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INTRODUCTION

Background:

Government of Odisha has the mandate to provide quality essential medicines for all kinds of diseases on free of cost to patients coming to Government health facilities through “Free Medicine Distribution Scheme”.

Procurement planning & management of drugs & medical consumables is an essential component of public health planning process. The decision to procure drugs & consumables for a health institution should be rational and based on need, disease prevalence & consumption pattern of that institution.

Keeping this in perspective, the following guidelines are issued for ensuring rational procurement planning & management of drugs & medical consumables for all health facilities at primary, secondary & tertiary levels.
I. ANNUAL PROCUREMENT PLANNING

1.1 Essential Drug List (EDL)

1.1.1 Essential medicines are those that satisfy the needs of majority of population, should be available at all times, in adequate quantities and in proper doses, are rational and are of proven therapeutic value and safety.

The essential drug list (EDL) 2014 (facility wise) has been prepared by H&FW Department. The EDL also include both programme and specialist drugs. EDL is available in the form of a printed booklet for distribution to the health facilities and also hosted in State Drug Management Unit (SDMU) website: (www.http://203.193.146.66/hfw/SDMU/tender.html) and Odisha State Medical Corporation website (www.osmcl.nic.in) for reference.

1.1.2 The Department of H&FW Department shall review, finalize and issue the revised facility wise EDL once in two-year.

1.2 State Level Technical Advisory Committee (STAC)

1.2.1 Composition of STAC

The composition of STAC for Drugs is as mentioned below:

1) Special Secretary–Chairman
2) Joint Director, SDMU - Convener
3) DMET
4) FA(H&FW Dept.)
5) Director of Health Services
6) Principal & Superintendent of Medical Colleges
7) Drugs Controller
8) Joint Director (Tech.), NHM
9) Director& Superintendent (AHRCC/ CH/ IMH/SB)
10) Special Invitees as per requirement (i.e. HODs / Specialists in Pharmacology etc.)

1.2.2 Roles & Responsibility of STAC

(a) The STAC duly appointed by the department shall revise the EDL periodically as explained below. For revision of EDL, STAC shall take into account the suggestions from the Drug & Therapeutic Committees (DTCs) of different level (Details of the different DTCs and their roles & responsibilities are explained at 1.4).
(b) STAC may include new drugs if required for procurement in case of any emergency.
(c) Finalization of Standard Treatment Guideline (STG)
1.3 Process for Periodic Revision of EDL

1.3.1 The EDL shall be revised or updated at least once in two years by the State Level Technical Advisory Committee (STAC). EDL shall be valid till new one is issued.

1.3.2 Suggestions for amendments to the EDL shall be submitted to SDMU in a prescribed format (Form A) by the Drug Therapeutic Committees (DTCs) of respective Medical Colleges, Major Health Institution, District & Block with due justification. All the institution should submit their suggestions with respect to revision or addition to EDL by August of every alternative years failing which it shall be presumed that the concerned DTCs have no suggestions for revision of EDL. SDMU shall compile and consolidate the comments and suggestions and place it before STAC for consideration.

1.3.3 The Block Drug and Therapeutics Committee (BDTC) shall submit their comments / suggestions on EDL to the District Drug and Therapeutics Committee (DDTC). DDTC shall compile the comments and suggestions received from respective BDTCs under them along with DHH and submit the consolidated one to STAC.

1.3.4 All such suggestion shall be placed before the STAC for review and consideration based on the merit of the individual case. New drugs shall only be introduced if they offer distinct advantages over existing drugs. If information on existing drugs shows that they no longer have a favorable risk/benefit ratio, they shall be withdrawn and replaced with safer alternatives.

1.3.5 STAC will ensure that drugs selected for incorporation into the EDL are suitable for appropriate treatment of prevailing diseases and the necessity of that drug at different level of health care facility are met.

1.4 Drug and Therapeutic Committee (DTC)

1.4.1 Drug and Therapeutics Committee (DTC) shall be constituted in all districts, blocks, medical colleges and other major government health institutions in the state as mentioned below in order to ensure correct, efficient and cost effective management of drugs & medical consumables.

