi - Head of Department and Ms. Josephine Nyonyi, and Ms. Scholastica Lucas -Program Officers.

Special thanks also go to Sikika staff in the Dodoma office, Ms. Norah Mchaki and Ms. Elda Paul, for successfully hosting the meeting.

I say, thank you!

Irenei Kiria
Executive Director

ISBN 978-9987-9777-3-4

Publication Date 2014
Prepared by: Sikika –Medicines and Medical Supplies Department.
Printed by Jamana Printers

1. Background Information

The substantial increase in population in Tanzania calls for increase in the provision of social services including access to medicine and medical supplies at public health facilities. In addition, this increase in demand requires management and coordination of activities within the system that would ensure optimum performance leading to improved service availability.

In November 2012, Sikika called for a meeting of stakeholders from various levels of the medicine and medical supplies system to discuss current performance, challenges, and chart a way forward, i.e. is a way that addresses the challenges leading to improved performance.

A follow up stakeholders' meeting was conducted in October 2013 with the intention of reviewing implementation of the resolutions of the 2012 meeting to see how they have contributed towards improving availability of medicines and medical supplies at health facilities over the period of one year. The 2013 meeting included a smaller group than the one of 2012, this was done due to the fact that the invited participants were the technical group (district pharmacists, MSD and PSS) that is responsible for ensuring uninterrupted availability of M&S at health facilities by making follow up with other stakeholders.

The meeting was also meant to strengthen existing relationships and commitments from different levels, and instill in the stakeholders the willingness to make changes that will improve the system's performance.

This meeting serves to build a foundation for improving the pharmaceutical supply chain system by targeting specific areas for development that are within the participating stakeholders' influence. And through the formulation of specific action points, different stakeholders including Sikika can document and monitor the progress made.

This report highlights the important discussions of the 2013 stakeholders' meeting. More pronounced in the report are challenges faced by the stakeholders in the implementation of their activities, as well as the recommendations by stakeholders.

Objectives of the Meeting

1. To reflect on the action points stated in the 2012 stakeholders' meeting.
2. To discuss the progress of the action points stated in the 2012 stakeholders' meeting.
3. To pinpoint specific recommendations and way forward within stakeholders' capacities and sphere of influence.

Expected Outputs

1. Stakeholders present challenges encountered in the medicines' supply system
2. Stakeholders identify new action points and best practices, and implement them in their respective districts.

2. The Design of the Meeting

The meeting was divided into three sessions, which included presentations, group works and plenary discussions. The brainstorming technique was used to facilitate discussions and to reach consensus in the decision-making process, formulation of recommendations and action points. In addition, a questionnaire was used to obtain more information concerning the supply system's functioning.

