



**USAID**  
FROM THE AMERICAN PEOPLE

**SIAPS**  
Systems for Improved Access  
to Pharmaceuticals and Services

## FINANCING FOR THE PROCUREMENT OF MEDICINES AND SUPPLIES FOR THE DIAGNOSIS AND TREATMENT OF HIV/AIDS IN THE DOMINICAN REPUBLIC

### HISTORY

Until 2013, Comprehensive Care Services (Servicios de Atención Integral, or SAI) for people living with HIV and AIDS (PLWHA) faced constant scarcities of first-line antiretrovirals (ARVs). The financing for their purchase was covered with resources from the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and periodic contributions from the US President's Emergency Plan for AIDS Relief (PEPFAR), which were covering the scarcity crisis. The availability of ARVs in the SAIs fell to 73% in the most critical periods.

In 2012, the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program<sup>1</sup> carried out a study that concluded there was a USD 2.5 million financial gap for providing antiretroviral therapy (ART) to 22,440 patients who were hoped to be covered in 2013. This estimate included an expanded security stock that would avoid scarcities caused by delays in purchases or shipments. The presentation and discussion of this study with authorities and specialists from the Ministry of Public Health (Ministerio de Salud Pública, or MSP), the National Council on HIV/AIDS (Consejo Nacional del VIH/SIDA, or CONAVIHSIDA), and international aid agencies allowed the referenced financial gaps to be closed by means of better price negotiation with international suppliers and the first-time allocation of USD 1.9 million for the purchase of ARVs in the MSP budget. In 2013 only USD 350,000 was required from PEPFAR to cover shortages in supplies.<sup>2</sup>

In 2014, resulting from the mobilization of resources and purchases carried out in the previous year, the availability of ARVs rose to 92%. The few shortages in ARVs were not first line and could be replaced with other equivalents. The procurement planning that year rose to USD 10.9 million, owing to the inclusion of supplies for HIV diagnosis and clinical monitoring (CD4 and viral load). The resources allocated by the Ministry of Finance (Ministerio de Hacienda, or MH) were raised to USD 6 million and the difference (USD 4 million) was covered by the Global Fund. Starting that year, financial assistance from PEPFAR was not needed to cover shortages.

The availability of security stock allowed procurement planning for 2015 to be reduced to USD 8.7 million. The MSP covered the entirety of these needs.

In procurement planning for 2016 it was taken into account that close to 8,000 new PLWHA would begin ART, so the country could reach, before 2020, the goals of 90/90/90<sup>3</sup> to which it had committed itself. This increased the budgetary needs for the Dominican government to USD 12.2 million. The budgetary allocation made by the MH, however, was the same as for the previous year (USD 8.7 million), leaving a gap of USD 3.4 million (figure 1).



