

GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY WELFARE
RAJYA SABHA
QUESTION NO 09.11.2010
ANSWERED ON
PROCUREMENT OF MEDICINES .

59

Dr. Janardhan Waghmare

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state :-

- (a) whether Government has decided to set up a company with Independent Directors on board to procure drugs and equipments to be distributed to State-run medicare centres;
- (b) if so, the details thereof;
- (c) whether the existing system of procurement of drugs/medicines and their distribution to the States is not transparent; and
- (d) if so, to what extent the setting up a company will improve distribution of drugs to States and prevent leakages and redtapism?

ANSWER

THE MINISTER OF HEALTH AND FAMILY WELFARE

(SHRI GHULAM NABI AZAD)

(a) & (b) The Government proposes to set up a professional Central Procurement Agency (CPA) for the purpose of procuring, storing and distributing health sector goods for various national programmes namely Reproductive & Child Health Programme of the Ministry. CPA is proposed to be registered as a Society under the Societies Registration Act, 1860.

(c) The existing system of procurement and distribution is transparent. Central Procurement Agency is an initiative taken by the Ministry to further improve the existing system.

(d) CPA is expected to give the following advantages –

(i) To keep service as prime motive.

(ii) To put in place transparent and competitive system for procurement so that goods are procured at competitive rates.

(iii) To set up and manage an efficient supply chain

(iv) To put in place MIS to prevent stock-outs and reduction in wastage due to excess inventory.

(v) To improve system of quality control so that the end-user gets quality products.

(vi) To interact with stakeholders on regular basis so as to improve the system further on the basis of their feedback.