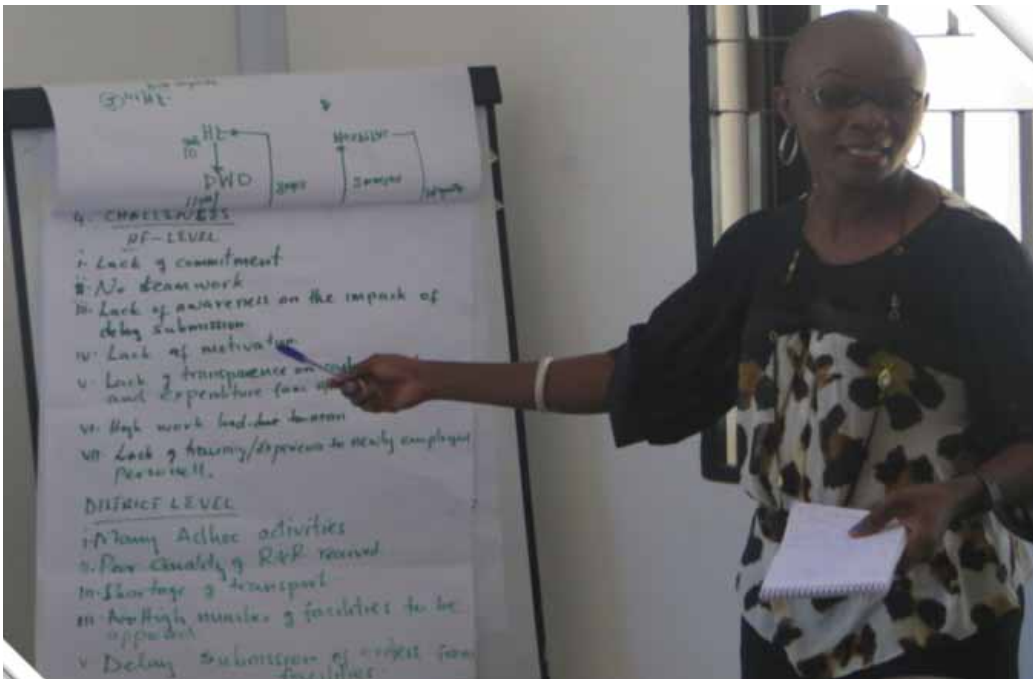
Session 1: Presentations

Two presentations were made in this session. The first was an overview of the Public Pharmaceutical Supply Chain System, which was presented by PSS. The second one was done by Sikika on challenges raised and action points formulated during the 2012 pharmaceutical stakeholders' meeting. It was in this session where participants discussed the progress of the 2012 agreed action points.

Participants listening to a presentation from PSS representative

Session 2: Group works

Participants were divided into 3 groups and tasked to brainstorm and present the existing challenges in the medicine and medical supplies system within their respective districts. Each group had a district pharmacist and a representative of the MSD from the representative districts. It was stressed that they should suggest realistic and implementable action points taking into consideration their spheres of influence and capacities, given the specific and resource constraints faced.



A group member presenting some of the challenges identified

Session 3: Plenary discussion

This being the main part of the meeting, more time was allocated for the discussion of challenges raised in the previous sessions and formulation of the way forward/action points. It was in this session where participants were given the opportunity to share the strategies used in their districts so that the best practice can be copied.

During this session each participant was required to identify what can be done within their spheres of influence and then make a commitment to engage themselves fully in the fulfillment of their roles so as to improve availability of medicines, medical supplies and equipment in their districts.

Participants discussing possible action points

Questionnaire

District pharmacists were given the questionnaire (Annex 4) to capture information that, could not be obtained during the discussion. The information captured in the questionnaire is very important in showing the performance of the supply system in different districts. It was expected that the meeting will sensitize district pharmacist to produce legible responses that will provide the reader with the true picture of the system's performance in the districts. The information captured included:

1. Sources of funding for medicines, supplies and reagents in the respective districts.
2. Criteria used in ensuring funds allocated for medicines and supplies are utilized accordingly.
3. Criteria used in distribution funds for procuring medicines and supplies according to health facilities (especially pooled alternate funds like CHF).
4. Availability and accessibility of district pharmacists to the information on their accounts located at MSD.
5. Methods used to mitigate the impact of late delivery of medicines and supplies from MSD.
6. The interval between ordering of medicines and supplies to MSD and delivery to districts' health facilities.

3. The Meeting Output

Twelve out of the 14 invited participants attended the meeting. They include 8 district pharmacists, 3 Officials from MSD zonal offices and 1 officer from PSS.

The participants reviewed the challenges raised during the 2012 stakeholders' meeting to assess the progress one year after the meeting. They discussed the progress of only those challenges related to their area of expertise, specifically MSD issues. They also discussed the challenges currently facing the medicines supply system and recommended the solutions.

3.1. The review of the MSD challenges raised in 2012

3.1.1 Dependency on the MSD

Most health facilities depend solely on MSD for the supply of medicine and medical supplies while the MSD does not have the capacity to meet their needs on time.

***Recommendation*:** MOHSW should find a private supplier to bridge the gap.

Status in 2013: It was reported that the government was in the process of searching for the private vendors who would act as a back up to the MSD.

Some areas (e.g. Lake Zone regions) have more health facilities than the single zonal medical store can cater for.

Recommendation: MSD should increase the number and/or the size of zonal warehouses, especially in the Lake zone regions.

Status in 2013: It was reported that a warehouse had been constructed in Muleba in September 2013. In addition, warehouses in -a-Box[1] had been constructed in Dodoma, Mbeya and Tabora zones.

1 Warehouse-in-a-Box (WiB) provides an insulated warehouse that incorporates offices, ablution facilities, furnishings and kitting and racking that can be shipped to any location for rapid assembly (http://scms.pfscm.org/scms/ecatalog/wib)

3.1.3. Accumulated debt by MOHSW at the MSD

It was stated that the MSD's working capital is frequently tied up in debts accumulated by MOHSW, which affects the daily operations of the MSD. The fund available for medicine procurement and supply has been decreasing due to the debt.

