



Fair Price Medicine Shops in West Bengal: An Impact Evaluation

Arijita Dutta, Associate Professor, University of Calcutta
Satarupa Bandyopadhyay, Assistant Professor, Bethune College

Background

- ▶ Studies have pointed out that West Bengal has significantly **high OOPE in health care**, even for those taking care from public hospitals.
- ▶ This is in spite of the fact that the **access** to health care is substantially high even for the poorest.
- ▶ The **other services** that one needs (medicine, tests, services) are not readily available in the state.
- ▶ The highest share in OOPE is spent on medicines (65% as in 2004-05) in the state, compared to 71% in whole India.
- ▶ Our earlier study (Dutta, Bandyopadhyay & Ghose 2012) too pointed this out and had revealed the patients' need for increased access to drugs.

Policy Intervention

- ▶ Given this, the government of West Bengal ushered in a few crucial policy interventions in the health care field.
- ▶ They are:
 1. **Increase supply of free medicines** (substantial fund allotment) at the hospital pharmacy.
 2. Putting pressure on the doctors to **prescribe in generics**, rather than brands
 3. Launching **Fair Price Medicine shops** across secondary and tertiary hospitals in the state.

Purpose of the scheme

- ▶ *“The purpose of this initiative is to ensure round the clock availability of quality medicines, consumables, surgical items, implants etc at preapproved discounted rates over the Maximum Retail Price (MRP) to provide utmost benefits to the patients through the fair price outlets within the Medical Colleges and District Hospitals/SD Hospitals in the state of West Bengal”. www.wbhealth.gov.in*
- ▶ **142 mandatory basic generics and generic medicines** and implants, consumables etc.
- ▶ **PPP mode: government’s investment is land in hospitals**

Some facts and figures

- ▶ In the First Phase, **35 FPMS** were established with discounts ranging from 48%-67.25% on MRP.
- ▶ **94 FPMS** out of **116** planned have become functional as on November 30, 2014
- ▶ Discounts ranged from 48% to 77%
- ▶ Monthly sales discount averaged from Rs 4.59 crores in SSKM to Rs 5 Lakhs in Contai SDH.

Sample of Hospitals

- ▶ For patients survey, we chose 9 hospitals (4 MC, 4 DH and 1 SDH).
- ▶ The choice was made on two things:
 1. The FPS in these hospitals **started working in the 1st Phase.**
 2. Depending up on their **size of sales** (August 2013), three strata were created: Good, Bad and Medium Performing.

Choice of Medical College Hospitals

Name of the Hospitals	Gross Sale in Aug 14 (Rs.)	Trade Discount in Aug 14 (Rs)
34.SSKM Hospital	43,996,295.00	29,587,357.00
10.Calcutta M C & H	19,337,289.00	12,792,876.00
24.NRS MC & H	18,679,675.00	12,375,187.00
28.R.G.Kar MC & H	18,432,839.00	12,211,642.00
11.Chittaranjan / CNM College	9,051,968.00	5,097,648.00
4.Bankura Sammilani MC & H	6,017,744.00	3,068,921.00
23.Midnapur MC & H	5,666,038.00	2,883,160.00
22.Malda MC & H	4,304,074.00	2,171,647.00
9.Burdwan MC & H	4,180,681.00	2,182,309.00
29.Sagardutta MC & H	3,250,305.00	1,468,463.00
7.Berhampore M C & H	2,383,520.00	1,167,422.00

