National Pharmaceutical Sector
Form of Mongolia

Date: 12 August, 2004

Population: 2,476,644

Daily wage of lowest paid government worker: 2,292.9 ¥

Rate of exchange (commercial “buy” rate) to US dollars on the first day of data collection: 1 US$ = 1195 ¥ (tugrug)

Sources of information:

2. “To renewal of the Essential Drug List”, Health Minister’s Order #168, 2001;
3. “Rule of procurement of pharmaceuticals”, Order of Health Minister and Minister of Finance and Economics # 01/06, 2002;
4. “Regulation on State Drug Registration”, Health Minister’s order # 177, 2003;
5. “Reimbursement of Drug from Health Insurance Fund”, Resolution of Subcouncil of Health Insurance, National Council of Public Insurance # 03, 2002;
7. Information data of Directorate of Medical Services (Government Executing Agency, MOH);
10. Health Statistic, MOH, 2003;
13. Currency exchange rate (9.8.2004), Mongol Bank;
General information on the pharmaceutical sector

Is there a formal National Medicines Policy document covering both the public and private sectors?  Yes  No

Is an Essential Medicines List (EML) available?  Yes  No
   If yes, state total number of medicines on national EML:
   If yes, year of last revision: 2001
   If yes, is it (tick all that apply):
      ☑ National
      ☐ Regional
      ☐ Public sector only
      ☐ Both public and private sectors
      ☐ Other (please specify):
   If yes, is the EML being used (tick all that apply):
      ☑ For registration of medicines nationally
      ☑ Public sector procurement only
      ☑ Insurance and/or reimbursement schemes
      ☐ Private sector
      ☑ Public sector

Is there a policy for generic prescribing or substitution?  Yes  No
Are there incentives for generic prescribing or substitution?  No  Yes

Public procurement

Is procurement in the public sector limited to a selection of essential medicines?  Yes  No
   If no, please specify if any other limitation is in force:
   Type of public sector procurement (tick all that apply):
      ☐ International, competitive tender
      ☐ Open
      ☐ Closed (restricted)
      ☐ National, competitive tender
      ☐ Open
      ☑ Closed (restricted)
      ☐ Negotiation/direct purchasing

Are the products purchased all registered?  Yes  No

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1 If there is a public procurement system, there is usually a limited list of items that can be procured. Products procured on international tenders are sometimes registered in the recipient country only by generic names. Import permits to named suppliers are issued based on the approved list of tender awards. An open tender is one that is publicly announced; a closed one is sent to a selection of approved suppliers.
Is there a local preference?\(^2\)  
[ ] Yes  [ ] No

Are there public health programmes fully implemented by donor assistance which also provide medicines?  
[ ] Yes  [ ] No

If yes, please specify: TB, family planning, STD, IMCI.

**Distribution**\(^3\)

Is there a public sector distribution centre/warehouse?  
[ ] Yes  [ ] No

If yes, specify levels: There is a state drug wholesaler. It is joint stock company with 51% of shares owned by state.

Are there private not-for-profit distribution centres:  
[ ] Yes  [ ] No

e.g. missions/nongovernmental organizations?

If yes, please specify:

Number of licensed wholesalers: 50

**Retail**

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of inhabitants per pharmacy (approx.)</td>
<td>4776.8</td>
<td>2472.2</td>
<td>3420.8</td>
</tr>
<tr>
<td>Number of inhabitants per qualified pharmacist (approx.)</td>
<td>2690.9</td>
<td>42125.7</td>
<td>4470.5</td>
</tr>
<tr>
<td>Number of pharmacies with qualified pharmacists</td>
<td>403</td>
<td>25</td>
<td>428</td>
</tr>
<tr>
<td>Number of medicine outlets with pharmacy technician</td>
<td>293</td>
<td>431</td>
<td>724</td>
</tr>
<tr>
<td>Number of other licensed medicine outlets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Private sector**\(^4\)

Are there independent pharmacies?  
[ ] Yes  [ ] No  
Number: no data

Are there chain pharmacies?  
[ ] Yes  [ ] No  
Number: no data

Do doctors dispense medicines?\(^5\)  
[ ] Yes  [ ] No

If yes, approximate coverage or % of doctors who dispense:

Are there pharmacies or medicine outlets in health facilities?  
[ ] Yes  [ ] No

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\(^2\) A local preference means that local companies will be preferred even if their prices are not the cheapest. Local preference is normally in the range of 10–20%.