Recommendation: The MOHSW should have a plan to pay back the MSD debt within a specified time frame so as to avoid a cessation of service delivery to clients.

Status in 2013: It was reported that the government owes MSD 52.4bn/- as of October 2013. Before publishing of this report in 2014, MOHSW had approved 5bn to pay the debt, however the exact debt could not be obtained.

3.2. Challenges discussed during the 2013 meeting and the way forward

Challenges identified by the participants and the ways forward were categorized into 3 levels namely Health facility (dispensaries, health centre and hospital), District and MSD levels.

3.2.1 Facility level (Dispensaries, Health Centres, Hospitals) challenges and way forward

a. **Lack of teamwork:** It was raised that some of the facility-in-charges do not effectively delegate activities as required and as a results are overwhelmed and are unable to perform effectively. In addition, a large number of internal and external activities go uncoordinated due to lack of teamwork.

Way forward:

- The CHMTs should identify health facilities facing this challenge and work with officials at the facilities towards a realistic approach to address the challenge. The participants in conjunction with other identified members will spearhead this activity.

b. **Lack of facilitation of activities**: No means of transport (e.g. in form of bus fare) is given to officials when they have to submit the Report and Request (R&R) forms to district offices. As a result, R&R forms are not submitted on time.

Way forward:

- The DEDs and DMOs should make arrangements to motivate staffs who have to process and submit R&R forms by providing them with incentives. This will motivate the staff at the health facilities to adhere with ordering schedules and procurement plans.
- The facilities' collections of revenue or other council-own sources of funds should be used to allocate allowance for the specific activity.
- Introduce performance-based appraisal as it may motivate staff at facilities to do their work efficiently.

c. Lack of transparency in particular on the revenue collection and the expenditures at the facilities

Way forward:

Iramba District should be used as a model for other districts in solving this challenge. Iramba trained the CHMT to audit the facilities' revenues and expenditures when doing the supervision. Participants recommended that each health facility should:

- Open bank account for the revenue collected at the facility;
- Improve supervision and audits of the facility's revenue collection;
- Strengthen Health Facility Governing Committees (HFGCs) to authorize any facility expenditure;
- The councils should introduce the electronic financial revenue collection system to monitor the revenue collected and used in the health facilities.

d. Stock-out at facilities

Way forward:

- Health facilities with sufficient stocks should redistribute to other facilities with stock-outs. (The current system allows borrowing of stock from one facility to the other in case of stock-out through either DMO's office or directly using requisitions and issue vouchers.)

e. Dysfunctional Hospital Therapeutic Committees (HTC)

Members of the existing committees do not know their roles and functions.

Way forward:

- The PSS should find modalities of reviving and making these committees active in performing their responsibilities. PSS is a secretariat in the National (Therapeutic Committee, hence it can use the opportunity to influence the functionality of the HTC).
- CHMT should support the HTC committees in performing their roles. DPHARMAs specifically as members of CHMT will provide technical support on issues related to M&S.

f. Theft of M&S in the distribution process

Way forward:

- MSD should introduce a specific marker on medicine and medical supplies including engraving of tablets to indicate identity of government commodities.2
- Service providers should comply with Standard Treatment Guidelines - National Essential Medicines List for Tanzania (STG-NEMLIT) among prescribers, to track consumption rate at facility level.
- Service providers should conduct inventory audit (on all inventory tools such as store ledgers, bin cards, dispensing and injection registers) at least every quarter to track availability and consumption of M&S.

3.2.2 District level (District pharmacists) challenges and way forward

a. Poor quality of R&R forms

It takes longer to review and approve R&R forms at the district level due to extra work incurred by the DPHARM to rectify errors in the submitted R&R forms. Some of the errors can be attributed to lack of training to newly employed staff at respective health facilities.

Way forward:

- DPHARMs should identify facilities with this challenge and provide refresher training to existing HCWs or offer orientation and training to new HCWs, guided by periodic supervision and on job training within the various healthcare facilities.

2 During the writing of this reported in June 2014, it was observed that MSD has started distributing medicine and medical supplies engraved with GOT logo

b. Delays in receiving R&R forms from health facilities

Way forward:

- DPHARMs should identify facilities with this challenge and provide coaching and mentoring with close follow up.
- The MSD should introduce numbering on the R&R forms that may match with the invoice for easier identification of the facilities with this challenge, which may also ease the audit process in tracking and identifying orders.

c. Transportation Challenges: This affects the distribution of M&S at facilities, especially during the rainy seasons.