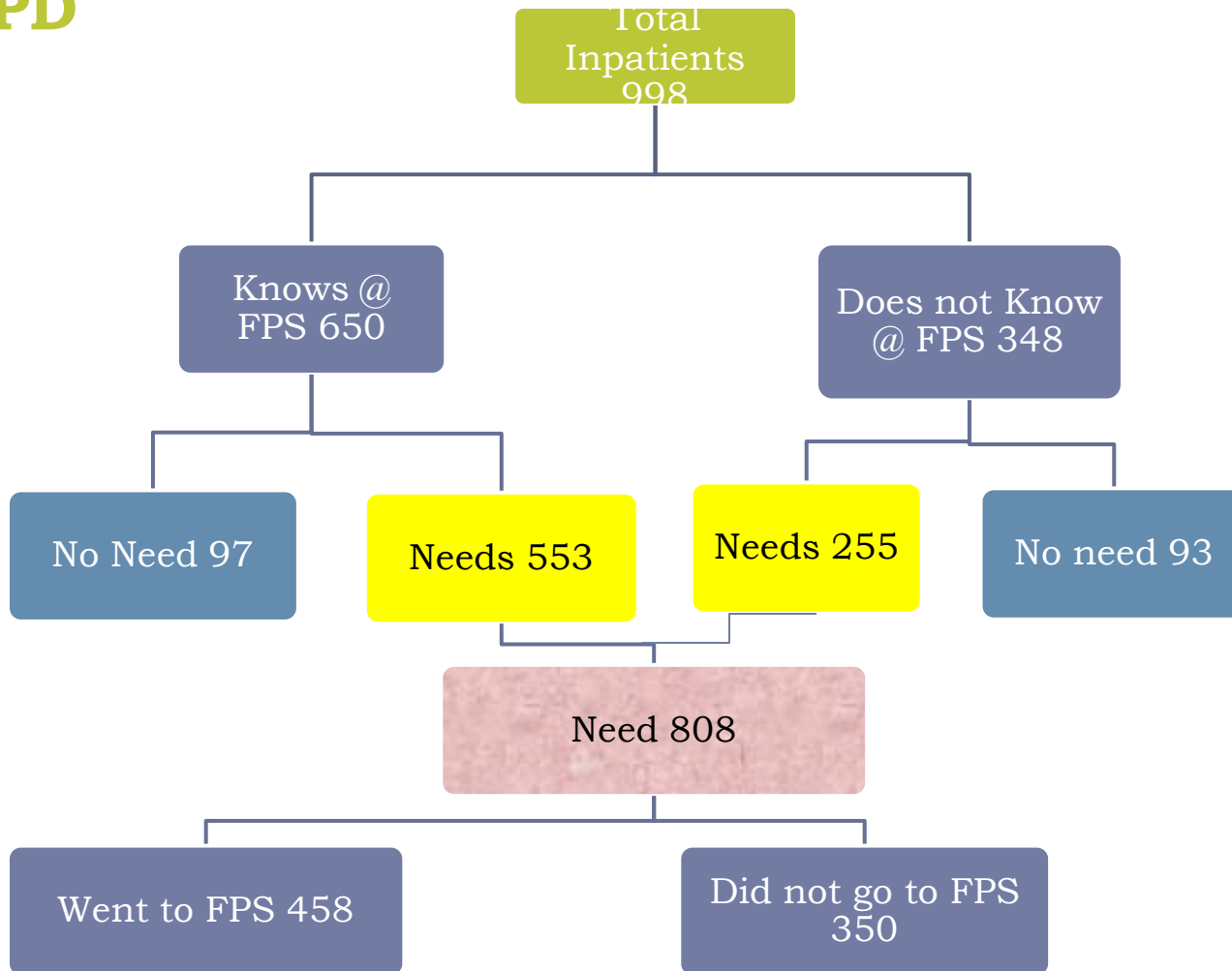
Choice of District Hospitals

Name of the Hospitals	Gross Sale (Rs.)	Trade Discount Rs.
5. Barasat SD Hospital	6,920,840.00	4,290,921.00
21. M.R. Bangur Hospital	5,409,257.00	2,919,772.00
3. Balurghat District Hospital	3,445,976.00	2,093,402.00
35. Tamluk DH	2,872,738.00	1,910,332.00
2. Asansol District Hospital	2,739,577.00	1,561,551.00
15. Howrah D. H.	2,513,729.00	1,441,878.00
20-B. Krishnanagar-2 DH	2,437,000.00	1,473,000.00
14. Hoogly D.H., Chinsurah	2,298,017.00	1,101,433.00
25. Purulia DH	1,895,034.00	1,124,894.00
31. Seuri DH	1,635,408.00	970,780.00
12. Coochbehar, MJM D.H.	1,092,733.00	524,512.00
26. Raigang D.H.	1,075,000.00	573,000.00
16. Jalpaiguri D.H.	763,256.00	366,363.00
13. Darjeeling DH	718,568.00	344,913.00

