COMPETITIVE ELECTRONIC POOLED PROCUREMENT OF MEDICINES FOR THE PUBLIC HEALTH SYSTEM

ECUADOR 2016

Santiago Vásquez C.
CONTENTS

• Past experiences
• Planning and design
• Main results
• IP

Note: all data is publicly available at sercop.gob.ec
SNAPSHOT

• Background:
  • Population of Ecuador = 17 million (2018)
  • Total health budget = USD 3.9 billion, 3.9% GDP (2016)
• 800 types of medicine
• For delivery at 3000+ healthcare facilities
• 2-year budget = USD 733 million
• Saved USD 423 million
PAST EXPERIENCES (2011)

High Prices: Collusion and exclusion of international participants.

Inefficiencies: Bureaucratic and paper-based tender exposed to wrongdoing.

Dispersion: Chaotic atomization of tender specifications
### PLANNING AND DESIGN: KEY CONCEPTS

<table>
<thead>
<tr>
<th>Concept</th>
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<tbody>
<tr>
<td>Aggregate demand + long-term contracts (2+ years)</td>
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<td>Public sector market power</td>
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<td>True competition with simplified registry for foreign bidders</td>
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<td>Zero papers: lowest-price only documentation review</td>
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<td>Second-best options without new auction</td>
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<td>Possibility for post-bidding marketing authorization</td>
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<td>Blind reverse-auction bidding process.</td>
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<td>Concept</td>
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<td>Permanent and open consultations</td>
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<td>Standardization of specifications to generic versions</td>
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<td>Global study of unit prices for each medicine</td>
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<td>No criminogenic environment</td>
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<td>Automatic interoperable controls to avoid collusion</td>
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<td>Procurement order that facilitated compulsory licenses</td>
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POOLED PROCUREMENT OF MEDICINES 2016: Gentamicine Sulfate
POOLED PROCUREMENT OF MEDICINES 2016: RESULTS

TOTAL SAVINGS AS OF SEPTEMBER 2018:

USD 423 MILLION

0.4% OF GDP
POOLED PROCUREMENT OF MEDICINES 2016: RESULTS

Interferon beta -1A
- Market Price: USD 1865 per unit.
- Awarded Price at Procurement: USD 305 per unit.
- 83% less than market price

Pemetrexed
- Market Price: USD 655 per unit.
- Awarded Price at Procurement: USD 24 per unit.
- 96% less than market price

Idarubicine
- Market Price: USD 354 per unit.
- Awarded Price at Procurement: USD 50 per unit.
- 85% less than market price
POOLED PROCUREMENT OF MEDICINES 2016: RESULTS

**Carvedilol**
- Market Price: **USD 2.86 per unit**.
- Awarded Price at Procurement: **USD 0.02 per unit**.
- 100% less than market price.

**Alendronic Acid**
- Market Price: **USD 2.28 per unit**.
- Awarded Price at Procurement: **USD 0.029 per unit**.
- 99% less than market price.

**Clopidrogeal**
- Market Price: **USD 1.30 per unit**.
- Awarded Price at Procurement: **USD 0.023 per unit**.
- 99% less than market price.
POOLED PROCUREMENT OF MEDICINES 2016: ACCESS

230% MORE ACCESS TO MEDICINES WITH THE SAME BUDGET
POOLED PROCUREMENT OF MEDICINES 2016: ACCESS

**Losartan**
- Access at market prices: 5.3 million units.
- Access at procurement prices: 35 million units.

**Metformin**
- Access at market prices: 3.7 million units.
- Access at procurement prices: 60 million units.

**Simvastatin**
- Access at market prices: 1.6 million units.
- Access at procurement prices: 41 million units.
POOLED PROCUREMENT OF MEDICINES 2016: ACCESS

**Enalapril**
- Access at market prices: **3.2 million units**.
- Access at PProcurement prices: **33 million units**.

**Prednisone**
- Access at market prices: **334 thousand units**.
- Access at PProcurement prices: **3.8 million units**.

**Imatinib**
- Access at market prices: **3.3 thousand units**.
- Access at PProcurement prices: **40.5 thousand units**.
POOLED PROCUREMENT OF MEDICINES and COMPULSORY LICENSES

Abacavir sulfate/ Lamivudin

From USD 9.17 per unit to USD 0.77 per unit

Mycophenolate

From USD 390 per unit to USD 0.07 per unit
POOLED PROCUREMENT OF MEDICINES and COMPULSORY LICENSES

- **Sunitinib**
  - From USD 7318 per unit to USD 93 per unit

- **Lopinavir/Ritonavir**
  - From USD 10.28 per unit to USD 0.18 per unit
POOLED PROCUREMENT OF MEDICINES and BIOSIMILARS

Bevacizumab
- Ecuador won against BigPharma
- Results: USD 20 million in savings per year.
- 60% more access for patients.

Trastuzumab
- Ecuador lost against BigPharma
- Results: Price remained at USD 1928 per unit.
- Restricted access for patients

BIG DIFFERENCE
- Price of Bevacizumab at PProcurement: USD 172 per unit.
- Price of Trastuzumab at PProcurement: USD 1928 per unit.
THANK YOU

Santiago Vásquez C.

More info: santiago@progressiveprocurement.group