



Performance Audit

An Analysis of the Pharmacy of Your Choice Scheme

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List of Abbreviations

CPSU	Central Procurement and Supplies Unit
IT	Information Technology
MHEC	Ministry for Health, the Elderly and Community Care
NAO	National Audit Office
POYC	Pharmacy Of Your Choice
SOP	Standard Operating Procedure



Executive Summary

Executive Summary

1. Prior to the introduction of the Pharmacy Of Your Choice (POYC) Scheme, the dispensation of pharmaceutical products, regulated by Schedule Five of the Social Security Act (1987), was carried out by the Government pharmacies situated in five health centres and hospitals across Malta and Gozo. Although the public did generally manage to avail themselves of this service, the few locations available for the collection of these pharmaceutical products meant that a large concentration of clients would amass at each particular point, thereby creating lengthy queues. The small number of locations from which these pharmaceuticals were dispensed also meant that individuals entitled to use this system of dispensation had to generally travel further than walking distance to collect their entitlements, thereby adding to the overall inconvenience of the experience.

2. In view of these shortcomings, Government saw fit to implement a system whereby dispensation of pharmaceutical products would be carried out through private pharmacies. Under such a Scheme, patients would be able to collect their entitlement at a private pharmacy of their choice and convenience. This meant that the dispensing points would, as a result, greatly multiply, an intended effect central to addressing the problems of congestion and travelling distances prevalent in the old system. The Memorandum of Understanding regulating the POYC Scheme was signed in July 2007, while the Scheme itself was launched, initially as a pilot project, in December 2007.

3. With the conception of this new Scheme, the POYC Unit was also set up and given the mandate to implement and manage this new client-centric system. The overall objectives of this Unit are “. . . to facilitate a more comfortable access to the Government’s free pharmaceutical service . . . by shifting this service from the Health Centres and moving it closer to their (the beneficiaries’) place of residence – to any pharmacy of the patients’ own choice.”

4. This audit focused on the evaluation of the efficiency, effectiveness and economy with which the POYC Scheme was implemented and managed by the POYC Unit. Although the Scheme is largely dependent on other major stakeholders, such as the Central Procurement and Supplies Unit (CPSU), this audit narrowly and exclusively focused on the POYC Unit. However, references regarding the involvement of other entities are included in the report where deemed necessary.

5. This audit assessed the effective functioning of the POYC Scheme by:

- a. Evaluating the internal operational procedures in place at the POYC Unit;
- b. Analysing the operational relationships between the POYC Unit, participating pharmacies, the end clients and other stakeholders;
- c. Vetting any internal control mechanisms in place and the level of corrective action taken when deviations were noted;
- d. Studying in detail the overall stock movement system, mainly between CPSU and the POYC Unit, as well as between the Unit and the participating pharmacies;
- e. Assessing the standard of quality provided through services rendered by the POYC Scheme by means of feedback collected from clients as well as participating pharmacies; and
- f. Comparing the costs associated with the POYC Scheme and the previous system of dispensation through the health centres and offsetting any significant differences in costs with changes in the

quality of the service provided to the general public.

6. The following were the audit's main conclusions and corresponding recommendations.

Conclusions

7. The National Audit Office (NAO) fully commends the system of Standard Operating Procedures (SOPs) as employed by the POYC Unit. Having documentation outlining in detail how the processes involved in one's operational activities are to be carried out serves as a safety mechanism, ensuring high levels of consistency and greatly contributing towards the reduction of errors, thereby increasing efficiency and effectiveness of the whole operation.

8. From explanations and clarifications provided by POYC Unit representatives, through site visits carried out by NAO officials and on the basis of reviewed documentation, NAO can comprehensively conclude that the manner by which stock is handled during the storage and repackaging processes, as well as the checks carried out on it so as to ascertain its integrity, are very rigid and undoubtedly assist the Unit in its upkeep of a high quality service level. In view of this, NAO can confidently conclude that these measures are, in effect, serving their intended purpose in guarding against the possibility of mistakes and/or abuse taking place during the internal processing and storage of stock.

9. The substantial figure recorded by the POYC Unit with respect to redistributed pharmaceutical products collected from pharmacies represents a positive indication that the practice of employing subcontracted pharmacists for external stock control purposes was of benefit, and if used adequately, can assist in increasing the efficiency and effectiveness by which the Unit operates. In reviewing cost-benefit analysis data relating to this process, it becomes evident that the value obtained from the exercise far exceeds the costs incurred, rendering it not only good practice to implement such a measure but also financially viable to persist with such an arrangement.

