EMPOWER
SCHOOL OF HEALTH

Stakeholder Consultation Proceedings

Building a Health Supply Chain Community of Practice in India

1 November 2018

"Effective logistics systems are fundamental to success of every program" –

Dr S Y Quraishi
Special Advisor- Empower,
Former Director General of National AIDS Control Organisation (NACO),
Former Special Secretary to Government of India,
Former Chief Election Commissioner of India

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Acknowledgements

We are thankful to Dr. S Y Quraishi, Special Advisor- Empower and former Director General of National AIDS Control Organisation (NACO), Former Special Secretary to Government of India and Former Chief Election Commissioner of India for his constant guidance and inputs for this "Stakeholder Consultation for Building Health Supply Chain Community of Practice in India".

We would also like to acknowledge our technical partners- The International Association of Public Health Logisticians (IAPHL) and The People that Deliver (PtD)-hosted by UNICEF.

This meet would not have been possible without the support of panelists: Dr. Klara Tisocki (Regional Advisor Essential Drugs and Other Medicines, WHO SEARO region) and Dr V. S. Salhotra (Additional Deputy Director General-TB, RNTCP, MoHFW) and all the delegates that attended this meeting and provided their valuable feedback.

We would also like to extend our thanks to Empower team comprising Ms. Sangeeta Tikyani (Director-Public Health and Humanitarian Sector, India Head), Mr. Siddharth Srivastava (Senior Consultant), Ms. Radhika Singh (Consultant-Procurement and Supply Chain) and Ms. Divya Tiwari (Research Associate) for their time, hard work and support for this event. We also thank, Mr. Rohin Mathews, Mr. Deepak Verma and Mr. Bharat Taneja for seamless coordination for logistics and administrative arrangements.

Prof. Paul S. Lalvani
Director - Empower Group
Deputy Chair of People that Deliver | Hosted by UNICEF

Background

The Indian pharmaceutical and medical products market has over 100,000 different SKUs, has a market size estimated at US$ 33 billion, and is expected to grow at a CAGR of 22% over 2015–20.

Indian public sector is vast and complex, and includes multiple vertical and horizontal programs; centre, state and district supply chains deliver to tertiary, secondary, primary health clinics, sub-centres, community and village health workers all of whom distribute medicines and diagnostics to the last mile. The Indian public health sector purchases products (pharmaceuticals, vaccine and diagnostics) and services (storage, distribution, transportation, quality assurance) from the private sector that estimated at US$ 1 billion to US$ 1.5 billion and has the potential to grow to US$ 4.5 billion by 2020.[1.]

Logistics costs in India are 13-15 percent of product cost, while the global average is six percent. According to a McKinsey study, the current wastage caused by inefficient logistics is equal to 4.3 percent of the GDP.

It is projected that the wastage due to inefficiencies in public sector is probably even higher. However, not all government supply chains are operating at the same level—there are states which are operating at a high level of efficiency with reasonable levels of access to medicines, while there are several states which experience regular stock outs of essential medicines.

In order to support the transformation and optimization of the public health supply chain, Empower is leading the effort to build a Supply Chain Community of Practice, which will include:

    i)   knowledge management and sharing
    ii)   joint learning, interaction and sharing of ideas
   iii)   build a network of supply chain experts

Communities of Practices (CoPs) provide a collaborative framework for public health professionals to work together to identify and leverage best practices and standards. Through these evolving collaborative efforts and sharing of lessons learned in the community building process, the community of practice approach is being implemented in many public health areas as a model for how public health partners work together (Source: Monash University -Monash and Menzies School of Health Research Menzies). From systems to networks to chains to clusters, a variety of concepts are being used to assist with understanding the complex sets of relationships, influences, and interactions that shape outcomes at different scales for public health supply chains.

To complement the work of The International Association of Public Health Logisticians (IAPHL) and People that Deliver (PtD) that are building supply chains COP at the individual and the institutional levels, Empower is collaborating with these organizations to adapt and shape the COP for the Indian context, by ensuring there is strong participation of all sectors, Center and state governments sand parastatals, private sector and NGOs, technology and capacity building organizations.

