

**Internship at
Gujarat Medical Services Corporation
Limited (GMSCL), Gandhinagar, Gujarat**

By

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ORGANIZATION PROFILE

The Gujarat Medical Services Corporation Limited (GMSCL) is a state government undertaking that started functioning in the state of Gujarat in August, 2012 replacing the ‘The Central Medical Stores Organization’ (CMSO) which was established under the Health & Family Welfare Department working since 1978 in Gujarat.

With the changes in the healthcare arena there was a felt need of developing new as well as upgrading the existing functioning and processes of CMSO, and consequently develop an institution supported with necessary infrastructure to make the system responsive to meet the objectives of the universal health coverage. With the view to match the changing demands and pace of development in the sector, CMSO was transformed into “**Gujarat Medical Services Corporation Limited**” (GMSCL) as an autonomous body and was incorporated under Companies Act for systematic procurement, inventory management, management information system, distribution services and to infuse professional management with establishment, development and strengthening the use of information technology in medical store organization.

GMSCL was established primarily to look after the procurement, storage and supply of medicines and other hospital requisites for the government health care facilities in the state. The utilization of information technology in a unique manner helped to bring transparency in functioning and reduce unethical practices remarkably. It also helped to make its services fast in many aspects, like the e-tendering process, use of e-Aushadhi software in the warehouses.

➤ OBJECTIVES OF GMSCL

- To buy, sell, supply, store, maintain or otherwise deal in all kinds and varieties of generic and patent / non-patent medicines, drugs, mixtures, formulations, tablets, pills, powders, pharmaceuticals and medical products, needles, syringes, injectable, vaccines, and surgical dressing, kits and instruments.
- To take up hospitals, nursing homes and healthcare centres and provide, encourage, initiate or promote facilities for the development of new methods of diagnosis, understanding and prevention and treatment of disease.
- To act as nodal agency for Government of Gujarat to implement any scheme and programs as may be assigned or transferred by the Government of Gujarat, and

also any scheme / program of Government of India, WHO, UNICEF, or any other regional, national, international or bilateral agencies in the health and family welfare sector.

➤ **FUNCTIONS OF GMSCL**

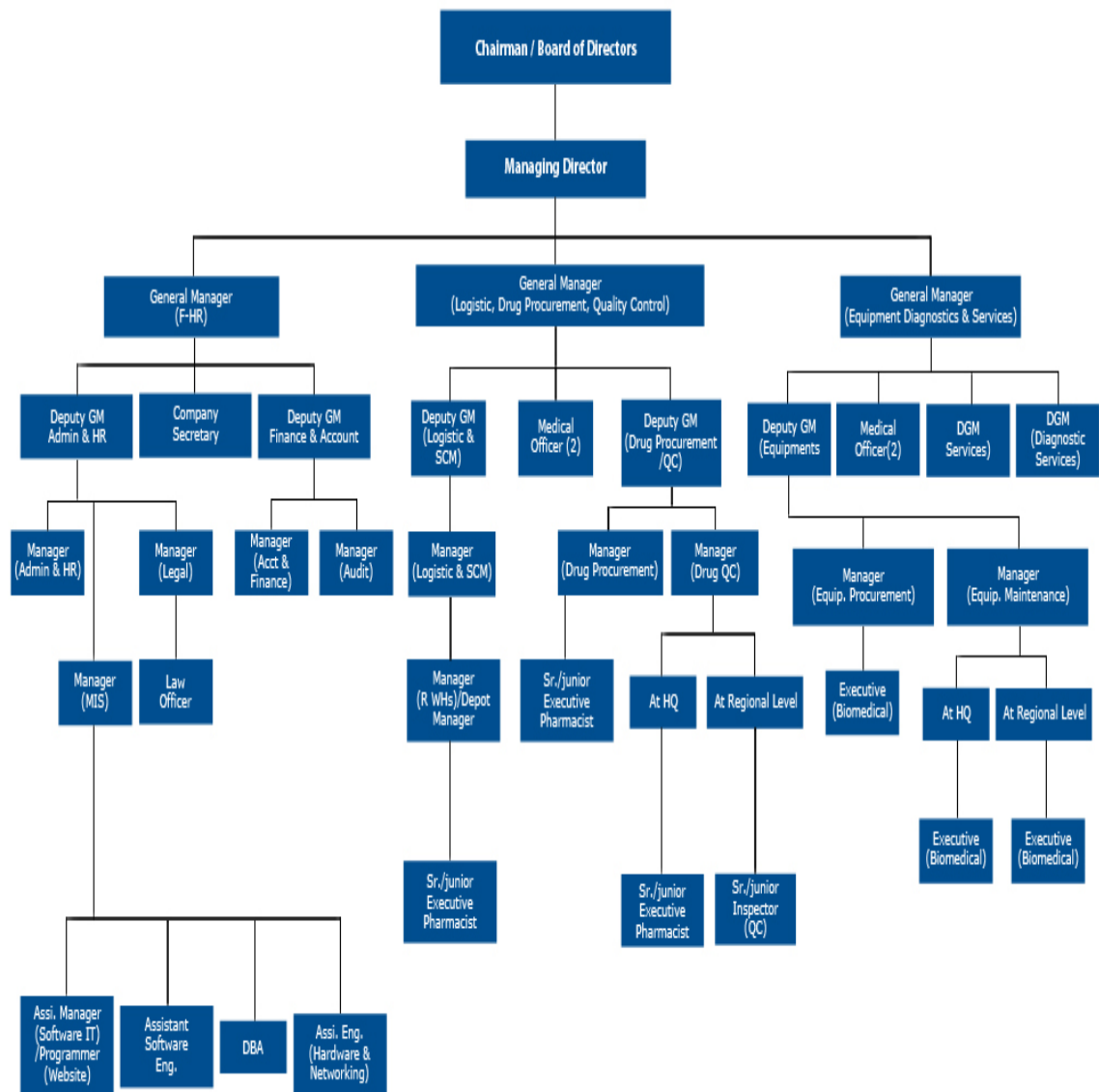
- Procurement of essential, lifesaving quality medicines, surgical goods & insecticides and their timely availability by creating highly decentralized storage capacity & distribution network.
- Procurement of quality medical equipment/Instrument and its maintenance for entire product life cycle.
- Establishment of Diagnostic Medical Service Centers for early diagnosis & ease of treatment for beneficiaries.