10. Operating at relatively low staffing levels is a less than ideal or desirable scenario for the POYC Unit. NAO considers this situation to represent a particular risk to the Unit and the overall smooth running of the Scheme itself. In the former case the POYC Unit faces the risk of incurring more overtime costs, while having employees working longer hours is conducive to an increased probability of errors in processes being committed and remaining undetected, thereby reducing efficiency. In the latter case,

the risk of overall impact on the Scheme gravitates around the issue of roll-out, which would increase the Unit's workload even further, thereby stretching and straining its already limited resources.

11. Although the Memorandum of Understanding, as signed between Government (represented by the Ministry for Health, the Elderly and Community Care and the Ministry of Finance, the Economy and Investment) and the participating signatories in 2007 covers the basic aspects of the POYC Scheme, the NAO is of the opinion that, in general, the document detailing this agreement was somewhat limited with respect to the details provided. Upon review, the audit team noted that the conditions set by the agreement were somewhat vague and ambiguous. Predominantly absent was the inclusion of expected service levels that would more precisely regulate services rendered by the participating pharmacies. This contractual lacuna exposes the POYC Unit to a vulnerable position, whereby it could not oblige the participating pharmacies to improve on particular aspects should the Unit see fit or should its attention be directed by end clients to certain deficiencies.

12. Determining whether the substantial increase in costs incurred, standing at a 313 per cent increase over the former health centre based system, represents value for money or otherwise is a highly contentious issue. The planned further roll-out of the Scheme might result in an improved per user cost given the better economies of scale, mitigating certain fixed costs already being incurred by the POYC Unit. However, NAO considers this possible reduction in costs to be counter balanced and offset by the variable costs incurred once additional users are registered. These would include the starting fee paid to pharmacies per user, which stands at Lm8 (€18.63). Other variable costs expected to increase as more users are registered include the possible expansion of already existent subcontracting arrangements and overheads incurred. Given that at end 2011, the POYC Unit was operating at a staffing level of 62 per cent, the planned roll-out will most likely entail further costs being incurred through the recruitment and remuneration of a larger required staff complement, key in managing an increased user base.

13. On a general note, although a number of concerns emanating from end-user feedback did emerge, NAO can nonetheless confidently conclude that the POYC Scheme was positively received by its intended target population. The few concerns that were highlighted mainly related to the perceived deficiencies in the standard of service delivery provided by a small segment of the participating pharmacies.

14. Three issues emerge with regard to the POYC Scheme's access of service. The first of these issues related to the fact that the majority of end-users indicated that they now have to call at their selected pharmacy twice for the collection of each entitlement. The second and third issues were largely positive and reflected the successful uptake of the POYC Scheme among its target population. The discrepancy between the average waiting time taken for the collection of one's entitlement under the two methods of distribution is significant and centrally important in acknowledging the overall success of the Scheme. The long hours that the end users indicated as being a routine and standard part of the previous collection process, have now been replaced by a few minute wait at a pharmacy chosen out of convenience, which provides the required services across a highly adequate timeframe.

15. Another aspect of the questionnaire administered to POYC end clients, focusing on the general approach adopted by the pharmacist in the rendering of services, was characterised by predominantly positive results and feedback, reflecting well on the overall outcome of the POYC Scheme. This dimension of service quality was assuredly high, with POYC end clients attesting to this in their very positive feedback regarding the adequacy of information provided by attending pharmacists, and their professional approach in addressing client queries and concerns, which made no distinction whether the person was calling at the pharmacy in a private capacity or with regard to POYC Scheme requirements.

16. In delving deeper into the approach adopted by pharmacists under the previous health centre distribution system, and now under the POYC Scheme, it was interesting to note how responses provided by end clients fell into two roughly equivalent categories. The majority of respondents (54 per cent) indicated no change in terms of service improvement, thereby implying that the professional service previously provided by the health centre pharmacist was mirrored by that of the private pharmacist. The remaining 45 per cent perceived an improved service. These results indicate that although all responses were generally positive, the segment of respondents indicating an unchanged service in terms of the pharmacists' approach, somewhat mitigates the argument of an improvement in terms of quality of service rendered through the POYC Scheme.

