



EL
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DE TODOS



ECUADORIAN CASE IN THE POOLED PROCUREMENT OF MEDICINES FOR THE NATIONAL HEALTH SYSTEM

Corporate Reverse Auction as a mechanism to access fair pricing

Daniel López Salcedo

NATIONAL PUBLIC PROCUREMENT SERVICE (SERCOP)

Second Fair Pricing Forum

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SNAPSHOT

ECU Total Population
16 million

Expenditure on health as % of GDP
9%

Pharmaceutical expenditure USD
1,5 – 2 billion annually

Average cost per medicine before PP
USD 0,29

Annual savings for pooled procurement
USD 300 million

Aggregate demand

Elimination of entry barriers
Fast-track

ECU GDP
USD 110 billion

Expenditure on health per capita
USD 579

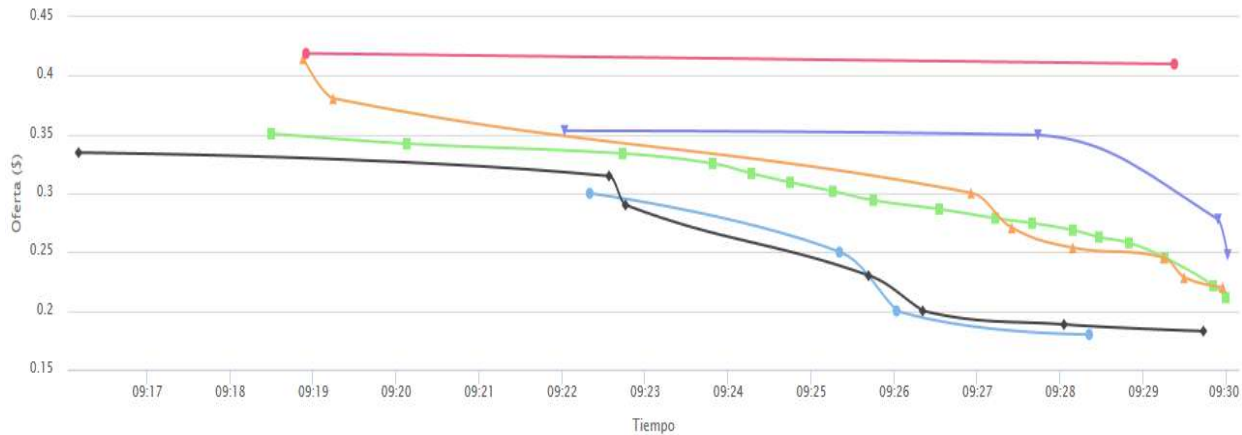
Average cost per medicine after PP
USD 0,09

Regional pricing

Electronic and competitive process
Zero paperwork

ECU GDP per capita
USD 6 640

Legal security and certainty
2+ years



e-Procurement Platform



LEGAL FRAMEWORK

Montecristi as a starting point for a new social pact



SERVICIO NACIONAL DE CONTRATACIÓN PÚBLICA

LEGAL FRAMEWORK

CONSTITUTION OF THE REPUBLIC OF ECUADOR (2008)

- The **State** is responsible for **ensuring the availability and access** to quality, safe and effective **medicines**, promoting national production and the **use of generic medicines**.
- In access to medicines, **the interests of public health will prevail over economic and commercial interests**.
- The application of international commercial instruments will **not impair the right to health and access to medicines**.
- The constitution puts the **common interest before the private interest**.
- **Public procurement** will meet **criteria of efficiency**, transparency and quality, national products and services will be prioritized.



LEGAL FRAMEWORK

ORGANIC HEALTH LAW (2006)

- **State** will promote the production, importation, commercialization, **dispensing and sale of generic medicines** with emphasis on the essentials. Its use, prescription, dispensation and dispensing is **mandatory in public health institutions.**

EXECUTIVE DECREE 188 (2009)

- Declares **access to priority medicines for public health as a public interest**, for which **compulsory licenses** may be confer for human use treatments.



LEGAL FRAMEWORK

ORGANIC LAW OF THE NATIONAL PUBLIC PROCUREMENT SYSTEM (2008)

- It establishes the acquisition of drugs under **Special Regime** procedure.
- Health entities are **obliged to acquire medicines that form part of the National List of Essential Drugs** (CNMB, for its Spanish acronym).
- Determines the following procurement procedures for the purchase of medicines:
 - **Very small amount:** decentralized purchase for minimum amounts or in situations of recurrence (urgent need).
 - **Institutional Investment Auctions:** decentralized purchase made by each entity.
 - **Direct contracting:** decentralized purchase for drugs with a single provider.
 - **Direct import:** decentralized purchase for specialized drugs that are not part of the CNMB.
 - **Acquisition with international organizations:** centralized purchase made through PAHO-WHO, UNFPA, and others.
 - **Corporative Reverse Auction: pooled procurement implement through SERCOP.**



CORPORATIVE REVERSE DRUGS AUCTION (SICM)

A transparent, efficient and dynamic procedure



SERVICIO NACIONAL DE CONTRATACIÓN PÚBLICA

WHAT IS THIS PUBLIC POLICY?

Centralized public procurement mechanism (monopsony) to supply medicines to the establishments of the Ecuadorian Public Health Network.

Assigned products become part of an **electronic** catalog of medicines, **where parameters and technical specifications are standardized.**

Trading conditions negotiated for 2 years, during which purchase exclusivity is granted to the awarded supplier.

Assigned price assumes = cost of the product + cost of delivery of the medicines at national scale + cost of replacement and incineration in case of expiration + cost of quality control tests.

Optimizes resources and reduces times of supply of medicines.

