

## **New Measures for Improving the Supply of Pharmaceuticals and Medical Equipment to State Medical Facilities in Uzbekistan**

On November 29, 2024, the President of the Republic of Uzbekistan issued Resolution No. PR-408 "On Measures to Improve the Supply of Pharmaceuticals and Medical Equipment System for Medical Facilities" ("**Resolution No. 408**").

### ***The Procedure for Determining the Demand for Medicines and Medical Purpose Devices has been established***

Resolution No. 408 outlines the procedure through which a permanently operating board of medical associations of districts (cities), medical facilities of the Republic of Karakalpakstan, as well as the medical facilities of Tashkent city and republican-level hospitals, in conjunction with the Ministry of Health (the "**MoH**"), formulates the demand for medicines and medical purpose devices ("**Medicines and Devices**"). This process considers morbidity indicators, the number of patients, the daily norm per patient, the duration of treatment courses, existing stock levels, and the demographic situation in the region.

The demand for Medicines and Devices is formulated within the timeframes established by the budgetary legislation, concurrently with the establishment of parameters for the State Budget for the upcoming year. Additionally, it is calculated based on the projected need for Medicines and Devices over a period of fifteen months, with the volume of remaining stock in warehouses deducted from this calculation.

**Note:** According to the Roadmap approved by Appendix No. 1 to Resolution No. 408, the MoH has must develop and approve the procedure for determining the need for Medicines, Devices, and consumables in the form of a regulatory act by the end of January 2025.

### ***Direct State Purchases of Medicines and Devices to be allowed***

Pursuant to Resolution No. 408, within the framework of the Law of the Republic of Uzbekistan "On Public Procurement," as well as the procedures and list determined by the MoH and the Ministry of Economy and Finance, starting from January 1, 2025, direct contracts will allow for state procurement of the following Medicines and Devices:

- Original Medicines (from manufacturers or official distributors),
- Specialized reagents and consumables for closed-type laboratory equipment,
- Medicines and Devices necessary for the provision of emergency and ambulance medical assistance.

In this case, the head of the state medical facilities bears personal responsibility for the procurement of Medicines and Devices acquired through direct contracts, in quantities and volumes necessary for providing emergency medical assistance.

### ***The Current Lists of Medicines and Devices purchased through Direct Contracts are being annulled***

According to Resolution No. 408, starting from January 1, 2025, the existing lists of Medicines and Devices, approved by the MoH in coordination with the authorized procurement authority, will be abolished.

### ***A New Procedure for Centralized State Procurement of Pharmaceutical Products has been defined***

From January 1, 2025, as part of the procurement of Medicines, Devices, and medical equipment carried out in a centralized manner, market research will be conducted to determine their initial price.

Additionally, starting January 1, 2025, it will be prohibited to procure the following Medicines in a centralized manner:

- Medicines with a total shelf life of up to two years, where the shelf life on the day of delivery has decreased by more than 30%,
- Medicines with a total shelf life of up to three years, where the shelf life on the day of delivery has decreased by more than 40%,
- Medicines with a total shelf life of more than three years, where the shelf life on the day of delivery has decreased by more than 50%.

It is important to note that these requirements do not apply to the procurement of Medicines excluded from the state reserve.

**Note:** According to the "Roadmap" approved by Appendix No. 1 to Resolution No. 408, the MoH must develop and approve the following regulatory acts:

- ✓ **By the end of the current year:** a list of original Medicines procured in a centralized manner, as well as Medicines and Devices independently procured by state medical facilities, necessary for providing emergency and ambulance medical assistance,
- ✓ **By the end of March 2025:** the procedure for state medical facilities to procure Medicines and Devices for providing emergency and ambulance medical assistance,
- ✓ **By the end of March 2025:** the procedure for conducting market research to determine the initial procurement price of Medicines and Devices.

### ***Establishment of the Procurement Center under the MoH***

Pursuant to Resolution No. 408, the Procurement Center (the "**Centre**") has been established based on the state institutions "O'zmedimpeks" and the "Training and Production Center for Medical Equipment Maintenance" under the MoH, along with its thirteen regional offices.

The main tasks of the Center are defined as follows:

- To carry out state procurements to supply state medical facilities with Medicines, Devices, consumables, medical equipment, reagents, chemicals, spare parts, and other essential goods ("**Medical Goods**") based on orders from the MoH,
- To store and supply the purchased Medical Goods to state medical facilities,
- To maintain records of medical equipment through a unified electronic system, as well as to monitor the efficient operation of medical equipment for each state medical facilities,
- To assist state medical facilities in developing technical specifications for the procurement of medical equipment,
- To implement a unified policy for providing medical equipment to state medical facilities within the healthcare system, to develop minimum standards for equipping such

- facilities, and to organize the installation, technical maintenance, and operational support of medical equipment purchased through centralized procurement,
- To ensure the full compliance of suppliers with their contractual obligations during the warranty period of medical equipment purchased for state medical facilities,
  - To provide state medical facilities with expert assessments for repairs or write-offs of the medical equipment they operate, in accordance with established procedures on a contractual basis.

### ***The Centralized State Procurement of Pharmaceutical Products is Permitted Based on Long-term Contracts***

According to Resolution No. 408, the procurement of Medicines, Devices and medical equipment may be carried out in a centralized manner based on long-term contracts (lasting more than one year) concluded between the Center and manufacturers (or official distributors).

### ***The Implementation of a Project for the Digitization of Procurement, Storage, Delivery, and Provision of necessary Pharmaceutical Products to Patients is Planned in Collaboration with the UN Development Programme (UNDP)***

Pursuant to Resolution No. 408, a system for the procurement, storage, delivery, and provision of Medicines and medical equipment to patients is to be established, alongside the implementation of a project for the digitization of these processes (the "**Project**") in cooperation with the UNDP.

As part of the Project, warehouses for the storage of Medicines and medical equipment will be created in various regions, equipped according to the established requirements, and supported by specialized vehicles equipped with temperature control devices to facilitate deliveries to state medical facilities.

**Note:** By Resolution No. 408, the MoH has been tasked with announcing competitive (tender) auctions for the organization of outsourcing for the storage and supply of medical goods, procured centrally for state medical facilities, within a two-month period before the full implementation of the Project in practice. In this context, the signing of contracts with the winners of public procurement and payment for the services rendered will be carried out by the Center.

### ***The Department for Combating Economic Crimes under the General Prosecutor's Office will oversee the Legality and Appropriateness of Procurement, Targeted Supply of Medicines and Devices***

Following the Resolution No. 408, the Department for Combating Economic Crimes (the "**Department**") has been tasked with establishing strict control over ensuring the legality and appropriateness of procurement and targeted supply of Medicines and Devices within the healthcare system.

Additionally:

- ✓ One employee from the Department will be included in the national and regional committees responsible for determining the needs for Medicines and Devices,
- ✓ At the end of each year, the legality and appropriateness of the conducted procurements will be reviewed by the State Financial Control Inspection.

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