

**Ensuring quality supply of medicines in a transparent and efficient way**

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**Introduction**

In order to make available quality medicines, supplies, equipments and diagnostic services to the poorest of poor of the population in the state, Government of Kerala has constituted Kerala Medical Services Corporation, Ltd, (KMSCL) as a fully Government owned company with authorized share capital of Rs. ten crore with its headquarters in Thiruvananthapuram. The Newly formed corporation started functioning with effect from 1st April, 2008 by establishing District Drug Warehouses in all 14 districts in the State to cater to the needs of 1316 Health Care Institutions under the State Health Services Department and 16 institutions under six Government Medical Colleges in the State.

The corporation initiated the work of providing drugs and supplies from ‘1st April’ 2008’. The Corporation is diversifying its activities by providing Bio-Medical equipments, computers etc. As a part of a foolproof quality check of medicines, all batches received as a part of supply have been tested in accredited labs in the country. Through this, the Corporation ensures providing quality medicines at affordable rates. The process of procurement and distribution of medicines has been streamlined. Computerization, pass book system and essential drug list have been established.

**The Board of Directors of the Corporation is as follows.**

Secretary to Government (IC&FW)	Chairman
Addl. Secretary to Government (Finance)	Member
State Mission Director (NRHM)	Member
Director of Health Services	Member
Director of Medical Education	Member
Drug Controller	Member
Expert from Pharmaceutical Sciences	Member
Managing Director (KMSCL)	Member

## The main objectives of the Corporation

- To implement a transparent system for procurement, storage and distribution of quality Drugs, supplies, equipments etc. required for the hospitals at reasonable competitive price.
- To ensure adequate savings in the Drug budget by scientific forecasting system based on the preparation of Essential Drug List and its actual consumption.
- Monitoring the Budget and drug consumption pattern by introducing pass book system.
- To avoid loss due to expiry of Drugs and medical items and to optimize accountability at all levels.
- To achieve constant quality control monitoring of Drugs and medical items by establishing adequate quality assurance measures.
- To adopt a streamlined procedure for procurement, storage and distribution through IT enabled services like e-tendering & e-procurement
- To improve infrastructure of the existing Drug warehouse in District.
- Suitable transport system for lifting drugs from drug warehouses to institutions.
- To provide diagnostics and other miscellaneous services to Government healthcare institutions.
- To enhance public healthcare services, delivery by providing excellent management control and constant vigil.
- To introduce effective feedback system.

