TRIP REPORT: CAR/KAZ-29

DEVELOPMENT OF HEALTH FACILITY FORMULARIES AND DRUG INFORMATION SYSTEMS IN KAZAKSTAN

March 5 - April 20, 1996

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Submitted by the ZdravReform Program to:
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EXECUTIVE SUMMARY

On January 1, 1996, the government of Kazakhstan issued a decree establishing the Federal Mandatory Health Insurance Fund (MHIF) for implementation no later than April 1, 1996. To establish drug benefits to be paid by the MHI Fund the consultant, John Kaufman, developed drug formularies, which were accepted by the MHI Fund. The consultant recommends that a strong, organized effort be made to support implementation of drug formularies by the Federal Mandatory Health Insurance Fund at both federal and oblast level.

BACKGROUND

Since November 1994, the ZdravReform Program has collaborated with the government of Kazakhstan and other US contractors in the area of pharmaceutical sector restructuring. As part of this effort, pharmaceutical consultant, Kaufman, has has an on-going relationship with the ZdravReform Program, proving technical assistance to the government of Kazakhstan, selected oblasts and individual institutions with regard to pharmaceutical sector restructuring. The consultant's activities from the previous three (3) visits involved 1) the development, acceptance, facilitation, and implementation of a signed decree de-monopolizing, restructuring, segmenting, and privatizing the state holding company, Farmatsiya; 2) assistance to the government of Kazakhstan in the development of a National Essential Drug List; 3) assistance to individual oblasts and health institutions in the development of drug formularies; 4) the development of a Drug Information System (DIS), and; 5) the development of a national pharmacy association.

The consultant's first visit to Kazakhstan, which took place between February and June, 1995, concerned development, acceptance, facilitation and implementation of a signed decree (April 1995) de-monopolization, restructuring, segmentation, and privatization of Farmatsiya. Focus then shifted to providing support for pharmaceutical operations under a privatized system.

The consultant's second trip to Kazakhstan took place between July and September, 1995; trip three took place between October and December, 1995. These visits provided assistance to the government of Kazakhstan and individual oblasts and institutions with initiatives such as developing a National Essential Drugs List, Drug Formulary Systems, and a Drug Information System. In addition, a pharmacists association was established which will help to support high standards in the profession. Reports from these trips are available upon request from Abt Associates. (See Annex B).

An important milestone was reached in this program when the National Essential Drug List (NEDL) for Kazakhstan was approved by decree in February 1996. This list is now officially recognized by the Ministry of Health (MOH) and the oblast departments of health. The next step is for all of the oblasts and hospitals to use the NEDL to develop individual drug formularies that are responsive to their specific institutional needs.
OBJECTIVES

Assisting in developing drug formularies as part of the development of a drug benefits system was the consultant's primary task. Specific areas include the following:

A. **Drug Benefits (Essential Drug List and Drug Formulary)**

   Provide technical assistance to the Ministry of Health (MOH) in the introduction and dissemination of the recently approved National Essential Drug List (NEDL) to selected oblasts and health care institutions;

   Provide policy support to the Federal Mandatory Health Insurance Fund (MHI) in defining drug benefits through the introduction and development of drug formularies, utilizing the Essential Drug List for Kazakhstan.

   Provide policy support and technical assistance to South Kazakhstan Oblast Mandatory Health Insurance Fund on the introduction and development of drug formularies in the majority of the hospitals in the oblast, in accordance with budgetary constraints;

   Provide technical assistance to the ZdravReform demonstration site in Karakol, Kyrgyzstan in the development of a drug formulary for primary-care group practices, utilizing a revolving drug fund.

B. **Drug Information Systems**

   Coordinate the development of a drug information system for all pharmacies in Kazakhstan, in accordance with budgetary constraints.

C. **National Pharmacy Association**

   Support development of a Pharmacy Association in Kazakhstan, as a non-governmental organization (NGO).

D. **School of Pharmacy Partnership Program**

   Facilitate a partnership program between the University of Arizona, School of Pharmacy and the School of Pharmacy, Almaty Medical Institute.
ACTIVITIES

A. DRUG BENEFITS

The National Essential Drug List (NEDL) was recently approved by decree by the Ministry of Health (MOH) and is now officially recognized by the government of Kazakhstan at both the federal and oblast level. This approval was a major pre-requisite to the development of the drug formularies needed to define and create drug benefits programs.

1. Essential Drug List

The ZdravReform pharmacy team, working with Dr. Kelesbek Abduoullin as liaison with the MOH, was able to achieve final approval of the National Essential Drug List.

