

IMPACT OF NIRAMAYA IN ODISHA

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INTRODUCTION

Policies to promote access to medicines as envisioned in the sustainable development goal 3.8 (SDG) are crucial to promoting health and achieving sustainable development. Poor availability of medicines in the public sector have been reported due to factors ranging from limited budgetary support leading to inadequate drug stocks, poor supply chain management leading to frequent stock-outs; private provision of essential drugs and lack of confidence in the quality of medicines. "NIRAMAYA" - is the Free Medicines Distribution Scheme of the Govt. of Odisha, Health & Family Welfare Dept. It is a flagship programme of Govt. of Odisha being implemented since 1st May 2015.

Various drug procurement models have been implemented in states like Tamil Nadu, Kerala, and Rajasthan demonstrating their effectiveness that has resulted in lower price and better availability of medicines through efficient supply chain management. Odisha established Odisha Medical Services Corporation Limited (OMSCL) in 2013 making huge investments in drug warehouses, supply chain & IT systems. Recent Comptroller Audit General (CAG) Report⁶ has highlighted inefficiencies due to non-utilisation of the e-Niramaya application leading to ineffective indenting, distribution, consumption, unavailability of real time stock position and expiry of drugs.

THE NIRAMAYA SCHEME



Under "Niramaya", 317 essential drugs, 107 numbers of Lifesaving Cancer drugs, 20 types of Non-Essential Drugs List Items & 83 of medical consumables/surgical & sutures have been benchmarked for different institutions. (Niramaya Website, 2021). Niramaya covers 527 drug distribution centres (DDC) across the state. "Drug Distribution Counter (DDC)" at all medical colleges, major health institutions, district head quarter hospitals & sub-divisional hospitals are "24 X 7". In case of CHC for "DDCs" operate as per the OPD timing. (Niramaya Website, 2021).

Patients who have registration in the Government health institutions are eligible to get free medicines as suggested in the prescription. For example, if the prescription is for 7 days, drugs for all 7 days are to be given. In special chronic cases, drugs may be issued up to one month at a time and are issued further on advice of the physician on subsequent visits.

The operational flow of receiving free drugs under "Niramaya" for the patient is: **Registration ---> Consultation with doctor ---> Prescription ---> Receipt of drugs from DDC Counter.** Each prescription is then to be scanned by the Pharmacist and uploaded into the module of e-Niramaya. Further instructions and management are found along with scheme guidelines (Memo No. 8309/H.dt. 25.04.2015).

Odisha State Medical Corporation Limited (OSMCL) is the nodal implementing agency (April 2015) for 'Free medicine distribution (Niramaya) scheme'. Key functions of OSMCL are timely procurement of quality medicines, surgical, equipment, instruments, furniture, etc., through fair, transparent, and competitive bidding process. OSMCL implementation of Niramaya scheme involves,

- Timely procurement of quality medicines, surgical and EIF (Equipment, Instrument & Furniture).
- Management of central drug warehouses to ensure smooth flow of supply to health institutions through a centralized online inventory management system (e-Niramaya)
- Monitoring drug distribution counters (DDC) in health institutions centrally and track prescription practices and disease pattern
- Procurement and maintenance of medical equipment across health institutions.

Post-OMSCL, the quality mechanisms are established but there have been issues of delay in receipt of test reports from the laboratories, and sub-standard quality drugs which requires strengthening for effective implementation.

THE IMPACT OF NIRAMAYA SCHEME

A survey supported by Health system transformation platform (HSTP) found the underusage of Niramaya scheme. Spending on drugs accounted for 69% of outpatient care & 32% of inpatient care expenses despite various initiatives like Niramaya scheme (2015) and Biju

Swasthya Kalyan Yojana (2018) that are implemented. Even among those seeking care at government health facilities, 72% purchased medicines from private chemists, accounting for 50% of total spending during that episode. Primary health centres that cater to maximum outpatient visits (33%), only had 31% of the level specific drugs, highlighting inadequate drugs supply leading to purchase from private chemists. Among users of public OP care, 15% reported that the provider referred them to a specific private chemist shop due to reasons such as stock-out or non-supply of drugs at government facility.

The findings in this concept note are based on the study supported by HSTP in Odisha. Further these articles mention about the Niramaya scheme but nothing can be concluded specifically:

1. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9347020/>
2. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC11167389/>

Not much of the impact assessment has been done on Niramaya Scheme in Odisha. However, HSTP aims to provide any technical assistance if these needs to be probed an further.