ORGANISATION STRUCTURE

There are different branches working under the direct supervision of the Managing Director.

- Drug Branch – To carry out procurement of drugs.
- Instruments (Industry) Branch – To carry out procurement of medical equipment and instruments
- IT Branch – Computerization of G.M.S.C.L
- Account Branch – Payment of bills, preparation of accounts.
- Depot (Logistics, Supply & Store) – Storage and distribution of drugs to 800 institutions of Gujarat State.
- Quality Assurance Branch – To ensure the quality of drugs.
- Administrative or HR Branch – Establishment and personnel work.
- Market Intelligence Branch- New technology and products initiatives, market surveys

PROPOSED ORGANOGRAM of GMSCL



DEPARTMENTS IN THE ORGANISATION AND THEIR PROCESS FLOW

❖ Procurement of drugs

The erstwhile organization CMSO has been transformed to the GMSCL, procurement procedures and plans are already in place. But with a change in organization, some additions, alterations, or deletions are required to be accomplished in the procurement process to facilitate the functioning of GMSCL and to ensure quality services to the stakeholders i.e. government healthcare institutions.

GMSCL centrally procures generic drugs for health care institutions of Gujarat State through e-tendering process. Tenders are advertised in the widely published newspapers both in Gujarati and English dailies.

Presently, the corporation is working as per the norms of its predecessor CMSO; however, the corporation is in the process of preparing purchase and procurement manual of its own with the objective to have flexibility in purchases, at competitive rates and will follow a more transparent procedure in order to ensure the quality of the drugs procured.

Demand management through central purchase policy:

GMSCL issues a circular to all Districts Demanding Officers (DDO) to raise the Regular special/supplementary demand for central purchase as per the budget availability HOD wise i.e. 70% and 80 % under centralized procurement.

- All institutions within the specified time must submit annual demand.
- Individual entity will send the demand to upper level of depot, and then is received by the GMSCL head office.
- Demands are generated separately for each program.

➤ BUDGET ALLOCATION

Process Flow:

Budget is maintained for programs at Head quarter level



Budget allocation program wise for hospitals/CHC/PHC



Separate purchase order for programs

➤ **SUPPLIER RATE CONTRACT**

- Drug Branch finalizes the supplier with rate contract to supply the Medicines and surgical consumables.
- **Rate contract** is an official agreement between the Procurement Agency and the Supplier/Manufacturer, which mention the goods/Medicines that will be supplied by the supplier, Rate per unit of the Medicine and the quantity that will be supplied in a given frame.
- Along with the regular Rate contract GMSCL maintains the parallel RC and substitute RC's
- Along with this, the batch size and Bank Guarantee details are also captured in the rate contract.
- In case, the batch size is less than or more than the batch size mentioned in the rate contract or purchase order, there is penalty imposed on the supplier equivalent to twice the test charge of each extra batch supplied.
- Rate contract details are managed item wise instead of supplier wise.