Way forward:

- Service providers should include buffer stock when ordering medicines to suffice in case of delays or emergencies.
- DMO should increase and improve storage facilities to accommodate enough medicines & medical supplies, including buffer stock at health facilities.

Note: The stakeholders also pointed out the risk of pilferages, expiry of M&S and the poor recording of information. They also insisted on the importance of periodic supervision, improvement of inventory keeping and auditing of M&S at facility level.

3.2.3. Central level (PSS &MSD) challenges and way forward

a. Poor quantification of medicine needs: Current practices in planning and resource allocation at all levels do not match with the actual medicine needs in the country. This leads to frequent stock outs at MSD and subsequently to health facilities.

Way forward:

- It was reported that the National Institute for Medical Research (NIMR) is carrying out the quantification of medicine needs in the country, and that the process is in its final stage. The report will be ready for use in the year 2014, which to some extent will help solve the problem. (During the compilation of this report, preliminary data from NIMR were available).

b. Under-utilization of the facilities' collections: Most of the facilities' officers-in-charge use the Basket Funds (BF) in the procurement of M&S. If other funds are rationally utilized, it may reduce OS at both the MSD and health facilities. Table 1 below shows the questionnaire responses on the various sources of funds used by the districts to purchase medicines and medical supplies.

Table 1: Sources of M & S funding for the districts, November 2013

	Sources of Funds						
District	**NHIF**	**Basket Fund**	**User Fee**	**Block Grant**	**DRF**	**Own Source**	**CHF**
Mpwapwa	√	√	√				√
Simanjiro		√	√				√
Iramba	√	√			√		√
Kibaha	√	√				√	√
Temeke		√	√	√		√	
Kinondoni		√	√			√	
Ilala	√	√	√	√		√	
Kiteto	√	√	√				√
Kondoa	√	√	√			√	

From Table 1 (above), it can be seen that drug revolving fund (DRF) was only mentioned by Iramba, which is the district that has been known to excel in commodity management. DRF is the way of raising more money for buying drugs through the revenues collected from drugs sales.

Way forward:

- Communication between the central and local level in particular on sharing information on allocation plan and budget should be improved. Moreover the participation of stakeholders during planning and budgeting at various levels should be encouraged. Participants committed themselves to be more active in following up the planning & budgeting processes and ensure that necessary changes occur.

- It is important to find out why other districts do not use DRF as one of the sources of funds for M&S.

c. Non-adherence to funding guidelines

One of the causes of funding problems is failure to adhere to existing funding guidelines, which contributes to OS at both the MSD and health facilities. Six out of nine respondents pointed out that the distribution of council funds to health facilities was done by use of some allocation formula, while the remaining 3 respondents (districts) said that there was no specific criterion and that funds were only utilized according to need.

Way forward:

- The PSS will continue to monitor the implementation of the allocation formula so that any changes in the variables (e.g., service population) are updated accordingly to ensure equitable distribution of funds[3].
- Districts should adhere to guidelines such as CHF/NHIF, cost sharing, Drug Revolving Fund (DRF) for procurement of M&S. According to the CHF guidelines (circular), 67% of the collections are to be used for procuring medicines and 15% for medical supplies and reagents.
- The DEDs and DMOs should abide to guidelines and prioritize the utilization of these funds to procure M&S, instead of redirecting them to other activities which may not be of relevance in controlling burden of diseases.

d. Stock-outs at the MSD

It was reported that there are cases at MSD when some medicine/supplies are out of stock. This could be contributed by time taken for the procurement process (as most of the medicines are imported) and the fact that the MSD is overstretched.

Way forward:

- The government is in the process of contracting other suppliers to back up the MSD in situations when Out of Stock (OS) occurs.
- The government should revive the local industries instead of relying only on the importation of the medicines and supplies (M&S).

3 Since 2011, resource allocation formula has been used to allocate funds for M&S which considers population level, under-5-mortality and the poverty index of the council.

3. 3 Responses from the questionnaire

The following are responses gathered through the questionnaire. Additional copies of the questionnaire were sent out to the two districts that did not attend the workshop. Of the two districts, only one responded in time, making a total of 9 responses.