**USAID**  
FROM THE AMERICAN PEOPLE

**SIAPS**  
Systems for Improved Access  
to Pharmaceuticals and Services

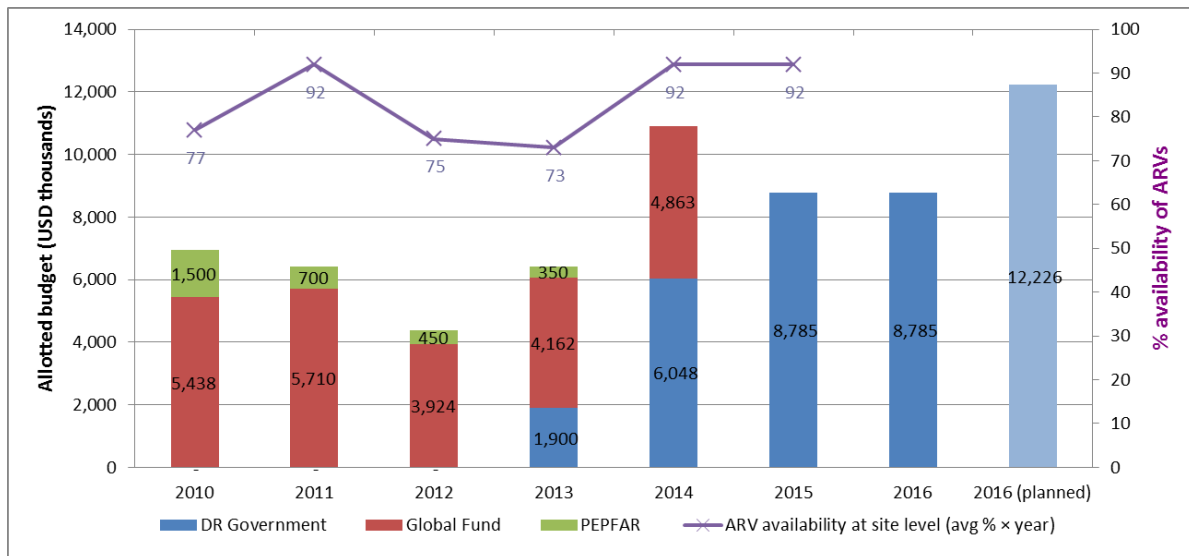


Figure 1: Allotted budget for the purchase of ARVs and diagnostic supplies, 2010 to 2016 (planned for 2016).

## SITUATION IN 2016 AND PROJECTED NEEDS

Until January 2016, the efforts to increase to the allotted budget were fruitless. With the intention of maintaining the established coverage goals (close to 38,000 PLWHA), the General Directorate of Sexually Transmitted Infections and AIDS Control (Dirección General de Control de Infecciones de Transmisión Sexual y SIDA, or DIGECITSS) and CONAVIHSIDA, with technical support from SIAPS, carried out adjustments to procurement planning. The proposal, validated by all the participating bodies, was based on the following criteria and scenarios:

- **Reduction of the nine-month security stock to six months:** This measure would permit an 11.5% reduction from the original planning but entails the risk of stock-outs resulting from late payments to the supplier or delays in deliveries.
- **Reduction of supplies and reagents for clinical monitoring tests (CD4 and viral load):** The original planning was carried out based on international norms. The adjustment considered the actual demand and historic laboratory workloads. This measure would allow an 11.3% reduction from the original planning. Increases in demand or laboratory workload could not be taken on with these budgetary restrictions.
- **Other adjustments in procurement planning and management:** The following measures would allow an 8.4% reduction from the original planning: the decrease in procurement prices of ARVs, considering previous trends; the reduction of planning for condoms and rapid tests, given that these are being acquired by other agencies; the restriction of third-line ARV purchases to cover only those patients who strictly meet the inclusion criteria; and a decrease in the cost of insurance, freight, storage, and import duties, resulting from better management and tax exemptions.

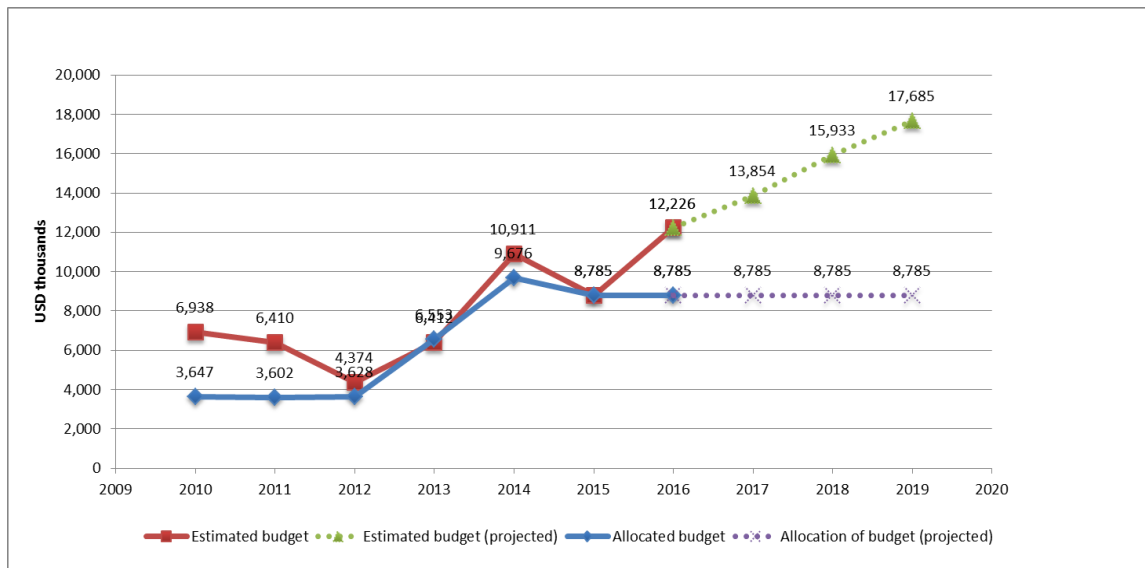
With these measures, but assuming the described risks in logistical operations, the allocated budget for 2016 would allow coverage of the entirety of PLWHA in treatment and the projected increase. Carrying out similar planning adjustments in the following years would not be feasible, however. If the budgetary allocation for 2017 and subsequent years were maintained at the same levels (approximately USD 8.7 million), the options for