Process flow:

E-Tendering system



Supplier final

(Main L1, Parallel L2, Substitute L3)



Purchase order

➤ **Process flow of procurement medicine approval and Purchase Order (PO)**

- The proposal for the procurement of Medicines is prepared for the approval from competent authority, if any changes or correction require within the proposal for the procurement of Medicines, same will be rectified and resubmitted to the competent authority for approval.
- Once the DRAFT proposal approved by the competent authority, same approved proposal details transfer in the form purchase order and issue to supplier for the shipment of Medicines to Drug warehouse.
- For each Warehouse, Medicine and each program a separate purchase order is generated by the GMSCL.
- In case the supplier doesn't agree with the terms and conditions of the purchase order or does not supply the drugs within specified duration then the order is canceled and a risk order is generated with the parallel RC or substitute RC's.
- In case of risk purchase, order is placed to parallel or L2 supplier and a penalty equivalent to the difference in rate of the two suppliers or 10% of the PO value (whichever is higher) is imposed on the L1 supplier.
- Special Purchase is made separately for program wise demand.

Process Flow:

Head quarter compiles the annual demand



Headquarter tendering & final Rate contract



Proposal for the procurement of medicines



Proposal approval by the competent authority



Purchase order issue to supplier

➤ **Receive of medicines as per the approved Purchase order**

Process Flow:

Warehouse in charge receives the medicines



Pharmacist verifies the order quantity as per the purchase order



Certain parameters like GMSCL logo, MRP printing, test report, and package as per specification and different color are checked



Entry is made on daily register



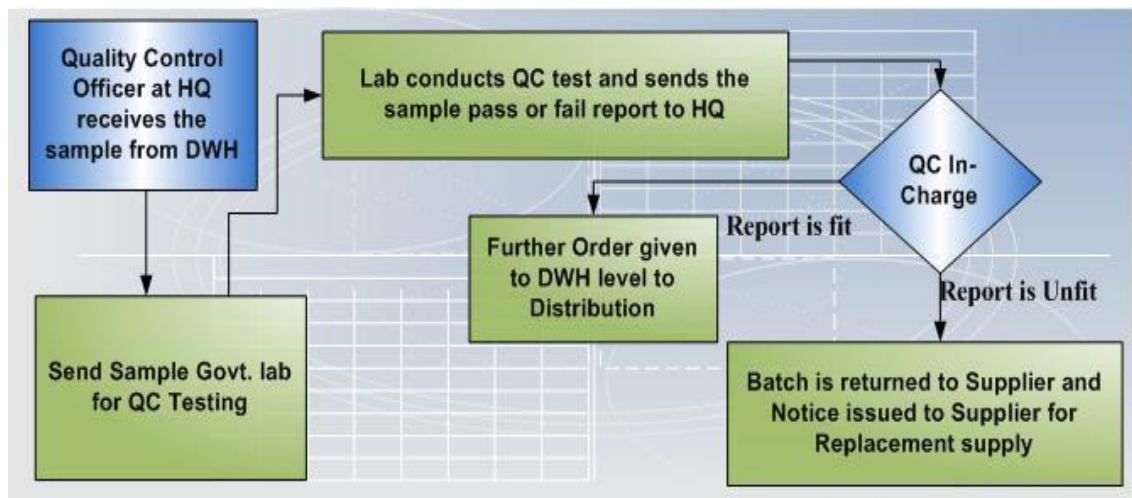
Stock register is entered only if the drug received is passed from the quality check

➤ **QUALITY ASSURANCE OF DRUGS**

GMSCL assures quality of drugs supply to all Health Institutions of Gujarat Government. This is assured by pre-dispatch testing and testing as per Drugs and cosmetics Act 1940 & rules there under. Thus GMSCL keeps watch on the quality Drugs supply to the Government Health Institutions.

➤ **Pre-Dispatch Test**

Process Flow:



➤ **DRUG AND COSMETIC ACT, 1940.**

Process Flow:

Random sampling by drug inspector at the warehouse



Samples sent to government laboratory



If QC report is NOSQ (Not of standard quality)



Concerned authorities are informed for condemnation



Supplier is informed about the QC findings



Action is taken as per tender conditions

➤ **Medicine distribution from Drug warehouse to sub store**

Process Flow:

Drug warehouse



Quality check passed drugs are issued to sub store



Drugs received by the hospital are updated in their respective stock registers

➤ **Medicine received from third party or NGO**

Medicines donated by third party or any NGO to concerned warehouse, the warehouse in-charge update the corresponding register with donated Medicine details such batch number, manufacturing date, expiry date, batch quantity, received date etc.