17. Although the vast majority of POYC end clients indicated that this new Scheme of dispensing pharmaceuticals was an improvement over the health centre system, a substantial segment, comprising approximately 15 per cent of this audit's participants, did not share this

view. Given the considerable investment channelled into the POYC Scheme, particularly when cost comparisons are drawn to the previous system employed in the distribution of pharmaceuticals, NAO is somewhat concerned at the minority, yet nonetheless significant percentage of end clients, who perceive no particular benefit or prefer the health centre system.

18. The majority of responses put forward by the participating pharmacies generally indicated that the POYC Scheme's Information Technology (IT) interface adequately served its intended purposes, scoring positively in terms of user-friendliness and efficiency. Nonetheless, NAO considers the significant minorities that responded negatively in this regard as warranting the POYC Unit's attention. NAO is of the opinion that numerous factors may be influencing these somewhat negative perceptions of the Scheme's IT interface. One possible explanation that could account for pharmacists registering poor ratings for user-friendliness and efficiency is the Scheme's robust system of data logging, which effectively ensures accountability of transferred stock. The recording of such data, although absolutely necessary in ensuring appropriate levels of control, constitutes a significantly time-consuming process, which may be one source of the aforementioned negative perceptions.

19. Another aspect tapped into by the questionnaire administered to participating pharmacies addressed the interaction between the POYC Unit and the aforementioned pharmacies. From the data obtained in this regard, it is evident that the Scheme is operating in a highly efficient and effective manner. The majority of participating pharmacies consistently rated the POYC Unit as highly responsive to any queries that might arise, as well as efficient and precise in terms of delivery of stock. NAO considers these results as indicative of the overall positive performance of the distribution system as a whole, the result of a professionally set up POYC Unit.

20. Despite the above, NAO is nonetheless greatly concerned by the recurring issue of out-of-stock pharmaceuticals, which in fact featured as a central issue in the responses put forward by pharmacists. NAO acknowledges that the out-of-stock issue is not within the immediate control of the POYC Unit; nonetheless, its impact on the POYC Scheme is undoubtedly significant. The concerns vociferously expressed by numerous pharmacists are valid and understandable.

21. Other results obtained through the administered questionnaire present a clear picture of the working relationship in place between the participating pharmacies

and POYC end clients. Barring the strain caused by the perceived inappropriate behaviour and attitude of a segment of POYC end clients, the dispensation mechanism has gradually evolved into a more or less regular pattern. The varied approaches to dispensation appear to be suitably addressing client needs, as was in fact rendered amply evident in the preceding chapter. This flexibility in approach may in fact be beneficial to the Scheme's overall efficiency and effectiveness. Nonetheless, NAO considers it relevant for the POYC Unit to address outliers, both at the end-client level, manifested in terms of irregularity of entitlement collection, and at the pharmacy level, particularly in cases when end clients are asked to wait for unacceptable lengthy periods of time between the submission of documentation and calling at the pharmacy once again for actual collection of entitlement.

Recommendations

22. NAO supports the POYC Unit in its continuous and rigorous use of its SOPs. By operating in this structured manner, while constantly exploring and monitoring ways to improve this acquisition process, the Unit greatly minimises the risk of deviations from good practice, thereby automatically increasing the efficiency and effectiveness by which it runs its operations. Should the Unit decide in favour of any changes to its processes and procedures, it should endeavour to incorporate such changes in the corresponding SOP at the earliest possible stage, so as to ensure continuous compliance.

23. NAO fully supports the measures taken and controls implemented by the POYC Unit in ascertaining the integrity of its stock while it is onsite. In view of this, the Office urges the Unit to consistently and diligently maintain the standard at which these controls are being carried out so as to minimise any risks in this regard.

24. Fully supporting the initiative of having visits at pharmacy level by subcontracted pharmacists to keep records of the stock situation, NAO recommends that these pharmacists are employed to the best of their potential by putting into place a rigid system in which a complete and consistent check is carried out on the stock at each pharmacy. Even at the cost of having to procure more man-hours to achieve this result, NAO still opines that it is preferable to have a more comprehensive system than compromising on costs in such a way that results in an ad hoc and incomplete system of records.

