

# National Pharmaceutical Sector

## Form of Mongolia

Date: 12 August, 2004

Population: 2'476'644

Daily wage of lowest paid government worker 2292.9 ₮

Rate of exchange (commercial "buy" rate) to US dollars on the first day of data collection: 1 US\$=1195 ₮ (tugrug)

Sources of information:

1. *"Adoption of the Government Policy on Drugs", Mongolian Parliament Resolution #68, 2002;*
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;*
6. *"Resolution on Salary of Government Officers" Government Resolution # 42, 2004*
7. *Information data of Directorate of Medical Services (Government Executing Agency, MOH);*
8. *Data, National Statistical Office, 2003;*
9. *"Out of pocket survey", National Statistical Office, 2002*
10. *Health Statistic, MOH, 2003;*
11. *National Health Accounts, Preliminary estimations, 2003*
12. *Annual report, State Social Insurance General Office, 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?  Yes  No

## Public procurement<sup>1</sup>

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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<sup>1</sup> 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?<sup>2</sup>  Yes  No

Are there public health programmes fully implemented by donor assistance which also provide medicines?  Yes  No  
(e.g. TB, family planning, etc.)

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

### Distribution<sup>3</sup>

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: e.g. missions/nongovernmental organizations?  Yes  No

If yes, please specify:

Number of licensed wholesalers: 50

### Retail

	Urban	Rural	Overall
Number of inhabitants per pharmacy (approx.)	4776.8	2472.2	3420.8
Number of inhabitants per qualified pharmacist (approx.)	2690.9	42125.7	4470.5
Number of pharmacies with qualified pharmacists	403	25	428
Number of medicine outlets with pharmacy technician	293	431	724
Number of other licensed medicine outlets	-	-	-

### Private sector<sup>4</sup>

Are there independent pharmacies?  Yes  No Number: *no data*

Are there chain pharmacies?  Yes  No Number: *no data*

Do doctors dispense medicines?<sup>5</sup>  Yes  No

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

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

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)

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

## Government price policy

Is there a medicines regulatory authority?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is pricing regulated?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is setting prices part of market authorization/registration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do registration fees differ between:		
■ Innovator brand and generic equivalents	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
■ Imported and locally produced medicines	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Public sector

Are there margins (mark-ups) in the distribution chain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
■ Central medical stores	10 %	
■ Regional store	15 %	
■ Other store (specify)	0 %	
■ Public medicine outlet	10 %	
Are there any other fees or levies?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, please describe:		

## Private retail sector

Are there maximum profit margins?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes (if they vary, give maximum and minimum):		
■ Wholesale	%	
■ Retail	%	
Is there a maximum retail price (sales price)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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**

	<b>Urban</b>	<b>Rural</b>	<b>Overall</b>
Number of inhabitants per pharmacy (approx.)	1423501/ 298=477 6.8	1053143/ 426=247 2.2	2476644/ 724=342 0.8
Number of inhabitants per qualified pharmacist (approx.)	1423501/ 529=269 0.9	1053143/ 25=4212 5.7	2476644/ 554=447 0.5
Number of pharmacies with qualified pharmacists	403	25	428
Number of medicine outlets with pharmacy technician	688	243	931
Number of other licensed medicine outlets	<i>no</i>	<i>no</i>	<i>no</i>