

**Chapter-7**  
**Drug Management**



## 7 Drug Management

Accessibility, availability and affordability of good quality and safe drugs with minimum out of pocket expenditure by patients are the key functions of a good public health system.

Audit observations on various components of drug management-availability of drugs, their storage, quality check, *etc.* are discussed in the succeeding paragraphs.

### 7.1 Availability of essential drugs

The district hospitals are required to forecast actual requirement of drugs to support the procurement<sup>1</sup> of drugs by the DGMH & FW. Audit noticed that the procedure for forecasting of drugs was being followed by the test checked hospitals. However, only a portion of the drugs against the forecasted requirement were procured by the DGMH & FW. As a result, only a portion of the drugs under Essential Drug List (EDL) (575) was available with inadequate quantity to meet the requirements of the hospitals. Hospital-wise position is given in the **Table-58** below:

**Table-58: Availability of drugs in the test checked hospitals in 2018-19**

Description	Name of test checked hospitals					
	DH		JH		DFH	
	Almora	Haridwar	JH-Udham Singh Nagar	JH-Chamoli	DFH-Almora	DFH-Haridwar
Number of drugs available <sup>2</sup>	160	168	131	186	133	133
<b>Stock Out of Drugs</b>						
Drugs not available for one month	03	04	05	17	17	09
Drugs not available for one to two months	02	12	11	9	17	14
Drugs not available for two to six months	14	13	30	28	23	12
Drug not available for more than six months	09	14	34	21	18	15
<b>Total drugs stock out</b>	<b>28</b>	<b>43</b>	<b>80</b>	<b>75</b>	<b>75</b>	<b>50</b>
<b>Percentage of stock out of drugs out of available drugs</b>	<b>18</b>	<b>26</b>	<b>61</b>	<b>40</b>	<b>56</b>	<b>38</b>

*Source: Information collected from test checked hospitals.*

<sup>1</sup> Government of Uttarakhand promulgated Drug Procurement Policy (DPP) containing drug purchase procedures. As per DPP, DGMH & FW was the central procurement authority at the state level for ensuring supply of essential drugs in the hospitals at district-level and below. DGMH & FW had the mandate to prepare list of essential drugs and to conclude Rate Contracts with the manufacturing firms for supply of drugs.

<sup>2</sup> Including local purchase.

The drugs provided to the hospitals by DGMH & FW could not meet the requirements. There was stock out of drugs ranged between 18 and 61 *per cent*. The percentage of stock out of drugs for more than six months was on a very high side. It was also noticed that the hospitals did not prepare formulary<sup>3</sup> on the basis of disease patterns and inflow of patients in the hospitals to support the procurement of drugs.

Further, even the essential drugs needed for IPD, OT, ICU, emergency and maternity services were not available in the hospitals to deliver the assured health services as discussed in **Chapter 4: In-patients services** and **Chapter 5: Maternity Services**.

### **7.1.1 Short supply of indented drugs**

Scrutiny of records revealed that drugs were not issued to the test checked hospitals according to the indents placed by these hospitals with the DGMH & FW. Details of indents of drugs by the test checked hospitals and supply of drugs against the indented quantities by the DGMH & FW in the year 2018-19 are shown in the **Table-59** given below:

**Table-59: Details of indent and supply of drugs to test checked hospitals**

Particulars	Name of test checked hospitals					
	Almora		Chamoli	Udham Singh Nagar	Haridwar	
	DH	DFH	JH	JH	DH	DFH
Indented	121	148	138	164	127	88
Provided	113	66	111	108	112	88
<b>Indent quantity issued in percent</b>						
100 <i>per cent</i>	35	13	39	03	30	48
Less than 100 but above 50 <i>per cent</i>	46	15	39	10	33	33
Up to 50 <i>per cent</i>	32	38	33	95	49	07

*Source: Information collected from test checked hospitals.*

- Only 76 *per cent* of indented type of drugs were supplied to the test checked hospitals whereas DFH Almora was supplied only 45 *per cent* of indented type of drugs.
- Only 21 *per cent* of indented drugs were provided in full indented quantities to the test checked hospitals. Only three (two *per cent*) out of 164 types of indented drugs were provided in full to JH Udham Singh Nagar.
- DFH Almora was provided only nine *per cent* of indented drugs in full indented quantities whereas DFH Haridwar was provided 55 *per cent* of indented drugs in full.

As medicines were not issued by the Central Store as indented by the hospitals, local purchasing was done by the hospitals to meet the additional requirement and the patients had also to purchase medicines from their own pockets as discussed in **paragraph 2.6.3**.

During the Exit Conference, it was stated by the Government that in the Drug Procurement Policy 2019, the turnover capacity of firms had been reduced which would enable more firms to participate and provide the drugs as required. It was added that this would not only help to provide all indented drugs to the hospitals but would also help to reduce the shortage/stock out of drugs in the hospitals.

<sup>3</sup> A formulary is a list of updated prescription drugs.

## 7.2 Storage of drugs

Drugs and Cosmetic Rules, 1945 stipulate parameters for the storage of drugs in stores to maintain the efficacy of the procured drugs before issue to patients.

