

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Health, Medical and Family Welfare Department- Medicines (Ayush) Procurement, storage, distribution, access and use in State Health Facilities- New Procurement Policy of Andhra Pradesh (2009)- Orders issued.

HEALTH MEDICAL AND FAMILY WELFARE () DEPARTMENT

G.O. Rt.No. -----

Dated:

1. G.O. Rt.No.672, HM&FW (M1) Dept., dated 20-05-1998.
2. G.O. Rt.No.1357, HM&FW (M1) Dept., dated 19-10-2009.

ORDER:

In the first cited Government order read above, the Andhra Pradesh Health & Medical Housing & Infrastructure Development Corporation (APMHIDC) was entrusted with the responsibility of procurement of allopathic drugs and medicines for supply to the hospitals under the control of Directorate of Health (DH), AP Vaidya Vidhana Parishad (APVVP) and Directorate of Medical Education (DME). In addition, the hospitals have also been permitted to undertake local purchases to meet the emergent requirements, within the budget ceiling. Vide reference 2nd cited above Government formulated a new medicines (allopathic) procurement policy to address various problems being encountered in allopathic medicines supply. The DISA study on “Procurement & Pharmacy Management Reforms in AYUSH department, GoAP” conducted by Centre for Good Governance, Hyderabad high lighted almost similar problems. Considering the existence of a specialized procurement agency-APMHIDC in the Health, Medical and Family Welfare Dept. and similar problems viz., inadequacies, quality, effectiveness, irregular supplies etc. being faced in the supply of AYUSH medicines, the government has decided to implement a new procurement policy for AYUSH medicines that seeks to address the existing problems and accordingly issue the following orders in super session of the earlier orders on the subject.

1. Objectives of the policy:

The overall objective of the new procurement policy is to make available essential medicines of good quality, at all AYUSH health facilities in the State at all times, procure at competitive prices in a transparent manner and to promote rational use of medicines. More specifically, the following objectives are sought to be achieved through this policy framework.

- a) Only medicines essential for the effective delivery of AYUSH services shall be procured.
- b) The budget provided for procurement of AYUSH medicines shall be apportioned equitably among the three streams of AYUSH.
- c) The procurement shall be effected as per a prescribed calendar for ensuring timely availability.
- d) The procurement procedure shall be efficient and transparent.
- e) A significant emphasis shall be laid on quality of AYUSH medicines procured.
- f) The medicines procured shall be stored in proper conditions, transported and delivered to the health facilities systemically at their door step.
- g) An environment is created for promoting the rational use of medicines.
- h) A comprehensive information system for managing the entire cycle of procurement shall be established.

2. Distribution of Budget:

- 2.1. The budget available for AYUSH medicines under various heads specific to 3 streams viz., Ayurveda, Homeopathy and Unani in state budget and funds available under central schemes shall be used as per this policy. ,
- 2.2. Each AYUSH stream shall reallocate the budget amount to the health facilities under their control adopting the formula shown in the **Annexure-I**. The budget shall be indicated in quarterly terms, keeping in view the seasonal variations in demand for medicines.
- 2.3. Out of the total budget allotted to each health facility, 10% shall be ear marked to the various health facilities under the control of Ayurveda, Homeopathy and Unani for meeting emergency local requirements in a Decentralized Procurement System (DPS), following the procedure prescribed in Para 6 of this G.O. The purpose of Decentralized Procurement System (DPS) is:-
 - i. To procure life saving and other medicines under emergency Viz. Trauma, Epidemic (not available with health centre/hospital at times).
 - ii. To procure need based medicines not listed in the Essential Medicine List (EML) and
 - iii. To overcome supply deficiencies of essential medicines under centralized Procurement.

3. List of medicines to be procured:

- 3.1. The procurement policy shall be based on a list of essential medicines so as to meet the objectives 1 (a) and 1 (g). Essential medicines are the medicines that address the priority healthcare requirements of a given population. These medicines are selected through an evidence based process with due regard to public health relevance, quality, safety, efficacy and comparative cost- effectiveness. The fundamental

criteria for essential medicines are that they must be available at all the health facilities as per need, in suitable quantities and dosage forms.