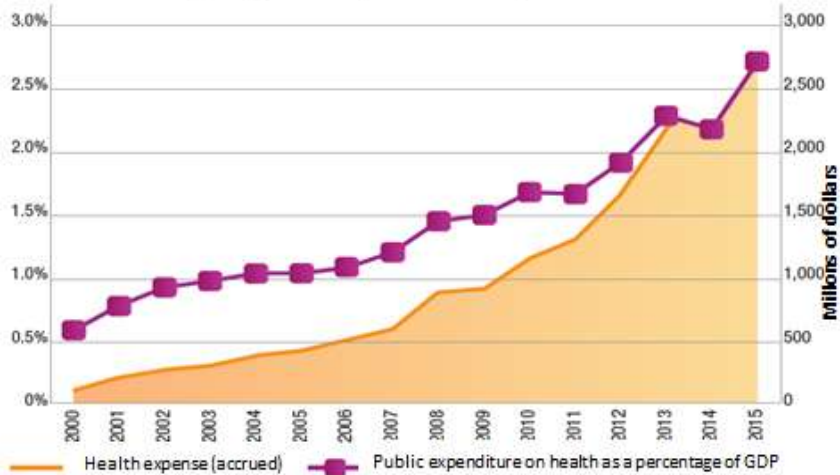
Avoid the falsification and dispersion of drug prices through atomized purchases.

Provides **legal security and certainty** to awarded suppliers.



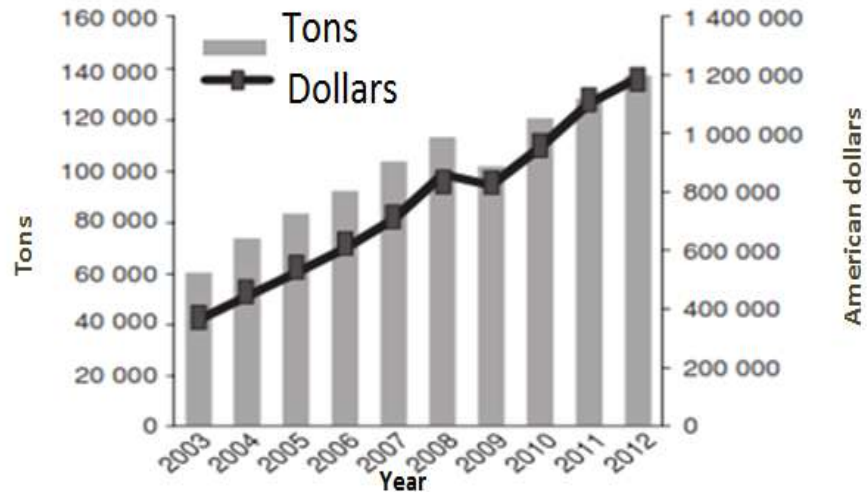
PHARMACEUTICAL DIAGNOSTIC

Graph No.5 Public Spending on Health (millions of dollars)



Source: Sistema Nacional de Información (SNI) SENPLADES
Development: SERCOP

Figure 2. Behavior of the Ecuadorian pharmaceutical market in the period 2003.2012



Source: Banco Central del Ecuador (2012)

HEALTH EXPENDITURE

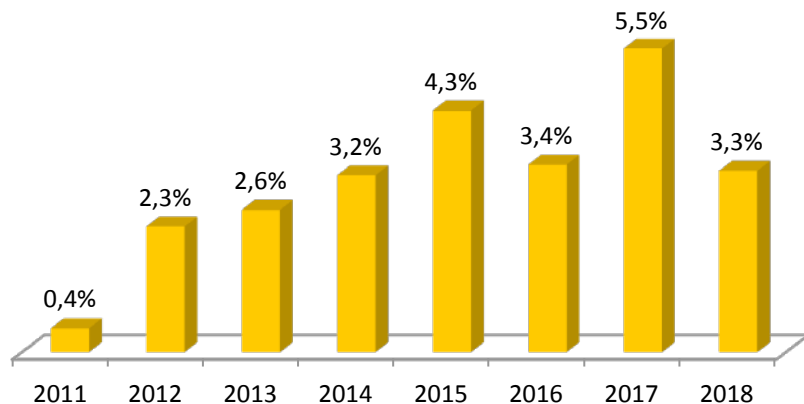
- Total health expenditure represents **9% of GDP** and **10% of the public budget**.
- Health expenditure per capita is **USD 579**.
- **Pharmaceutical** represent **16% of total health expenditure** and **44% of out-of-pocket expenditure**.

PHARMACEUTICAL MARKET

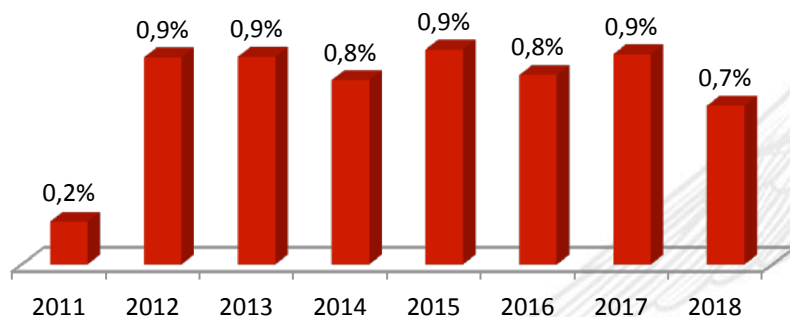
- **USD 1 500 – 2 000** million annually.
- **14 000 pharmaceutical products** registered by the regulatory agency (**70%** brand name drugs and **30%** generic drugs).
- Ecuador is the country with the **highest number of pharmacies per capita** in the region (**1 * 2 303** inhabitants).
- Around **10% of essential medicines** are **not available** in the local market.

SECTOR DIAGNOSTIC

Purchase of medicines / National public procurement



Purchase of medicines / General State Budget



Source: Sistema Oficial de Contratación del Estado (SOCE)