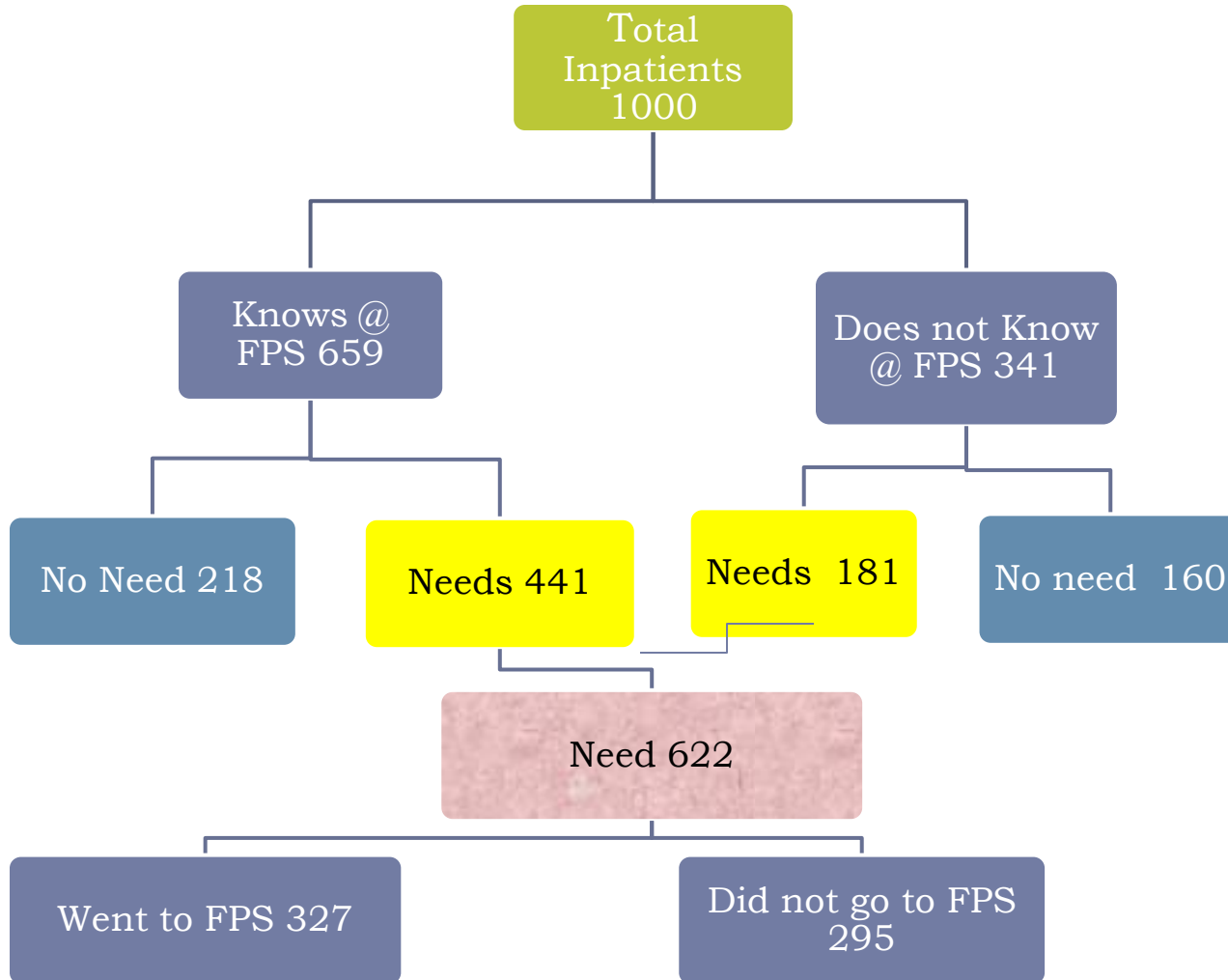
Sample

- ▶ 1000 IPD and 1000 OPD patients were interviewed
- ▶ Stratified Random sampling
- ▶ Number per hospital equal to have a good representation of all hospitals
- ▶ Equally divided between **Medicine, Pediatrics, Cardiology, Eye & Orthopedics.**
- ▶ OPD patients while leaving the hospital and IPD patients just after their discharge.
- ▶ Survey tools:
 - Structured Questionnaire
 - Prescription copying
 - Hospital level information

