

Cape calls for speed in medicine tender

THE Western Cape's health MEC, Theuns Botha, has asked Health Minister Aaron Motsoaledi to intervene to speed up a delayed R2,4bn medicine tender, stuck in the works since January. The delay in awarding the two-year tender for tablets and capsules has contributed to shortages of medicines in state facilities around the country, as only some pharmaceutical companies had acceded to the government's request to extend the contracts for their drugs until July 31. Provinces have been forced to buy medicines that are not covered by the extended tender "on quotation", a time-consuming process that has led to a break in supplies of some drugs, as new contractors have needed time to ramp up their production capacity. The Health Department's deputy director-general for health regulation and compliance, Anban Pillay, said the tender had been delayed because officials needed to make sure it was in line with new industrial policy that gave preferential procurement status to domestic manufacturers, formalised in April. The new policy means the government will purchase selected products exclusively from companies that have invested in local manufacturing capacity. The process of awarding the next tender had also been slowed down by the red tape involved in handing over management of the contract from the Treasury to the Department of Health, which is now running medicine tenders through its own central procurement unit. Pillay said he was unaware of Mr Botha's letter to the Minister, but insisted the tender would be awarded by the end of the month. The department's central procurement unit, established last year, had already awarded tenders for HIV/AIDS drugs, antibiotics and tuberculosis medicines, he said. In his letter to the Minister, Botha said the tender delay was causing "critical service delivery constraints" in the Western Cape. Drugs originally on the tablet tender that have posed a headache for the province include steroids and the cardiac medicine digoxin. The Western Cape's head of health, Craig Househam, said the province had been unable to source the quantities of some of the medicines it required off-tender. He said companies needed reasonable lead times to get into contracts of the size required. He said that clearly if all nine provinces were doing this it would create pressure on the supply side. The effects of the delayed tender have been compounded by production problems at some manufacturing companies, including Eli Lilly, which makes the diabetes drug insulin, said Dr Househam. The Eastern Cape's head of health, Siva Pillay, said his officials had tried to manage the delayed tender by ordering up to four months of buffer stock. However, recent media reports suggest this has not been entirely successful. It was reported last month that patients in Nelson Mandela Bay were forced to turn to private pharmacies because government clinics had run out of supplies ranging from contraceptives to asthma drugs.

Tamar Kahn: Business Day, 18 July 2012