

Hospital Pharmacy Services

Procurement of Drugs and Pharmaceuticals

Procurement of Drugs

- Procurement refers to the process of sourcing, purchasing, and acquiring drugs and pharmaceutical products needed in the hospital.
- Efficient procurement ensures the continuous availability of required medicines in correct quantities, at the right time, and at the lowest possible cost without compromising quality.

Objectives of Drug Procurement:

- Ensure uninterrupted supply of essential medicines
- Minimize costs while maintaining quality
- Avoid overstocking or understocking
- Prevent procurement of expired or substandard products
- Promote rational drug use by aligning with hospital formulary

Procurement Process:

1. Estimation of Requirements:

- Based on past consumption records, bed occupancy, average length of stay, and seasonal variations.
- Takes into account newly introduced drugs or changes in treatment protocols.

2. Selection of Drugs:

- Based on the hospital formulary (a list of approved medicines).
- Drugs are categorized into essential and non-essential, based on therapeutic need and cost-effectiveness.

3. Source Selection:

- Manufacturers, government-approved suppliers, wholesalers, or central procurement agencies.
- Vendor evaluation is done based on quality assurance, delivery timelines, and past performance.

4. Tendering and Quotation:

- In large hospitals, procurement is often done through tenders to invite competitive pricing.
- Open tender, limited tender, or direct purchase depending on value and urgency.

5. Purchase Order (PO):

- A formal document sent to the selected vendor confirming the type, quantity, and price of drugs.

6. Receiving and Inspection:

- On delivery, drugs are checked for quantity, quality, expiry dates, packaging integrity, and batch numbers.

7. Storage and Stocking (Warehousing)

8. Payment to Supplier:

- After verification, payment is made as per the agreement, usually after receiving a GRN (Goods Receipt Note).

Warehousing (Storage of Drugs)

- Warehousing involves the proper storage of pharmaceutical products to ensure their safety, efficacy, and integrity until they are needed.
- It includes the facilities, systems, and procedures used to handle drugs from the time they are received until they are distributed.

Types of Warehouses

- **Central Medical Stores (CMS):** Receive bulk drugs from manufacturers and redistribute to regional or district facilities.
- **Regional/District Stores:** Serve as intermediate storage and distribution hubs.
- **Health Facility Stores:** Final storage points before drug administration.

Objectives of Warehousing:

- Preserve drug quality and prevent deterioration
- Avoid pilferage and misuse
- Facilitate easy retrieval and issue

Key Aspects of Warehousing:

1. Storage Conditions:

- Temperature and humidity control (e.g., refrigerated storage for insulin, vaccines)
- Protection from light, moisture, and pests

2. Layout of the Store:

- Separate areas for different categories: narcotics, high-value items, returned goods, quarantine items
- Clean, well-ventilated, and secure with restricted access

3. Inventory Arrangement:

- Alphabetical or therapeutic class-wise
- FIFO (First-In-First-Out) or FEFO (First-Expiry-First-Out) methods used

4. Documentation:

- Stock registers, bin cards, computerized inventory systems
- Batch number, expiry date, and purchase records maintained

5. Security:

- Especially for narcotics and controlled drugs
- Locked cupboards, surveillance, and authorized personnel access

6. Periodic Audits and Stock Verification:

- Regular physical stock checks to reconcile with records
- Helps detect pilferage, expired stock, and discrepancies

Warehouse Operations

1. Receiving

- Verification of quantity and condition of incoming drugs.
- Inspection against the purchase order and delivery documents.
- Sampling for quality control when necessary.

2. Storage

- **Segregation of products based on category:**
 - General medicines
 - Narcotics and controlled substances
 - Expired/returned goods
- Use of First Expiry, First Out (FEFO) and First In, First Out (FIFO) principles.
- Temperature monitoring systems (refrigerators, air conditioners, thermometers, data loggers).
- Proper labeling and documentation.

3. Inventory Management

- **Use of Inventory Control Systems, such as:**
 - Manual ledgers
 - Computerized systems (ERP, Warehouse Management Systems)
- Regular stock audits, cycle counting, and reconciliation.
- **Maintenance of:**

- Stock cards
- Bin cards
- Stock registers

4. Order Picking and Packing

- Selection of products as per requisitions.
- Verification for batch numbers and expiry dates.
- Packaging according to transport and storage conditions.

5. Distribution and Dispatch

- Drugs are dispatched to health facilities as per requirement.
- Accompanied by delivery challans, invoices, and stock transfer notes.
- Use of validated transport systems, especially for cold chain items.

6. Record-Keeping

- All records related to drug receipts, storage, and issues are maintained.
- Essential for traceability, audits, and regulatory compliance.

Inventory Control

Definition of Inventory Control

- Inventory control refers to the process of managing the supply, storage, and accessibility of items to ensure that the right quantity of the right items is available at the right time and place.
- In the context of drugs and pharmaceuticals, inventory control is crucial for ensuring continuous availability of essential medicines, avoiding stockouts, preventing overstocking, and minimizing waste due to expiry or damage.

Objectives of Inventory Control:

- Ensure uninterrupted supply of essential medicines
- Minimize wastage due to expiry or deterioration
- Optimize storage space and costs
- Avoid tying up capital in excessive inventory
- Ensure availability of high-priority and life-saving drugs

Various Methods of Inventory Control

- Inventory control involves different techniques to manage different types of drugs based on their **value**, **criticality**, and **consumption patterns**.

Below are the key methods:

1. ABC Analysis (Always Better Control)

Definition:

- ABC analysis is a technique of classifying inventory items based on their annual consumption value (cost × usage rate).

Classification:

A. A-items:

- High-value items with low frequency of use.
- About 10% of items account for 70% of the total inventory cost.
- Require tight control, frequent reviews, and detailed records.

B. B-items:

- Medium-value items.
- Around 20% of items account for 20% of the total inventory cost.
- Require moderate control.

C. C-items:

- Low-value items with high frequency of use.

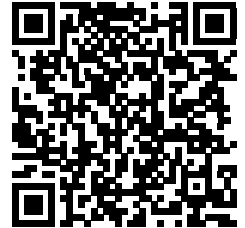


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