- 3.2. With a view to arrange for preparation of the list of essential medicines and to rationalize the usage of medicines: the Government hereby constitutes a Standing Expert Committee on Essential Medicines List (EML) with the composition and responsibilities shown in **Annexure-II**. The Committee shall submit its initial report within two months of its constitution and thereafter review the list every five years or earlier if required in specific instances.
- 3.3. The Standing Expert Committee of EML shall also prepare an Additional Medicines List (AML) to take care of specific requirements of certain specialties.
- 3.4. The EML and AML shall be prepared keeping in view the WHO norms, Standard Treatment guidelines and also through extensive consultations with specialists and super-specialists working in the public sector AYUSH dispensaries, hospitals & teaching hospitals in AP. The Committee shall also take into consideration the regional variations in the requirements of medicines based on prevalence of certain diseases in Specific areas of the state and medicine requirement as per public demand.
- 3.5. The EML and AML shall be classified into three categories (A1, A2 and A3) based on degree of essentiality, critically for healthcare, disease burden and requirement of medicine in terms of quantity as per public demand.

Highly required category I (A1): Medicine required in high quantity by the health facility.

Medium required category II (A2): Medicine required in medium quantity by the health facility.

Less required category III (A3): Medicine required in less quantity by the health facility.

- 3.6. The EML Committee shall classify all the medicines in the EML and AML in accordance with the above three categories namely A1, A2, and A3 as above, and finalize the list based on International Non proprietary Names (INN), generic names or as per AYUSH norms.
- 3.7. The EML and AML prepared by the Standing Expert Committee shall be published widely for the information of the doctors working in the AYUSH Government Hospitals and dispensaries. It shall also be published in the website of AP Government for wide access.

4. Methodology for estimation and indenting:

- 4.1. The Medical Officer or the Superintendent in-charge of Health facility shall estimate the annual requirement of various medicines from the Essential Medicines List (EML) and Additional Medicines List (AML) specified in Para (3) of this G.O., following the methodology for estimation as specified in **Annexure-III**. The estimates shall be submitted to the Additional Director of each stream (Ayurveda/Homeo/Unani) in AYUSH dept by 31st March of each year, in respect of the requirement for the next procurement year. **For this purpose Procurement year shall be taken as 1st July of a year to 30th June of the next year.**
- 4.2. The individual indents of the Ayush dispensaries and hospitals shall be scrutinized and consolidated by the Additional Director of respective AYUSH stream namely Ayurveda, Homeopathy and Unani in the month of April every year to enable the APHMHIDC to initiate procurement process for the next procurement year. While consolidating the requirements, the Additional director of respective AYUSH stream shall keep in view the budget estimated to be available to them in the ensuing Procurement year and limit the quantities of medicines to be indented accordingly.
- 4.3. The Additional Director of respective AYUSH stream shall also take steps to maintain the required proportion between A1, A2 and A3 categories of medicines in the EML and AML category, while placing the consolidated indent with the APHMHIDC.
- 4.4. The Additional Director's shall indicate the quarterly delivery schedule to enable effective inventory management at the Corporation level.

5. Availability of medicines

- 5.1 The Principal objective of the procurement policy is to ensure timely availability of required medicines at all health facilities. This shall be achieved by adopting the following norms strictly.
 - i. APHMHIDC shall be responsible for ensuring that adequate quantities of medicines are available at all the hospitals and health centres in the State.
 - ii. APHMHIDC shall establish appropriate transportation and logistic arrangements to deliver the medicines indented by the each health facility at its door step.
 - iii. The Corporation shall arrange to supply medicines systematically to all the hospitals through a specified route on pre-specified dates for each hospital/dispensary. An appropriate calendar for delivery shall be accordingly prepared by the Corporation and communicated /published for the information of all the health institutions, along with the quantities of EML being supplied from time to time.

5.2. The rational use of medicines shall be promoted in the following manner:

- i. All the doctors shall adopt rational prescription method while treating the patients and conducting procedures, by following the protocols and norms. Presently there are no norms for three different streams of AYUSH, the Standing Expert Committee need to prepare the norms. They shall also adhere to the EML and AML to the extent consistent with the requirement of patient care in each case. They may prescribe medicines outside the AML & EML in specific cases for valid reasons. To the extent consistent with the protocol, the prescription shall be composed of the medicines which are available within the hospital so that the patient is not required to make out of pocket expenses for procuring the same.
- ii. All the Additional Director's of respective streams and APHMHIDC shall undertake awareness and training programs to sensitize the Medical Officers in rational prescription practices.

