

# National Department Of Health



HIV Clinicians Conference: Supply vs. Demand:  
Managing Medicine Shortages (Session 6D)

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Supply Chain Reforms

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  - Direct Delivery Strategy & Provincial Medicine Procurement Units
  - Central Chronic Medicine Dispensing & Distribution
3. New reforms for supply chain resilience:
  - Visibility & Analytics Network (VAN)



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# Framework: Strategy for Improved Access and Availability of Health Products



## Improved Selection

Health Technology Assessment / National Essential Medicine List Committee

Specification process

Forecasting for requirements

## Improved Contracting

Selection of contracting mechanism

Conditions of contract

Criteria for award

Evaluation & adjudication

Award communication

## Improved Contract Management

Performance Management: Participating Authorities

Performance Management: Suppliers

## Improved Distribution Models

Intra-provincial models

Inter-provincial models

Patient Models

## Improved Replenishment

Ordering processes

Payment processes

Replenishment mechanisms

Demand planning and forecasting

Inventory management

Intra-facility models

Governance

Workforce Management

Financial Management

Information Systems

Information Management

# Objective of Reforms



## Health Outcomes

- Access
- Availability

## Client Satisfaction

- Service
- Convenience

## Financial Outcomes

- Cost-effective
- Affordable



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# Direct Delivery & PMPU



- Direct Delivery Strategy
  - The method of delivery where facility specific orders are delivered by a supplier directly to the relevant health facility.
- Provincial Medicine Procurement Unit
  - Provides an efficient, shared administrative service to manage transactions relating to orders and payments for health products



# Impact of PMPU & Direct Delivery

- Reduced lead-times and wastage and overall reduced risk for state.

**From this...**



**To this...**



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# Impact of PMPU & Direct Delivery

- Reduced stock in warehouses, reduced inventory, reduced risk for state.

Province	Status
Gauteng	70% of essential medicine volume removed from the Depot
Limpopo	Oncology & ARVs removed from the Depot
Eastern Cape	72% of essential medicine volume removed from the Depot
Free State	77% of essential medicine volume removed from the Depot



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# CCMDD



## Central Chronic Medicine Dispensing and Distribution Programme (CCMDD)

- Patients with chronic diseases receive medicine every month and usually receive a repeat script for six months
- CCMDD enables medicine from repeat scripts to be dispensed and distributed every month to an alternate pick-up-point
- Decongests Primary Health Care facilities
- Improves convenience for patients
- **Reduced opportunity costs and improved health outcomes**
- **Currently 393,149 patients registered**