**USAID**  
FROM THE AMERICAN PEOPLE

**SIAPS**  
Systems for Improved Access  
to Pharmaceuticals and Services

adjustments to a budget already at its ceiling would be to maintain coverage of PLWHA in ART at the same levels as 2016 or limit acquisition of diagnostic supplies or both. These actions would directly affect compliance with international strategies and agreements. It is essential, therefore, to identify alternatives for finance and expense management starting in 2017 (figure 2).



**Figure 2: Planned/estimated and allocated budget for procurement of HIV/AIDS medicines and diagnostic supplies, 2010 to 2019**

## ALTERNATIVES FOR FINANCING AND EXPENSE MANAGEMENT

The most immediate alternative for closing the referenced financial gap is the allocation by the MH of all the planned resources. In the presentation meeting of this analysis and intervention alternatives,<sup>4</sup> MSP authorities announced that recent efforts had led to the commitment to allocate the missing resources (approximately USD 3.4 million) in a supplementary item to be assigned at the end of fiscal year 2016.

Although these resources were effectively allocated, the financing and expense management for the procurement of ARVs and diagnostic and clinical monitoring supplies will continue being a challenge in the next years, especially if one considers that the financial needs should be progressively increased to achieve the 90/90/90 goal. The authorities of the Ministries of Health and Finance must, therefore, consider, among others, the following alternatives:

- Construct technical arguments that justify the expense increase:** The scientific evidence shows that ART reduces viral load and, therefore, prevents transmission.<sup>5</sup> Suboptimal coverage would impede control of the virus's spread, which would entail greater expenses in the future. By this logic, one can affirm that expenditures not made in the short term will multiply in the future. The documentation of these epidemiological and financial projections for the Dominican Republic would support the motion before the MH and superior bodies in the public administration for financial resources. Technical aid agencies can take into account the financing in these studies.



