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## **The availability of drugs purchased for state funds in Ukraine**

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**Abstract.** In this paper the scheme of procurement of medicines in Ukraine for public funds is considered, the existing problems of availability of drugs and their possible solutions are revealed. The article deals with the initiative on the transfer of the functions of international organizations centralized procurement of drugs for individual state programs.

**Key words:** affordability of medicines, need in drugs, purchase for public funds.

Ensuring the availability of drugs – is a priority direction of the pharmaceutical industry of any country [1, 2]. The budget of Ukraine lays funding for health programs, on average; this amount varies between 3 billions UAH in year. For these funds should be procured drugs for the treatment of several diseases, such as cardiovascular diseases, diabetes, multiple sclerosis, nephrology diseases, hemophilia and tuberculosis as well as drugs for cancer patients and HIV-infected patients. This category of patients should receive free medication in the hospital. However, the availability of such medicines is still quite low.

Consider the standard schema purchase medicines for public funds (Fig. 1). In the first stage of the procurement process of medicines should be collecting data about the needs of all regions of Ukraine in medicines. Methods for calculating the needs of the orders are approved by the relevant Ministry of Health of Ukraine. Data is collected state institutions of medicine in the regions and then transferred to a higher level. It should be noted that these data are always underestimated, as there is no completeness of the information because of the number of patients who are not standing on the account.



**Fig. 1. Scheme of public procurement of medicines**

At the second stage the nomenclature of necessary medicines and medical devices is formed, to be purchased under the state program. Nomenclature is developed by the Commission, composed of experts of Ministry of Health and involved experts on the treatment of diseases, and the commission may include representatives of public organizations. The main aim of the Commission – is to achieve successful performance of state programs, ensuring effective and efficient use of state budget funds.

The next step is a meeting of the Permanent Working Group the Ministry of Health on issues of profile support public procurement of drugs (hereinafter – the permanent working group), the group is preparing information on necessary technical, qualitative and quantitative characteristics of the subject of procurement (medical and technological (technical) requirements) of drugs for treatment patients.

The basic information which is used by members of the working group is:

- Clinical protocols (standards) treatment;
- Statistical data on the needs of the regions;
- The amount of funds allocated in the state program for the treatment of this disease;

- A list of drug manufacturers;
- Information on the form of release and dosage of the drug and the convenience of its use by patients.

The fourth stage – is directly conducting competitive bidding. For the organization and conducting of the procurement procedure a committee of competitive bidding is created, which includes at least five people from the Ministry.

On the basis of applications submitted roster of proposals received. And at a certain time (indicated on the website of Ministry of Health, the site of public procurement in Ukraine and «Bulletin procurement») is held the disclosure of proposals from suppliers.

The following is the disclosure proposals. According to the Law of Ukraine «On public procurement», social control is provided through the free access to all information on public procurement – only members of the media may attend the auction and to disseminate information about the winner.

The sixth stage – is acceptance of the proposal. Not later than 20 working days after the disclosure of bids, took decision about the winner and sent an acceptance of offer competitive bidding (i.e. – formal consent to the terms of the supplier).

The next stages are signing of the contract, the delivery of drugs to the warehouse of the Ministry of Health and further delivery to the regions. The term of delivery of drugs is indicated in the contract between the Ministry of Health and the supplier. Typically, the supplier itself indicates the dates on which it is able to supply.

Public procurement of medicines is of great social significance because of the rational use of public funds depends level and availability of medical and pharmaceutical care to patients. However, it should be noted information gaps in the procurement process, the problems in the formation assortment of the drugs. It is also advisable to pay attention to the existence of situations of inappropriate choice of the drugs, the volume of their purchases and holding of the irrational pharmacotherapy and most importantly the presence of corruption schemes in the procurement system. In recent years, the cost of government procurement drugs grow, but at the same time, most drugs bought at inflated prices, drugs acquired some to a greater extent than is necessary, and some of medicines are not purchased at all.

Currently, the Ukrainian government is considering an initiative on the transfer to the international organizations of function the centralized procurement medicines for individual government programs [3]. The main idea is to move away from corrupt practices. However, it should be noted that this initiative has a number of drawbacks. Firstly, you can predict that the cost of government purchases will increase as the



payment will be made in the currency, exchange rate of which is unstable. At the same time international organizations-performers will deliver the medicines only to the Ukrainian border, which will increase costs for logistics.

Another initiative is the purchase of the drugs is not on the amount of allocated funds, but from the level of need. At the same time the calculation will be engaged in the Ministry of Health of Ukraine as earlier, without conducting deep pharmacoeconomic analysis.

Ukrainian participants of the pharmaceutical market may face with conditions discrimination because of the release of the medicines, procured through international organizations from VAT and import duties, as well as mandatory registration and certification in Ukraine. To avoid such a situation it is necessary to extend these tax breaks for all drugs in circulation in the market of Ukraine. It will also help to improve their physical and economic availability to the population of Ukraine.

Thus, the problems in public procurement remain relevant and require further work with the medical standards and the expansion of the number of drugs and the conditions of their purchases for public funds.

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