IPD



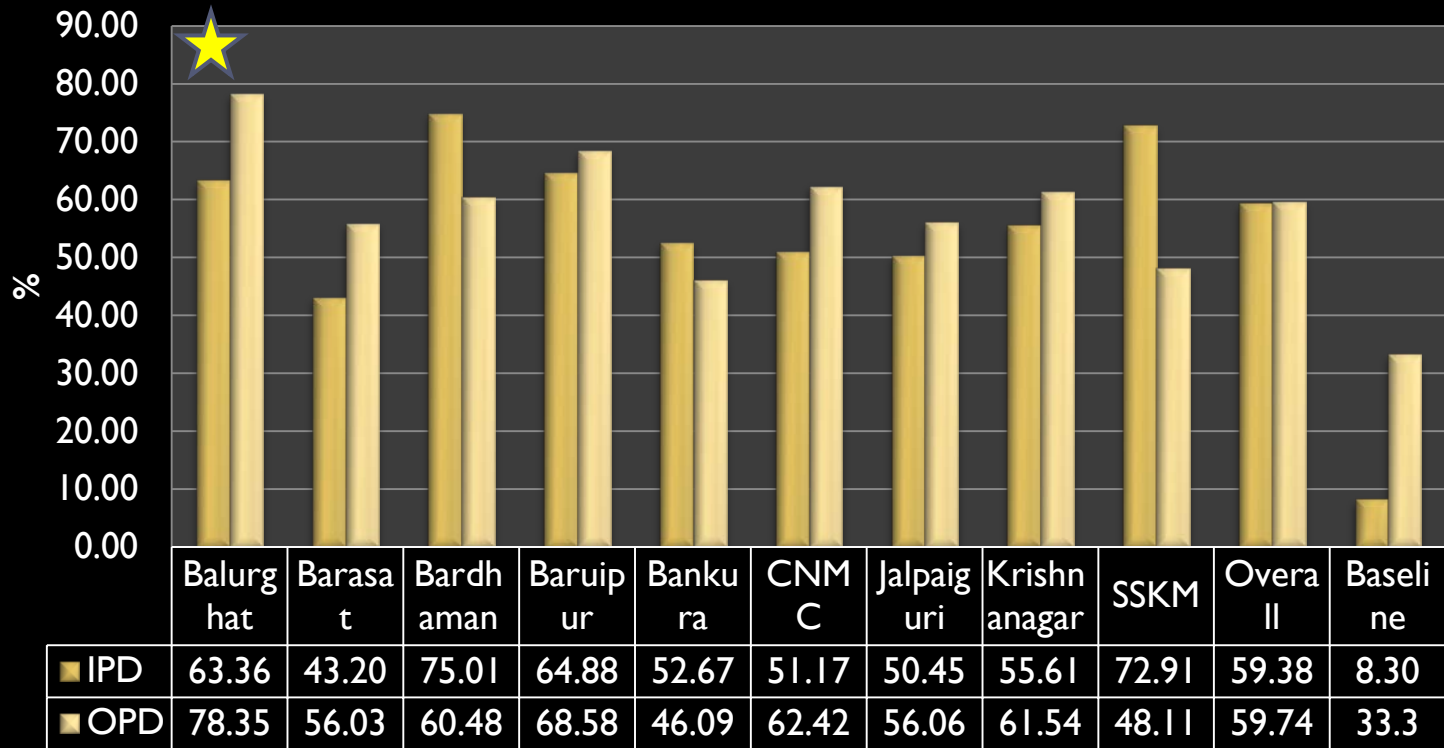
OPD

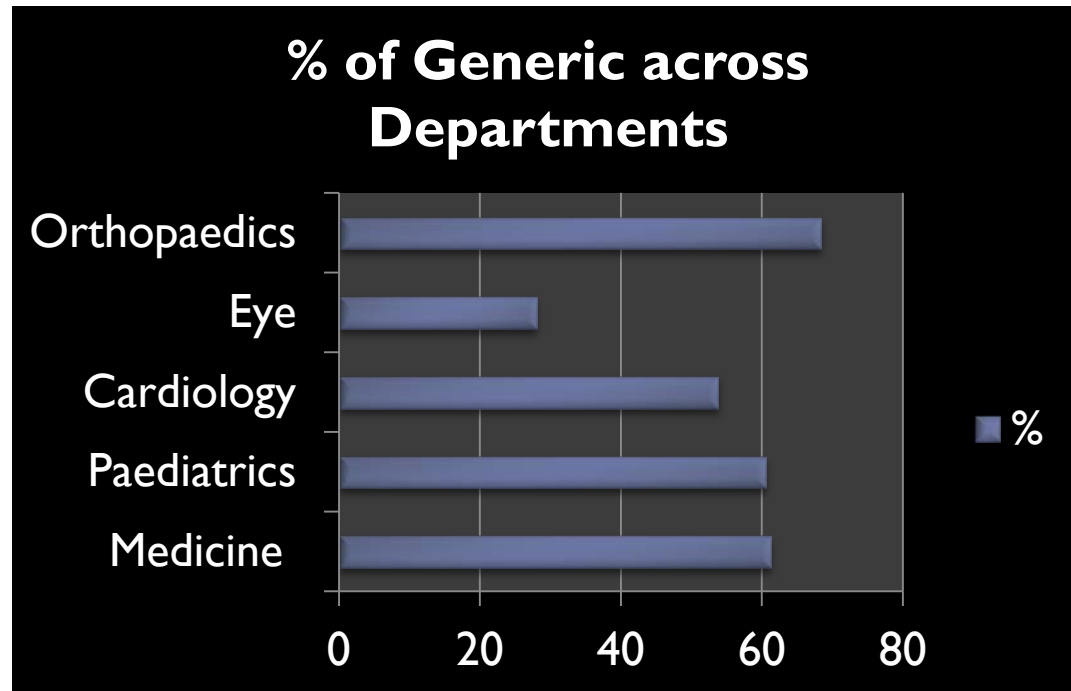


Access to Medicine: % share of total medicines received from Hospital pharmacy

Name of the hospital	OPD	IPD
Balurghat (BDH)	80.5	59.43
Barasat (BH)	56.65	39.56
Bardhaman (BMH)	57.75	46.51
Baruipur (BSHP)	71.7	73.52
Bankura (BSMC)	49.36	57.36
CNMC	39.16	27.36
Jalpaiguri (JHP)	60.07	63.42
Krishnanagar (KDH)	61.03	47.82
SSKM	4.95	9.41

Average Share of Generics in the prescriptions





Baruipur Orthopedics and Krishna Nagar Eye departments had 100 % prescribed drugs in Generics.

Which brands? Who chooses?