25. While fully acknowledging that the recruitment of additional personnel does not solely depend on the POYC Unit and that significant efforts have been made at

rectifying this situation by the Unit, NAO is nonetheless concerned about the considerable number of vacant positions in its staff complement. Keeping in view the risks already outlined when operating with a reduced workforce, NAO urges the POYC Unit to sustain its efforts in trying to secure more human resources so as to better mitigate such risks. The support of the Ministry of Health, the Elderly and Community Care is critical and essential in this regard.

26. NAO acknowledges that an increase in quality of service, represented by means of the POYC Scheme, inevitably comes at a corresponding increase in terms of cost of service. Nonetheless, NAO recommends that the POYC Unit continuously engages in efforts intended to ameliorate efficiency, effectiveness and economy matters. Recommendations corresponding to such improvements are in fact presented in this report, and would, in NAO's opinion, contribute to the POYC Scheme representing better value for money.

27. In view of the lack of detail regarding the expected quality of service included in the agreement, NAO highly recommends that the POYC Unit includes relevant clauses regulating the attainment and maintenance of certain quality standards upon renewal of the said agreement. NAO considers the introduction of such clauses as centrally important to the POYC Unit, effectively empowering it to take corrective action and seek redress in the eventuality of participating pharmacies engaging in practices not in accordance with the aforementioned quality standards.

28. NAO urges the POYC Unit to incorporate relevant service-level requirements in the soon to be revised contractual agreement between itself and the partaking pharmacies once it is renewed. Given that the vast majority of the participating pharmacies were already compliant with such high levels of service, the transition and eventual adherence towards a formal arrangement incorporating such pre-agreed standards, should presumably be a straightforward endeavour. In so doing, apart from achieving a uniform standard of service across all rolled-out localities, the inclusion of such conditions in the Scheme, consequently followed up by due monitoring and enforcement mechanisms, would generate greater value for money among all of the participating pharmacies.

29. It is NAO's considered opinion that incorporation of the aforementioned service-level requirements into the regulatory agreement will facilitate the address of issues such as the number of times end users have to call at the pharmacy to collect their entitlement and the available hours dedicated by the pharmacy for the rendering of this service.

30. Other aspects deemed central to the delivery of a quality service form an integral part of the pharmacy profession, and therefore need not be incorporated under service-level agreement format. Such aspects include the information provided by pharmacists to end users regarding their respective entitlement and the approach adopted by pharmacists in serving POYC beneficiaries. NAO recommends that the POYC Unit considers the formalisation of such aspects of service provision through their introduction in the next agreement regulating the POYC Scheme. It is only through incorporation within this contractual framework that the POYC Unit can hold to account defaults in this regard, which would consequently become liable to the imposition of penalties, as such action would constitute a breach of contract conditions.

31. While NAO acknowledges the work involved in the preparation and dispensation of individual end-user entitlements, it encourages the POYC Unit, in collaboration with participating pharmacies and other involved stakeholders, to explore possible working arrangements that would reduce the number of visits made by each client per entitlement collection down to a single instance. One possible means of achieving this goal could be through the inputting of electronic prescriptions by the prescribing doctor, which would then interface with the POYC Unit's and the participating pharmacy's IT systems, eventually resulting in the collection of each end user's entitlement through one visit, as the process of submitting the necessary entitlement documents would have taken place electronically prior to the single visit. In addition, such a system of electronic prescription recording would enable the analysis of trends prevalent in the prescription process, possibly serving as the ideal tool in the curbing of potential misuse of allotted entitlements.

32. NAO fully commends the work carried out by the POYC Unit in servicing pharmacies participating in

this Scheme. No effort should be spared in ensuring that the Unit maintains its present set-up and modus operandi, which have evidently yielded positive results. Distributing the substantial volumes of stock that goes through this Unit is no simple matter, and therefore, the NAO recognises the POYC Unit as an organisation that actively engages in best practices.

33. Although the NAO fully acknowledges the fact that the issue of out-of-stock items is, by and large, outside the POYC Unit's area of direct control, the Office nonetheless urges the Unit, as a main stakeholder, to actively and continually forward relevant recommendations and exert pressure, when possible, so as to address this issue in a more satisfactory manner.

