



Special Pharmacies: Increasing Community Access to Essential Drugs

**Workie Mitiku
Abt Associates Inc.**

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Solving problems, guiding decisions – worldwide



**Essential Services for Health
in Ethiopia-II (ESHE-II) Project**

Outline

- Background
- Objectives of the Study
- Methodology
- Results
- Problems and Challenges
- Conclusion

I. Background

- The problem in context: Availability of essential drugs at affordable price has been a problem to the community
- To alleviate the problem, Special Pharmacy (SP) project launched in 2002 as per the agreement between FMOH and USAID
- SPs operate along side Gov't BPs and operate on the principle of Revolving Drug Fund (RDF)
- In this project, 150 SPs were established in public Health Facilities (HFs) through out the country in 2003

I. Background Cont...

- Guideline for the management and operation of SPs were developed
- Capacity building for facilities hosting SPs were provided
- The number of SPs has significantly increased since the launch of the project by the support of other development partners
- The survey was undertaken by ESHE, Abt in collaboration with Italian Cooperation

II. Objectives of the Study

- To assess the contribution of SPs in:
 - improving the availability of essential drugs in public facilities
 - stabilizing drug prices
 - improving quality of health service delivery other than drug;
- To study the level of client satisfaction
- To gather opinion on the future of SPs

III. Methodology

- Seven survey tools were developed and used
- Surveyed entities using the tools were:
 - Health facilities with SPs
 - Health facilities without SPs
 - Management committees of SPs
 - Private Drug outlets (DROs)
 - Patients exiting from SPs
 - Patients exiting from HF without SPs
 - Zonal/Woreda health offices
- Data collection tools developed based on the SPs guideline, supervision feedbacks, feed backs from follow up of Health Care Financing (HCF) implementation, etc

III. Methodology cont...

- The survey covered:
 - 55 health facilities with SPs (9 Hospitals, 46 Health Centers)
 - 11 health facilities without SPs
 - 51 Private DROs
 - 66 Zonal/Woreda health offices
 - 326 patients
 - 55 SPs management committee members
- The results of the study are based on these responses

IV. Results

1. Availability of Essential Drugs

i. At the time of the survey:

- 7 out of 10 essential drugs were available in 70-90% of SPs while the remaining 3 drugs were available in only 40-45% of SPs
- The 3 drugs that are less available are Coartem, Ferrous salt and Ketaconzale
- However, the availability of Ferrous salt & Ketaconzale was still better in Sps than in BPs & DROs

ii. Facility Records on Prescriptions filled in third quarter of 2006/07

SPs-----2647 (61%)

BPS-----1670 (39)

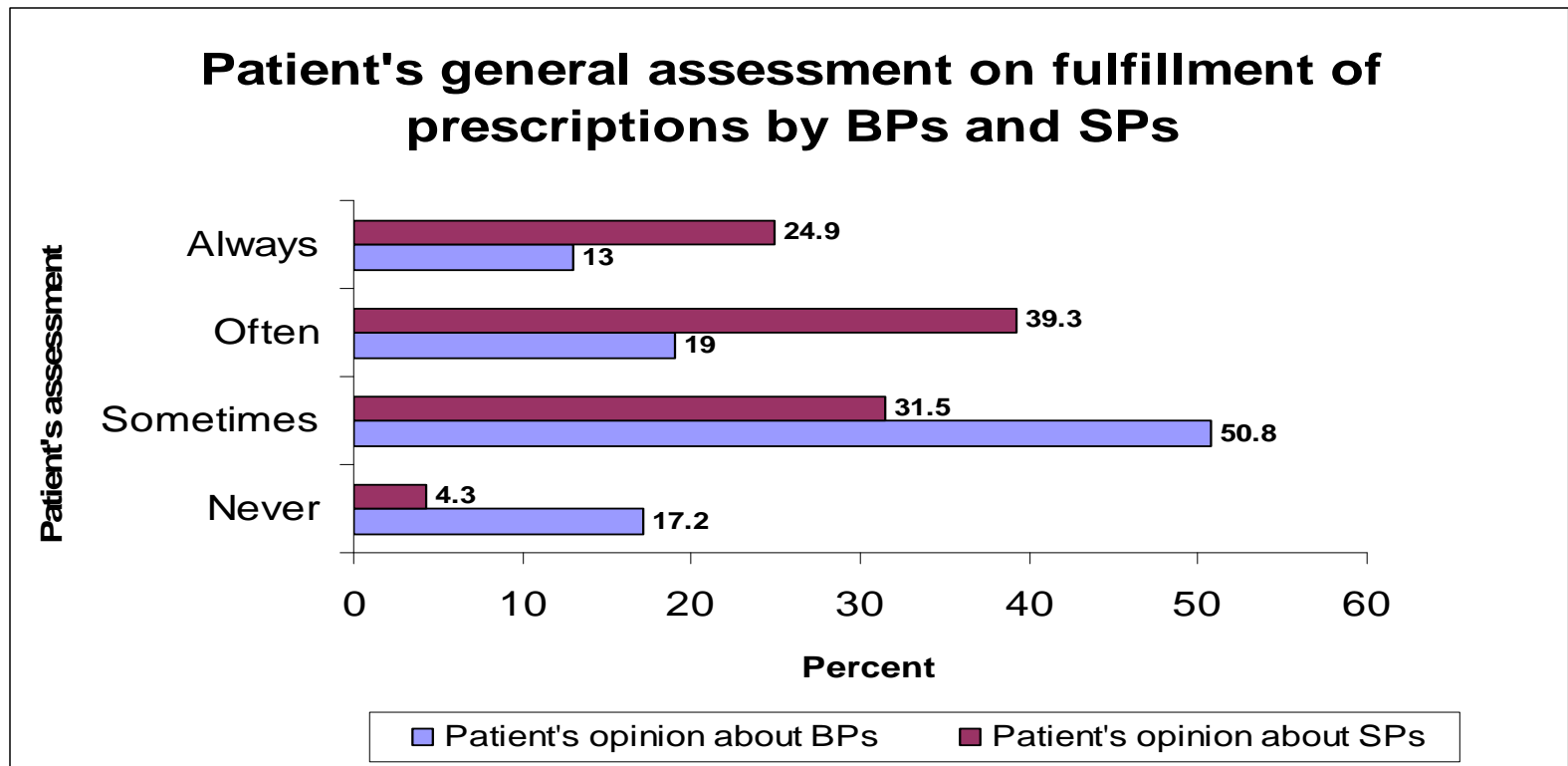
IV. Results Cont...

