



# Ghana 5 year Supply Chain Master Plan

*Progress to date, Key issues and next steps*

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# Master plan development process and outputs



# TWG Membership

- Ministry of Health, Procurement & Supply Directorate
- Ghana Health Services
  - Stores, Supplies, and Drug Management
  - Office of Chief Pharmacist
  - Regional Health Directorate
- Private Health Sector Alliance of Ghana
- National Health Insurance Authority
- Food and Drugs Board
- World Health Organization
- USAID | DELIVER PROJECT



# Master plan development process

- Desk review to summarize strengths, challenges and recommendations from previous assessments
- Strategic planning workshop held in February by TWG and other invited members of SC-related entities
  - Technical assistance provided by the USAID | DELIVER PROJECT

# Master plan development process

- Stakeholders meeting in February
  - Attended by MOH/its Agencies, Donor Partners
  - Recommendations from the Strategic planning workshop presented by TWG
- 2<sup>nd</sup> Workshop in April for TWG and other invited members of SC- related entities
  - Technical assistance provided by USAID | DELIVER PROJECT
  - Aimed at defining service levels for proposed SCMU
- Regular meetings by TWG to shape Master plan development process
  - Additional technical resources (ADP, CDC/IBM) asked to join the TWG to provide additional technical inputs

# Current out puts of the process

- Vision statement developed
- Principles on which the supply chain should be based developed
- Strategic interventions for each supply chain thematic area proposed
- List of outstanding areas to be addressed before completion of plan developed
- SOW developed and technical resources secured to help address some of the outstanding areas





# Summary of Vision, Principles and Proposed strategic interventions for the Master Plan



# Objectives of the Supply Chain Master plan

To provide a series of strategic interventions and activities for the creation of a supply chain that fully supports the Ministry of Health's objectives for a stronger national health system for all.





# Proposed vision statement

‘To ensure that quality health commodities are available, accessible, and affordable to all, supported by a sustainable, reliable, responsive, efficient and well-coordinated supply chain’



# Principles

- Client-oriented
- Efficiency and Sustainability
- Accountability
- Transparency / Visibility of Data
- Coordination
- Human Resources
- Technology
- Non-discriminatory
- National health objectives
- Laws and policies
- Environmentally friendly



# Thematic areas addressed in the Master plan

- Organization & HR
- Financing
- Procurement
- Legal and Regulatory Environment
- Information Systems and Processes
- Distribution
- Quantification



# Organization & Human Resources

- Establish a “Supply Chain Management Unit” (SCMU) as a new agency of the MOH to:
  - Bring together various important supply chain functions
  - Provide a direct supervisory and organizational relationship between the central and mid-level of the supply chain
  - Strengthen information systems and build data visibility
  - Emphasize accountability, efficiency, and cost-effectiveness, and increase the value of the supply chain for end-users



# Organization & HR (2)

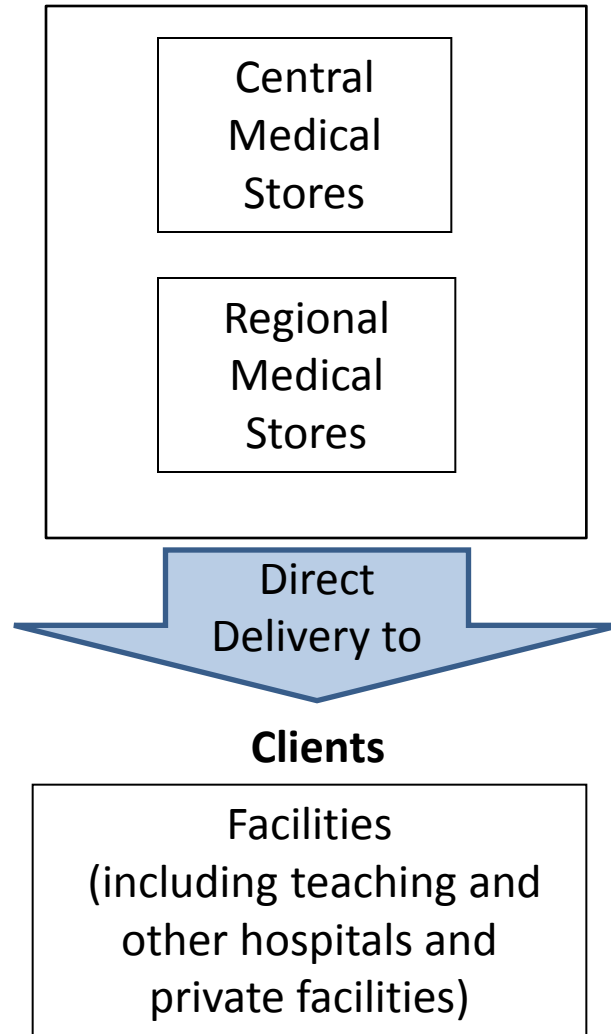
- The SCMU should manage a limited set of commodities – the “Focused Public Sector Model”, including:
  - programme commodities, e.g. ARV medicines
  - special and critical commodities, e.g. cancer medicines
  - other items for which they can provide significant ‘value-addition’
- Develop and disseminate a list of health commodities to be managed by the SCMU