34. NAO recommends a two-pronged revision to the dispensation mechanism employed, effectively addressing pharmacy-level adjustment on one side, and end-client implications on the other. In this latter case, the POYC Unit should introduce formal and regular monitoring mechanisms that identify anomalous and irregular entitlement collection patterns by the end client. Seasonal fluctuations in entitlement collection and other grossly irregular trends may be indicative of inappropriately allocated pharmaceutical stock that would certainly warrant the POYC Unit's review.

35. The other arm of this two-pronged approach focuses on pharmacy-level standardisation. In this respect, NAO recommends that parameters relating to dispensation timeframes be established and incorporated in the soon to be revised contractual agreement. By means of example, the recommended service-level agreement may seek to cap the maximum waiting period between submission of documentation and collection of entitlement.

Chapter 1



Pharmaceutical Distribution and Dispensation in Transition: The Pharmacy of Your Choice Scheme

Chapter 1 – Pharmaceutical Distribution and Dispensation in Transition: The Pharmacy of Your Choice Scheme

This initial chapter provides background information on the general operations and importance of the Pharmacy of Your Choice (POYC) Scheme, detailing the transition from a health centre based system of dispensation towards a more client-centric design. Furthermore, this chapter delves into how the POYC Scheme functions through the coordinated effort of multiple stakeholders and their assigned specific responsibilities. Finally, attention is drawn towards the overall objectives and scope of this audit, as well as the methodological considerations.

1.1 The Importance of the POYC Scheme

1.1.1 The initiative of Government to provide free pharmaceutical products is regulated by the Social Security Act (1987), which seeks to *“establish a scheme of social security and to consolidate with amendments existing provisions concerning the payment of social insurance benefits, pensions and allowances, social and medical assistance, non-contributory pensions and the payment of social insurance contributions by employees, employers, self-employed and the State.”*

1.1.2 Forming part of this Act is Schedule Five, which specifically outlines the diseases and conditions for which free medical care is to be accorded. The specified ailments in this compilation are all chronic conditions (from which affected individuals can never fully recover, but can only medicate themselves to reduce the condition’s effects on their health) and medical remedies are to be provided by Government solely on the presence of any of the specified conditions to all affected individuals, irrespective of any other factors such as age or income. The list of ailments is reproduced in Appendix A of this report.

1.1.3 Prior to the introduction of the POYC Scheme, the dispensing of these free pharmaceutical products was carried out by the Government pharmacies situated in five health centres and hospitals across Malta and Gozo. Although the public did generally manage to avail themselves of this service, the few locations available for the collection of these pharmaceutical products meant that a large concentration of clients would amass at each particular point, inevitably creating lengthy queues. The small number of locations from which these pharmaceuticals were dispensed also meant that individuals entitled to use this system of dispensation had to generally travel further than walking distance to collect their entitlements, thereby adding to the overall inconvenience of the experience.

1.1.4 In view of these shortcomings, Government saw fit to implement a system whereby dispensation of pharmaceutical products would be carried out through private pharmacies. Under such a Scheme, patients would be able to collect their entitlement at a private pharmacy of their choice and convenience. This meant that the dispensing points would, as a result, greatly multiply, an intended effect central to addressing the problems of congestion and travelling distance prevalent in the old system. In July 2007, an agreement was therefore signed between the Ministry of Health, the Elderly and Community Care (MHEC), the Ministry of Finance, the Economy and Investment, the Malta Chamber of Pharmacists and the Pharmacy Section of the Chamber of Small and Medium Enterprises within the General Retailers and Traders Union, through which the POYC Scheme was initiated. Following the signature of this Memorandum of Understanding, the POYC Scheme was launched, initially as a pilot project, in December 2007.

1.1.5 With the inception of this new Scheme, the POYC Unit was also set up and given the mandate to implement and manage this new client-centric system. The overall objectives of this Unit are “. . . to facilitate a more comfortable access to the Government’s free pharmaceutical service . . . by shifting this service from the Health Centres and moving it closer to their (the beneficiaries’) place of residence – to any pharmacy of the patients’ own choice.”

1.2 Allocation of Responsibilities

1.2.1 The agreement governing this Scheme outlines the allocation of responsibilities among the different entities involved. Firstly, it determines that the responsibility for the procurement of all the pharmaceutical products required for this system to operate remains assigned to MHEC. This specific function falls under the operational remit of the Central Procurement and Supplies Unit (CPSU).