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Drug and Therapeutics Committees</th>
<th>Level</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Block Drug and Therapeutics Committee (BDTC)</td>
<td>Level I</td>
</tr>
<tr>
<td>2</td>
<td>District Drug and Therapeutics Committee (DDTC)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Major Health Institution Drug and Therapeutics Committee (MIDTC)¹</td>
<td>Level II</td>
</tr>
<tr>
<td>4</td>
<td>Medical College Drug and Therapeutics Committee (MCDTC)</td>
<td></td>
</tr>
</tbody>
</table>

¹ Major Health Institution includes AHRCC, Capital Hospital, RGH, Mental Health Institute, Sishu Bhaban.
1.4.2 Composition of different DTCs

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Name of DTCs</th>
<th>Composition</th>
</tr>
</thead>
</table>
| 1   | BDTC         | • Block Medical officer : Chairman & Convener  
• MOs (Min. 2 PHCs) : Member  
• Store Pharmacist (CHC): Member  
• Block Program Manager : Member |
| 2   | DDTC         | • CDMO : Chairman  
• ADMO (Medical) / Store MO (I/C) : Convener  
• Specialists (Major Departments) : Members  
• Medical officer (I/C) of any 2 CHCs  
• Senior Pharmacist : Member  
• DPM-NHM : Member  
• Hospital Manager-NHM : Member |
| 3   | MIDTC        | • CMO/Director: Chairman & Convener  
• HODs (Major Departments) : Members  
• Finance / Accounts Officer : Member  
• Administrative Officer : Member  
• Senior Pharmacist : Member |
| 4   | MCDTC        | • Principal: Chairman  
• Superintendent : Convener  
• HODs (Major Departments) : Members  
• Finance / Accounts Officer : Member  
• Administrative Officer : Member  
• Senior Pharmacist : Member |

1.4.3 Roles and Responsibilities of different DTCs

The primary responsibilities of the respective Drug and Therapeutic Committees (DTCs) shall be to ensure rational use of drugs & medical consumables at government health facilities, which includes:

a) Finalization of **Annual Indent (AI)** for drugs and medical consumables in the Format (**Form-A**) by selecting cost-effective and safe medicines for use in their respective health facilities based on Essential Drug List (EDL) and Standard Treatment Guideline (STG).

b) Monitor consumption at the facility(s) or end-user level on quarterly basis using the online drug inventory management system (e-Aushadhi).

c) Provide evidence-based input to the State Technical Advisory Committee (STAC) for timely revision of EDL & STG.

d) Ensure rational use of medicine at all health facilities by instituting the system of prescription audit as defined at para 3.2.

e) Rationalization of annual requirement of drugs and other medical supplies and consolidation of the same through online drug inventory management system (e-Aushadhi) for respective district /health institutions.
1.5 Indent Mechanism

1.5.1 The **Annual Procurement Plan (APP)** for drugs and medical consumable of the department shall be finalized by 31st of August every year for the ensuing financial year. (Example: Annual Procurement Plan for the department for the financial year 2016-17 shall be completed by 31st August 2015).

1.5.2 **Annual Indent (AI)** for drugs and consumables shall be prepared by each institution separately as per the items covered under the EDL (facility wise). All the institutions shall use **Form-B** uniformly for Annual Indent through online drug inventory management system (e-Aushadhi).

1.5.3 Each institution shall take in to consideration the following facts while preparing their Annual Indent:
   a) Previous Consumption Pattern
   b) Current Consumption Pattern
   c) Disease Pattern of the locality & seasonality
   d) Natural Calamities
   e) National and State Programme

1.5.4 **Annual Indent**

   a) Annual indent for drugs and medical consumables shall be prepared for each health facility separately and shall be vetted by respective DTCs.

   b) The DTC at respective block, district, medical College and major health institutions shall compile and prepare a consolidated Annual Intent for institution(s) under them as defined below:

1.5.4.1 **Annual Indenting at Block**

   a) All SCs, PHCs and CHCs under a particular block shall prepare their Annual Indent (AI) as per **Form B** and submit that to block headquarter CHC for compilation of the same for placing it before the **Block Drug and Therapeutics Committee (BDTC)**.