- ▶ For the brands prescribed, the question remains whether the brands are relatively cheaper or at least at the Fast Moving (FM) Brand?
- ▶ For the generics, which brands or branded generics do FPS keep? Are they at FM brands?
- ▶ *This question is crucial because this FPS actually shifts the power of choosing the brand or branded generic (or actually the companies) from doctors to retailers.*

Price range of Prescribed Brands (among most prescribed medicines in OPD & IPD)

Cardiology	>FM	FM	<FM	Total
Low priced drugs	18.75	68.75	12.5	100
High Priced drugs	59.26	7.41	33.33	100
Medicine				
Low priced drugs	8.57	82.86	8.57	100
High priced drugs	50.00	18.42	31.58	100
Paediatrics				
Low priced drugs	21.22	48.48	30.30	100
High priced drugs	66.66	6.67	26.67	100

Are drugs available at FPS costlier?

FPS Retail price (After Discount)	>FM	FM	<FM	Total
Low priced drugs	7.14	5.40	92.86	100
High priced drugs	8.70	0.00	91.30	100

On the average, Generics/Branded generics/Brands after discount in FPS are around 59.53% cheaper than brands specified by doctors

Share of Treatment taken & not taken

Treatment=Going to FPS

	IPD	OPD
Treatment taken	458 (56.68)	327 (52.57)
Treatment not taken	350 (43.32)	295 (47.43)
Total	808	622

Are they going?

Hospital Name	Share of treatment taken	
	IPD	OPD
Balurghat District Hospital	57.38	58.14
Barasat District Hospital	50.00	73.97
Barddhaman MC Hospital	35.64	51.28
Baruipur Sub-divisional Hospital	44.74	57.89
Bankura Sammelani Medical College	47.83	55.13
Chittaranjan Medical College	82.69	67.69
Jalpaguri District Hospital	51.61	22.95
Krishnangar District Hospital	45.54	8.45
SSKM	84.96	70.83
Overall	43.32	52.57

Are they going?

Department	Share of treatment taken	
	IPD	OPD
Medicine	58.75	58.79
Cardiology	59.35	37.76
Pediatric	55.37	58.23
Orthopaedic	43.75	37.14
Eye	44.44	43.10

Experience with FPS

Intensity of treatment received

Medicines bought from FPS	IPD	OPD
All	108 (23.58)	98 (29.97)
Some	272 (59.39)	80 (24.46)
None	78 (17.03)	149 (45.57)

Average OOPE on Medicine by treatment and non-treatment categories

	IPD (Rs)	OPD (Rs)
Treatment taken	3580	138
Treatment not taken	1860	124
Total	2835	131

Average Generic Share by treatment & non-treatment

	IPD (%)	OPD (%)
Treatment taken	61.18	55.71
Treatment not taken	57.04	49.65
Total	59.38	52.84