1.2.2 The Ministry also retained the function of distributing the pharmaceutical products among the participating pharmacies, thereby shouldering the responsibility of keeping these outlets adequately supplied and the overall Scheme running efficiently. This is, essentially, the core function of the POYC Unit.

1.2.3 With respect to the delivery of these pharmaceuticals, the agreement specifies two options by which these products can be prepared into customer packs, ready for eventual dispensation to the end client. The first option indicates that the participating pharmacies would receive these products already organised into customer packs and ready for dispensing. The agreement, however, also states that in the case that this system cannot be implemented for any reason whatsoever, both parties – government entities and the representatives of the participating pharmacies – agree that delivery of these pharmaceutical products is to be carried out in bulk to the participating pharmacies (according to the requirements of the registered clients per pharmacy). Under such a scenario, each individual participating pharmacy would then assume responsibility for preparing the specific packs of each individual.

1.2.4 Operating under the latter option, after being stocked with the necessary pharmaceutical products, it is the responsibility of the participating pharmacies to dispense the entitlements to the respective clients. In compensation for this service, the agreement stipulates an incremental annual taxable rate payable in favour to the pharmacy for each registered client. Starting at €18.63 per client per year, the increment in this payment discontinues

upon the fifth year of the pharmacy’s participation, when the figure reaches €27.95 per client per year. This rate remains applicable throughout the pharmacy’s participation in the Scheme under the present agreement.

1.2.5 It is the client’s responsibility to apply for participation in this Scheme, and in so doing, present all the required information necessary in determining eligibility. In order to register with the POYC Scheme, prospective applicants are to visit their preferred pharmacy, inform the pharmacist of their intention to register with the aforementioned Scheme, and collect the relevant registration forms. After duly filling in this form, prospective applicants are to return it to the pharmacist or mail it directly to the POYC Unit, together with a copy of their entitlement card, identity card, as well as other valid documentation and permits.

1.2.6 Following submission of the above indicated documents, the POYC Unit cross-checks all the end client applications against the entitlement database prior to their acceptance to the POYC Scheme. In so doing, the POYC Unit ensures that prior to joining the Scheme, all end client permits, entailing the right of access to free pharmaceutical services are in order.

1.2.7 Once the client has successfully registered, the POYC Unit is bound to send a voucher letter to the beneficiary, covering a one-year period, thereby enabling them to collect their pharmaceutical product/s. The agreement states that dispensation of pharmaceutical products is effected on a 56 day cycle. This shortened 56 day cycle was intended to limit possible hoarding and wastage of valuable pharmaceutical stock.

1.2.8 Once clients receive the voucher letter, they are responsible for calling at the pharmacy with which they had registered for collection of the entitlement. Together with the voucher letter, clients are expected to present a valid prescription by a medical practitioner, the entitlement card, any relevant permits (applicable only in the case of particular conditions requiring specific medication) and a copy of their identity card. Upon the presentation of these documents certifying entitlement, it is the responsibility of the pharmacist to dispense the entitlement accordingly and fill out the necessary forms. The POYC Unit records all end client dispensation, which can in turn be linked to client identification and entitlement, thereby enabling audit trail reconciliation. A description in greater detail about this documentation and how the pharmacist interfaces with the POYC Unit is presented in subsequent chapters of this report.



1.2.9 Figure 1, reproduced hereunder, summarily represents the major steps in the distribution of pharmaceuticals, as in fact described in the preceding text, thereby delineating the principal stakeholder functions.