**USAID**  
FROM THE AMERICAN PEOPLE

**SIAPS**  
Systems for Improved Access  
to Pharmaceuticals and Services

- **Creation of a protected fund for the procurement of essential medicines and diagnostic supplies:** The procurement of medicines and diagnostic supplies for some disease control programs (HIV/AIDS, TB, among others) is carried out through international agencies for price benefits, economies of scale, and in instances in which no domestic provider exists. In the greater part of the cases, procurement is carried out by means of upfront, complete payment to the international supplier; consequently a lack of availability in the *fiscal coffers* at the moment of the order delays the purchases and causes scarcities. The risk is now greater for HIV/AIDS owing to a reduction of the security stock, described in the earlier sections. In addition to the allocation of financial resources in the planned amounts, the financial resources must be immediately available for international procurement on the part of the MH. The creation of a *protected fund* is an idea that the MH must explore at the request of the MSP.
- **Financing expenses for PLWHA through Social Security:** At the end of 2015 it was reported that 25,571 PLWHA<sup>6</sup> were enrolled in Social Security (18,804 in the subsidized plan and 6,767 in the contributory plan),<sup>7</sup> but they did not have coverage for some diagnostic methods and ART.<sup>8</sup> A study conducted in 2014 estimated that the increase in premiums for PLWHA care would not be higher than USD 5.00 per enrollee per year.<sup>9</sup> Additionally, a recent Social Security regulation (4-SS), ordered the coverage of the products (including ARVs) contained in the Essential Medicines List.<sup>10</sup> The Superintendency of Health and Occupational Hazards (Superintendencia de Salud y Riesgos Laborales), on its behalf, orders Health Risk Insurers to cover ART. Based on these legal and financial arguments, the MSP and the National Health Service must begin political work before the National Council of Social Security (Consejo Nacional de Seguridad Social) for the coverage of comprehensive diagnosis and treatment of PLWHA by their respective enrollment plans.

---

This document may be reproduced under the condition that credit be given to the SIAPS Program. Please use the following citation: Valdez C, Barillas E. 2015. *Financing for the Procurement of Medicines and Supplies for the Diagnosis and Treatment of HIV/AIDS in the Dominican Republic*. Presented to the US Agency for International Development by the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program. Arlington, VA: Management Sciences for Health.

<sup>1</sup> Program implemented by Management Sciences for Health, financed by the US Agency for International Development (USAID).

<sup>2</sup> Valdez C, Barillas E, Castillo M. 2015. *Historia de éxito: El financiamiento de ARVs en República Dominicana*. Presented to the United States Agency for International Development by the Systems for Improved Access to Pharmaceuticals and Services Program (SIAPS). Arlington, VA: Management Sciences for Health. <http://siapsprogram.org/2015/09/14/el-financiamiento-de-arvs-en-republica-dominicana/>

<sup>3</sup> By 2020, 90% of people living with HIV will be aware of their condition; 90% of people diagnosed with HIV will receive ART; and 90% of those that receive ART will have viral suppression.

<sup>4</sup> The meeting was called by the Vice Ministry of Collective Health of the MSP (Viceministerio de Salud Colectiva del MSP) and took place February 10, 2016, in its offices. Among participants were authorities and specialists from the MSP, CONAVIHSIDA, aid agencies, and representatives from civil society.

<sup>5</sup> Granich RM et al. Universal voluntary HIV testing with immediate antiretroviral therapy as a strategy for elimination of HIV transmission: a mathematical model. *Lancet* 2009;373(9657):48–57. <http://www.sciencedirect.com/science/article/pii/S0140673608616979>

<sup>6</sup> Ficha de atención de programas de políticas públicas, FAPPS, National Health Service. 2015. Reporte afiliación y no afiliación al Sistema Dominicano de Seguridad Social (Report on enrollment and nonenrollment in the Dominican Social Security System).

<sup>7</sup> Superintendencia de Salud y Riesgos Laborales, or SISALRIL, reports on coverage, November 2015.

<sup>8</sup> In 2014 payments of close to USD 666,000 were reported to the Insurers of Health Risks (Aseguradoras de Riesgos en Salud, or ARS), itemized as CD4 and viral load tests; but these did not form part of the comprehensive treatment plan for PLWHA.

<sup>9</sup> The supply of ARV medicines represents an increase of 0.2% per person in the contributory plan and 3.8% in the subsidized plan. CONAVIHSIDA/Nelson Hernández. *Consultoría para el diseño del modelo de gestión técnico, administrativo y financiero para la compra y dispensación de los ARVs en el marco del Programa Nacional de Atención a la Población VIH+*. July 2015.

<sup>10</sup> Ministry of Health. *Cuadro Básico de Medicamentos Esenciales*. Santo Domingo, Dominican Republic. August 2015. <http://www.msp.gob.do/oai/documentos/Resoluciones/2015/Cuadro%20Basico%20de%20Medicamentos%20Esenciales%20de%20RD.%202015.pdf>