5.3 While the basic responsibility of procurement, stocking and inventory management is that of the corporation, the medical officers/superintendents are required to send appropriate advices to the Central Medicines Stores (CMS) in the following circumstances.

- i. The stock of any medicine gets exhausted earlier than estimated, due to heavy demand and
- ii. All or some medicines are overstocked at the health facility due to slow movement or non-issuance due to vacancies at the facility.

5.4. A real time inventory management system shall be established by the APHMHIDC to indicate the availability of stocks of medicines at all the hospitals and dispensaries on a real time basis for use by both the officials of the corporation and also the health facilities. The system should also enable a two- way communication and/or work flow system to enable the requirement at para 5.3 above.

5.5. An appropriate comprehensive MIS may also be developed and established to give alert when any particular medicine has gone below the recommended minimum stock level and the instances of medicines procured locally on account of non-availability of stock with the corporation. The following stock level shall be maintained of all the EML and AMLs at different levels:

- | | |
|---|-----------------|
| i. CDS | 3 months stock |
| ii. Any health facility in the tribal areas | 2 months stock |
| iii. Hospital level (other than tribal areas) | 1 month stock |
| iv. Pharmacy level | One week stock. |

Whenever the stocks go below the aforesaid levels, it shall be the responsibility of the Corporation to replenish the same either by cross movement or by fresh procurement. To this end, the corporation shall design and establish an appropriate system of forecasting demand for each medicine in each health facility and projecting the likely stock levels thirty (30) days in advance to enable timely replenishment.

5.6. The Corporation shall take steps to establish a scientific storage system by in all the districts. It shall also develop and adopt good warehouse management practices and internal supervising systems.

5.7. FEFO (First Expiry First Out) system shall be established in the inventory management at all levels viz, State, District stores and all health facilities.

6. Procurement Procedure:

6.1. The APHMHIDC shall procure the medicines invariably adopting the e-procurement procedure, using the common platform already established by GoAP. The inventory management system and the MIS to be established in pursuance of paras 5.3 and 5.4 above shall integrate with the e-procurement platform of the Government.

6.2. The Corporation may procure critical medicines with extreme sensitivity to quality by single source method, purely from the patient care perspective. The list of such medicines shall be prepared by the Standing Expert Committee on Essential Medicines List (EML) specified in para 3.

6.3. The Corporation shall adopt 1 July to 30th June as their Procurement year. It shall prepare and publish a calendar of events for regulating the annual procurement cycle.

6.4. The MD, APHMHIDC shall formulate a revised bid document for procurement of medicines, to cover both the centralized procurement (90%) and de-centralized procurement (10%) with a view to enhance the efficiency and transparency of procurement, to ensure an effective contract management and above all to guarantee the quality of medicines procured. Adequate safeguards should be built in the bid document for ensuring that only the manufacturers who adopt good manufacturing practices and have quality certification qualify. The revised procurement procedure to be designed shall incorporate appropriate best practices and safeguards including those indicated below:

- i. Conducting of pre-bid conferences and also debriefing of the bidders immediately after award of contract, indicating the reasons for rejection of bids.
- ii. The details of award of contract/rate contract shall be communicated to all the Additional directors/Regional Directors/Superintendents/Medical officers, besides publishing the same on the website of the corporation.

- iii. For products with a shelf-life of 3 years or more, shelf-life of 2 years upon arrival is to be specified. For products with a shelf-life of less than 3 years, the remaining self-life upon arrival must be atleast 80%.
 - iv. The corporation shall undertake a strict enforcement of procedure for blacklisting of suppliers for failure to deliver the goods within the prescribed time or supplying the medicines which do not pass quality tests. Appropriate criteria for adjudging quality standards shall be defined by the Corporation and incorporated in the tender document for the information of all the bidders and suppliers.
 - v. To develop a mechanism of reverse logistics for withdrawing any particular medicine distributed to health facilities across the state, if need arises.
- 6.5. The MD, APHMHIDC may engage suitable consultants for preparation of the revised bid document, following due procedure.
- 6.6. The Corporation shall be entitled to claim a service charge of 7% of the value of medicines procured for meeting the cost of procurement management, administration, quality testing, storage, transportation and establishing real time inventory management system.

