

Two-year purchasing system versus the one-year purchasing system applied in medications public tenders in Jordan: A descriptive and cost-saving retrospective study

By:

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Abstract

Background:

Many governments were concerned about the medications cost and unavailability of medications in the healthcare system. Shortages of medications come in additional costs as example, transportation cost due to direct purchasing from single supplier. No previous research was conducted in collaboration with the Jordanian Joint Procurement (JPD) Department aiming to identify ways to reduce the costs and increase the availability of essential medications in Jordan.

OBJECTIVE: This study was conducted to investigate Jordan purchasing system and help provide suggestions on improving the medication availability, in particular, to reduce costs, stock-outs and shortages of medications in Jordan through studying the one-year purchasing of medications in comparison to the two-years purchasing system.

STUDY DESIGN: This research followed a descriptive and cost-saving retrospective study design, including questionnaire design, validation and conduct. Secondly, a cost-saving analysis was performed to identify cost savings from the one-year purchasing of medications in comparison to the two-years purchasing of medications policy.

METHOD: A questionnaire involving 15 questions was designed by the research group and validated (face and content validity) by experts (via a focused group meeting, n=5) in the area. The questionnaire was completed by pharmacists working in the Jordan Food and Medication Association (JFDA) and from the JPD. Statistical analytical methods (Wilcoxon Signed Ranked Test and chi-square test with a significance of 5%) were conducted to identify the best cost-benefit scenario for medications.

RESULTS: Pharmacists (n= 81) completed the questionnaire. The majority of the study sample 71.6% answered the purchase system following two-years purchasing system guarantees the availability of medications and avoidance medications stock-out. The majority of the study sample 79.0% answered that purchasing a large quantity of medications make save on unit cost

The study, findings showed that purchasing following the two-year system was saved 5,218,875.92JD, which represent 2.5% from the total saving.

Conclusion: This is the first study to conduct pharmacist's opinion regarding the costs benefits for the purchasing system that can be used by the JPD. The study found that applies two-years purchasing system was the most cost-saving technique in comparing with the one-year purchasing system. Call on policy makers to adopt the existing two-years purchasing system instead of the previous one-year purchasing system.

Keywords: medication supply chain, medication shortages, public procurement, cost-saving analysis, purchasing, centralized purchasing, and cost-benefit analysis.