

Public Procurement, Trending, Reimbursement and Pharma Pricing

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Outline

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– Public Procurement

- Singapore regime
- Singapore contracts
- Risks involved when interacting with public healthcare organisations

– Pricing

- ASEAN pricing systems
- Anti-competition laws

Public Procurement – Singapore Regime

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- Group Procurement Office
- Procurement tools
 - Invitation to quotes
 - Tenders
 - Request for proposals

Public Procurement – Singapore Regime

- Transparent
 - Centrally executed procurement
 - Yearly centralised procurement schedule published online
 - Tenders / RFPs updated weekly online
 - Results published online (except pricing)

- Flexible
 - Individual hospitals may conduct their own public tender / RFPs also

Public Procurement – Singapore Regime

- Evaluation criteria
 - Registered in Singapore
 - Meet current Pharmacopoeial standards
 - Generics with therapeutic equivalence
 - Proposed shelf-life
 - Packaging design
 - Sales records / competitive prices
 - Manufacturers GMP-accredited
 - Vendors GDP-accredited

Public Procurement – Singapore Contracts

Public Procurement – Singapore Contracts

- Master Agreement
 - No restrictive covenants
 - Time of delivery is of essence
 - Vendor obliged to keep buffer stock
 - Allows termination of contract and recovery of losses from Vendor if there is any inducement / corrupt gift
 - Indemnity for product liability
 - Broad confidentiality

Public Procurement – Risks In Dealings with Public Healthcare Organisations

Risks In Dealings With Public Healthcare Organisations

- More onerous anti-corruption legal standards
- Cambodia
 - All gifts presumed bribes unless customary
- Malaysia
 - Pre-approval required from head of department

Risks In Dealings With Public Healthcare Organisations

- Thailand
 - Gifts to government officials >USD100 prohibited
- Singapore
 - Presumption of corruption if gratification offered to employee of public body.
 - “Public hospital” = “public body”?

Risks In Dealings With Public Healthcare Organisations

– Tips

- Clear gifts with superiors
- Avoid free trips / lavish entertainment for family members
- Cover travel / lodging only if there is good business reason
- Comply with industry codes

Pricing - General

Drug Pricing

- Malaysia
 - Recommended retail price drug list
- Philippines and Indonesia
 - Fixed pricing schemes for drugs
- Singapore
 - Market forces and government subsidies

Pricing – Anti-Competition

Pricing - Interaction With Competition Law

- Singapore
 - Cannot prevent, restrict, distort competition
 - Cannot abuse dominant position
 - Prevents price-fixing / collusion in the procurement process

Thank you



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