7. Quality of medicines:

Ensuring quality of medicines is one of the prime objectives of the procurement policy. Accordingly the following steps shall be taken by APHMHIDC to ensure quality of the highest order.

- 7.1. The pre-qualification criteria for participating in the tenders issued by APHMHIDC shall be critically reviewed to ensure that suppliers who maintain very high quality standard are only selected.
- 7.2. Each unit shall be inspected and reported by a competent senior team comprising of Additional Director (Ayurveda/Homeo/Unani) and Director quality control, AYUSH dept before pre-qualifying bids. The inspection is valid for 3 years only.
- 7.3. Random samples shall be taken from each batch and tested for quality in a time bound manner. A double blinded method of coding the samples shall be followed to maintain absolute confidentiality. The batch shall be released for distribution only after it is cleared in the quality testing.
- 7.4. A panel of highly reputed quality testing laboratories in the private sector shall be prepared and deployed for this purpose. The remuneration for the testing of the samples shall be fixed by a committee consisting of MD of APHMHIDC and Director, Quality Control, AYUSH Dept. The committee may induct experts as may be needed.
- 7.5. The existing Drug Testing Lab (DTL) at State level shall be strengthened and create Drugs Control Administration (AYUSH) with in AYUSH dept. with proper

structure by inducting Superintendents of Pharmacies with the supporting personnel accompanied with proper capacity building.

- 7.6. The medicines shall be stored in a controlled environment as advised by the respective manufacturers. The environment control shall be ensured while designing and constructing the 23 warehouses as specified in para 5.6.

8. Governance Structure:

- 8.1. APHMHIDC shall restructure, strengthen and professionalize its Medicine procurement division both at Head quarters and in districts, so as to implement the new procurement policy effectively.
- 8.2. Trainings:** The Corporation shall undertake training needs analysis of its employees and of the Additional Directors, AYUSH dept.in “indenting, procurement, storage & distribution processes” and design appropriate training modules and impart training to all the employees concerned with procurement cycle.

8.3. Institutional Arrangement:

- i. At State AYUSH dept. level: Competent officers in the ranks of Addl.Directors with support staff having qualifications of pharmacy shall be designated for operational responsibility of implementing the present policy.
- ii. **At the Zonal level:** The Regional Directors at zonal level shall monitor and inspect the medicines supply and usage at regular intervals.
- iii. **At District level:** The Commissioner AYUSH shall designate one officer for each stream as a nodal officer for monitoring the medicines supplies to hospitals, dispensaries etc. including need assessment, estimation, indenting, stocking issues and reporting.
- iv. **At Health facility level:** Medical Officer/ **Pharmacist**/Compounder is primarily responsible for the stores under the overall responsibility of the Superintendent/Medical Officer.
- v. The following committees are constituted to be responsible for different tasks of the procurement process.
 - a) **A Technical Evaluation Committee** which shall take all decisions in connection with preparation and issue of bid documents, prequalification of bidders and technical scrutiny and evaluation of bids.
 - b) **A commercial Evaluation Committee** which shall evaluate the price bids of technically qualified bidders and take all decisions connected with award of contracts.

Annexure IV specifies the composition and responsibilities of the above two committees.

8.4. Grievance Redressal:

- i. APHMHIDC shall operationalize a 24 X 7 call centre for all pharmacists, medical officers and superintendents to document report the difficulties in supply. Definitive service levels shall be stipulated for providing a response to each call.
- ii. The corporation shall also establish a website to receive complaints and suggestions from the patients or their attendants on the shortages of medicines, their quality or any other aspect relating thereto.

8.5. The new procurement policy shall be fully operational zed and implemented from 1.2.2010. The MD APHMHIDC, Commissioner AYUSH dept. shall take action accordingly.

Annexure-I
TO BE USED BY AYUSH dept only in April
(Procedure for reallocation of budget by the Additional Directors of
Ayurveda/Home/Unani to the health facilities)

1. The AYUSH streams (Ayurveda/Homeopathy/Unani) are required to reallocate budget to the various health facilities under their control in a rational manner, with a view to ensure an equitable distribution of the budget in proportion to the need for medicines in each institution. Factors, such as population served, number of out patients and inpatients treated and the number of specialty departments/units available have to be carefully considered while making such allocation.