iii. Percentage of prescriptions filled in the third quarter of 2006/07

	No. of observations	Less than 50%	50%-75%	76%-100%
SPs	55	11.1	31.5	57.4
Budget	53	45.5	29.1	25.5
Standalone budget	11		72.3	27.3
DROs	51	5.9	41.2	52.9

IV. Results Cont...

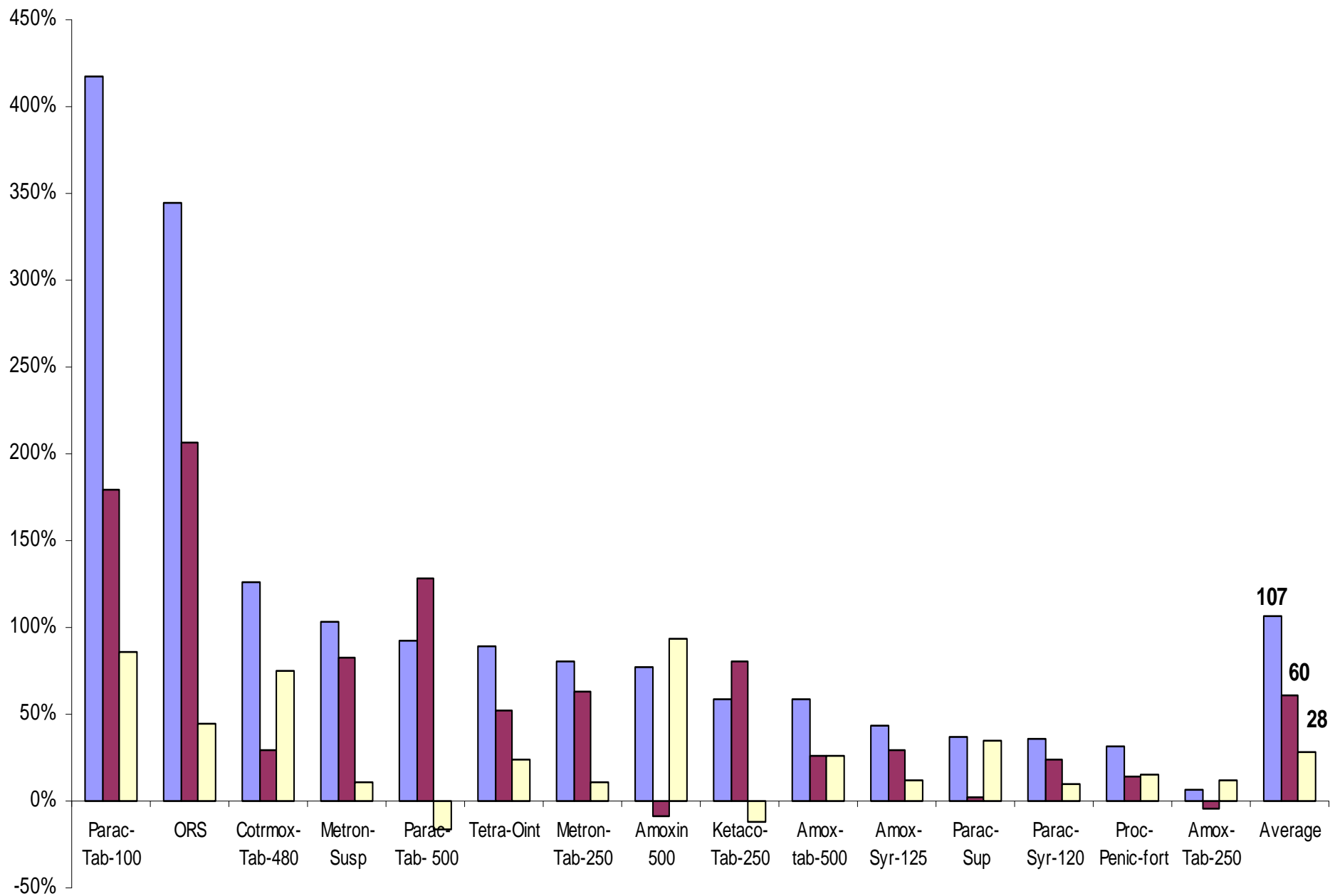
iv. Patients' assessment on prescriptions filled by BPs and SPs