3.3.1 Access to HF's statement of account

Eight out of nine districts reported that they had to request MSD for their account details, either quarterly or biannually instead of receiving them when the consignment is delivered. The remaining district mentioned receiving their account details every month upon submission of the R&R forms at the MSD.

3.3.2 Ways to mitigate the impact of delayed deliveries from MSD

Seven districts mentioned that they follow up the orders at MSD zonal offices. The remaining 2 districts mentioned that they use alternative funds to procure medicines from private suppliers and redistribution of medicines and supplies to HFs with shortages of specific medicinal commodities.

3.3.3 Number of orders versus deliveries from MSD between January and October 2013

Table 1 (below) indicates that there are incidences where discrepancies arise in the ordering cycle, as noted in the variations within the number of orders versus deliveries and time during delivery of consignments. For instance, Iramba (not under Direct Delivery yet) and Temeke (on Direct Delivery) have a high number of orders, but only received 3-4 out of the 10 orders requested, with a relatively short delivery time of 1 month on average. It is not certain if orders are received sequentially and whether the missing orders are followed up to verify if they arrived at the targeted destination (DPHARMs and MSD offices). Delivery period (lead time) is also not consistent, ranging from 1 to 5 months. The standard lead-time according to the Integrated Logistic Supply (ILS) guidelines is 3 months. Non-adherence to the guidelines could be due to various factors, including some of the challenges mentioned by the respondents in this meeting.

Way forward:

Stakeholders will be required to provide reasons for the discrepancies during the follow up period, since such discrepancies affect availability of medicines in general.

Table 2: Number of districts orders and deliveries between January and October 2013

S/N	Council	No. of Orders	No. of Deliveries	Average lead time (months)	Comment
1	Mpwapwa	4	3	3	
2	Simanjiro	4	4	2	
3	Kibaha	3	2	5	
4	Temeke	10	3	1	
5	Ilala	3	1	1	
6	Iramba	10	4	1	Not yet on Direct delivery
7	Kondoa	4	2	3	

4. Conclusion

This meeting was helpful in assessing the progress against the challenges and the implementation of recommendations of some of the previous stakeholders' meetings. Sikika is still following up on the implementation of the remaining recommendation with individual districts. The results showed that most of the proposed resolutions had been implemented, which contributed to the improvement of the M&S procurement and distribution system. The meeting also promoted the sharing of best practices from the different key players especially on challenges that cut across regions/districts. Moreover, the meeting strengthened the collaboration among stakeholders.

It is our hope that the challenges and way forward that were discussed in this meeting will be addressed as suggested so as to improve the health sector, in particular in M&S delivery. In planning for future stakeholders' meetings therefore, we hope to have sufficient time to review all the challenges of the previous year to ensure that there is improvement in stakeholders' commitments in implementing the proposed solutions.

ANNEXES

Annex 1: Timetable of the Meeting

STAKEHOLDERS' MEETING: 7TH NOVEMBER 2013
DODOMA – TANZANIA

S/N	TIME	ACTIVITY	RESPONSIBLE PERSON
1	08:00 - 08:30	Arrival and registration	All
2	08:30 - 08:40	Introduction and logistics	Sikika
3	08:40 – 09:00	Presentation 1: The Public Supply Chain System	PSS
4	09:00 – 09:15	Short discussion	All
5	09:15 – 09:30	Tea break	All
6	09:30 – 10:30	Group works: Pharmaceutics Situation Analysis	3 Groups
6	10:30-11:00	Groups presentations (3)	3 Groups
7	11:30 – 12:30	Discussion	All
8	12:30 – 13:30	Lunch break	All
9	13:30 – 13:50	Presentation 2: 2012 Stakeholders' Meeting: Action Points & Pharmaceutics Challenges	Sikika
10	13:50 – 14:50	Group work: Action points	3 Groups
11	14:50 – 15: 30	Discussion: actions and recommendations	All
12	15:30 – 15:45	Tea break	All
13	15:45 – 16:00	Closure and departure	Sikika

Annex 2: Lists of the participants

PARTICIPANTS	LOCATION
Ms. Margareth Madinda	Mpwapwa District Pharmacist
Mr. Said Mayanja	Kondoa District Pharmacist
Ms. Haikael Sifael	Kiteto District Pharmacist
Mr.Abdi Abdalah	Iramba District Pharmacist
Mr. Edmund Magupa	Kibaha District Pharmacist
Mr. Mosses Michael	Ilala District Pharmacist
Mr. Shaidi Simba	Temeke District Pharmacist
Ms. Sophia Mwilongo	Kinondoni District Pharmacist
Mr. Celestine Haule	MSD Moshi
Mr. Henry Malangalila	MSD Dar es Salaam
Mr. Daniel Kimaro	MSD Dodoma
Mr. Majaliwa Mtoroki	PSS

Annex 3: Questionnaire for district pharmacists

District …….