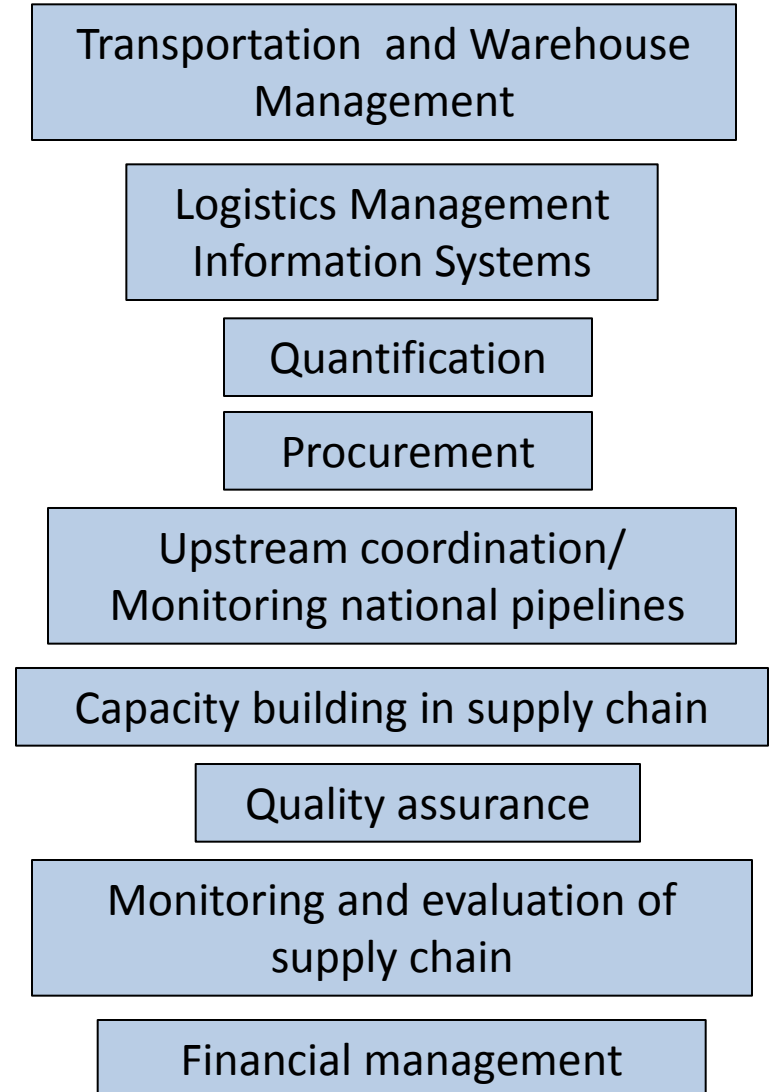
# Supply Chain Management Unit

(programme and selected commodities)