In this context and in view of the fact that a large number of institutions function under the control of AYUSH streams, it is felt essential to adopt a rational formula for each AYUSH stream that factors all the relevant parameters. The formulae adopted are given below:

A) Formula for Ayurveda/Homeo/Unani (Dispensaries)

$$B_{Dsp \text{ Ayurveda/Homeo/Unani}} = B_{Ayurveda/Homeo/Unani} \times \{ [0.5(P_{Dsp \text{ Ayurveda/Homeo/Unani}} / P_{State})] + [0.5(OP_{Dsp \text{ Ayurveda/Homeo/Unani}} / OP_{State \text{ Ayurveda/Homeo/Unani}})] \}$$

$B_{Dsp \text{ Ayurveda/Homeo/Unani}}$ = Budget to be allotted to the Dispensary (Ayurveda/Homeopathy/Unani)
 $B_{Ayurveda/Homeo/Unani}$ = Budget allotted to Ayurveda/Homeopathy/Unani streams
 $P_{Dsp \text{ Ayurveda/Homeo/Unani}}$ = Population covered by Dispensary
 P_{State} = Population of the State
 $OP_{Dsp \text{ Ayurveda/Homeo/Unani}}$ = OP of the Dispensary of each stream during the previous year
 $OP_{State \text{ Ayurveda/Homeo/Unani}}$ = OP of all the dispensaries of each stream in the state (Ayurveda/Homeopathy/Unani) during the previous year

B) Formula for Ayurveda/Homeo/Unani Hospitals:

$$B_{Hospital \text{ Ayurveda/Homeo/Unani}} = B_{Ayurveda \text{ Homeo/Unani}} \times \{ [0.4(P_{Hospital \text{ Ayurveda/Homeo/Unani}} / P_{State})] + [0.4(OP_{Hospital \text{ Ayurveda/Homeo/Unani}} / OP_{State \text{ Ayurveda/Homeo/Unani}})] + [0.2(IPD_{Hospital \text{ Ayurveda/Homeo/Unani}} / IPD_{State \text{ Ayurveda/Homeo/Unani}})] \}$$

$B_{Hospital \text{ Ayurveda/Homeo/Unani}}$ = Budget to be allotted to Hospital (Ayurveda/Homeopathy/Unani).
 $B_{Ayurveda/Homeo/Unani}$ = Budget allotted to Ayurveda/Homeopathy/Unani streams
 $P_{Hospital \text{ Ayurveda/Homeo/Unani}}$ = Population covered by Hospital of each stream (Ayurveda/Homeopathy/Unani).

P_{State} = Population of the State

$OP_{HospitalAyurveda/Homeo/Unani}$ = OP of the Hospital of each stream
(Ayurveda/Homeopathy/Unani)
during the previous year.

$OP_{State Ayurveda/Homeo/Unani}$ = OP of all the hospitals of each stream
(Ayurveda/Homeopathy/Unani) in the state during the
previous year

$IPD_{HospitalAyurveda/Homeo/Unani}$ = Inpatients days of the hospital of each stream
(Ayurveda/Homeopathy/Unani) during the previous year.

$IPD_{StateAyurveda/Homeo/Unani}$ = Inpatient days of all hospitals of each stream
(Ayurveda/Homeopathy/Unani) in the state during the
Previous year.

C) Formula for Ayurveda/Homeo/Unani Teaching Hospitals:

$$B_{THAyur/Homeo/Unani} = B_{Ayur/Homeo/Unani} \times \{0.10 (BS_{THAyur/Homeo/Unani} / BS_{Ayur/Homeo/Unani}) + [0.25(OP_{THAyur/Homeo/Unani} / OP_{State Ayur/Homeo/Unani})] + [0.50 \times (IPD_{THAyur/Homeo/Unani} / IPD_{State Ayur/Homeo/Unani})] + [0.15(DPT_{THAyur/Homeo/Unani} / DPT_{Ayur/Homeo/Unani})]\}$$

$B_{THAyur/Homeo/Unani}$ = Budget to be allotted to Teaching Hospital.

$B_{Ayur/Homeo/Unani}$ = Annual budget allocated to Ayurveda/Homeo/Unani.

$BS_{THAyur/Homeo/Unani}$ = Bed Strength of Teaching Hospital of each stream
(Ayurveda/Homeopathy/Unani).

$BS_{Ayur/Homeo/Unani}$ = Total bed strength in all the teaching hospitals of each stream under
Ayur./Homeo/Unani in the state.