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# CCMDD Targets & Progress



500 000

- Target for 31 March 2016

650 000

- Target for 31 March 2017

850 000

- Target for 31 March 2018

393 000

- Current Number of Patients Registered

79%

- Current Performance

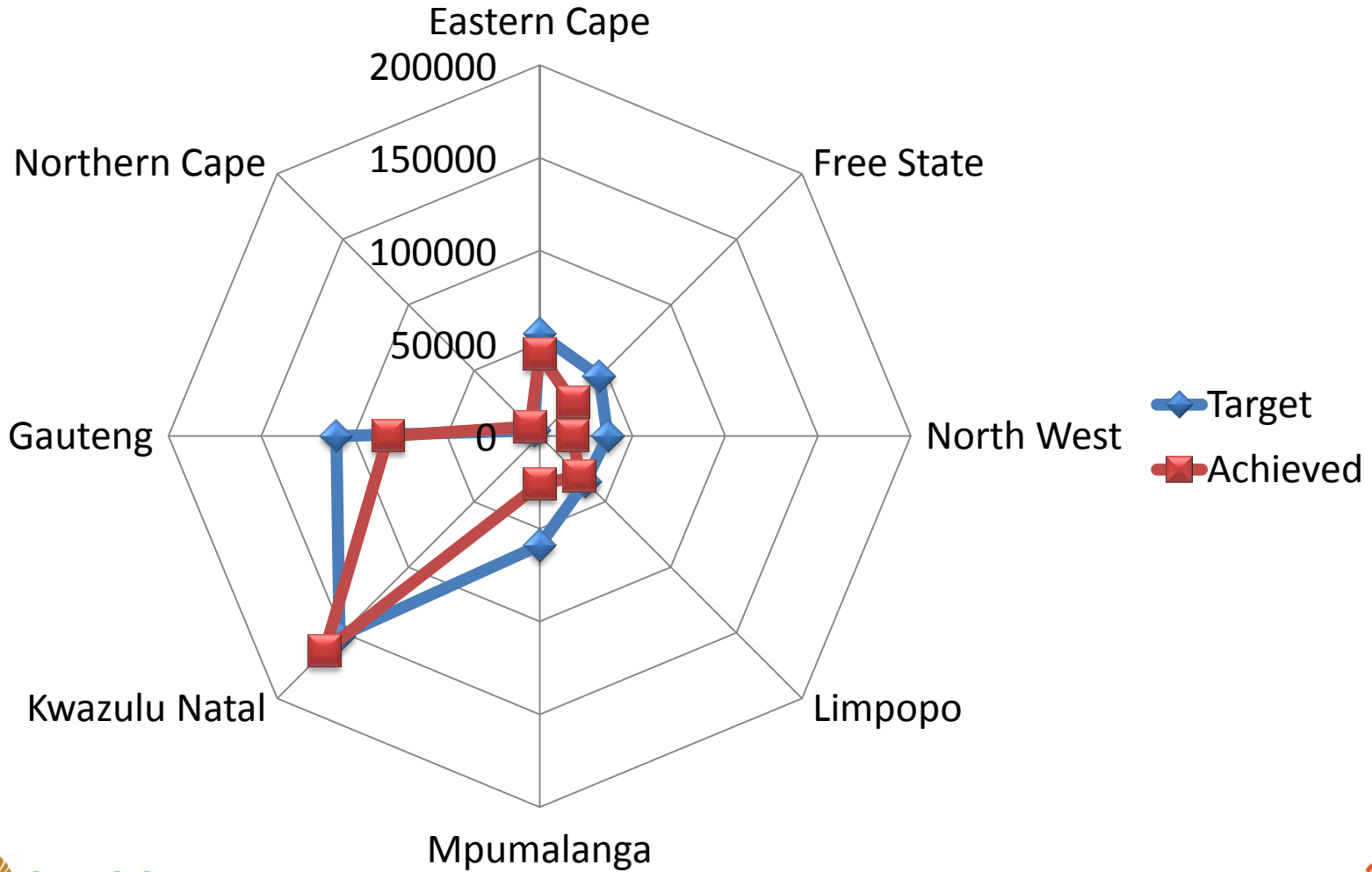


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# CCMDD Coverage Distribution



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# Visibility & Analytics Network



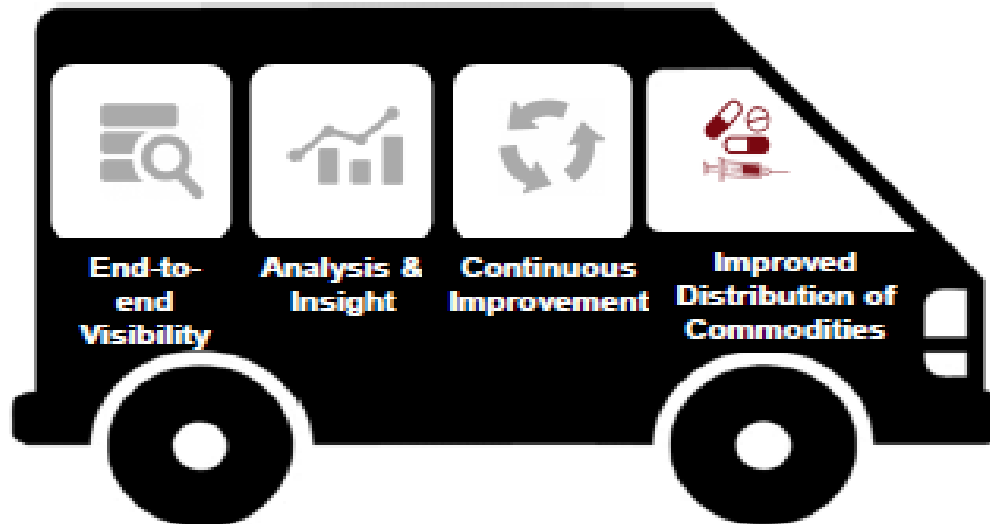
## What is a Visibility & Analytics Network