Impact Evaluation in IPD

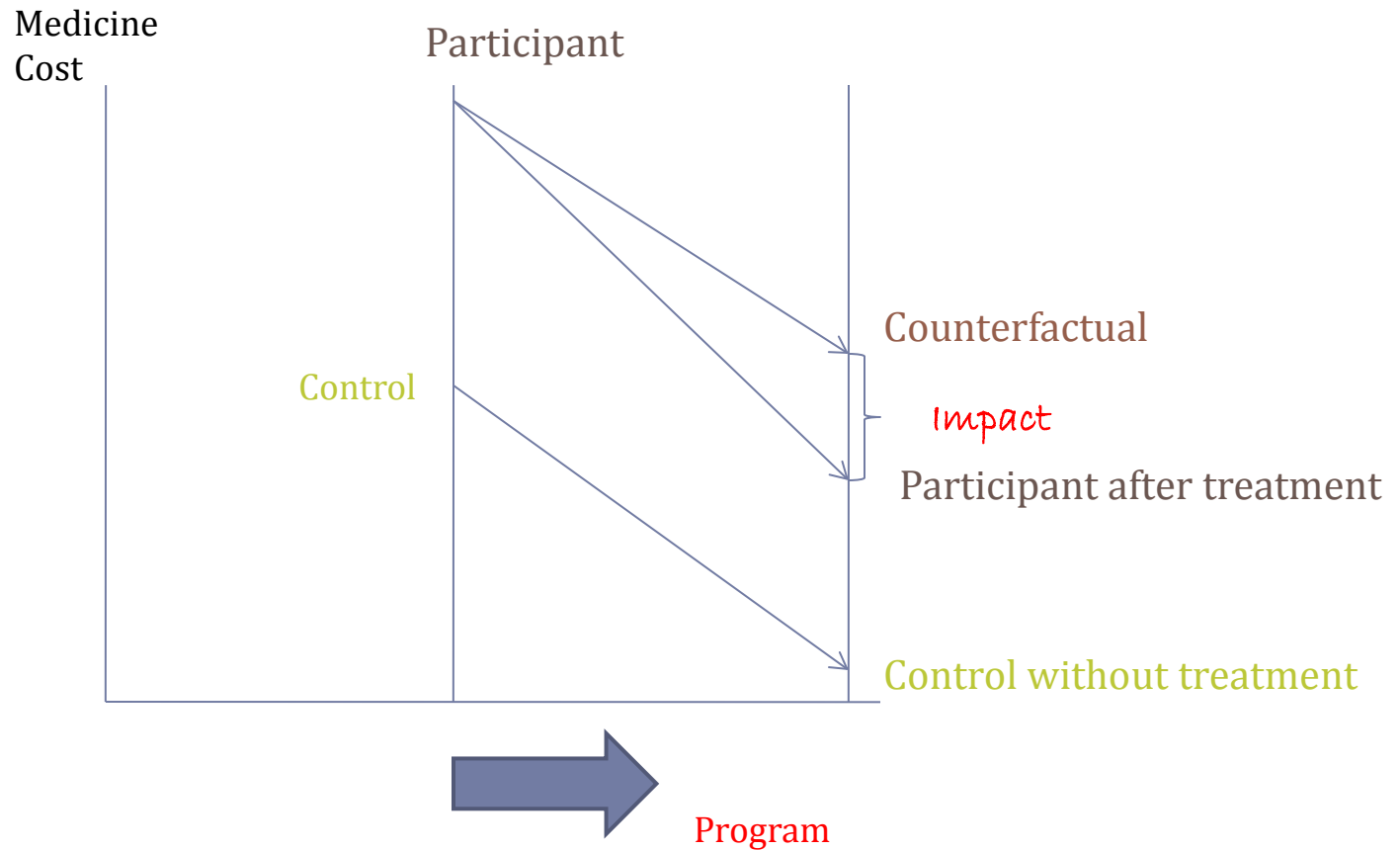
Total Medicine Cost	Treated	Control	Difference	% difference
Unmatched	3621.25	1864.81	1756.44	94.19
ATT	3621.25	5820.42	-2199.17	-37.78

Total Medical Cost	Treated	Control	Difference	% difference
Unmatched	5447.04	2901.62	2545.42	87.72
ATT	5447.04	7988.06	-2541.02	-31.81

Impact Evaluation in OPD

Total Medicine Cost	Treated	Control	Difference	% difference
Unmatched	137.86	124.1	13.75	11.08
ATT	137.86	170.53	-32.67	-19.16

Pictorial Representation



Onus on whom??

Hospital	In FPS List	Not in FPS List
Barasat DH	57.14	42.86
Bankura S MC	68.29	31.71
SSKM	53.5	46.5

Looking at the prescriptions who went to FPS and did not get any Medicines, we find that in Barasat and SSKM marginally higher problem is FPS Supply, whereas in Bankura MC, it is overwhelming.

Policy recommendations to minimize the Leakages

- ▶ Good news so far as policy intervention is concerned
- ▶ But it is crucial to identify the leakages.
- 1. **Not aware of FPS:** More campaign at local administrative levels
- 2. Perception about **bad quality of medicines**
- 3. **Non-availability of medicines** even after going : both doctors and FPS are to bear the responsibility