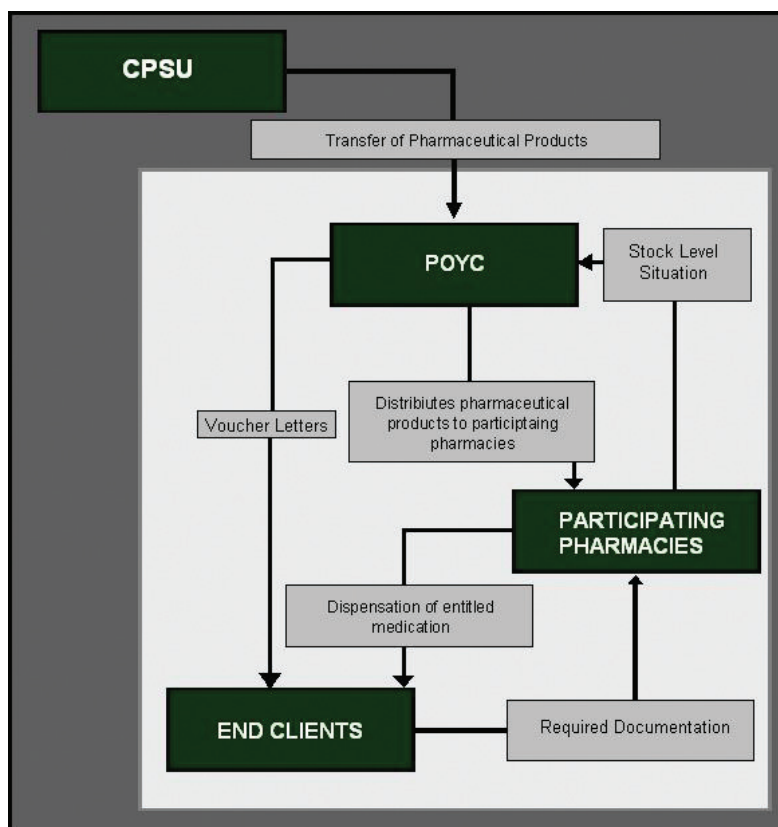
1.3 Scope and Objectives

1.3.1 This audit focused on the evaluation of the efficiency, effectiveness and economy by which the POYC

Scheme was implemented and managed by the POYC Unit. Although the Scheme is largely dependent on other major stakeholders, such as CPSU, this audit narrowly and exclusively focuses on the POYC Unit. However, references regarding the involvement of other entities are included in the report where deemed necessary.

1.3.2 The fieldwork for this study was carried out during the period when the POYC Scheme had taken over

Figure 1: Delineation of Stakeholder Functions





the catchment areas previously serviced by the Mosta and Gzira Health Centres, as well as the Gozo General Hospital. At the time of this fieldwork, that is, June 2011, the Birkirkara, Paola and Floriana Health Centres were still operating as Schedule Five pharmaceutical dispensers.

1.3.3 This audit assessed the effective functioning of the POYC Scheme by:

- a. Evaluating the internal operational procedures in place at the POYC Unit;
- b. Analysing the operational relationships between the POYC Unit, participating pharmacies, the end clients and other stakeholders;
- c. Vetting any internal control mechanisms in place and the level of corrective action taken when deviations are noted;
- d. Studying in detail the overall stock movement system, mainly between CPSU and the POYC Unit, as well as between the Unit and the participating pharmacies;
- e. Assessing the standard of quality provided through services rendered by the POYC Scheme by means of feedback collected from clients as well as participating pharmacies; and
- f. Comparing the costs associated with the POYC Scheme and the previous system of dispensation through the health centres, and offsetting any significant differences in costs with changes in the quality of the service provided to the general public.

1.4 Methodology

1.4.1 The audit team employed various data collection methods and analysis techniques in the compilation of this study. As the study comprises a mixture of both quantitative and qualitative analyses, appropriate and corresponding tools had to be used accordingly.

1.4.2 Information was initially acquired through a series of semi-structured and unstructured meetings with the POYC Unit and other involved stakeholders. Prior to each of these meetings, the audit team prepared agendas and questions focusing on how particular issues were being addressed. However, during the course of these interviews, apart from ensuring that the prepared questions were appropriately addressed, the audit team allowed room for open discussion so as to facilitate the comprehensive understanding of issues at hand. By adopting this open-ended approach and through the establishment of rapport with the auditee, the audit team was able to delve into certain areas of concern that were previously not considered as high priority and subsequently revised following auditee feedback.

1.4.3 Issues discussed during these meetings were consequently recorded in minutes. However, the audit team also endeavoured to substantiate such information with documentary evidence, generated by the auditees during the normal execution of their operations. Requests were made for the provision of relevant documentation, and copies were produced by the audit team or forwarded by the auditees for due analysis. The information collected from the auditees was further complemented by desk research carried out internally by the audit team.

1.4.4 A significant aspect of this study was the feedback obtained from end clients and participating pharmacies with respect to the POYC Scheme. In order to collect this data, the audit team formulated two separate questionnaires that were administered to each of the aforementioned target groups. Responses to the questions were registered on a Data Recording Sheet (Appendices B and C refer). In order to ensure an acceptable response rate, the audit team opted for the administration of both questionnaires through telephone interviews. The participants for the two different questionnaires were selected on two different bases, primarily due to the different profiles of the respective populations under review.