A VAN is a centrally governed capability for supply chain management:

- Staffed by skilled and specialized supply chain managers
- Enabled with technology that provides end-to-end visibility and insight
- Empowered to undertake continuous improvement

## Visibility & Analytics Network (VAN)

**Design Goal:**  
To ensure availability of the right commodities when and where beneficiaries want or need them



**Design Principles:**

- Specialized Roles
- Integrated IT & Data
- Analytical Processes
- Monitor Performance
- Central Governance

# VAN Capabilities



A VAN uses data visibility and analytics to improve in-country Supply Chain operations

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The three essential capabilities of a VAN are: end to end visibility, analysis & insight, and continuous improvement



## 1 End to End Visibility

*What is Happening Now?*

Data Aggregation from multiple sources bringing end-to-end Supply Chain visibility across health commodities and programs



## 2 Analysis & Insight

*Why is this happening? What could happen next? How can we improve?*

Data Visualization, Business Intelligence and predictive modeling performed by VAN staff



## 3 Continuous Improvement

*Let's make it happen.*

Defined processes creating alerts, conditional actions, and workflows to internal and external recipients.



# VAN: Scope of Visibility



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# VAN: Analysis & Insight



- People, with the right tools, processes and policies
  - Asking the right questions
  - Looking in the right places
  - Generating relevant analysis
  - Providing actionable insight



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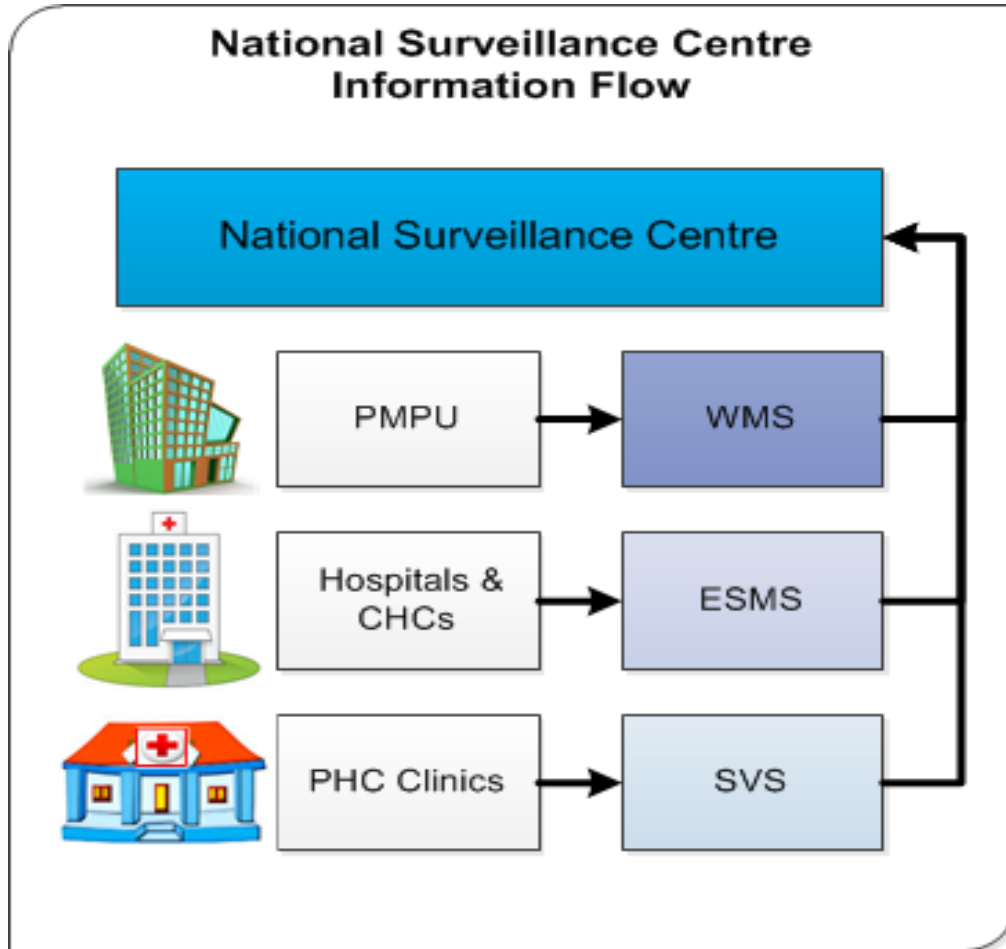
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# National Surveillance Centre



