Ghana 5 year Supply Chain Master Plan

Progress to date, Key issues and next steps

Mr. Sam Boateng
Director P&S, MOH

Chair TWG
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\textsuperscript{nd} 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 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

- Central Medical Stores
- Regional Medical Stores

Functions

- Transportation and Warehouse Management
- Logistics Management Information Systems
- Quantification
- Procurement
- Upstream coordination/ Monitoring national pipelines
- Capacity building in supply chain
- Quality assurance
- Monitoring and evaluation of supply chain
- Financial management

Direct Delivery to Clients

- Facilities (including teaching and other hospitals and private facilities)
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, re-imbursement, 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

- **The Coca-Cola Company**
- **Govt. of Ghana**
- **Bill & Melinda Gates Foundation**
- **PATH**
- **Accenture**
- **GAVI Alliance**
- **The Supply Chain Lab**

### Project Timeline & Deliverables

1. **Mobilise**
   - Diagnosis Report
   - Diagnosis Issues
   - Define Interventions
   - Formulate Strategy & Plan

2. **15 Weeks**
   - Diagnosis Report:
     - GHS Findings
     - Coke Ghana Capabilities
     - Recommended Interventions
   - Detailed Interventions:
     - Project plan per intervention
     - Roles and Responsibilities
     - Project Dependencies
   - Roadmap and Costs:
     - Roadmap of approved projects
     - Statements of Work
     - Detailed Costs

3. **8th June**
   - Formulate Strategy & Plan
   - Roadmap and Costs:
   - Diagnosis Report Findings
   - Detailed Interventions
   - Roadmap and Costs

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

#### Supply Chain:

1. Create Cost to Serve Tool
2. Create Supply & Demand Planning Function
3. Automate Inventory/Order Mgmt.
4. Optimise Distribution Network
5. Align Supplier Controls
6. Ensure Cold Chain Uptime
7. Ensure Safe Vaccine Waste Disposal
8. Transform Workforce

**Integrate with SC Master Plan**

#### Vaccine Demand Generation:

1. Segment Customers
2. Target to Customer Segments
3. Measure MROI to Prioritise Initiatives
4. Provide Regular Strategic Guidance
5. Develop Closed Loop Marketing System
6. Train for Improved Service Quality
7. Supervise Workers’ Service Quality

**Integrate with SC Master Plan**

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

Operational Planning Phase runs to Mid - July 2012 to define the 5 year plan.

TWG Outputs - SCMU Future Vision:
- Shape & Role of SCMU
- Relationship with GHS/MoH
- Relationship with Regions
- Product Portfolio
- Organisation Structure
- IT Platform
- Costs to Operate SCMU
- Risks to Implementation
- Etc.

Operational Plan for Supply Chain Transformation (5 Years)

SCCoPE Roadmap – Detailed Project Definition for 2012 / 2013

Stage 1: Gather Data
Stage 2: Analyze & Model
Stage 3: Recommend

Stage 1: Define Product Demand Segments
Stage 2: Define Supply & Demand Planning Model
Stage 3: Pilot Regional Supply & Demand Planning Model

Stage 1: Define user Requirements
Stage 2: Vendor Landscape
Stage 3: Build, Test, Pilot

Stage 1: Supplier Segmentation
Phase 2: Supplier Scorecards
Phase 3: Supplier Performance Management Process

Stage 1: Skills Assessment
Phase 2: Training Plan
Phase 3: Deploy Training
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