➤ **BILL PROCESSING**

Process Flow:

Delivery challan and invoice is sent from the warehouse to GMSCL along with a certificate of receipt of drugs



Payment is processed for each invoice that reaches the headquarter



Finance department prepared summary sheet of payment value calculation, testing charge, risk purchase recovery and NOSQ recovery



Prepared payment order of invoice details and payment calculations along with deductions



Prepared voucher for the payment of supplier against all processed invoices.

➤ **PENALTY AND RECOVERY**

Late Delivery (LD) is imposed on the supplier if delivery of medicines is made after the specified delivery period with following calculations:

- 0 to 3 days – no penalty
- 4 to 10 days – 0.5% of the invoice value
- 11 to 17 days – 1.0% of the invoice value
- 18 to 24 days – 1.5% of the invoice value
- 25 to 31 days – 2.0% of the invoice value
- 32 to 33 days – 2.5% of the invoice value
- After 33 days – 10.0% of the invoice value

➤ **PROCUREMENT OF EQUIPMENT**

The objectives for Equipment Procurement of GMSCL are:

- To procure modern era optimum quality Equipment at competitive rates and to follow transparent procedures.
- To meet the Equipment Purchase and Maintenance requirements of different Primary, Secondary and Tertiary Healthcare Institutions.
- To follow quality parameters for diagnosis, technology and research to provide best healthcare services in Gujarat.

❖ **STORAGE OF DRUGS**

As far as storage of quality generic medicines are concerned there are eleven functional warehouses at:

- Naroda
- Amreli
- Jamnagar
- Patan
- Surat

- Rajkot
- Vadodara
- Bhuj
- Dahod
- Himmatnagar
- Valsad

Upcoming warehouses:

- Bharuch
- Bhavnagar
- Palanpur
- Junagadh

These warehouses will be provided with all modern facilities necessary for drugs storage.

Supply chain management (SCM) is the management of the flow of goods and services. It includes the movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption.

❖ DRUG DISTRIBUTION SYSTEM

The GMSCL created a chain of warehouses with all required facilities to provide reasonably good storage conditions including ‘cold place’ for the storage of items. Warehouses were established at eleven Locations. At present, the GMSCL has eleven warehouses in the state and they cover the 33 districts. All the warehouses are of uniform design and structure.

Each warehouse is staffed with four pharmacists, one data entry operator and four helpers who help in loading and unloading operations. On receipt of new stock, appropriate entries are made in the computer about the stock arrived on that day, existing stock, pending quantity to receive, drugs distributed to various centers, expiry dates of different batches, total stock in warehouse, and drugs with batch number sent for quality control (QC) checks. Distribution schedules were given to the hospitals to enable them timely deliveries.

The warehousing and material transport system planned and adopted by GMSCL is much better and more scientific compared to other medical corporations. Medicines from the manufacturers are received and stored in the Regional warehouses for delivery to the hospitals. Medicines are issued to the medical college hospitals four in a month and to the general hospitals and district hospitals twice in a month. CDHO/ADHO/CHC hospitals and others receive medicines once in a month. Emergency supplies are affected as per the need. For each hospital the budget allotment is notified by the GMSCL and recorded in the passbooks. All the Regional warehouses and head office are connected through online network (e- Aushadhi) for monitoring to check position and details regarding quality control and quality assurance process.

The new warehouses under construction are very much modern, scientific and technically designed. The GMSCL initiated serious steps for improving infrastructure of warehouses and material transport system in the beginning of 2012. They have also planned to modernise their warehouses which were made available to them by the state government in all the 33 districts of Gujarat.

PROJECTS INVOLVED WITH DURING THE INTERNSHIP OTHER THAN DISSERTATION:

- Part of ensuring discipline and decorum in the office, by helping with the installation of Aadhaar-Enabled Biometric Attendance System (AEBAS) in the headoffice and the warehouses.
- Part of forming an employee grievance redressal mechanism in the office.
- Initiated in forming an editorial team, for the GMSCL newsletter.
- Was incharge of coordination in getting the pending work or correspondences cleared from various intending units and the office or vice-versa.
- Helped with employee engagement activities, like, celebrating Women's Day, daily managers tea session etc.