Elaboration: SERCOP

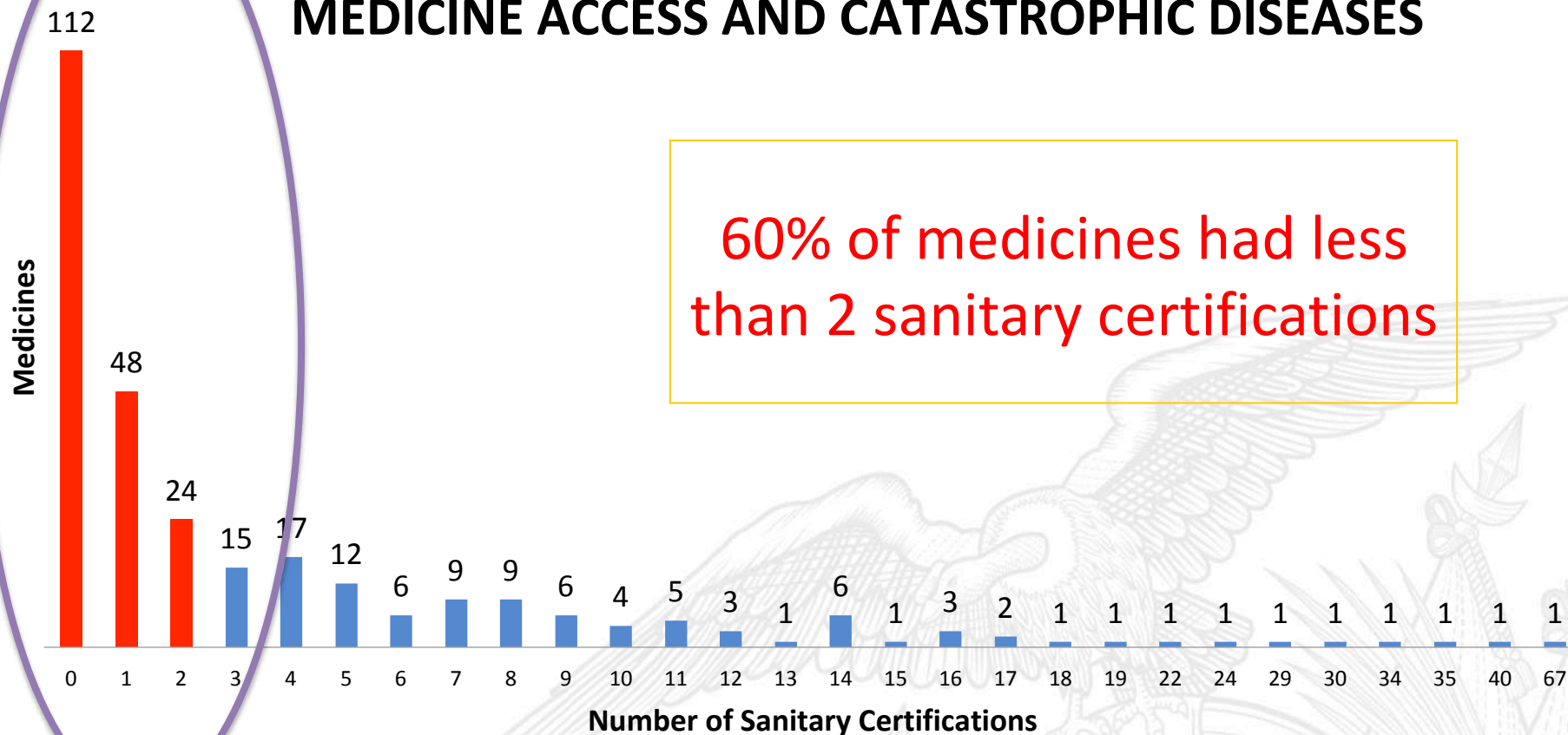
PUBLIC PURCHASE OF MEDICINES

- The public purchase has evolved between **6% -12% of GDP**.
- **USD 230-330 million** are transacted annually in the **public drug market**.
- **60%** of the amount of public purchase of medicines is made through the **centralized process**.
- **50%** of the public purchase of medicines is carried out by **social security** institutions.
- The Public Health System has **3 423 facilities** able to purchase medicines.
- **9 suppliers** concentrate 55% of the public purchase of medicines.



