



Photo by Rui Pires

Related Health System
Building Blocks

- Leadership/governance
- Health workforce
- Financing
- Service delivery
- Medical products, vaccines & technologies

THE ROLE OF PTCs IN USING FINANCIAL RESOURCES EFFICIENTLY IN SOUTH AFRICA



CHALLENGE **Using financial resources efficiently while expanding pharmaceutical services**

In South Africa, pharmaceuticals are the second largest line item in the national budget after human resources. Analyzing and controlling pharmaceutical costs is critical to ensuring the sustainability of the health system and the efficient provision of health care services to an ever-growing population. Drug and Therapeutic Committees, referred to in South Africa as Pharmaceutical and Therapeutics Committees (PTCs), help to standardize treatment protocols, promote rational use of medicines, and improve the quality of pharmaceutical services. PTCs also provide a mechanism for ensuring the efficient use of financial resources. In Gauteng province,

where a quarter of South Africa's population lives, the Gauteng Provincial Pharmaceutical and Therapeutics Committee (GPPTC) oversees a total of 32 hospitals and health facilities, as well as five district offices. The GPPTC plays a crucial advisory role for the analysis and control of the pharmaceutical expenditure in the province.

South Africa's Pharmaceutical and Therapeutics Committees help standardize treatment protocols, promote rational use of medicines, and improve the quality of pharmaceutical services.

SIAPS ACTIVITIES **Leveraging PTCs to ensure effective financial management**

Using the pharmaceutical systems strengthening approach, SIAPS supported the GPPTC in three critical systems-strengthening areas. First, SIAPS facilitated the development and approval of provincial guidelines to establish pharmaceutical and therapeutics committees (PTCs) at all health facilities in Gauteng Province. The guidelines reinforce the governance mechanisms supporting the PTCs, outlining expected compliance to procurement practices and assessing pharmaceutical expenditures. Second, SIAPS strengthened human resources capacity through

the implementation of a workshop on financial management for pharmacists, carried out in tertiary hospitals and at the district level. Third, SIAPS strengthened information systems through the implementation of financial reporting software at the depot level.

Following an analysis of the expenditure per medicine and per therapeutic class, the GPPTC, in collaboration with SIAPS, reviewed the available evidence and concluded that therapeutic interventions could potentially result in significant

reductions in expenditure without compromising treatment safety and efficacy. The decisions included requiring pre-approval by PTCs to use

selected medicines and restricting the use of some medicines to higher levels of care.

RESULTS Using financial data for informed decision making

In February 2014, the GPPTC made an official recommendations to use enalapril as the preferred ACE inhibitor and amlodipine as the preferred calcium channel blocker, actions which are expected to save US \$646,000 and US \$955,000, respectively, for every 100,000 hypertensive patients.

The GPPTC also designed and implemented two therapeutic interventions to support the safe and

cost-effective use of medicines at the district and hospital levels by strengthening the compliance with the national standard treatment guidelines (STGs). A defined daily dose (DDD) analysis was performed to compare the unit costs of different formulations of insulin. The analysis determined that, by increasing the use of insulin vials and decreasing the use of pensets, approximately US \$150,000 could be saved per 100,000 diabetic patients per year.

NEXT STEPS Supporting long-term fiscal sustainability

While necessary changes to prescribing and treatment practices have been identified, modifying these practices can be extremely challenging. SIAPS is therefore providing ongoing support to the GPPTC in implementing these recommendations. SIAPS also continues to help support the GPPTC to ensure efficient financial management in the provision of pharmaceutical

services by monitoring expenditures and conducting future analyses. Through its support to the GPPTC, SIAPS is building local capacity to better use financial management analyses, helping South African health care providers and facilities to make informed decisions so limited resources can be used as efficiently as possible.

ABOUT SIAPS | The Systems for Improved Access to Pharmaceuticals and Services (SIAPS) program works to assure access to quality pharmaceutical products and effective pharmaceutical services through systems-strengthening approaches to achieve positive and lasting health outcomes. SIAPS is funded by the US Agency for International Development (USAID) and is implemented by Management Sciences for Health. For more information, visit www.SIAPSprogram.org.



The information provided does not reflect or represent the position or views of the US Agency for International Development or the US Government.

May 2015

4301 N. Fairfax Drive, Suite 400 | Arlington, VA 22203 USA
Tel: +1 (703) 524-6575 | Fax: +1 (703) 524-7898 | E-mail: siaps@msh.org | Web: www.siapsprogram.org