## SC Management oversight



## Functions



# Organization & HR (3)

- Fully revisit and define supply chain roles and responsibilities, especially regarding desired/expected service levels and priorities for the SCMU
- Revise Inter-Agency Coordination Committees related to commodities and supply chain, emphasizing integration and coordination
- Address HR needs in the supply chain for all interventions



# Financing

- Develop strategies for, advocate for, and negotiate the settlement / negotiation/ write-off of all outstanding debts related to health commodities, and establish and enforce future payment deadlines and mechanisms
- Develop plans for rationalizing pricing, reimbursement, and mark-up policies and for relating these policies more directly to the cost of services provided





# Financing (2)

- Contribute to financial sustainability of NHIS and the viability of revolving funds at all levels, supported by formal and continuous coordination
- Ensure strict monitoring and supervision of policies and procedures related to management of commodity revolving funds



# Procurement

- Utilize centralized framework contracts and other procurement mechanisms for selected commodities
- PPA/MOH to revise procurement guidelines for procurement of health commodities at each level, emphasizing quality assurance and low price in addition to services being provided by vendors



# Procurement (2)

- Procurement of selected commodities for use by the public sector facilities shall be limited to higher levels
- Improve monitoring of procurer and vendor performance at all levels
- Identify and implement information systems to ensure procurement processes and results are visible to appropriate stakeholders



# Legal & Regulatory Environment

- Strengthen the health commodity quality assurance programme of the MOH, FDB, and other agencies
- Improve strategic utilization of the existing legal framework (Procurement Act of 2003, Food and Drugs Law of 1992 and related laws) to support the objectives and strategies outlined in the supply chain master plan



# Legal & Regulatory Environment (2)

- Develop and implement guidelines for sanctioning procurers within the system and for vendors selling to the system who are found to be “out of compliance”
- Develop incentives and sanctions for self-regulation by manufactures, importers, and distributors
- Explore use of regulatory mechanisms to manage prices of health commodities



# Distribution

- Define and address SCMU needs for information systems, warehouse management and transport systems, and logistics capacity to fulfill goals and objectives
- Consider and evaluate outsourcing, as short-term or long-term intervention, for key components of the distribution system
- Implement direct delivery efficiently on national scale



# Distribution (2)

- Define roles and responsibilities for commodity management tasks and authority at the facility level
- Develop and implement plans for facilities for efficient inventory management and appropriate storage space/conditions, for ensuring commodity safety and quality, and for addressing waste and disposal needs



# Information Systems & Processes

- Define data needs and requirements for each user group, as well as information sharing policies, procedures, processes, and service levels (expectations)
- Review current automation projects (including CMS and RMS'), to ensure they are appropriate to meet future needs
- Complete integrated LMIS design





# Information Systems & Processes (2)

- Establish logistics coordinating committees, which meet on a regular basis, where data and issues are reviewed and shared with stakeholders



# Quantification

- Ensure quantifications are based on national EML and standard treatment guidelines and other policy guidelines
- Draft and disseminate guidelines which clarify how, when, how often, and by whom quantifications are conducted
- Use quantifications / updated supply plans to inform actual procurements
- Share results from quantification activities





Current on going activities  
related to Master plan  
development



# IBM Contributions/inputs

- Additional technical resources provided by USAID through a partnership with IBM/CDC solutions
- Providing technical input into the following areas
  - Road map for building an IT system that supports health commodity requirement at all level of the health sector.
  - Developing a cost model for calculating service cost for the proposed SCMU
  - Risk management and mitigation strategy for the SCMU and Draft strategic interventions of the SCMP
- Deliverables expected by May 11 to feed into operational plan development process

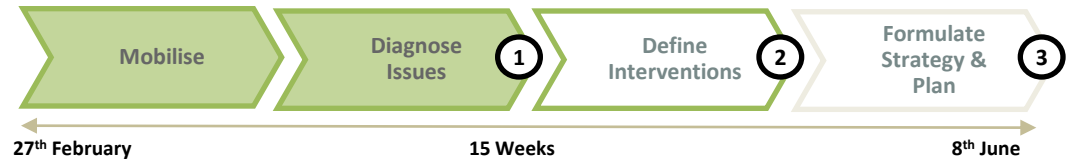


# The SCCoPE project will identify interventions by Coca-Cola and other private sector actors to improve supply and demand of critical medicines. Interventions will adapt private sector practices for public health usage