SECTOR DIAGNOSTIC

NUMBER OF SANITARY CERTIFICATION FOR DIFFICULT MEDICINE ACCESS AND CATASTROPHIC DISEASES

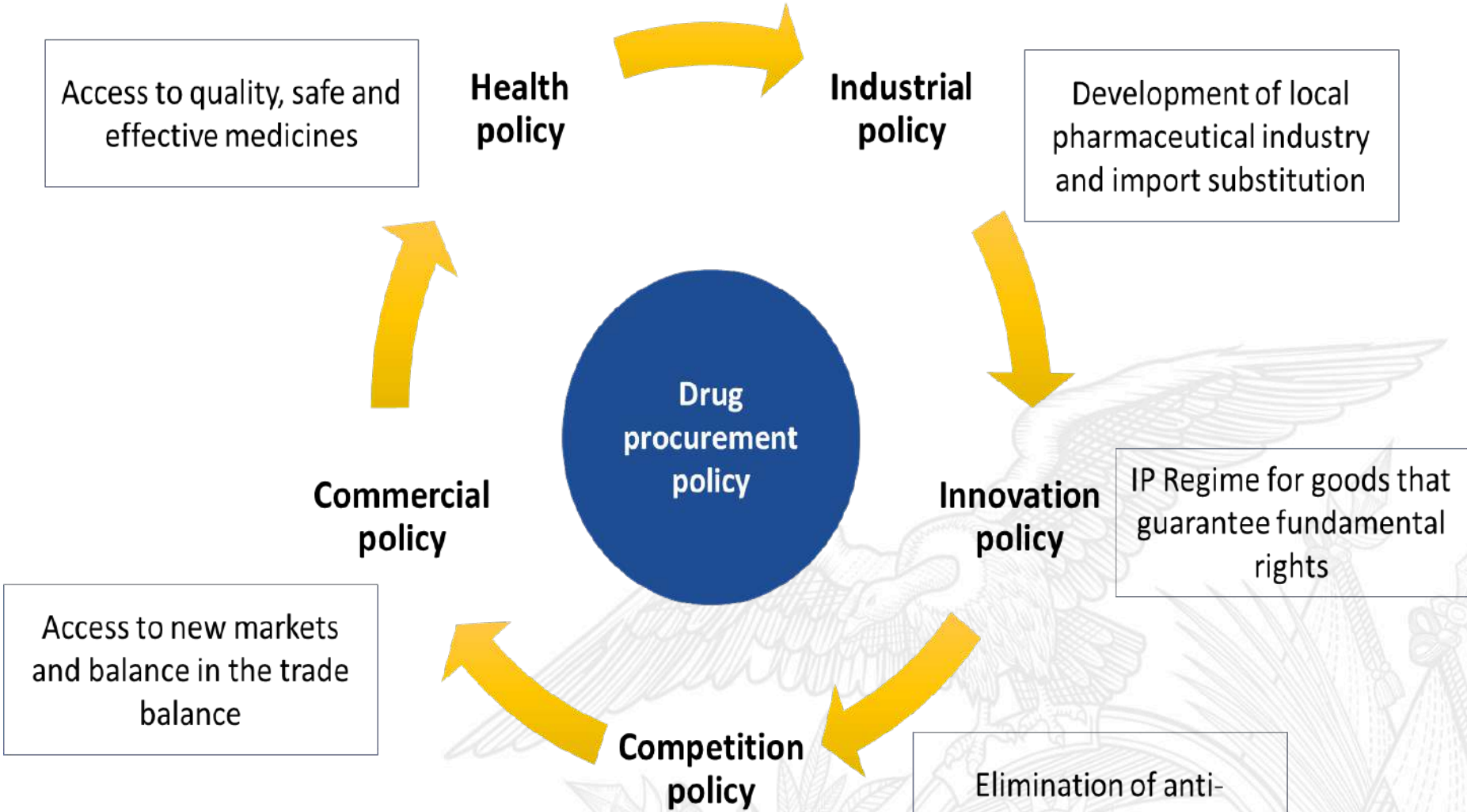


60% of medicines had less than 2 sanitary certifications

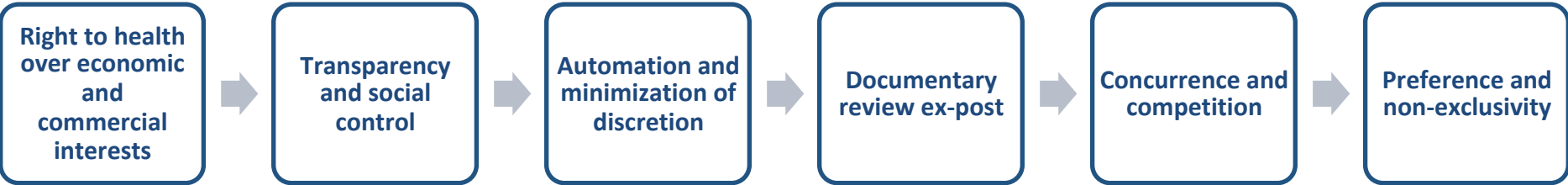
Source: National Health Regulation, Control and Surveillance Agency (ARCSA)
Elaboration: SERCOP



PROGRAMMATIC ARTICULATION



PRINCIPLES AND STAGES



GUIDING PRINCIPLES

STAGES

Market Intelligence
+
Preference margins for the local industry
+
e-Procurement platform design

- a. Publication
- b. Questions
- c. Answers
- d. Electronic submission of offer
- e. Automatic qualification
- f. Income of OEI
- g. Bid / negotiation
- h. Enabling delivery of documentation
- i. Award

Liquidity verification
+
Stock availability verification
+
Quality Control System
+
Inter-governmental coordination

- a. Evaluation of results
- b. Accountability report.
- c. Dissemination of results

1. PREPARATORY STAGE

2. PRE-CONTRACTUAL STAGE

3. CONTRACTUAL STAGE

4. POST-CONTRACTUAL STAGE

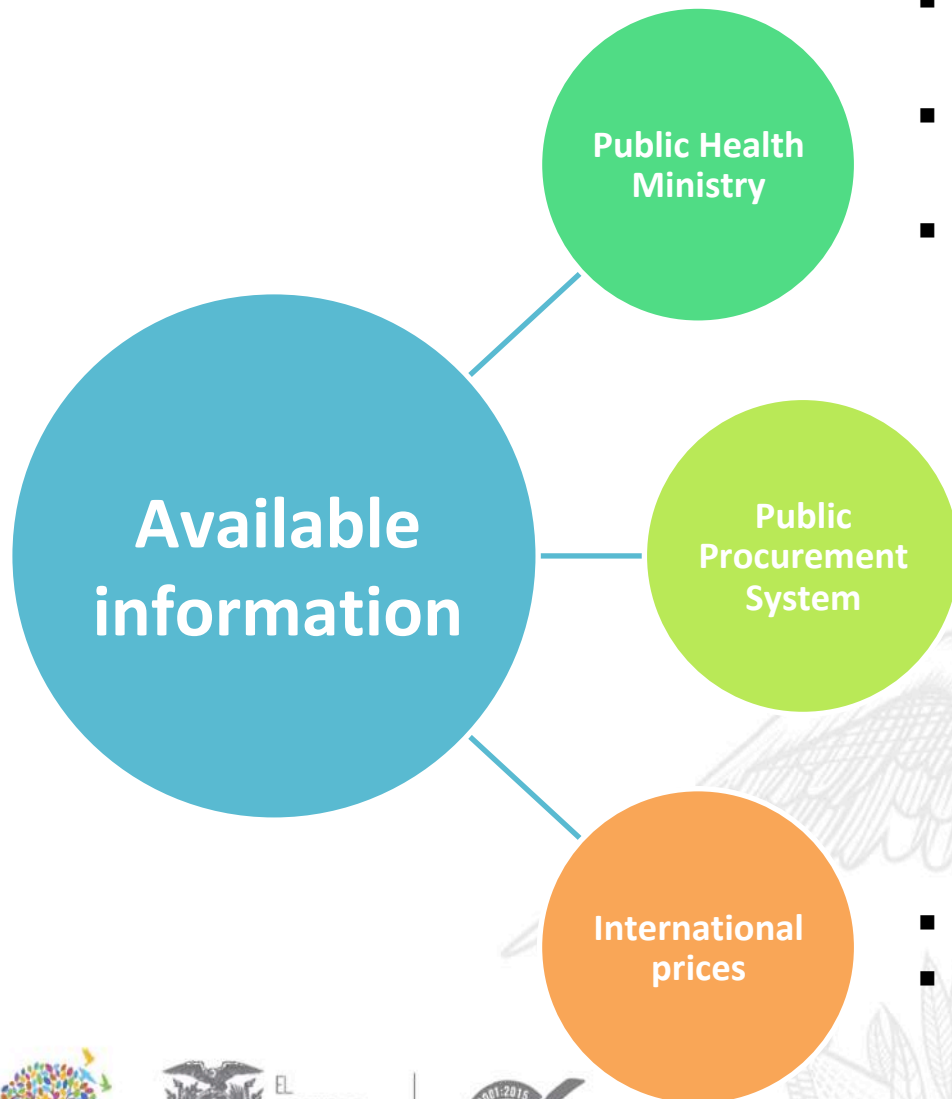
Adherence
+
Competitive process
+
Ex-post verification of sanitary requirements
+
Fast-track process