$OP_{THAyur/Homeo/Unani}$ = OP of the Teaching Hospital of each stream (Ayur/Homeo/Unani).
during the previous year.

$OP_{State Ayurveda/Homeo/Unani}$ = OP of all the Teaching Hospitals of each stream
(Ayur/Homeo/Unani) in the state during the previous year.

$IPD_{THAyur/Homeo/Unani}$ = Inpatients days of the Teaching hospital of each stream
(Ayur/Homeo/Unani) during the previous year.

$IPD_{StateAyurveda/Homeo/Unani}$ = Inpatient days of all Teaching hospitals of each stream
(Ayurveda/Homeopathy/Unani) in the state.

$DPT_{THAyur/Homeo/Unani}$ = Number of Specialty departments in Teaching Hospital of each
stream (Ayurveda/Homeopathy/Unani)

$DPT_{Ayur/Homeo/Unani}$ = Total number of Specialty departments in all teaching hospitals of
each stream (Ayur/Homeo/Unani) in the State Under

2.Step by step approach:

The formula as above may be applied by each AYUSH stream (Ayurveda/Homeopathy/Unani) adopting the following step by step approach.

Step-I: Each AYUSH stream (Ayurveda/Homeopathy/Unani) shall ascertain the budget allocated to them from the government for the financial year in April of that year.

Step-2: Compile particulars of previous financial year in respects of OP, IP days, Bed Strength, the population served by health facility and Specialty Departments.

Step-3: Prepare the budget allocation statement for various health facilities using the appropriate formula specified in Para 1 above. An appropriate excel spread sheet may be prepared, so as to make computation easy and effort-free.

Step-4: The figures arrived at due to the computation in step 3 may be rounded-off suitably to the nearest thousand rupees.

Step-5: Budget statement so prepared may be communicated to the Medical Officer/Superintendents and also the APHMHIDC for control purposes.

Note:

The entire exercise of reallocation of budget to the health facilities shall be completed by the AYUSH streams (Ayurveda/Homeo/Unani) before end of April of each year.

Annexure-II
CONSTITUTION OF STANDING EXPERT COMMITTEE OF EML & AML
(Please see para 3.2 of the GO)

Preparation of the EML and AML is one of the important activities that will ensure procurement of medicines in terms of the objectives of the new procurement policy. The meaning and significance of EML and AML and the manner of categorizing them have been defined in para 3.4 and 3.5 of the GO. While the preparation of EML and AML is initially a one-time responsibility the list needs to be updated periodically in view of the rapid developments taking place in the pharmaceutical research and new medicines being introduced in the market on a continuous basis. Accordingly, it is felt necessary to constitute a Standing Expert Committee to approve and finalize the list of EML and AML initially and update it once in two years OR more frequently as needed.

The Standing Expert Committee on EML and AML is the final authority for approval of EML and AML and its updation. Its composition is specified below:

Standing Expert Committee (Ayurveda)

S.No.	Official Designation	Designation in the Committee
1	Commissioner/ Director, Dept of AYUSH, AP	Chair Person
2	Additional Director, Ayurveda	Member
3	Managing Director APMHIDC	Member Convenor
4	Specialist in Dravyaguna, Ayurveda	Member
5	Specialist in Rasasastra & Baishajyakalpana, Ayurveda	Member
6	Medical Superintendent Ayurvedic hospital, Erragadda	Member
7	Medical Officer, Dispensary, Ayurveda nominated by Commissioner , Dept of AYUSH, AP	Member
8	Procurement Specialist from a reputed institution to be nominated by the APMHIDC	Member
9	WHO/Other consultants nominated by APMHIDC	Special Invitees

Standing Expert Committee (Homeopathy)

S.No.	Official Designation	Designation in the Committee
1	Commissioner/ Director, Dept of AYUSH, AP	Chair Person
2	Additional Director, Homeopathy	Member
3	Managing Director APMHIDC	Member Convenor
4	Specialist in Materia Medica, Homeopathy	Member
5	Specialist in Pharmacy faculty (Homeo)	Member
6	Medical Superintendent Homeo hospital, Ramanthapur	Member
7	Medical Officer, Dispensary, Homeopathy nominated by Commissioner , Dept of AYUSH, AP	Member
8	Procurement Specialist from a reputed institution to be nominated by the APMHIDC	Member
9	WHO/Other consultants nominated by APMHIDC	Special Invitees