2. Drug Formulary System

Meetings were held with drug formulary system demonstration sites (listed below) to gauge their progress and lend assistance to their implementation plans. Meetings were also held with the director of Farmatsiya of Dzheskasgan Oblast, the Mandatory Health Insurance Fund of South Kazakhstan Oblast, and key officials of the Federal Mandatory Health Insurance (MHI) Fund.

The Pediatric Institute of Kazakhstan

This hospital/institute has established a Pharmacy and Therapeutics Committee which approved a drug formulary and has made some progress in efforts to implement it. As an important first step, the pharmacy was transferred to the ownership of the hospital. Because adequate funds were not available to implement the formulary immediately, it was determined that the hospital pharmacy should work with the Pharmacy and Therapeutics Committee to prioritize the hospital's pharmaceutical needs by therapeutic classification and/or by medical department and to phase in implementation of the formulary over a three month period. The consultant suggested that the hospital seek out at least three local distributors to make competitive offers on the pharmaceutical products required by the drug formulary in order to obtain the lowest possible prices.

Shymkent City Hospital # 2 and Shymkent Phosphorus Hospital:

These hospitals have not progressed in the implementation of their drug formularies since the consultant's previous visit due to lack of funds. In addition, pharmacies have not yet been transferred to the ownership of the hospitals. Both hospitals are prepared to implement their drug formularies once the funding issue has been resolved.
Mandatory Health Insurance (MHI) Fund - South Kazakstan Oblast:

All parties have committed to the development and implementation of drug formularies in all hospitals within South Kazakstan Oblast. A tender committee has been organized to 1) develop criteria for the selection of qualified distributors; 2) select pharmaceuticals from the National Essential Drug List (NEDL) to be purchased; and 3) establish the mechanism for purchasing, distributing, and paying for pharmaceuticals for hospital pharmacies. The MHI Fund is preparing to hold its first tender for the purchase of a limited number of pharmaceuticals selected by the tender committee as being of a priority nature for the hospitals in the oblast. A number of hospitals have volunteered to be the first to develop and implement drug formularies.

Dzheskasgan Oblast Farmatsiya

The director of Farmatsiya of Dzheskasgan Oblast indicated that drug formularies have already been implemented. Farmatsiya has developed access to the majority of drugs in the oblast formulary and is continuing to explore new sources for pharmaceutical procurements.

Mandatory Health Insurance (MHI) Fund-Federal:

Several meetings were held with key officials to determine the best way to assist the Federal level of the MHI Fund in utilizing drug formularies as a cost containment mechanism. ZdravReform Pharmacy Team agreed to develop model drug formularies to be used for the following types of patient treatment sites throughout the country: Basic Acute-care Hospital; Day Hospital; Children's Hospital; Ambulatory-care Center; and Polyclinic.

B. DRUG INFORMATION SYSTEM

Development of a Drug Information System for Kazakstan has suffered difficulties and set-backs since its inception. Because this tool is likely to provide valuable support to post-privatization of the retail pharmaceutical sector, the consultant has continued to pursue its implementation. Kaufman identified two important criteria for successful development as low-cost and the ability of the government to maintain the drug information system after the ZdravReform Program in Kazakstan has ended.

As indicated in the consultant's last report, a major obstacle has been access to the drug data-base controlled by the MOH. The consultant has been assured that once restructuring of the pharmaceutical departments within MOH has been completed, the ZdravReform team will have immediate access to the database. When this transpires, ZdravReform should be prepared to assign a full time computer programmer for a two (2) month period to develop the software programs needed to extract drug information for the Essential Drug List. Once the software systems to develop the drug information handbook/binder are in place they can be turned over to the MOH to maintain and, in the years ahead, MOH can expand it to cover all drugs that are registered in Kazakstan.
C. NATIONAL PHARMACY/PHARMACISTS ASSOCIATION

Momentum to establish an active Pharmacist's Association in Kazakhstan appeared to have dissipated by March, 1996. A steering committee made up of local pharmacists was to have met with the Counterpart Consortium regarding future funding but the consultant found a lack of interest in pursuing this opportunity.

Since a non-governmental organization National Pharmacy Association could be extremely useful in strengthening the management and marketing capabilities of private pharmacies, the consultant decided to take a new approach that would be more meaningful and, hopefully, more successful. A exploratory meeting was held with a group of successful pharmacy owners and distributors who saw the immediate benefits of having an association representing all components of pharmacy operations and the ability to lobby government on many issues having an impact on the business and profession of pharmacy. Unlike employee pharmacists, these individuals have made financial investments and are pioneers in privatization.

The new organization would be composed of pharmacy owners and pharmaceutical distributors as well as employee pharmacists, and would be known as a Pharmacy Association rather than a Pharmacist's Association. A committee was selected to develop a business plan for submission to the Counterpart Consortium for funding this new association.