- a. Signing of Framework Agreements
- b. Cataloging (publication in repertoire of drugs)

- a. Update of information from suppliers.
- b. International Registry of Suppliers.
- c. Development of regulation
- d. Development of specifications
- e. Advisory Council
- f. Adequacy of virtual platform
- g. Dissemination Strategy

REFERENTIAL PRICES METHODOLOGY

INFORMATION SOURCES



- Historical purchase prices of health institutions.
- Historical minimal prices of private pharmacies.
- Historical official prices established by National Pricing Council.
- Historical prices awarded by outside of e-Catalogue SERCOP: 2010-2015.
- Historical prices awarded of Corporate Reverse Drugs Auction 2011.
- Government purchase prices.
- Consumer prices.



REFERENTIAL PRICES METHODOLOGY

INTERNATIONAL SOURCES OF INFORMATION

Through the price analysis, we concluded that from the 11 countries with available prices, considering the two International Organizations, 7 of them publish reference prices for the public sector, while the rest present prices to the consumer, which implies a distinction according to the purchase destination

PURCHASE DESTINATION	COUNTRIES
PUBLIC PURCHASE PRICES	Brazil, Bolivia, Mexico, Venezuela, Chile
	Peru, Trinidad y Tobago, Organization of the Eastern Caribbean States –OECS–
	Council of Ministers of Health of Central America –COMISCA– (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama y Dominican Republic)
CONSUMER PRICES (MAXIMUM SALES PRICES)	Brazil, Colombia, Argentina India, El Salvador



REFERENTIAL PRICES METHODOLOGY

INFORMATION PROCESSING FOR INTERNATIONAL PRICES

1

Identify the price for each medicine according to its active pharmaceutical ingredient (API), pharmaceutical form, concentration and presentation.

2

Analyze medicine form and presentation and establish its price per unit.

3

The unit price is based on the presentation in its minimum expression:

- **Oral solids.**- Price per tablet, pill, capsule, etc.
- **Oral solutions/liquids.**- Price per recipient, bottle, etc.
- **Semisolids.**- Price per tube.
- **Injectable solutions.**- Price per ampoule, vial, syringe , etc.

4

In cases where it was found more than one presentation, a simple average for unit of measurement was calculated between them.

Example: medicine with different presentation prices (Haloperidol)

DRUG	PRICE PER ML
Haloperidol 2 mg/ml oral sol. x 20 ml	\$ 22,33
Haloperidol 2 mg/ml oral sol. x 50 ml	\$ 41,23
Haloperidol 2 mg/ml oral sol. x 15 ml	\$ 52,41
AVERAGE	\$ 38,66



REFERENTIAL PRICES METHODOLOGY

INFORMATION PROCESSING FOR INTERNATIONAL PRICES

5

The conversion of current prices to USD was made, using the exchange rate from the period July 2014 to June 2015.

6

In the countries that had prices of previous years to 2015, the cumulative inflation rate of the each country in the respective period was used to bring these prices to the current year.

7

All prices in USD were adjusted by the Purchasing Power Parity (PPP) factor.

8

Once adjusted the prices, the statistical criteria was defined for the referential price of international source.



PRICES AWARDED

STRUCTURAL SAVINGS

DETAIL FOR 450 MEDICINES	USD (In millions)
Referential budget with prices of the Secretariat of Pricing (STFP)	883
Referential budget with SERCOP methodology of prices	606
Amount awarded	278
Savings by application of SERCOP methodology of prices	260
Savings by corporate auction execution.	346
TOTAL SAVING	624

Average number
of bidders per
medicine

8



Average savings
per medicine

52%

*The total savings are the sum of the savings by the application of SERCOP's methodology plus the total savings obtained from the corporate reverse auction execution, calculated for two years of validity of the contracts.

Source: Sistema Oficial de Contratación del Estado (SOCE)