## Procurement Process

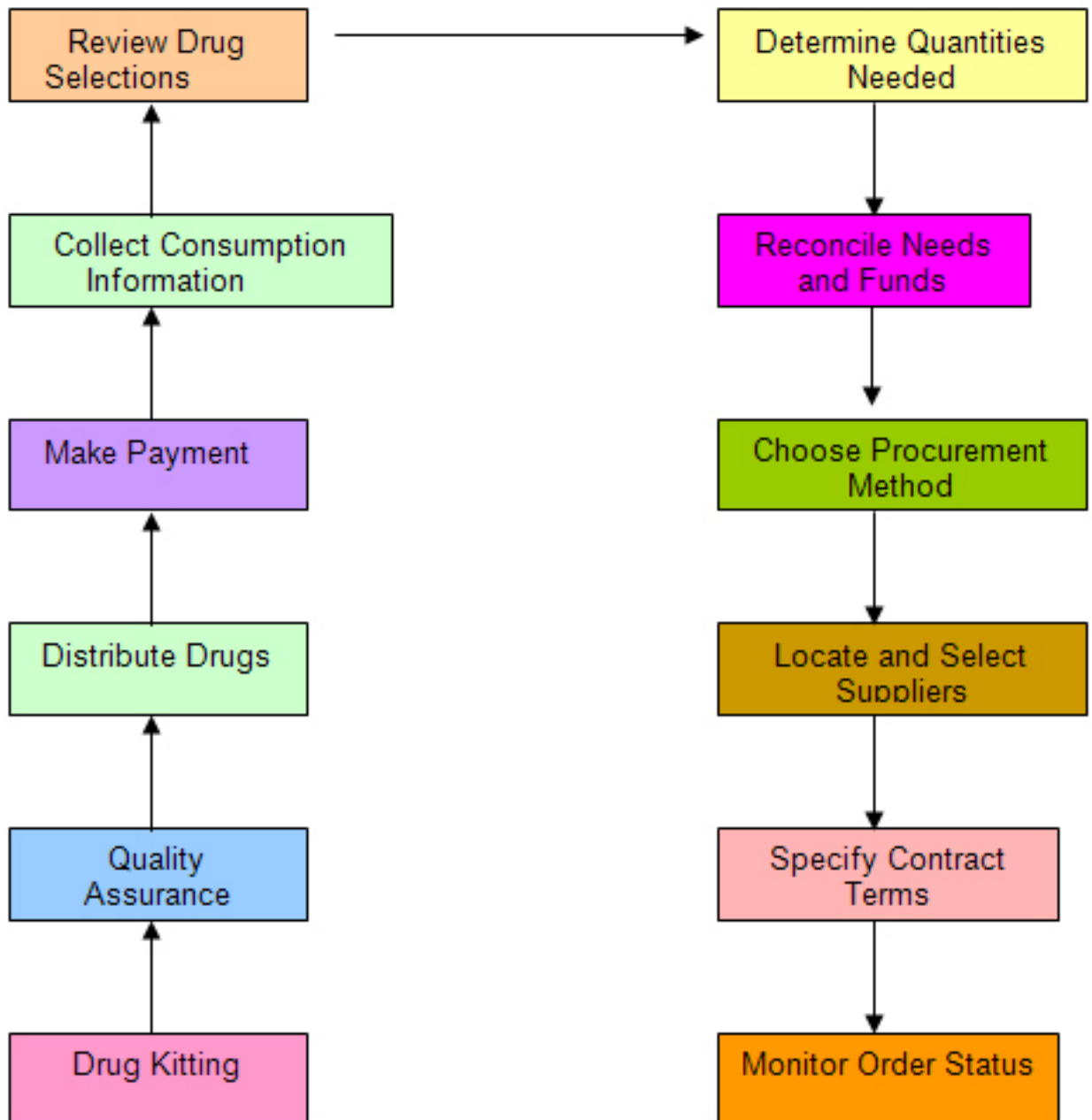
Government have constituted a Technical Committee (Expert Committee) in the Corporation consisting of Director of Health Services, Director of Medical Education, State Mission Director (NRHM), Drugs Controller, Senior Doctors nominated by DHS & DME and an expert in Pharmaceutical Sciences to prepare the list of medicines to be procured by Corporation. On the basis of the recommendations of the Technical Committee, Corporation has finalized the List of Essential Drug which consists of 527 items of generic medicines, sutures, surgical and other items. Based on the annual requirement of medicines & supplies furnished by the DHS and DME, Corporation does the tender process. KMSCL floated its first tender on 30.01.2008 in which a record number of 173 reputed companies from all over the country participated.

The tender processing is done in a transparent manner by publishing all details in its official web site [www.arogyakeralam.gov.in](http://www.arogyakeralam.gov.in) in due course giving no chance of complaints from the bidders as well as the general public.

Factory facilities of 20 new firms, who had participated in the tender for the first time in the

state, were inspected by the team of inspectors appointed by the Corporation and six firms were rejected as they were not complying Good Manufacturing Practices (GMP) stipulated under the Drugs and Cosmetic Rules, 1945.

### Procurement Cycle



### Warehousing System

Main Functions of Warehouse are:

- Receipts and Issues

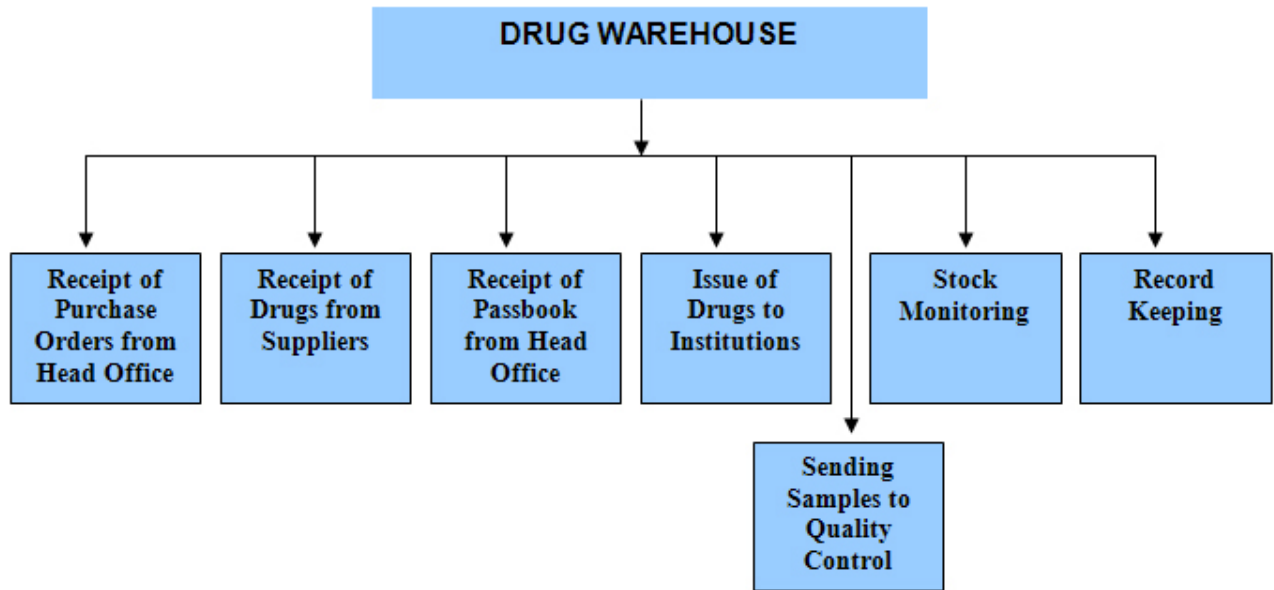
Receipts From:

- Supplier against Orders
- Inter warehouse transfer
- Institution for replacement
- Supplier as replacement
- Release from frozen items

And Issues to

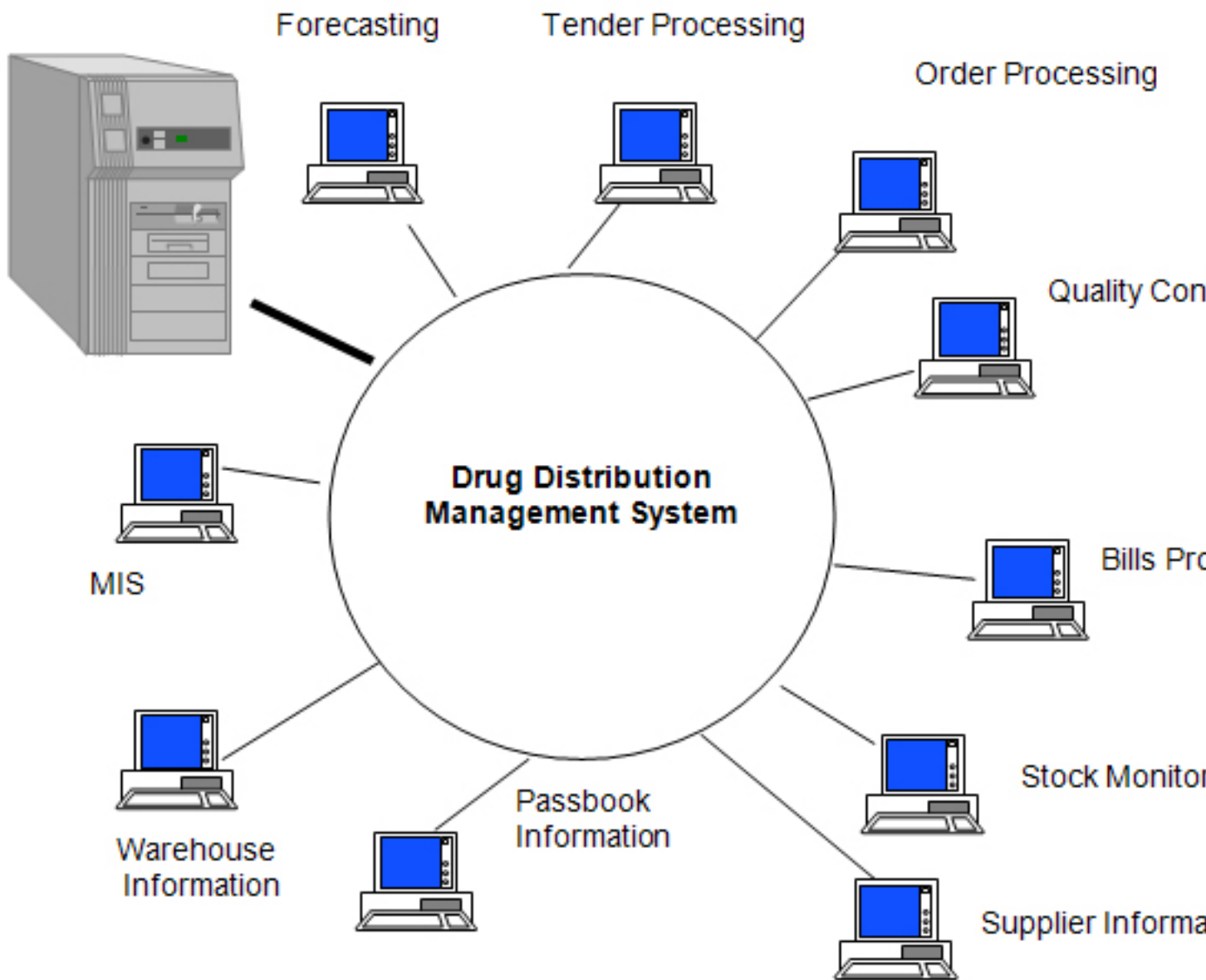
- Medical Institutions
- Other warehouse
- Quality Control as sample
- Main stock to frozen area
- Return of frozen item to QC