D. SCHOOL OF PHARMACY PARTNERSHIP PROGRAM

In early February, 1996, the consultant met with the University of Arizona, School of Pharmacy. The University endorsed the concept of establishing a liaison with the School of Pharmacy, Almaty Medical Institute. The consultant, in concert with the Pharmacy School, also determined that this would also benefit the ongoing development of drug information systems in Kazakhstan.

In Almaty a meeting was held with Ms. Ardak Tulegenova, Dean of the School of Pharmacy, Almaty Medical Institute and Kelesbek Abdoullin, Head Pharmacologist with the School of Pharmacy, who will be chairing the proposed "Clinical Pharmacy" department. They confirmed that a partnership program would be very helpful in the development of the "Clinical Pharmacy" program for Kazakhstan.

Meetings were also held with Leslie Boyer, MD, Director of the University of Arizona Poison Control Center and Jude McNally, Pharmacist, Assistant Director. Both are associated with the University of Arizona School of Pharmacy which runs the Poison Control Center. The Toxicology Information Center in Almaty was established by AIHA in association with the University of Arizona, School of Pharmacy. A meeting was subsequently held with the newly opened Toxicology Information Center in Almaty to explore developing a working relationship with the School of Pharmacy, Almaty State Medical Institute.

Additional discussions were held on the development of continuing education programs on the
National Essential Drug List for physicians and pharmacists utilizing Kazakhstan's Advance Education Institute.

USAID has been approached for funding, perhaps in grant form, to finance establishment of the proposed partnership program between the two schools.

E. OTHER

A private individual who is also a member of the Pharmacy Association steering committee has developed a newspaper that is circulated to all pharmacies in Kazakhstan. Discussions have taken place to utilize this pharmacy newspaper to disseminate information that is relevant to the ZdravReform pharmacy program. The forthcoming issue will publish Kazakhstan's essential drug list. Future issues might include how a hospital establishes a drug formulary, how to establish a pharmacy and therapeutics committee, the role of the pharmacy and therapeutics committee in monitoring drug utilization, drug monographs from the essential drug list, privatization/business related issues, etc.

FINDINGS and RECOMMENDATIONS

A. Drug Formularies

The drug formulary is ready to be implemented. The following steps should be taken over the course of the next few months to ensure drug formularies continue to be used in Kazakhstan.

1. The ZdravReform pharmacy team should assist at the federal level of the MHI Fund to expand the concept of implementation of drug formularies to all hospitals within each of the oblasts.

2. Dr. Nurghazhin should visit Karakol, Kyrgyzstan to introduce the primary care drug formulary to the primary-care group practices at a seminar to be arranged by the ZdravReform office in Karakol. Dr. Nurghazhin can introduce the advantages and the mechanism of the formulary system, and how to maximize the usage of the formulary. Additionally, Dr. Nurghazhin can meet with the pharmacies and distributors that will be participating in the Karakol program to discuss the concept and implementation of drug formularies. The drug formulary can also be used as a model in Kazakhstan for primary-care groups.

3. ZdravReform staff in Almaty should survey hospitals and retail pharmacies to determine the availability of drug products from the drug formulary and investigate the cost of the products to insure competitive pricing.

4. The ZdravReform Pharmacy Team should complete the model drug formularies as committed to the MHI Fund.

The Pediatric Institute of Kazakhstan
1. Dr. Talgat Nurghazhin will work with the Director of Pharmacy to finalize the pediatric dosage forms for the formulary.

2. Dr. Talgat Nurghazhin will attend the monthly Pharmacy and Therapeutics Committee to assist in the implementation of the drug formulary.

3. A copy of the final version of the pediatric dosage forms of the drug formulary will be sent to the AIHA affiliate, University of Arizona Medical Center Consortium, to solicit their support for future contributions of donated drugs.

Shymkent City Hospital # 2 and Shymkent Phosphorus Hospital:

1. Dr. Nurghazhin will meet with the Pharmacy and Therapeutics Committees of both hospitals to coordinate with the oblast MHI Fund on the implementation of drug formulary systems.

Mandatory Health Insurance (MHI) Fund - South Kazakstan Oblast:

1. Dr. Nurghazhin is to attend and participate in the tender program assisting as the Pharmaceutical Advisor to the MHI Fund Tender Committee.

2. Dr. Nurghazhin is to assist the hospitals in the development and implementation of their drug formularies.

Dzheskasgan Oblast Farmatsiya

1. ZdravReform staff in Almaty should survey hospitals and retail pharmacies to determine the availability of drug products from the drug formulary and investigate the cost of the products to insure competitive pricing.