IV. Results Cont...

2. Stabilization of Drug Prices

- Average sales price of DROs is 28% higher than in SPs
- Average sales price in DROs over budget pharmacies is 107%
- Prices at SPs are fair compared to DROs and cheap compared to BPs (As per patients responses)
- SPs have helped to stabilize drug prices by influencing DROs
- 38% of DROs surveyed have admitted that the existence of SPs have forced them to reduce their prices



■ % increase of DROs over BPs
 ■ % increase of SPs over BPs
 ■ % increase of DROs over SPS

IV. Results Cont...

3. Surplus Spent for non-drug quality improving services

- The average annual surplus spent for Quality Improving services other than drug from 2004-2006 was:

Hospitals-----Birr 37,922

Health Centers-----Birr 7,868

IV. Results Cont...

4. Progress in Capital (in Birr)

	Hospital	Health Center
Average initial capital	94,969	38,437
Average current capital	250,057	90,999
Percentage change in capital	163%	137%

IV. Results Cont...

5. Management and operation of SPs

- Management of SPs
 - 91% surveyed health facilities has established SP Management Committees
- Performance of the SP Management Committee
 - In 80% of the cases the SPs committee has regular meeting schedule;
 - 80% of the committees decide on the mark-up
 - 92% of the committees are involved in selecting drugs to be purchased

IV. Results Cont...

- Operation of SPs
 - 71% of SPs send reports to Woreda health office on monthly or quarterly basis
 - 69% of the SPs committee have initiated discussions among HCs staff to improve the service of the SPs;
 - This has lead to change on
 - the composition of drug to be purchased (45 % of SPs)
 - Lowering the % of mark-up (16% of SPs)
 - Increasing the supply of drug (55% of SPs);
 - Extending store hours (31% of SPs)

IV. Results Cont...

6. Future of SPs

- 56% of the 55 facilities have responded that SPs shouldn't be merged with BPs even if the facilities are retaining revenue and fee waiver is systematized
- The response from woreda offices is also almost similar (55% argue to have both SPs and BPs)
- Wide range of suggestions made about the future of SPs

V. Problems and Challenges

- Wastage in initial stock of drug provided:
 - usable/relevant drug was below 50% of the initial stock for 50% of SPs
- High mark-up:
 - Average mark-up price was found to be 36%
- Low level of surplus utilization:
 - 50% of their capital is in the bank

V. Problems and Challenges

- Weak reporting
 - 33% of SPs do not report to the Woreda health office
- Limited Auditing:
 - 37% of SPs have never been audited
- Weak stock management
 - 24% do not use stock card and 47% do not use bin card

VI. Conclusion

- SPs improved availability of drugs
- SPs contributed to price stabilization and affordability of drugs
- Capital has increased which contributed to improved drug availability
- Surpluses have been utilized for non-drug quality improving services
- Practice of SPs governance is encouraging
- Experiences gained for HCF reform implementation (revenue retention and facility autonomy)
- Reaffirm the need to revisit the SPs Management and Operation Guideline (Example: to delineate the duties of management & SP Management Committee & also with Management Committee of Primary Health Care Unites)

VI. Conclusion

- Future of SPs:
 - Consultative process and policy decision needed in line with new HCF reform related developments (mainly health facility autonomy, revenue retention and use, and fee-waiver) and Health Sector Development Program (HSDP) target to decide their future
 - The study also recommended that before merging:
 - Make sure that the rationale for maintaining SPs are no more there
 - Establish the necessary mechanism for 100% reimbursement of cost incurred for fee waiver patients
 - Assure proper auditing is carried-out



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