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[1] India Pharma 2020 Propelling access and acceptance, realising true potential- Pharmaceutical and Medical Products Practice, McKinsey

This consultation was attended by representatives from Ministry of Health, Government of India's National TB Division; Central Medical Services Society (CMSS); The World Health Organization (WHO); UNDP; The World Bank, Bill & Melinda Gates Foundation (BMGF), U.S. Department of Health and Human Services (HHS)-Embassy of the United States of America, Plan India, FHI 360, TCI, PWC, IQVIA, Crown Agents, Care International, etc. The detailed list of participants is given at Annexure.

Proceedings
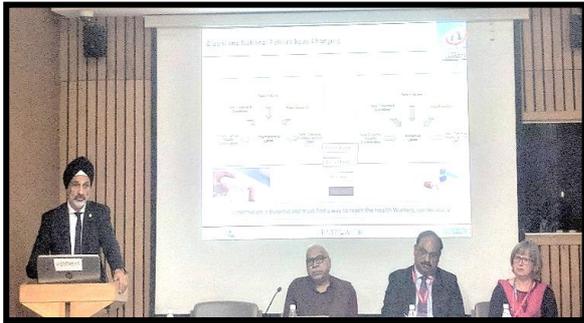
The Consultation was launched by **Sangeeta Tikyani** and **Prof. Paul Lalvani** who provided an overview and objectives of the consultation, the challenges of ensuring access to pharmaceutical products in public health. They also presented the rationale for establishment of a community of practice for health supply chain professionals; and presented information about Empower's technical partners – IAPHL and PtD and their role in shaping and supporting an ecosystem of shared learning.

Dr S.Y. Quraishi provided the keynote address and spoke about the importance of logistics and supply chain management activities in running a National level programme and how the national machinery coordinates and aligns to deliver the services to the last mile across the country. He cited examples of the critical role of logistics while working at National AIDS Control Organization (NACO), in the area of Family Planning, and even as Chief Election Commissioner of India.

Dr V S Salhotra spoke about how changes in national policies, such as introduction of second-line TB regimens, new suppliers, shortages of raw materials, introduction of new diagnostics, all have a deep impact on the operation of the supply chain. He also emphasized that the implementation of Goods and Service Tax (GST) Act, while disruptive in the short-term, will bring major efficiencies to the supply chain which need to be harnessed. He pointed out that '*Ayushman Bharat*' will not be able to achieve its goal to promote *health for all* without a strong supply chain. He concluded by encouraging the stakeholders to build a COP for supply chain in India.

Dr. Klara Tisocki highlighted the need to build institutional capacity for supply chain, and the need to strengthen leadership, governance and accountability with potential for leveraging examples across South East Asia region. She also highlighted challenges around quality and availability of the pharmaceutical products, and the need to conduct root cause analysis for failures and bottlenecks in supply chain. She was supportive of the initiative and was interested to be know more the specifics and next steps.

Key points highlighted by participants

1. Ayushman Bharat and Importance of Supply Chain
   a. Ayushman Bharat intends to cover nearly 40% of the population, with a focus on poor and vulnerable populations; it intends to do this in a cost-effective manner and will require strong coordination between the centre and the states
   b. Health products, logistics and related services account for 25% to 50% of the health budget.
   c. Without a strong supply chain and a supply chain community, it would be nearly impossible to cost-effectively implement Ayushman Bharat across India

2. Programs and disease areas –
   a. Health programs often work in silos which reduces opportunities for harnessing synergies, and often creates inefficiencies
   b. The Supply Chain-COP should map program supply chains (or find existing information) that can be shared with government, donors and program implementing organizations
   c. This information can be consolidated and used by health programs to optimize the supply chain and build efficiencies in procurement, quality assurance, storage, distribution, cold chain, LMIS, and transportation
   d. Consider supporting one or two verticals to begin with, such as TB, FP, or cross - cutting with CMSS that is working with multiple programs

