National Department of Health

Affordable Medicine Directorate
Stock-out Escalation

Date: 02 June 2023

Medicine Value Chain

Contract Management

Liaison
- Portfolio contract managers
- Daily/Weekly Engagement
- Case Management/Correspondence

Meetings
- Quarterly/Ad Hoc Meetings
- Analysis of Demand/Supply Situation

Reporting
- Age Analysis (Debt)
- Provincial/Supplier Stock Availability (Pipeline)
- Demand/Supply (Deliveries)
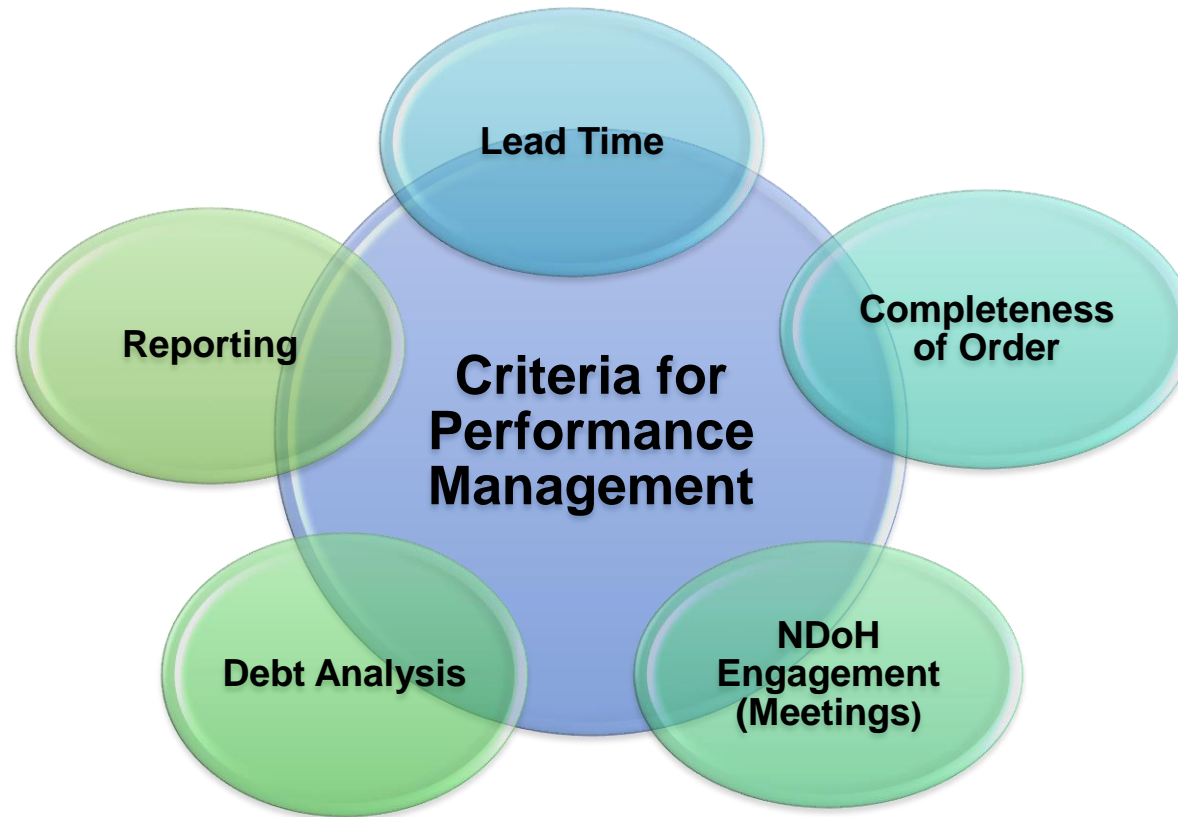
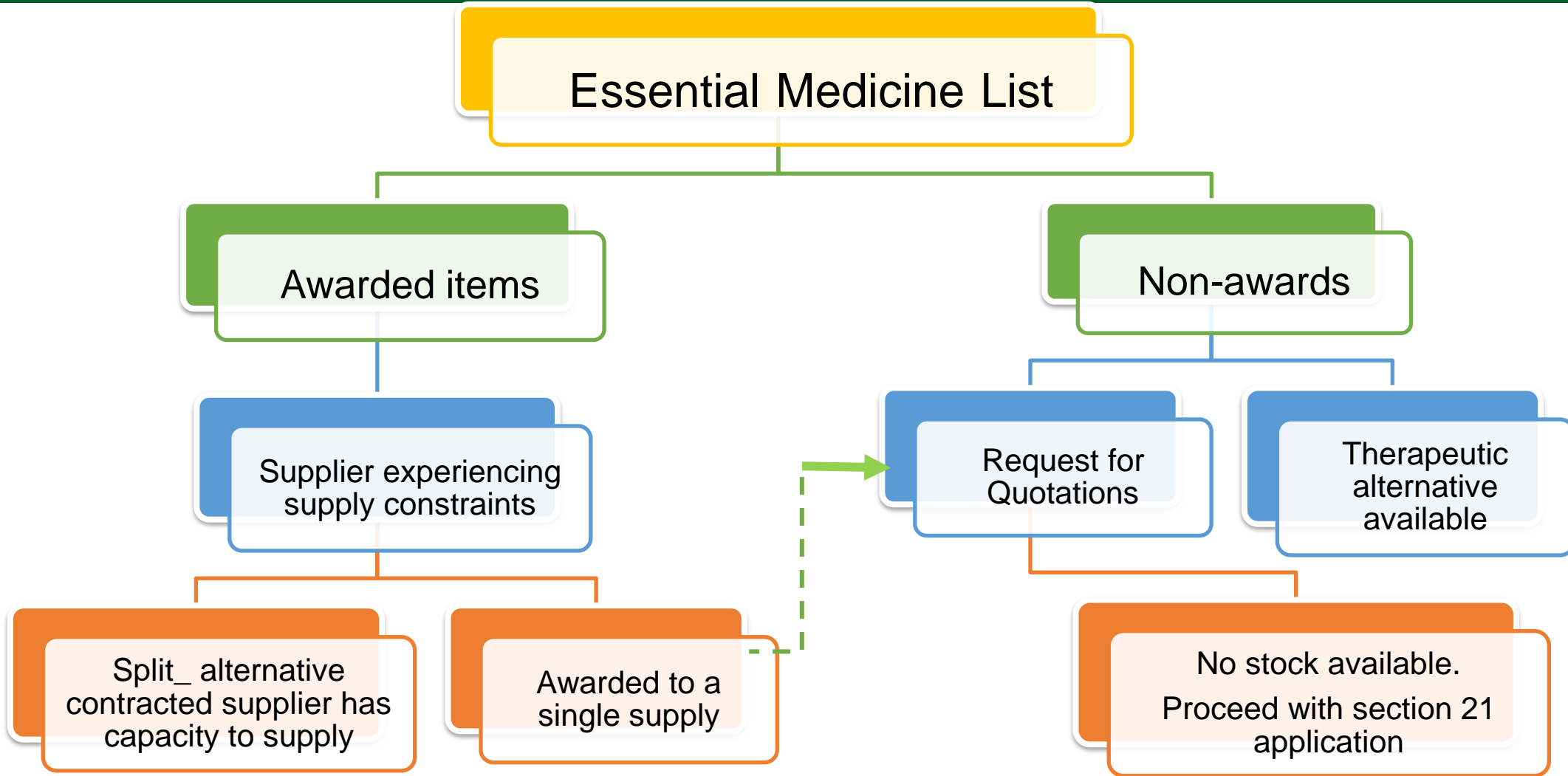Consequences of Non-Compliance → Warning Letters → Buy-Outs → Contract Termination → Possible Blacklisting