## National Surveillance Centre Information Flow



## Surveillance Centre

- Improved contract management
- Improved medicine supply management
- Improved financial management

## Key:

- **PMPU:** Provincial Medicine Procurement Unit
- **ESMS:** Electronic Stock Management System
- **WMS:** Warehouse Management System
- **SVS:** Stock Visibility System

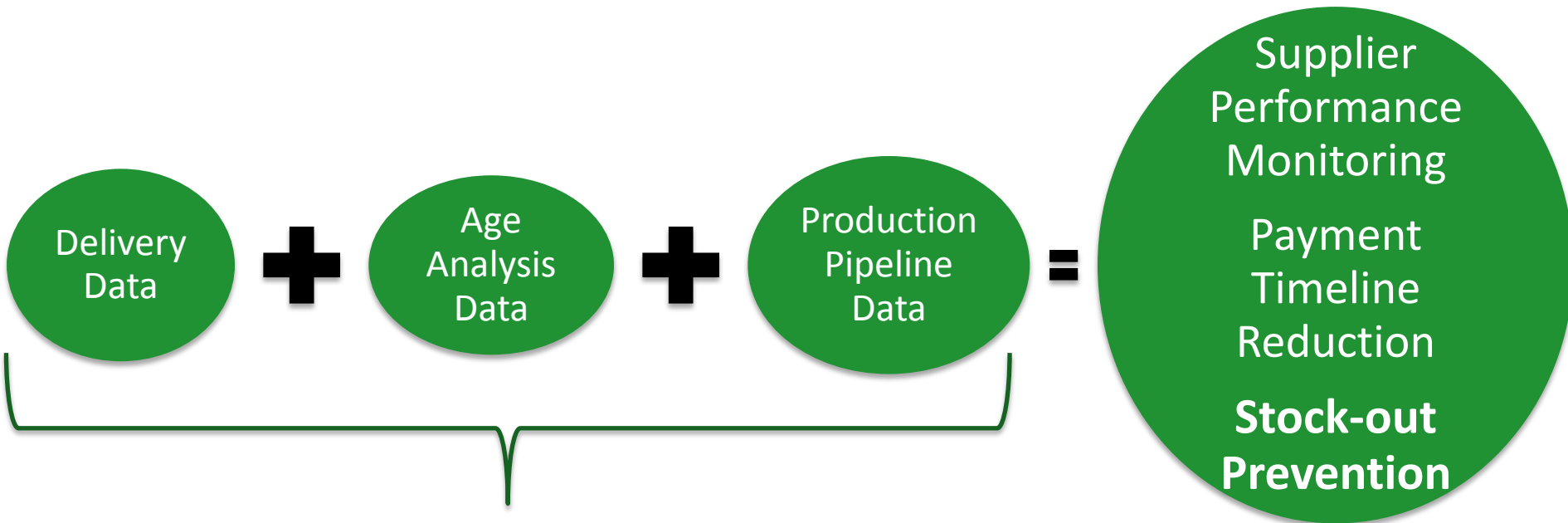


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# Contract Management Tools



**Supplier reported input data used to generate business intelligence**



# Continuous Improvement



- Analysis & Insight should be driven by a **culture of proactive problem solving** and rapid quality improvement cycles.
- Data-driven decision making for improved health outcomes, client satisfaction and financial outcomes.



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# Conclusion



Our vision has not changed:

- A **responsive, effective, resilient** system that clinicians, patients and civil servants trust, characterised by:
  - open, clear communication
- **improved medicine availability, and improved access.**



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# Thank You



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