## Project Stakeholders



## Project Timeline & Deliverables

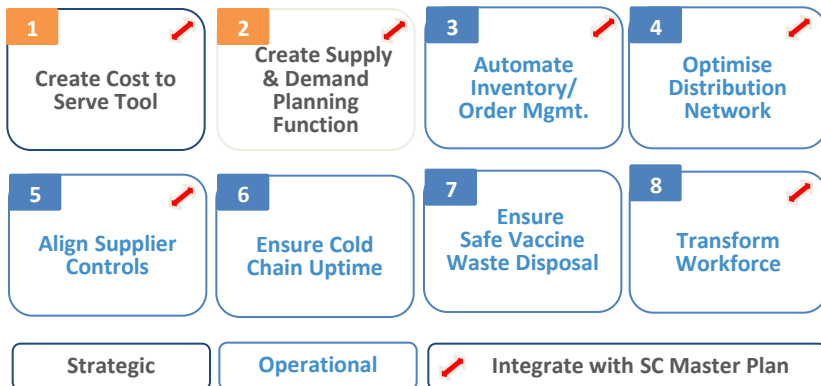


- 1 Diagnosis Report:**
  - GHS Findings
  - Coke Ghana Capabilities
  - Recommended Interventions
- 2 Detailed Interventions:**
  - Project plan per intervention
  - Roles and Responsibilities
  - Project Dependencies
- 3 Roadmap and Costs:**
  - Roadmap of approved projects
  - Statements of Work
  - Detailed Costs

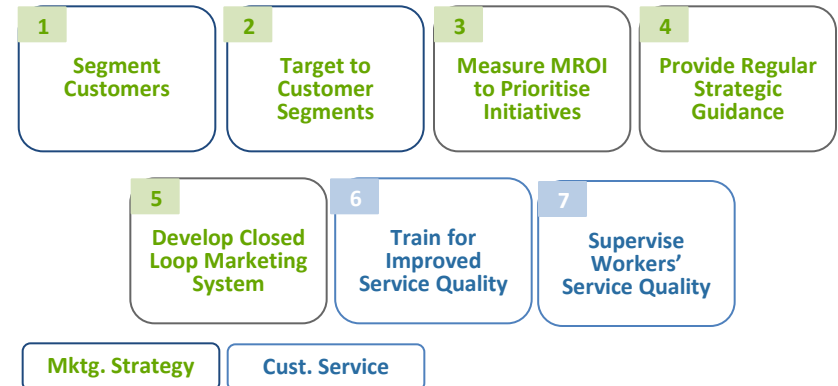
*Projects recommended in the final roadmap (3) may start in second half of 2012*