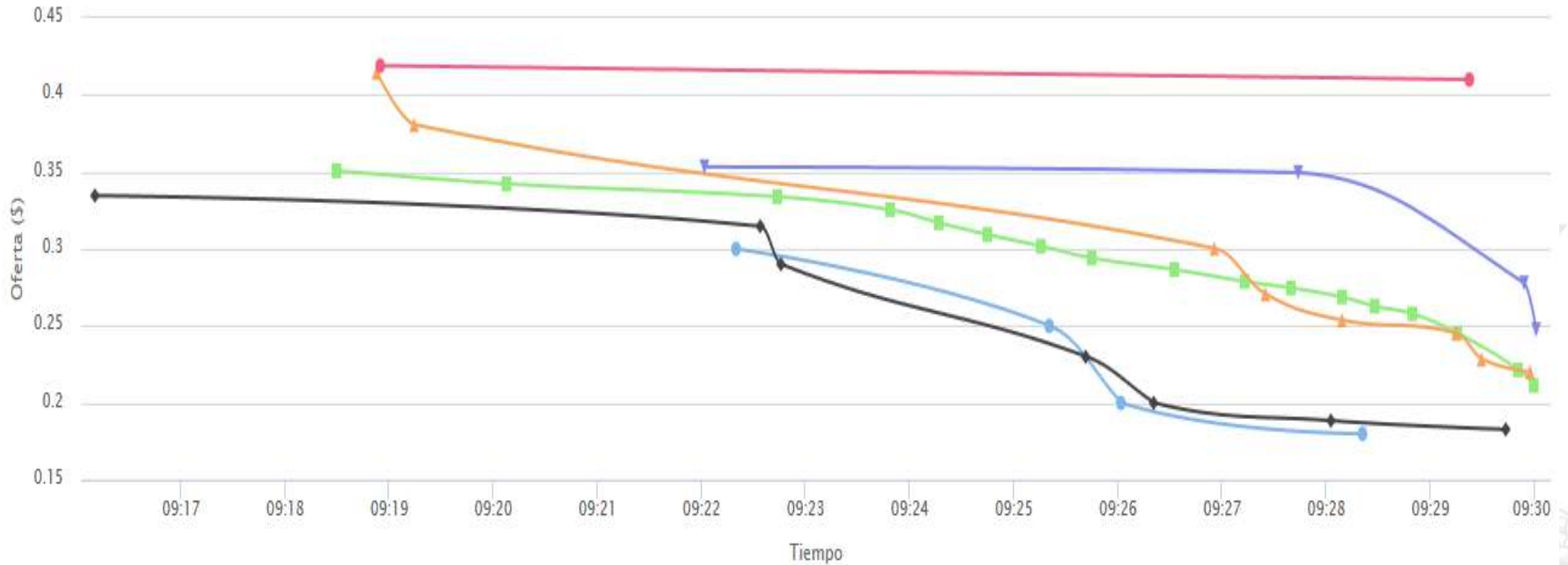
Elaboration: SERCOP



PRICES AWARDED AUCTION EXAMPLE

LOPINAVIR + RITONAVIR

SICM-282-2016-B



◆ SURIANI-PHARMA CUENTAS EN PARTICIPACION ◆ F.J.P. FAJAPRO COMERCIO Y REPRESENTACIONES CIA. LTDA ◆ OXIALFARM CIA LTDA ◆ FARMEL FARMACOS Y MEDICAMENTOS CIA. LTDA.
◆ GINSBERG ECUADOR S.A. ◆ BAXLEYGROUP S.A.

Source: Sistema Oficial de Contratación del Estado (SOCE)
Available in: <https://sicm.compraspublicas.gob.ec/>



SERVICIO NACIONAL DE CONTRATACIÓN PÚBLICA

PRICES AWARDED

REGIONAL COMPARATIVE ANALYSIS

COUNTRY	LOPINAVIR + RITONAVIR		
	MANUFACTURER	LOCAL CURRENCY	USD
Ecuador ¹	Mylan	(USD) 0,18	0,18
Chile ²	Abbvie	(Peso chileno) 735,00	1,19
Colombia ³	Legrand	(Peso colombiano) 791,67	0,28
Perú ⁴	Pharmaris	(Sol) 0,98	0,30

Sources:

¹Prices awarded SICM 2016 - <https://catalogo.compraspublicas.gob.ec>

²Current drug prices - <https://www.cenabast.cl/compras-cenabast-vigentes/>

³Prices Thermometer - <https://www.minsalud.gov.co/salud/MT/Paginas/termometro-de-precios.aspx>

⁴National Information System of Prices - <http://observatorio.digemid.minsa.gob.pe/?over=1>



PRICES AWARDED

REGIONAL COMPARATIVE ANALYSIS

COUNTRY	ETRAVIRINA 100 MG		
	MANUFACTURER	LOCAL CURRENCY	USD
Ecuador ¹	Janssen	(USD) 3,88	3,88
Chile ²	Janssen	(Peso chileno) 7.350,00	11,91
Colombia ³	N/D	N/D	N/D
Perú ⁴	Johnson (Janssen)	(Sol) 14,94	4,57

Sources:

¹Prices awarded SICM 2016 - <https://catalogo.compraspublicas.gob.ec>

²Current drug prices - <https://www.cenabast.cl/compras-cenabast-vigentes/>

³Prices Thermometer - <https://www.minsalud.gov.co/salud/MT/Paginas/termometro-de-precios.aspx>

⁴National Information System of Prices - <http://observatorio.digemid.minsa.gob.pe/?over=1>



PRICES AWARDED

REGIONAL COMPARATIVE ANALYSIS

COUNTRY	LAMIVUDINA + ABACAVIR		
	MANUFACTURER	LOCAL CURRENCY	USD
Ecuador ¹	Oxialfarm	(USD) 0,78	0,78
Chile ²	GlaxoSmithKline	(Peso chileno) 3.891,00	6,30
Colombia ³	Saluspharma	(Peso colombiano) 2.418,00	0,85
Perú ⁴	N / D	N / D	N / D

Sources:

¹Prices awarded SICM 2016 - <https://catalogo.compraspublicas.gob.ec>

²Current drug prices - <https://www.cenabast.cl/compras-cenabast-vigentes/>

³Prices Thermometer - <https://www.minsalud.gov.co/salud/MT/Paginas/termometro-de-precios.aspx>

⁴National Information System of Prices - <http://observatorio.digemid.minsa.gob.pe/?over=1>



PRICES AWARDED

REGIONAL COMPARATIVE ANALYSIS

COUNTRY	RALTEGRAVIR 400 MG		
	MANUFACTURER	LOCAL CURRENCY	USD
Ecuador ¹	Merck S&D	(USD) 3,87	3,87
Chile ²	Merck S&D	(Peso chileno) 3.167,00	5,13
Colombia ³	Merck S&D	(Peso colombiano) 17.770,00	6,27
Perú ⁴	Merck S&D	(Sol peruano) 27,86	8,53

Sources:

¹Prices awarded SICM 2016 - <https://catalogo.compraspublicas.gob.ec>

²Current drug prices - <https://www.cenabast.cl/compras-cenabast-vigentes/>

³Prices Thermometer - <https://www.minsalud.gov.co/salud/MT/Paginas/termometro-de-precios.aspx>

⁴National Information System of Prices - <http://observatorio.digemid.minsa.gob.pe/?over=1>



PRICES AWARDED

REGIONAL COMPARATIVE ANALYSIS

COUNTRY	BEVACIZUMAB (100 MG/4 ML)		
	MANUFACTURER	LOCAL CURRENCY	USD
Ecuador ¹	Sinergium Biotech	(USD) 172,76	172,76
Chile ²	Roche	(Peso chileno) 303.060,00	491,03
Colombia ³	Roche	(Peso colombiano) 997.202,24	354,01
Perú ⁴	Roche	(Sol) 1.720,00	526,53

Sources:

¹Prices awarded SICM 2016 - <https://catalogo.compraspublicas.gob.ec>

²Current drug prices - <https://www.cenabast.cl/compras-cenabast-vigentes/>

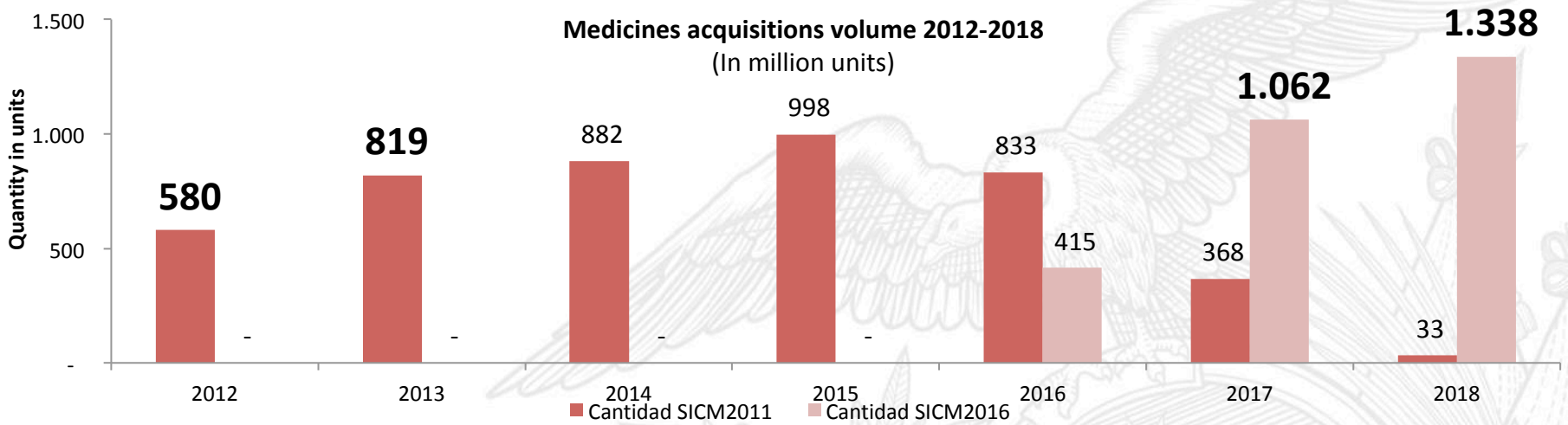
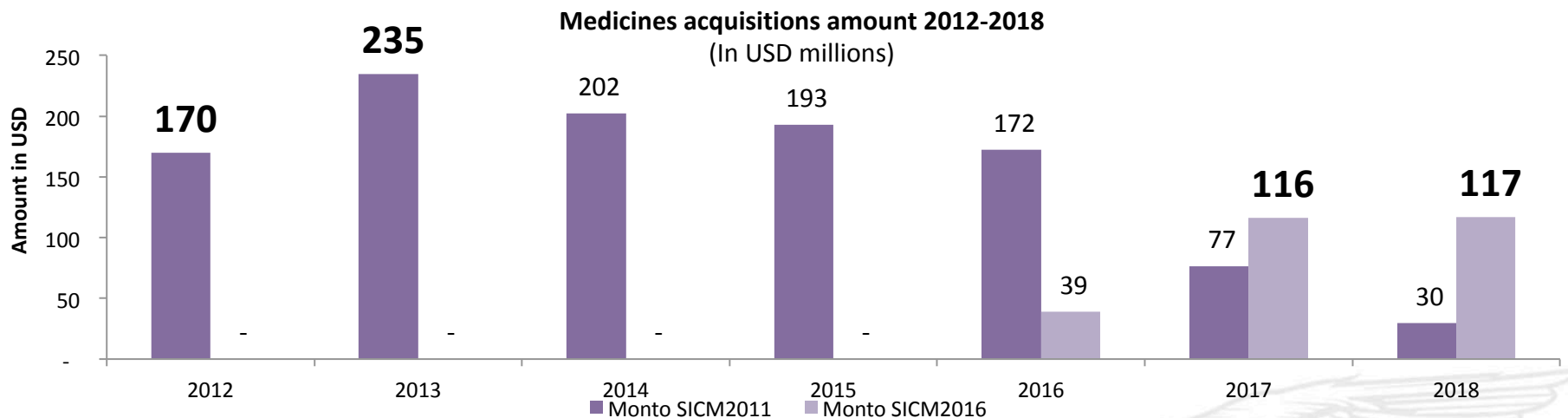
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⁴National Information System of Prices - <http://observatorio.digemid.minsa.gob.pe/?over=1>



PRICES AWARDED

COMPARATIVE ANALYSIS SICM 2011 VS SICM 2016



The unit cost per medicine in 2012 was **USD 0,29**, while in 2018 was **USD 0,09**.
Without putting at risk the quality of medicines.



e-CATALOG OF MEDICINES

catalogo.compraspublicas.gob.ec

SERCOP darunavir **CATÁLOGO ELECTRÓNICO** Ordenes de Compra Generadas 000.000.001.041.073

Volver al SOCE Iniciar sesión

Volver

DARUNAVIR

Estimada entidad contratante,

Les recordamos que previo a realizar una orden de compra, se debe REVISAR LA PRESENTACIÓN COMERCIAL DEL MEDICAMENTO CATALOGADO, misma que consta en la Cláusula Décima Primera del Convenio Marco. Esto con el fin de garantizar la calidad y la idoneidad del medicamento y garantizar el cumplimiento del Convenio Marco.

Proveedores

Especificaciones

Convenio

Archivos

FARMEI FARMACOS Y MEDICAMENTOS CIA. LTDA.



Precio \$ 1,280000

Estimado usuario usted no está autorizado a comprar este medicamento.