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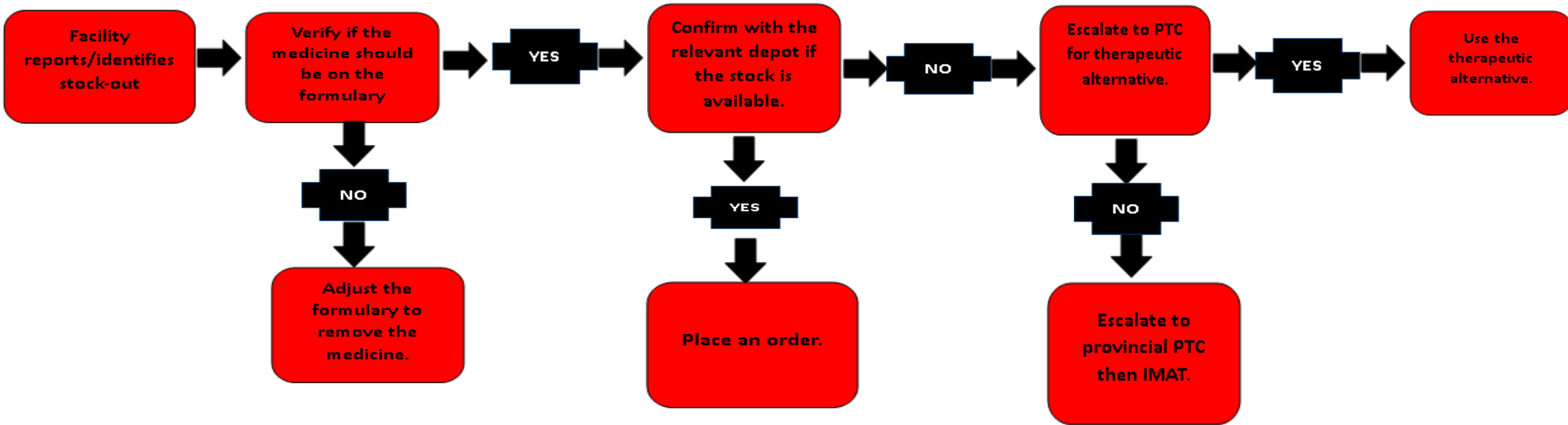# Supplier Performance Management, Data Uploads & Reporting

Medicine Availability

Stock-out escalation

- With adherence to proper escalation protocol, the medicine availability challenges can be addressed timeously to prevent stock-outs.

- With communication and working together, we can overcome any challenge we incur.

- PTCs are key stakeholders in the stock-out escalation process, in order to provide therapeutic alternatives where supplier constraint issues occur to avoid adverse patient outcomes.

Stock-out escalation process

Improved Medicine Availability Team (IMAT)

Due to challenges of medicine stock outs and unavailability of products from suppliers, AMD implemented a formal and structured communication and escalation process.

Each province has at least two representatives on the IMAT

This team is designed to ensure consistent and aligned visibility, communication and focus on supply challenges that may arise; it will also create a platform for various stakeholders to support each other.

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Improved Medicine Availability Team (IMAT)

- The hot list which is compiled by CMU is created using the pipeline data submitted by suppliers.

- "Hot list" definition: items with less than two months buffer stock and those that have long-term challenges.

- Monthly telecom meeting with Provincial stakeholders.

- During IMAT these items are discussed and recommendations made.

- The hot list is published on the NDoH website after the monthly telecom.

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