## Diagnosis Report Findings – Recommended Interventions as of April 2012

### Supply Chain:

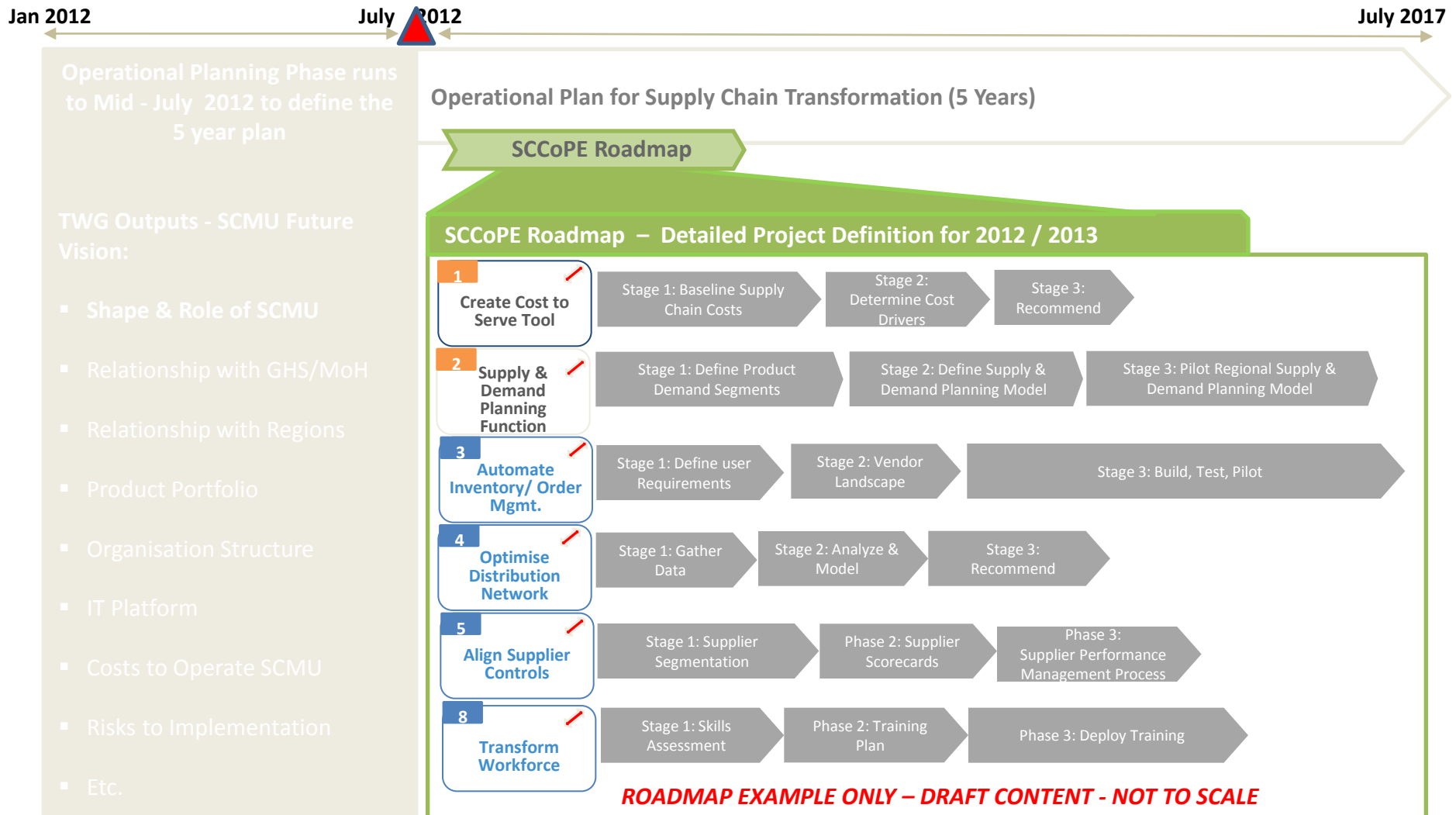


### Vaccine Demand Generation:



# The Master Plan will define the long term role of SCMU. The SCCoPE Roadmap will define duration and phasing of private sector supply chain interventions and will align with, and be part of, the overall Operational Plan

## SCCoPE will start implementation in 2012, informed by the future vision of SCMU



# Outstanding areas

- Areas to be addressed in the short to medium term to feed into the Master plan development process
  - Legal requirement for the creation and setting up of new SCMU
  - Redefining the procurement rules and procedures for public sector health facilities
  - Strategic action for resolving outstanding debt issues and for moving forward with improved relationships/arrangements regarding payment
  - Options paper for the way forward to reduce prices for customers and insurers
  - Recommendations regarding which component of the distribution system might be outsourced and an implementation plan for how outsourcing should be approached



# Next Steps





# Next steps and time lines

- May
  - High-level meeting regarding the key assumptions for the future Supply Chain and to establish final decisions, based on consensus, so that the final phases of the Master Plan can go forward
  - On going advocacy
  - Commence development of Implementation plan and M&E framework based on established decisions

# Next steps and time lines

- June

- Finalize first draft of the Implementation plan
- Stakeholder review and input into the draft implementation plan
- Preparation of updated draft based on stakeholder input

- July

- Develop cost estimates for the 5 year implementation of the SCMP

THANK YOU