3. Role of private sector
   a. While there is a lot of discussion about public-private partnerships, the involvement of the private sector in public health has always been attempted cautiously
   b. While it is acknowledged that there can be no health program without the private sector (most health products and a large number of logistics services are provided by the private sector), there is always an inherent tension between these two stakeholders
   c. Supply Chain-COP should explore how to better align and harness the private sector for mutual benefit

Consider expansion and inclusion of private sector from various industries including e-commerce, information technology, QA, green supply chain, and of course manufacturing and logistics

4. Aggregating, curating and analyzing data to support decision making and guiding new policies
   a. There is a great deal of public data and reports that are produced by government or stakeholders, however most of this information is not available in the public domain
   b. Where information does not exist, but is useful, this platform can help in collecting and sharing new information
   c. Examples include data on value of health product procurement by state, procurement value per capita, procurement by state vs. procurement by health facility/district level; and also compiling and sharing indicators on stock-outs, quality of products
   d. Compiling data on status and quality of manufacturers – there are over 7,000 Indian pharmaceutical manufacturers
      i. For example, about 600 manufacturers have one or more products that are WHO prequalified, or have been registered to supply to countries with most stringent regulatory authorities (e.g. USA, EU, Japan, Australia, Canada, among others)
      ii. There are an estimated 1,000 manufacturers that have been quality approved by Indian FDA at the National & State levels and are therefore legally allowed to export medicines. The remaining manufacturers only have state-specific approvals and are allowed to sell their products anywhere in India
      iii. Several manufacturers get 'black-listed' by buyers in India, by other countries and by UN agencies due to poor quality or unethical practices. While this information is extremely useful, there is no central repository for collecting and sharing this information
   e. Sharing best practices: There is a great deal of variation in SC efficiency between states in India, and between other countries in the region. The Supply Chain COP can support in aggregating and sharing technical and management related information with the stakeholders

5. Importance and Need for COP for Supply Chain
   a. A knowledge management repository with case studies, evidence, research reports, current policies, curriculum which be useful for all stakeholders
   b. New programs, new policies, new initiatives, new stakeholders and new health program staff are being introduced regularly and they will all benefit from a well-structured, easy-to-find and use repository of information
   c. The repositories will also be useful as GOI scales health coverage and builds 'Ayushman Bharat'
   d. New organizations have been recommended to be invited and to expand this group

Next Steps

Empower will reach out to key stakeholders to i) Build Health Supply Chain Knowledge Repository (ii) Build a Supply Chain Community of Practice

i) Build Health Supply Chain Knowledge Repository

a) Creation of databases for Centres and States to access and consolidate learning, best practices, case studies

b) Identification of stakeholders, vertically and horizontally present and what kind of information to be assimilated- continue engaging Government, donors, consulting firms, academia and invite ideas/suggestions

c) Vertical programs: As recommended by the stakeholders, the initial focus would be on Tuberculosis and Family Planning

d) Cross cutting: As recommended by the stakeholders, the cross-cutting initial focus will be to work in 1-2 states to collect procurement and supply chain information on policies, strategies, budgets, product lists, completed diagnostics, information on access, availability and quality.

e) Design and develop an architecture and process for aggregating, curating and sharing of information and knowledge

ii) Build a Supply Chain Community of Practice:

The communities of practices would be shaped at three different levels:

a) Establish a supply chain Strategic Advisory Group (SAG) which will include a few of the participating organizations

b) Encourage organizations that are working in supply chains to join People that Deliver; this will be promoted, coordinated and supported by Empower

c) Encourage individuals that are working in supply chains to join International Association of Public Health Logisticians (IAPHL)-India Chapter; this will be promoted, coordinated and supported by Empower (https://community.iaphl.org/iaphl/indiachapter)

d) Build advocacy for this initiative to increase visibility and expand membership

Participants

Attendee list for Stakeholder Consultation for Building Health Supply Chain CoP in India
1 November 2018
India International Centre (IIC), New Delhi