Mandatory Health Insurance (MHI) Fund-Federal:

1. ZdravReform Pharmacy Team should complete the drug formularies as committed to the MHI Fund.

2. Dr. Talgut Nurghazhin, the full time clinical pharmacologist for the ZdravReform Pharmacy Team, should introduce the model drug formularies to each oblast, and provide the materials describing Pharmacy & Therapeutics Committees and Drug Formulary System Management which were developed by the consultant during an earlier trip.
B. DRUG INFORMATION SYSTEM

1. The ZdravReform pharmacy team should pursue a cooperative liaison with Dr. Abdoullin of the MOH to establish access to the ministry's drug data-base.
2. ZdravReform should explore with the World Health Organization-Europe the opportunity of a cooperative relationship in the development of a drug information system for Central Asia.
3. The consultant will follow-up with an American-based publisher of drug information that has expressed interest in participation in the development of a drug information system in Kazakstan.

C. PHARMACY/PHARMACISTS ASSOCIATION

1. The consultant should lend support to the first year activities of the newly formed Pharmacy Association.

D. SCHOOL OF PHARMACY PARTNERSHIP PROGRAM

1. The ZdravReform Program team in Almaty should follow-up with USAID on a request for funding to establish a partnership program between the two schools. If USAID funding is not possible, other sources should be explored.

E. OTHER

1. The consultant recommends that ZdravReform team in Almaty follow up with the editor of the pharmacy newspaper and discuss an ongoing newspaper column to be developed by Dr. Talgat Nurghezhin, who is the full time clinical pharmacologist for ZdravReform. This column would be titled "News from the Pharmaceutical Component of ZdravReform" and carry a ZdravReform byline.
ANNEX A

SCOPE OF WORK

John Kaufman, Pharmaceutical Consultant

Development of Health Facility Formularies and Drug Information Systems in Kazakhstan

March 5 - April 20, 1996

**General Task Description**

1. To assist the Ministry of Health of Kazakhstan in the design and implementation of a cost-effective drug information system for use with newly-privatized retail pharmacies;

2. To provide technical and policy support to the Ministry of Health on developing and implementing essential drug lists and formulary systems nationally and in selected oblasts;

3. To assist in the design and delivery of technical assistance modules for strengthening the management and marketing capabilities of private pharmacies; and

4. To assist in the establishment of the Kazakhstan Association of Pharmacists, in the definition of its mission, and in its emergence as an effective voice for the interests of private pharmacists and the maintenance of professional ethics.

**Specific Outputs**

1. Plans developed for cost-effective drug information system;

2. Drug formulary system designed and testing begun in at least three sites;

3. Technical contributions made to program of post-privatization assistance to private pharmacies; and

4. Trip or Technical report within 2 weeks of the end of the consultancy.
ANNEX B

KAZAKSTAN TRIP REPORTS

John Kaufman, Pharmaceutical Consultant

1. Establishing a Drug Information System in Kazakhstan

February 16 - June 7, 1995

2. Development of Health Facility Formularies, Drug Lists and Drug Information Systems in Kazakhstan,

July 17 - September 11, 1995;
October 15 - December 11, 1995

3. Development of Health Facility Formularies and Drug Information Systems in Kazakhstan

March 5 - April 20, 1996
ANNEX C

CONTACTS LIST

DEVELOPMENT of HEALTH FACILITY FORMULARIES and DRUG INFORMATION SYSTEMS IN KAZAKSTAN

March 5 - April 20, 1996

John Kaufman, Pharmaceutical Consultant

Government:

Lubov Abdusamatovna Makasheva
Director, South Kazakstan Oblast
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Sailaukul Z. Barakhova
Deputy, Oblast Administration
South Kazakstan Oblast

Zholdasova, Chief Pediatrician
City of Shymkent
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Lazyat Turisbekova, Director Medstandard
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Bigaliyev, Chief Oblast Surgeon
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Tursyn Beimbetov Chief Doctor
Phosphorus Sanatorium
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Anvar Maimakov
Oblast Health Department
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Arakbai Usenou
MHI Fund - Leading Specialist
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Bulat Shimurzayev, Cardiologist
Oblast Hospital
Member of Tender Committee
South Kazakstan Oblast MHI Fund

Talapker T. Imanbayev, Director General
Fund for Compulsory Medical Insurance under the Government of the Republic of Kazakstan

Kaynpona Fere Asabaeva
Federal MHI Fund

Elzhan Birtanov, Director
Toxicology Information Center
Almaty, Kazakstan

Anatoli G. Dernovoi
General State Sanitary Doctor
Deputy of Minister
Kazakstan Ministry of Health

Amantai Birtanov
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Lyudmila Palgova
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Bakhit Irkitbayev
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