CHALLENGES

- A. *Lack of awareness about Niramaya*: A study by Sahoo S (2018)¹ in Berhampur City Hospital, Ganjam and MKCG Medical College & Hospital, inferred most patients or their attendants were not aware of Niramaya.
- B. *Drug stock outs at Government health facilities* - Reports in various local newspapers and opinion of commentators indicate stock outs in health institutions for most drugs supplied under Niramaya and Jan Aushadhi stores come to rescue in such situations and fare better in terms for providing services to patients.
- C. *Key Findings from the OSMCL CAG Audit (2016-19)* suggest lag in implementation of Niramaya and the workings of the OSMCL:
 - a) Inadequate stock maintenance and at warehouses and Drug Distribution Counters (DDCs) due to short supply of indented drugs by OSMCL.
 - b) Stock outs due to deficient inventory management in hospitals as data relating to issue of medicines to patients, DDCs, Primary Health Centres (PHCs), etc., had not been entered into the e-Niramaya database. Therefore, the system could not generate stock position or had incomplete stock information at all levels leading to non-availability of essential drugs in health institutions
 - c) Proper forecasting and estimation of requirement is not done. As details of drugs dispensed at the DDCs were not entered in the e-Niramaya for assessing consumption pattern, prescription practices, demand assessment and disease prevalence in the facility/ locality.

¹ DOI: 10.5958/2249-7137.2018.00026.5

- d) Local purchase at higher costs to manage stock out of essential and critical drugs. Also, the drugs procured locally (out of 20 per cent budget) were inadequate to replenish the shortage.
- e) Delays at every stage of procurement - preparation of annual procurement plans, revision of essential drugs list, implementation of purchase orders, quality testing etc.
- f) Partial supply to health facilities against requested quantities- Among indented/ approved quantity of 692.97 crore units, OSMCL could supply only 336.94 crore (49%) units of drugs and medical consumables to health institutions during the period. (Details in Annexure1)
- g) Expiry of procured drugs -loss to exchequer, wastage of essential medicines
- h) Prescription Audit was not conducted regularly by the District Therapeutic Committee (DTCs) though hospital pharmacists had prepared the reports in timely manner, and this was not reviewed at State level, by the State Level Technical Advisory Committee (STAC).
- i) Doctors continue to prescribe drugs with non-generic/ brand names. The patients could not get these medicines from the hospitals and procured the same from outside on their own indicating that prescriptions were not as per the EDL. Names of prescribed medicines were not written in capital letters and full name of doctors were not available on prescriptions as envisaged in the guidelines.
- j) Payments to suppliers are not timely. Odisha has procurement cells that was a part of the Directorate of Health Services in the state – leading to differences in lead times for payments, quality control and in the usage of IT systems. The processing of payments through the public channels like the Auditor General's Office or the Directorate of Accounts & Treasury usually takes much longer, as was noted in Maharashtra, Odisha and Punjab, compared with the autonomous payment departments of TNMSC and Kerala Medical services corporation limited (KMSCL).

RECOMMENDATIONS

- **Training authorized personnel in the entire supply chain on adherence to guidelines/ practices related to e-Niramaya and stock management.** Audit by the CAG indicates non-adherence to guidelines/ practices/ procurement policy/ orders issued by the Government from time to time, related to indenting and monitoring of stocks using the e-Niramaya at the health institutions, district and state level leading to improper indenting, planning and procurement. This may be due to lack of capacities to perform this function by the authorised personnel. Thus, training them on these specific functions through refresher modules could improve effectiveness.
- **Strengthening OMSCL, State Drug Management Unit and other stakeholders** by bench marking it with other states especially with regards to reducing delays in the revising

of EDL every two years, preparation of annual procurement plan and procurement/contracting processes to avoid stockouts.

- **Implementing quicker drug quality check mechanisms** and benchmarking them with the practices in other states to reduce delays in distributions and avoid expiry and wastage of drugs.
- **Strengthening Prescription Audits.** Monitoring of prescriptions by the Drug Therapeutic committees (DTCs) and State Level Technical Advisory Committee (STAC) should be implemented quarterly according to the guidelines and lack of capacities at any of these levels can be bridged through trainings and other methods

Further in collaboration with the Department of Health, Odisha Health system transformation Platform (HSTP) conducted a detailed assessment of the OMSCL process review and identify areas for improvements. *(Report already shared)*

Way forward

- a) HSTP can also facilitate stakeholder and expert consultations, interaction, and support from state teams key personnel of Tamil Nadu and Kerala to the OMSCL team on specific areas.
- b) District level assessments to identify on-ground challenges can also be done in the selected districts.
- c) Feasibility, prioritization, and assessment of financial implications for the suggested improvements can also be provided.
- d) Technical support for Operationalization of recommendations/reforms in close co-ordination with state teams, monitoring the progress of reforms and impact assessment by review of NSSO data and implementation data can be performed.