S. N	Sector	Organization	Name of Delegate
1	Government	Empower Special Advisor, (Ex-Director General of National AIDS Control Organisation)	Dr SY Quraishi
2		MoHFW (TB)	Dr VS Salhotra
3		MoHFW (Family Planning)	Dr. SK Sikdar*
4		MoHFW (Immunization),	Dr P K Haldar*
5		CMSS	Mr S.A Khan
6	UN agencies	UNDP	Mr Vijay Thapliyal
7		WHO SEARO	Dr Klara Tisocki
8		UNFPA	Dr Jennifer (nee Gray) Butler*
9		UNICEF	Ms Safia Robinson *
10	Donors and Banks	BMGF	Mr Lokesh Nagpal
11		US Embassy	Dr. Vid Nukala
12	NGOs in Public Health	PLAN	Dr. Rochana Mitra**
13		PLAN	Mr Tauqueer Ahmad**
14		FIND	Mr Ramesh Mahadevan**
15		FHI 360	Mr. Som Sharma**
16		Crown Agents	Mr Suresh Kumar**
17	Logistics	TCI	Mr Sumit Kumar**
18		1 mg	Mr Manas Tripathi*
19		Logistimo	Mr Anup Akkihal*
20	Consulting firms	IQVIA	Dr Abhay Saraf**
21		PwC	Dr Ravish Behal
22	Pharmaceuticals (Carrying & Forwarding agent)	Brandson/Sanofi	Mr Rajkamal S Bhatia
23	Empower Team	Empower	Prof. Paul Lalvani**
24		Empower	Ms Sangeeta Tikyani**
25		Empower	Mr Siddharth Srivastava
26		Empower	Ms Radhika Singh**
27		Empower	Mr Bharat Taneja**

*Unavailable for this workshop but will stay engaged in future discussions
** Members of IAPHL India Chapter

Annexure I- Consultation Agenda

Agenda

Time Slot	Topics
09:00 - 9:30 am	Registration / Coffee
09:30 – 10:00 am	Inauguration and Introduction of Participants, Empower, International Association of Public Health Logisticians (IAPHL)-India Chapter, People that Deliver (PtD) / UNICEF
10:00 - 10:15 am	Keynote Address Dr. SY Quraishi, Former Chief Election Commissioner of India
10:15-10:55 am	The Need for Supply Chain Coordination, and Stakeholder perspective on gaps and needs for PSM coordination and knowledge sharing
10:55 - 11:15 am	Coffee / Group Photo
11:15 – 12:15 pm	Stakeholder perspective on gaps and needs for PSM coordination and knowledge sharing (continued)
12:15- 12:30 pm	Next Steps
12:30-12:45 pm	Valedictory message Dr. S.Y. Quraishi

Vote of Thanks |
| 12:45 pm onwards | Lunch |

Lead Organizers

Empower

Empower School of Health is a Center of Excellence for global health supply chain and works in partnership with INSEAD's Humanitarian Research Group, supports capacity building and building of Communities of Practice across 40 countries. Empower School of Health has offices in Geneva and New Delhi. For more information, see www.empoweringmillions.org.
Lead: Dr. S. Y. Quraishi, Special Advisor to Empower and
Paul Lalvani, Dean and Director, Empower Group, Deputy Chair, People that Deliver (hosted by UNICEF)

The International Association of Public Health Logisticians

The International Association of Public Health Logisticians (IAPHL) is a community of practice dedicated to facilitating the exchange of professional experience and innovation in the areas of public health logistics management and commodity security; supporting continued learning; promoting use of local and regional expertise; and expanding members' professional network. Members are part of a global network that serves as a pool of professional resources for countries and programs worldwide.
Lead: Liz Igharo, Executive Director IAPHL

People that Deliver

The People that Deliver (PtD) Initiative a global partnership of organizations focusing on professionalization of supply chain personnel by advocating for a systematic approach to human resources (HR) for supply chain management (SCM) at the global and local level. PtD is governed by a board representing governments, international donors, multilateral agencies, nongovernmental organizations, academic institutions, professional associations, and private companies.
Lead: Dominique Zwinkels, People that Deliver