Standing Expert Committee (Unani)

S.No.	Official Designation	Designation in the Committee
1	Commissioner/ Director, Dept of AYUSH, AP	Chair Person
2	Additional Director, Unani	Member
3	Managing Director APMHIDC	Member Convenor
4	Specialist in Advia, Unani	Member
5	Specialist in Moulajat, Unani	Member
6	Medical Superintendent Unani hospital, Charminar	Member
7	Medical Officer, Dispensary, Unani nominated by Commissioner , Dept of AYUSH, AP	Member
8	Procurement Specialist from a reputed institution to be nominated by the APMHIDC	Member
9	WHO/Other consultants nominated by APMHIDC	Special Invitees

The standing Expert Committee on EML shall discharge the following function:-

- i. The basic responsibility of the Committee is to prepare the EML and AML initially within a period of 2 months of its constitution and to update it once in five years, thereafter.
- ii. In the event of the Chair Person of the committee feel that the developments in the pharma industry have been so rapid and significant, the Committee may convene a special meeting and take decisions on understanding a revision or updation one year after it was previously updated.
- iii. The Committee shall consider the following factors while preparing the EML and AML:
 - a) Burden of various diseases in the State.
 - b) Current protocols of treatments of various major diseases, infections, medical and surgical problems and healthcare requirements.
 - c) Management of emergency medical services and life saving requirements.
 - d) Cost effectiveness.
 - e) Alternative medicines available in treating a disease or a family of diseases.
 - f) The size, strength and presentation of various medicines and also the specific requirement of pediatrics.
- iv. For the purpose the Standing committee shall constitute sub-committees for Ayurveda, Homeopathy and Unani separately comprising members of various specialties of teaching hospitals and medical officers of hospitals and dispensaries. Each sub-committee will prepare a list of medicines for each category of health facility viz., dispensary, hospital and Teaching Hospital.
- v. Further the Standing Expert Committee constitute a “Screening Committee” headed by the MD, APMHIDC with such representation comprising different streams of AYUSH as may be necessary and entrust the responsibility of conducting necessary spade work and preparation of initial

list of EML and AML based on the lists prepared by the sub-committees of each stream of AYUSH and to be submitted to the Standing Expert Committee.

- vi. The Committee shall undertake wide ranging consultations before finalization of EML and AML by conducting workshops and also by publishing draft lists on the website and seeking comments from the medical professionals.
- vii. The Committee may give appropriate guidance and direction to the Screening Committee in the formation of appropriate sub-Committees for the AYUSH stream
- viii. The Committee shall be responsible for causing classification of the EML and AML in 3 categories viz., E1, E2 and E3 as specified in para 3.5 of the G.O.
- ix. The Committee shall also assign appropriate 'code numbers' for each medicine following the international/national standards, which is useful for MIS and inventory management.
- x. The Committee shall also prescribe details of procedure, work plan and calendar and also required formats for the preparation and
- xi. The Committee shall also arrange to print adequate number of copies of the EML and AML in separate volumes and communicate to all the Superintendents/Medical Officers of the health facilities.
- xii. The Committee should develop Standard Treatment Guidelines for three streams of AYUSH on similar lines of Allapathy, Standard Treatment Guidelines.
- xiii. The Committee shall also have the powers to conduct a medical audit of the health facilities in the State so as to ensure that the EML and AML are strictly followed at all levels in the State.

The MD, APHMHIDC shall facilitate the functioning of the Committee and meet the expenditure associated with convening of meetings, workshops, consultations and publication of lists in the draft and final forms from out of the service charges paid by the Government to the Corporation.

Annexure-III
TO BE USED BY MO/SUPDT OF HEALTH FACILITIES

Methodology for estimating and indenting medicines

(Please see para 4.1 of the G.O.)

- 1) The Medical Officer/ Superintendent of Health facility shall estimate the requirement of medicines falling within the list of EML/AML in the month of March, every year for the succeeding procurement year (July to June). They should make the estimate of the quantity required for each EML/AML based on factors such as the quantity of medicines consumed during the previous year and stock balance likely to be existing as on 31st March. It is also possible that during the period of one year used as the base, the post of the Medical Officer of a health facility may be vacant, as a result of which the consumption of certain medicines would have been lower and this distortion needs to be corrected suitably.
- 2) The formula designed for estimation and elaborated below considers all the above factors so as to provide a more accurate estimate. It may also be noted that a 10% growth in the disease burden is assumed every year on account of increase in the population as well as better awareness, increase in the facilities, in the hospitals etc.
- 3) The following formula shall be used for estimating the quantity of each medicine from the list of EML required for use during the subsequent financial year.

$$Q_e = [Q \times (1.1+V)] - B$$

Q_e: Quantity of estimated annual requirement of each medicine.