**Activities of Drug Warehouse**

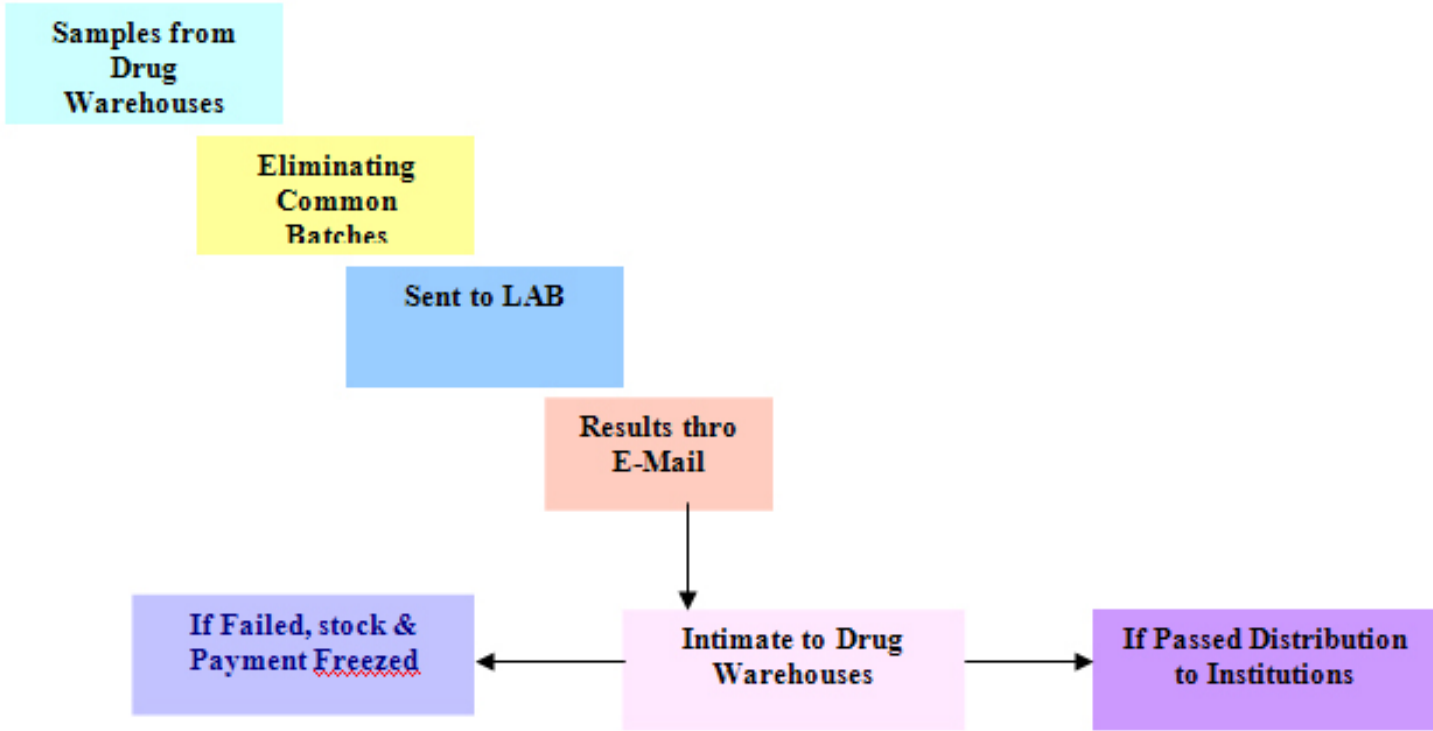


~~Contribution of Health Institutions to the District Drug Warehouse of~~

H.O Server



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