   b) The compiled AIs of the respective facilities under them shall be reviewed by BDTC for further rationalization and approval.

   c) The role of BDTC at this stage is to justify the rationality of the item(s) and quantity indented.

   d) BDTC shall forward the consolidated approved AI of the block, online in the **Form B** to their respective district Drug & Therapeutic Committee (DDTC) for review and approval.
The detail indent flow mechanism and composition of the BDTC is mentioned below:

**Block Level**

1.5.4.2 Annual Indenting at District

(a) The consolidated annual indents (AI) received from the BTDCs, DHH, SDH & AH as per Form B shall be compiled and placed before the District Drug & Therapeutic Committee (DDTC).

(b) The compiled AIs from BTDCs, DHH, SDH & AH in that district shall be reviewed by DDTC for further rationalization and approval.

(c) The role of DTC at this stage shall be to justify the rationality of the item and quantity indented through a consultative process keeping in perspective the expected drug budget for the district.

(d) DDTC shall forward the consolidated approved AI of the district to SDMU through the online drug inventory management system (e-Aushadhi).

The detail indent flow mechanism and composition of the DDTC is mentioned below:

**District Level**
1.5.4.3 Annual Indenting at Medical Colleges Hospital (MCH)

(a) The annual indents (AI) received from all departments as per Form B shall be compiled and placed before the Medical College Drug & Therapeutic Committee (MCDTC).

(b) The compiled AIs received from all departments shall be reviewed by MCDTC for further rationalization and approval.

(c) The role of MCDTC at this stage shall be to justify the rationality of the item and quantity indented through a consultative process keeping in perspective the expected drug budget for the MCH.

(d) MCDTC shall forward the consolidated approved AI of the respective medical college to SDMU through the online drug inventory management system (e-Aushadhi).

The detail indent flow mechanism and composition of the MCDTC is mentioned below:

Medical College Hospital (MCH)

1.5.4.4 Annual Indenting at Major Health Institutions (MI):

(a) The annual indents (AI) received from all departments as per Form B shall be compiled and placed before the Major health institution Drug & Therapeutic Committee (MIDTC).

(b) The compiled AIs received from all departments shall be reviewed by MIDTC for further rationalization and approval.
(c) The role of MIDTC at this stage shall be to justify the rationality of the item and quantity indented through a consultative process keeping in perspective the expected drug budget for the MI.

(d) MIDTC shall forward the consolidated approved AI of the respective medical college to SDMU through the online drug inventory management system (e-Aushadhi).

*The detail indent flow mechanism and composition of the MIDTC is mentioned below:*

### Major Health Institution

1. **Department 1**
2. **Department 2**
... 
3. **Department n**

- **Compilation & Indent Preparation**
  - (Senior Pharmacist, System I/C)

- **Major Health Institution Drug Therapeutic Committee (MIDTC)**
  - (Review & Approval)

- **Online Indent**

- **SDMU**

- **HOD**
  - Sr.Specialists
  - Assistants / Nursing Sisters

- **CMO / Director**
  - Chairman & Convener

- **Members**
  - HODs (Major Departments)
  - Finance / Accounts Officer
  - Administrative Officer
  - Senior Pharmacist

### Responsibility Matrix for Annual Indent Compilation

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Category of Institution</th>
<th>Person Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Block</td>
<td>MO I/C, Pharmacist</td>
</tr>
<tr>
<td>2</td>
<td>SDH/OH</td>
<td>MO (I/C) , Pharmacist</td>
</tr>
<tr>
<td>2</td>
<td>District</td>
<td>ADMO (Med.) , Sr. Pharmacist</td>
</tr>
<tr>
<td>3</td>
<td>Major Health Institutions</td>
<td>Superintendent / CMO , Sr. Pharmacist</td>
</tr>
<tr>
<td>4</td>
<td>Medical College</td>
<td>Store Medical Officer , Sr. Pharmacist</td>
</tr>
<tr>
<td>5</td>
<td>State</td>
<td>Joint Director, SDMU</td>
</tr>
</tbody>
</table>
1.5.4.6 **Compilation of AIs by State Drug Management Unit (SDMU)**

(a) SDMU shall compile the AIs of all districts, medical colleges and major health institutions to prepare a consolidated Annual Procurement Plan (APP) - draft of the state as a whole.