Atributo	Valor
CONCENTRACIÓN	600 mg
CONCENTRACION ESPECÍFICA DEL MEDICAMENTO	600 mg
CONDICIONES DE ALMACENAMIENTO	CONSERVAR A TEMPERATURA NO MAYOR A 30C
CUM	J05AE10SOR365X0
FECHA DE EMISIÓN DEL REGISTRO SANITARIO	2016-05-07 16:47:46
FECHA DE VIGENCIA DEL REGISTRO SANITARIO	2021-05-17 23:59:00
FORMA FARMACEUTICA	Sólido oral
FORMA FARMACÉUTICA ESPECÍFICA	COMPRIADOS RECUBIERTOS
LICENCIA CONSEP / SETED	NO REQUIERE
NOMBRE COMERCIAL DEL MEDICAMENTO	DARUNAVIR COMPRIADOS RECUBIERTOS 600mg
NÚMERO DE REGISTRO SANITARIO	2147-MEE-0516
ORIGEN FABRICANTE	INDIA
PERIODO DE VIDA UTIL	24 MESES
PRECIO ADJUDICADO	1.280000
PRESENTACIÓN COMERCIAL DEL MEDICAMENTO	CAJA X 1 FRASCO X 60 COMPRIADOS RECUBIERTOS + INSERTO
PRINCIPIO ACTIVO (DCI)	Darunavir
RAZON SOCIAL DEL FABRICANTE	HETERO LABS LIMITED
VIA DE ADMINISTRACIÓN	ORAL



<https://catalogo.compraspublicas.gob.ec/>

SERVICIO NACIONAL DE CONTRATACIÓN PÚBLICA

ACQUISITION MONITORING PLATFORM



Q SALUD CONTIGO

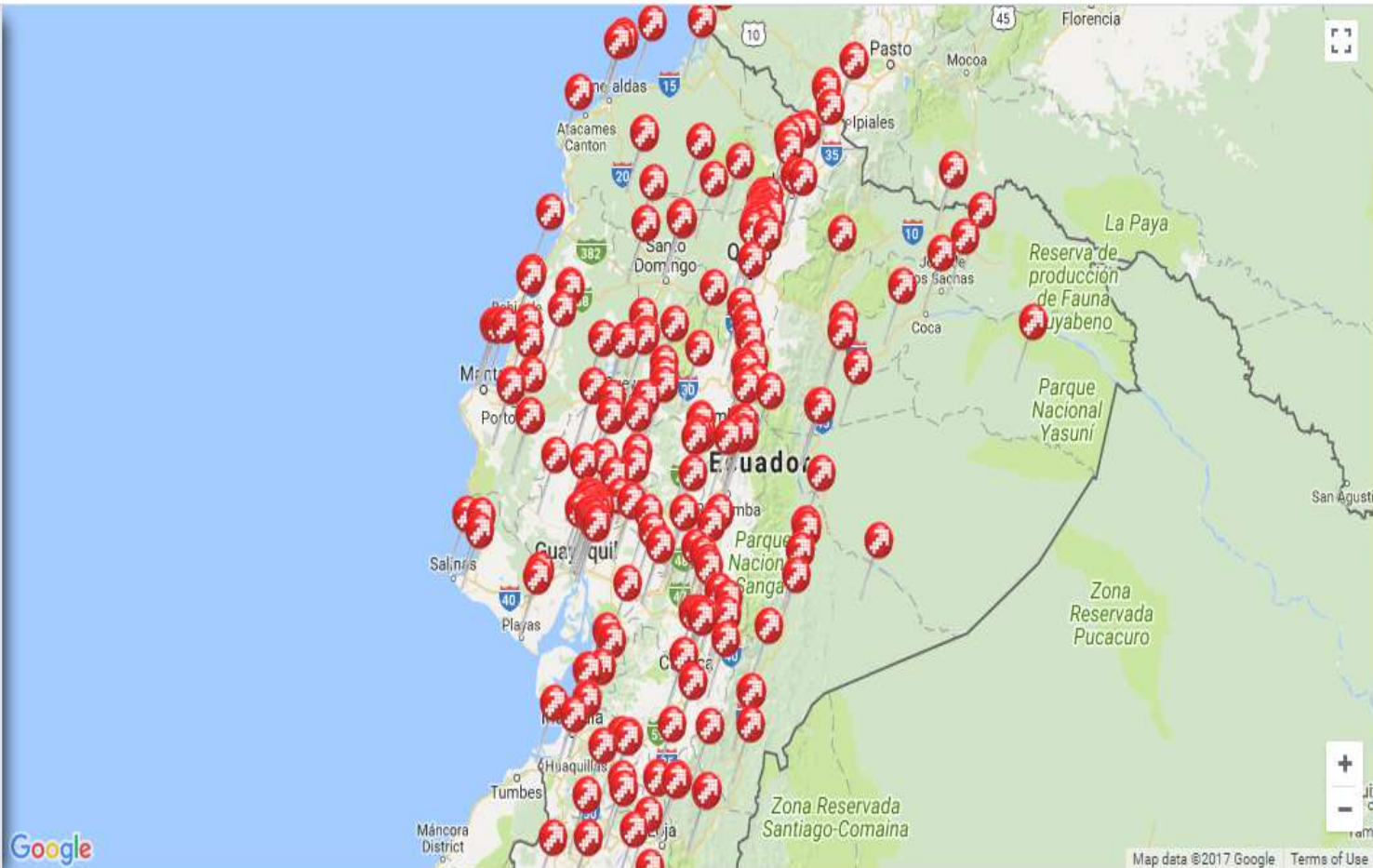
Infórmate sobre las adquisiciones de medicamentos que hacen los centros de salud del país.

1. Ingresar el nombre del centro de salud de tu interés, sin tildes, se acepta la letra (ñ)
2. Elige el hospital del listado que se despliega y da clic sobre la **flecha roja**
3. Pulsa la opción **"Limpiar"** para hacer una nueva búsqueda.

Escriba el nombre del Centro de Salud:

Limpiar

Ver Todo



<https://saludcontigo.compraspublicas.gob.ec/>

SERVICIO NACIONAL DE CONTRATACIÓN PÚBLICA

ACHIEVEMENTS

Currently there are **450 products of the National List of Essential Drugs in e-Catalog** for the Public Health System's acquisitions.

The centralized purchasing model allows to optimize the expenditure of medicines in more than **USD 300 million annually**.

Implementation of **permanent inter-governmental monitoring and coordination mechanisms** to identify preventive or corrective actions.

The **national supply is 95%**, despite a standard deviation in the initial needs planned.

Standardization and automation of delivery-reception processes of medicines in the National Health System institutions.

Implementation of **Alert System for Quality Control** allows to guarantee compliance with technical specifications.





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daniel.lopez@sercop.gob.ec

www.sercop.gob.ec
medbid.sercop.gob.ec

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