**Positive features**  
*Controlled and Poisonous drugs were kept in locked Almirah by the test checked hospitals.*

The norms and parameters prescribed in the said Rules were, however, not adhered to as seen in the physical inspection. The details of deficiencies in storage facilities in the test checked hospitals are given in **Table-60** below:

**Table-60: Deficiencies in storage of drugs**

Parameters	Hospitals having deficiency (Test checked: 06)	Particulars impact of not adhering to parameter
Air-conditioned pharmacy	05	Loss of efficacy and shelf life of drugs
Labelled shelves/racks	03	High Turnover time in distribution of drugs.
Storage away from water and heat	01	Loss of efficacy and shelf life of drugs
Drugs stored above the floor	03	
Drugs stored away from walls	04	
24-hour temperature recording of cold storage area	04	
Display instructions for storage of vaccines	05	
Functional temperature monitoring device in freezers <sup>4</sup>	04	
Maintenance of temperature chart of deep freezers	05	

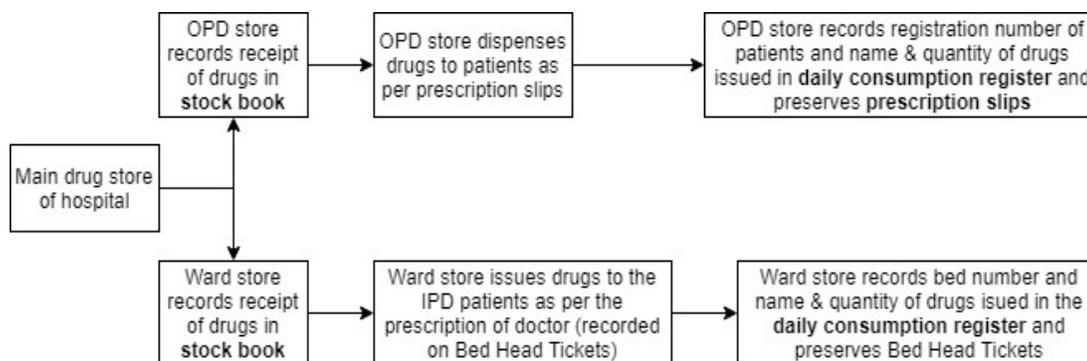
*Source: Information collected from the test checked hospitals.*

It is evident from above that there were several deficiencies in the system of drug storage in the test checked hospitals. It was stated by the test checked hospitals that the above drug storage deficiencies would be addressed.

## 7.3 Dispensing of drugs to the patients

Paragraph 258 of Financial Rules<sup>5</sup> stipulates that all quantities received in or issued from stores should be entered in the stock account on the date of transactions.

**Figure-6: Process of dispensing of drugs in a hospital**



<sup>4</sup> Vaccines kept in normal Refrigerator in all the test checked hospitals except DFH Almora and JH Udham Singh Nagar.

<sup>5</sup> Financial Handbook Vol-V.

The drugs are issued to the OPD patient on the basis of the prescription slips. After receiving drugs from the store the prescription slips are retained by the patients. Audit observed following discrepancies in the documentation examined in four hospitals<sup>6</sup> in respect of receipt and distribution of drugs in/from the stores, as detailed below.

- The records of number and name of the medicine prescribed on the prescription slip and those medicines not dispensed to the OPD patients from the drug dispensation counter were not maintained by any of the test checked hospitals.
- None of the test checked hospitals kept the prescription slips in which the doctors prescribed the drugs.

As such there was no mechanism available to check the number of medicines prescribed and issued to the OPD patient.

- It was further noticed that the records of drugs issued to each indoor patient were also not maintained in two<sup>7</sup> DHs/JHs.

#### **7.4 Quality assurance of drugs**

Quality control plays a major role in providing high quality drugs to the patients. Drug Policy provides that in case suppliers produce the quality test-report along with the supplies, the same would be accepted. Besides, quality of drugs could also be checked through random sampling by the Drug Inspector. Norms of 20 *per cent* of each drug procured were provisioned for testing.

Audit observed that quality test-reports of drugs supplied by the DGMH & FW were not provided to any of the hospitals during 2014-19. Resultantly, hospitals were unaware about quality of drugs supplied. It was further found that:

- Testing of medicines was observed to be minimal. Out of the test checked hospitals, only DH Haridwar, DFH Haridwar and JH Chamoli carried out quality checks. The quality checks were conducted by DH Haridwar and DFH Haridwar only in 2017-18 and in respect of only 15 and 5 types of drugs respectively. The quality checks were carried by JH Chamoli only two times during 2014-19.
- Samples for quality testing of drugs were taken by Drug inspector only in DH Almora (in 2014-15) and DFH Haridwar (in 2015-16) and in JH Chamoli (in 2014-15) but no quality test-reports were provided to the hospitals.
- Three drugs were reported substandard<sup>8</sup> by the DGMH & FW. However, these drugs were distributed to patients by the test checked hospitals<sup>9</sup> before and even after receiving<sup>10</sup> the quality test-reports.

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<sup>6</sup> DH and DFH Haridwar, JH Chamoli and JH Udham Singh Nagar.

<sup>7</sup> JH Chamoli and DH Haridwar.

<sup>8</sup> Instructions regarding substandard drugs were issued after 8 to 12 months of issue of these drugs by the DGMH & FW to the test checked hospitals.

<sup>9</sup> DH Haridwar, DFH Haridwar, JH Chamoli and JH Udham Singh Nagar.

<sup>10</sup> JH Chamoli distributed the drug even after receiving the quality report.

Failure to ensure quality testing of drugs through Drug Inspector and non-fulfilment of norms of 20 *per cent* for testing of procured drugs, therefore, diluted the mechanism for supply of quality drugs to the patients.

During the Exit Conference, the Government stated that instructions would be issued to the Drug Controller to increase the frequency of checking the procured drugs.

*To sum up, the drugs provided to the hospitals by DGMH & FW could not meet their requirements as medicines were not issued by the Central Store as indented by the hospitals. Stock out of drugs in the test checked hospitals ranged between 18 and 61 per cent. The norms and parameters prescribed for storage of medicine were not adhered to and quality testing of medicines was also not as per norms in the test checked hospitals.*