QUESTIONAIRE FOR DISTRICT PHARMACIST

1.
   a. What are the sources of funds used for purchasing of M&S at the council level? ……
   ……
   ……
   ……
   b. What criteria are used to ensure that the funds in part a are used for purchasing of M&S? ……
   ……
   ……
   ……

2. How much does your council contribute to buying of M&S per year? ……
   ……
   ……
   ……

3. What criteria/guidelines are followed when allocating councils fund for purchasing of M&S according to the level of facility? ……
   ……
   ……
   ……

4. How do the health facilities know their funds allocation once it is disbursed to their accounts at MSD? ……
   ……
   ……
   ……

5.

a. Does the district pharmacist know the fund allocation to the facilities in his district ……
……
……
……

b. If the answer is yes in above, explain how this information is obtained and after how long? ……
……
……

6. If the answer is no, why? ……
……
……
……

7. What steps are taken in case there is a delay in delivering medicines from MSD to health facilities? ……
……
……

8. Please fill in the table below with the dates that your order was sent and received during the period of Jan-Oct 2013

ILS		**Local purchase (outside ILS)**	
Date of order	Date of receipt	Date of order	Date of receipt

Annex 4: Questionnaire for district pharmacists

Wilaya ya .....

DODOSO KWA WAFAMASIA WA WILAYA

1. A) Ni vyanzo gani vya mapato huwa mnatumia katika ngazi ya halmashauri katika kununua dawa na vifaa tiba?

   .....

   .....

   .....

   B) Kama vipo kutokana na swali la juu, je ni vigezo gani huwa mnatumia katika kuhakikiasha kuwa fedha zinatumika kununulia dawa?

.....

.....

2. Je halmashauri yako huwa inatoa kiasi gani cha fedha kwa mwaka kwa ajili ya kununua dawa?

.....

.....

3. Ni vigezo gani huwa vinatumika katika kugawa fedha zinazotoka halmashauri kwa ajili ya kununua dawa kulingana na ngazi ya kituo? (huwa mnatumia mwongozo gani?)

.....

.....

4. Ni njia gani vituo hutumia kujua mgao wao wa fedha pindi zinapoingia katika akaunti zao zilizopo MSD kwa ajili ya kufanya manunuzi kwa kila mhula?

.....

.....

5. Je Mfamasia wa Wilaya ana uwezo wa kujua kiasi cha fedha cha kila kituo chake kilichopo katika akaunti za MSD?
    A) Kama jibu ni *ndiyo* kwa swali la 5 (hapo juu), eleza ni kwa jinsi gani taarifa hizi zinapatikana, na kila baada ya muda gani?

    .....
    .....
    .....

    B) Kama jibu ni *hapana*, kwa nini?

    .....
    .....
    .....

6. Ni hatua gani huwa mnachukua dawa zichelewapo kutoka MSD kwenda katika vituo?

.....
.....
.....

7. Tafadhali jaza jedwali lifuatalo kwa kuzingatia tarehe ulizoagiza na kupokea dawa kwa kipindi cha Januari - Oktoba 2013.

ILS		**Manunuzi nje ya ILS**	
Tarehe ya kuagiza	Tarehe ya kupokea	Tarehe ya kuagiza	Tarehe ya kupokea

Sikika works to ensure equitable and affordable quality health care services through health systems and social accountability at all levels of government

Sikika

House No. 69
Ada Estate, Kinondoni
Tunisia Road
Waverley Street
P.O. Box 12183
Dar es Salaam, Tanzania
Tel: +255 22 26 663 55/57

SMS: 0688 493 882
Fax: +255 22 26 680 15
Email: info@sikika.or.tz
Website: www.sikika.or.tz
Blog: www.sikika-tz.blogspot.com
Twitter: @sikika1
Facebook: Sikika Tanzania

House No. 340
Kilimani Street
P.O. Box 1970
Dodoma, Tanzania
Tel: 026 23 21307
Fax: 026 23 21316