(b) SDMU shall place the draft APP of the state before the **State Drug Management Committee (SDMC)** for review and approval.

(c) SDMU shall also prepare the requirement in case of public health emergency and any other interim urgent requirement for procurement.

1.5.4.7 **State Drug Management Committee (SDMC)**

(a) **Roles & Responsibilities**

i) Review of the draft APP prepared by SDMU

ii) Revision of APP on the basis of priority in case the budgetary allocation is less than the proposal

iii) Finalization of the APP by finalizing the number of items & the quantity of each item based on available budget.

iv) Finalization of supplementary indent / extra demand

(b) **Composition of SDMC and the Process Flow is as mentioned below:**
1.5.4.8 The Annual Procurement Plan once finalized and approved by State Level Procurement Committee (SLPC) and Government, it would be communicated to the Procurement Agency / Odisha State Medical Corporation (OSMC) to initiate the tendering process.

The Procurement Agency / OSMC being the nodal agency for procurement for the department shall ensure the guidelines and procedures as issued by the Finance Department, Government of Odisha from time to time, along with the provisions under OGFR with respect to procurement are being followed in the tendering process.

1.5.4.9 Summary of Indent Flow Mechanism

The summary of indent flow mechanism is as mentioned below:
1.5.4.10  TIME LINE

PHCs/CHC  DHH  CH/ GH/SB/AHRCC/ Urban Hospitals (Departments)  Medical College Hospital (Departments)

MO I/C (Block H/Q)  By 30th April  CMOs / Directors  By 30th April  Principal / Superintendent  By 30th April

BDTC  By 15th May  MIDTC  By 15th June  MCDTC  By 15th June

DDTC  By 31st May  By 31st May  By 31st May

SDMU  By 30th June  By 31st July

SDMC  By 31st July

State Level Procurement Committee (SLPC)  By 10th August

Govt. for Approval  By 31st August

Procurement Agency / OSMC
1.6 Local Purchases

1.6.1 Centralized system of procurement shall be followed for 80% of the drug budget (state) and OSMC shall be the nodal procurement agency for the department. Provision for local procurement up to 20% of the state budget or as decided by the Govt. from time to time shall be provided to district, medical colleges and other major health institutions for decentralized procurement at their level to meet emergency requirement. The authorities at district and institution level shall follow the Guidelines on Procurement of Goods issued by the Finance Department, GoO from time to time for Local Purchases.

1.6.2 Circumstances when local procurement is allowed at district/facility level:

(a) If the items are not procured centrally as volume of requirement is small enough for centralized tendering.
(b) In case of emergency requirement and there is a stock-out of the particular item.
(c) Consumables (Lab. Reagents etc.) mostly propriety in nature.
(d) When the drug item is propriety in nature and generic type is not available in the market
(e) In case of emergency like natural calamities, spread out of epidemics etc. when the availability of medicine are of prime importance.
(f) When it is not possible to predict the requirement of a particular drugs or consumables as the requirement is contingent upon some future event.
(g) When the requirement is specific to a particular facility, location or situation.

1.6.3 Restrictions for Local Purchases:

(a) Local purchases shall be made at district or institution only out of the fund allocated and made available to them.
(b) Even in case of local purchases of medicines, priority is to be given to medicines available in generic name.

\[2\text{ Those consumables which are specific to an item of particular make and model}\]
II. WAREHOUSING AND DISTRIBUTION

2.1 Drug Distribution (by Central Warehouses)

2.1.1 OSMC shall be responsible to maintain adequate stock level both at drug warehouses (Dist./Medical College/ Major health institution) and block headquarter warehouses. Drug Warehouses at district, medical college and Major health institutions shall be under the administrative control of the OSMC. OSMC shall be responsible for delivery of drugs and medical consumables up to the Block headquarter Drug Warehouse (BDW)\(^3\) and stores of SDH & AH. The medical colleges and other major health institutions shall collect drugs and medical consumables directly from their respective Drug Warehouses. Details of drug warehouses and their receiving stores are given below:

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Drug Warehouse</th>
<th>Number</th>
<th>Receiving Stores /warehouse</th>
</tr>
</thead>
</table>
| 1   | Drug Warehouse (District )              | 30     | 1) DHH Store  
1) SDH Store  
3) Stores of Area/Other Hospitals  
4) Drug Warehouse (Block Headquarter) |
| 2   | Drug Warehouse (Block Headquarter )     | 317    | 1) CHC Store  
2) PHC Store  
3) SC Store |
| 3   | Drug Warehouse (Medical College)        | 3      | 1) Stores of Medical College                                      |
| 4   | Drug Warehouse (Major Health Institutions) | 5      | 1) Store of the Institution                                      |
| 5   | State Drug Warehouse at Bhubaneswar (with Buffer Stock) | 1 | 1) Drug Warehouse (District)  
2) Drug Warehouse (Medical College)  
3) Drug Warehouse (Medical College) |

2.1.2 Supply Chain mechanism

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\(^3\) At each block head quarter there shall have separate drug warehouse from where all the institutions (CHC, PHC and SC) under that block shall collect their quota of drugs and consumables.
III. DRUG DISPENSING AND MONITORING AT HEALTH FACILITY

3.1 **Drug Distribution Counter (DDC):**

3.1.1 Drugs (except program drugs under different schemes) shall be distributed through DDCs\(^4\) in each facility. There shall be separate DDCs for IPD and OPD.

3.1.2 DDCs shall dispense medicine only against prescription. Before dispensing medicine, the data relating to drug dispensed (inventory) and **prescription shall be captured** in the system for reference. Data captured at the DDCs shall be analyzed centrally to monitor consumption pattern and prescription practices.

3.1.3 DDCs shall be managed by computer knowing pharmacists, who shall also be providing required advice/instruction to patient about the dosages and frequency of consumption.

3.1.4 At **DDC level, minimum 3 days stock** shall be maintained all the time. However, the stock shall be replaced on daily basis from the drug store. In the drug store of the facility, a minimum of 2 months stock shall be maintained at any point of time.

3.1.5 The DDCs shall be under the **administrative control** of the respective institution and the responsibility of the functioning of DDCs as per the mandate shall be the responsibility of the respective head of the institution.

3.2 **Monitoring of Prescription Practices (Prescription Audit):**

3.2.1 Prescription audit is an important mechanism to improve the quality of care afforded by the health facilities. Data generated on the morbidity pattern coupled with the current practices of treatment of these diseases provide an objective basis for preparing an EDL. Comparing the current usage of drugs with the standard treatment guideline will enhance the effectiveness of treatment and render it’s cost effectiveness.

3.2.2 Prescription audit would throw light on rational use of drugs in the facilities. The prescriptions followed in the OPD and IPD settings would be analysed to improve the quality of care.

3.2.3 The **drug therapeutic committee (DTC)** constituted at different level (Block/District/Medical College /Major health institution) as defined in para 1.4 would carry out the regular prescription audit at regular interval in **every 6 months**.

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\(^4\) In the 1\(^{st}\) phase there shall be DDCs in all health facilities up to CHCs. PHCs shall be covered in the 2\(^{nd}\) Phase.
3.2.4 In order to improve the way the prescriptions are being made, the following points would be strictly adhered to:

(i) As far as possible at least provisional diagnosis would be established and mentioned in OPD as well as IPD prescriptions.

(ii) The prescriptions would be written only in Generic name.

(iii) Prescribed drugs would be selected on the basis of efficacy, safety, suitability & scientific evidence.

(iv) Prescription would be based on scientifically credible evidence from well diagnosed clinical studies in adherence to STGs

(v) Short description to be mentioned on the prescription slip by treating doctors in case medicines out of EDL is being prescribed.

(vi) Three copies of carbonized prescription slips would be used which would ensure retaining a copy of prescription slip in the facility for conducting audit.

(vii) The prescription slip would be considered as valid, only when it is signed by the treating doctor.

(viii) A tentative format for conducting a prescription audit is attached at Form C.

(ix) Corrective action taken on the audits would be uploaded in the website of Odisha State Medical Corporation.

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