\(^3\) The public sector often has a central storage and distribution centre which may have at least one sublevel. The private not-for-profit sector may be dominated by one type of NGO (e.g. church missions), but may also comprise others such as Bamako Initiative type projects, Red Cross or Red Crescent Society, Médecins Sans Frontières.

\(^4\) Retail outlets may be called pharmacies, medicine outlets, drug stores, chemists, etc. They may be run/owned by a qualified pharmacist (with diploma) or another category: e.g. pharmacy technician, or a lay person with short training.

\(^5\) Many countries allow doctors to dispense and sell medicines.
Financing
(Give approximate figures, converted to US dollars at current exchange rate: commercial "buy" rate on the first day of data collection)

<table>
<thead>
<tr>
<th>Type of expenditure</th>
<th>Approximate annual budget (US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National public expenditure on medicines including government insurance, military,</td>
<td>8,445.29 million</td>
</tr>
<tr>
<td>local purchases in past year</td>
<td></td>
</tr>
<tr>
<td>Estimated total private medicine expenditure in past year (out of pocket, private</td>
<td>8,648.53 million</td>
</tr>
<tr>
<td>insurance, NGO/mission)</td>
<td></td>
</tr>
<tr>
<td>Total value of international medicine aid or donations in past year</td>
<td>920 thousand</td>
</tr>
<tr>
<td>What percentage of medicines by value are imported?</td>
<td>0.97 %</td>
</tr>
</tbody>
</table>

Government price policy

Is there a medicines regulatory authority? ☑ Yes ☐ No
Is pricing regulated? ☑ Yes ☐ No
Is setting prices part of market authorization/registration? ☑ Yes ☐ No
Do registration fees differ between:
- Innovator brand and generic equivalents ☐ Yes ☑ No
- Imported and locally produced medicines ☑ Yes ☐ No

Public sector

Are there margins (mark-ups) in the distribution chain? ☑ Yes ☐ No
- Central medical stores 10 %
- Regional store 15 %
- Other store (specify) 0 %
- Public medicine outlet 10 %
Are there any other fees or levies? ☐ Yes ☑ No
  If yes, please describe:

Private retail sector

Are there maximum profit margins? ☑ Yes ☐ No
If yes (if they vary, give maximum and minimum):
- Wholesale %
- Retail %

Is there a maximum retail price (sales price)? ☑ Yes ☐ No
(If it varies, give maximum and minimum)
- Maximum:
- Minimum:

Do patients pay professional fees (e.g. dispensing fee)?
- Yes
- No

If yes, please describe:

“Other” sector

Are there maximum profit margins?
- Yes
- No

If yes (if they vary, give maximum and minimum):
- Wholesale %
- Retail %

Is there a maximum sales price?
- Yes
- No

Insurance, risk-sharing or prepayment schemes

Are there any health insurance, risk-sharing or prepayment schemes or revolving medicine funds?
- Yes
- No

If yes, please describe: Social Health Insurance Skim, Compulsory for all.

Are all medicines covered?
- Yes
- No

If no, state which medicines are covered (e.g. EML, public health programmes):
  
  Health insurance covers 105 items of essential medicines.

Are some patients / groups of patients exempted, regardless of insurance coverage? (e.g. children < X yrs, war veterans)
- Yes
- No

If yes, please specify:

Estimated percentage of population covered

76.6 % (by the end of 2003)

Is it official policy to supply all medicines free at primary health care level?
- Yes
- No

If no, are some free?
- Yes
- No

If yes, tick all that apply:
- ✓ Tuberculosis
- ❑ Malaria
- ✓ Oral rehydration salts
- ✓ Family planning
- ❑ Others, please specify:

Are there official user charges/patient co-payments/fees?
- Yes
- No

Are all medicines supplied free at hospitals?
- Yes
- No

If no, are some free?
- Yes
- No

If yes, please specify: Inpatient cases and some outpatients.
### Retail

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<td>1423501/298=477</td>
<td>1053143/426=247</td>
<td>2476644/724=342</td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>2.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Number of inhabitants per qualified pharmacist (approx.)</td>
<td>1423501/529=269</td>
<td>1053143/25=4212</td>
<td>2476644/554=447</td>
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