Q: Quantity consumed during last year (**April to March**)

B: Opening Balance of each medicine (excluding expired medicines)

V: Vacancy factor

1. The following points need to be noted while using the above formula.
 - i. “V” factor: The vacancy factor may be arrived at using the following norms:
 - a) 0.1 for 3 months vacancy, 0.15 for 6 months, 0.2 for 9 months vacancy, 0.25 for 12 months vacancy.
 - ii. For medicines figuring in the EML but not hitherto indented, the estimate may be made based on the equivalent medicine or replacement medicine which was used in the previous year for treatment of that disease. If a particular medicine in the EML or its equivalent was never used, but is required for use in future, the required quantity may be estimated based on the standard treatment protocol & the expected patient load for that disease coupled with the experience of the Medical Officer/Specialist.

- iii. An approximate cost estimate of the medicines to be indented may be made using the prevalent APHMHIDC unit price so as to ensure that the total quantity indented is within the budget allocated.
- iv. Since the Medical Officer/Supdt. has to make an estimate in March each year for the succeeding procurement year, an assessment of possible consumption in the month of March may be made to arrive at the consumption for the full year (Q) and used in the formula accordingly.

The above formula may be revised based on the experience gained in the first year of implementation.

Annexure-IV

CONSTITUTION OF COMMITTEES FOR TECHNICAL & COMMERCIAL EVALUATION OF TENDER FOR PROCUREMENT OF MEDICINES

(Please see para 8.3 (iv) of the G.O.)

The following Committees are constituted for technical and commercial evaluation of the bids received in response to the tender's issues by the APMHIDC from time to time for procurement of medicines with the responsibilities specified for each.

A. Technical Evaluation Committee for procurement of medicines:

Composition of the Committee:

Official Designation	Designation in the Committee
Commissioner/ Director, Dept of AYUSH, AP	Chair Person
Director, Quality Control	Deputy Chairperson
General Manager (Medicines), APMHIDC	Member/Convenor
Additional Director, Ayurveda	Member
Additional Director, Unani	Member
Additional Director, Homeopathy	Member
Specialist in Dravyaguna, Ayurveda	Member
Specialist in Rasasastra & Baishajyakalpana, Ayurveda	Member
Specialist in Advia, Unani	Member
Specialist in Moulajat , Unani	Member
Specialist in Materia Medica, Homeopathy	Member
Specialist in Pharmacy faculty (Homeo)	Member
Representatives of Finance department	Member
Joint/Additional Secretary (HM&FW dept)	Member
Drug Controller, AYUSH	Member

The Committee shall be responsible for the following:

- i. To scrutinize pre-qualification bids received pursuant to any tender for procurement of medicines and accept or reject the bids.
- ii. To inspect or cause inspection of the manufacturing facilities of bidders. The inspection reports are valid for three years.

B. Commercial Evaluation Committee for Procurement of Medicines:

Composition of the Committee:

Official Designation	Designation in the Committee
Principal Secretary to Govt. HM&FW dept, GoAP, Secretariat, AP, Hyderabad	Chairman
Commissioner/ Director, Dept of AYUSH, AP	Member
Addl. Director (Ayurveda)	Member
Superintendent, Govt. Ayurvedic Hospital Erragadda, Hyderabad	Member
Addl. Director (Unani)	Member
Superintendent, Govt. Nizamia General Hospital Charminar, Hyderabad	Member
Addl. Director (Homeo)	Member
Superintendent, Govt. Homeo Hospital Ramanthapur, Hyderabad	Member
Finance Dept. Representative	Member
Accounts Officer, AYUSH dept.	Member

The Committee shall be responsible for the following:

- i. To evaluate commercial bids of technically qualified bidders.
- ii. To decide the award of contract or rate contract to technically qualified bidders offering the most competitive rates and
- iii. To decide upon any other matters relating to the procurement of medicines.