1.4.5 The participating pharmacies, amounting to a total of 112, were all included in the study. The population of the POYC beneficiaries, however, was that of 55,598 as at the 29th of August 2011, and a representative sample was therefore selected, upon which the audit was subsequently based. The audit team sought to establish a confidence level of 95 per cent and a confidence interval of 5 per cent, which when applied to the population, resulted in a sample size of 382 individuals. The 382 individuals were subsequently randomly chosen from the whole population, thereby constituting the audit sample.

1.4.6 In order to administer the questionnaire to the selected individuals, the interviewer called each chosen participant, introduced himself and clearly stated the objective of the call. After asking whether the interviewee was willing to participate, the interviewer proceeded in administering the preset questions. The answers to the close-ended questions provided by the participants were accordingly noted by the interviewer on the prepared Data Recording Sheet. Any additional comments submitted by the participants were also noted in the prepared Data Recording Sheet. The compiled information was subsequently analysed and the findings and conclusions reported accordingly.

1.4.7 The audit team also carried out site visits in order to acquire first-hand experience of the various operations involved in the running of the POYC Scheme. A walkthrough of the internal operations was conducted over a span of two days by POYC Unit personnel for the benefit of the audit team, where the processes involved were explained in detail. The audit team also accompanied one of the POYC Unit's delivery persons during the distribution process of the required stock to the participating pharmacies, thereby developing familiarity with the work routine carried out. These visits were conducted at random and with minimal prior notification so as to ensure validity.

1.5 Report Structure

1.5.1 The rest of the report is structured around the following key areas, while each chapter is subsequently followed by a series of corresponding conclusions and recommendations relating to the content addressed:

a. Chapter 2 – POYC Stock Movement

This chapter focuses on the movement of pharmaceutical stock necessary in the execution of the POYC Scheme. This holistic analysis encompasses stock movement throughout the Scheme's operational cycle, commencing at the stock acquisition stage, addressing storage and processing issues, as well as delivery to the participating pharmacies. Furthermore, this chapter also delves into the ancillary issues of expired and damaged stock, while also addressing safety and security arrangements.

b. Chapter 3 – POYC Unit Management and Administration

Chapter 3 focuses on the overall management and administration of the POYC Unit, analysing how its internal resources are utilised in the support of operations relating to the Scheme. A comparative cost analysis of the POYC Scheme and the health centre system of distribution is followed by a review of the agreement governing the relationship between the POYC Unit and the participating pharmacies. Central to this relationship is the Scheme's Information Technology (IT) interface, which is addressed in the final segment of this chapter.

c. Chapter 4 – Determining the Quality of Service: POYC End-Client Feedback

Discerning POYC end-client views on the Scheme is the central issue focused upon in this chapter. The administered questionnaire elicited insight on a number of dimensions characterising and governing the POYC Scheme. An analysis of findings principally gravitated around the issue of service access, the approach adopted by the participating pharmacists in servicing end client needs, the address of difficulties arising throughout operations, and finally, a comparison of the perceived quality of service of the POYC Scheme and the health centre distribution system.

d. Chapter 5 – Determining the Quality of Service: Participating Pharmacy Perspectives

This final chapter addresses the operations of the POYC Scheme from the perspective of the

participating pharmacies. Of central importance to this context is the IT interface that facilitates the overall operations of the Scheme. Equally relevant are the relations that characterise and govern the processes undertaken by the participating pharmacies, particularly vis-à-vis the POYC Unit and the intended end-clients. Finally, attention is also directed towards the issue of financial compensation forwarded to the participating pharmacies and other matters of general relevance.

e. Appendix A – List of Ailments included in Schedule Five

Schedule Five specifically outlines the diseases and conditions for which free medical care is to be accorded and therefore all entitlements dispensed through the POYC Scheme are regulated by this Schedule.

f. Appendix B – Data Recording Sheet: POYC Scheme End Clients

The Data Recording Sheet for POYC Scheme end clients represents the template utilised in the data collection process employed in the administration of the relevant questionnaire.

g. Appendix C – Data Recording Sheet: POYC Scheme Participating Pharmacies

The Data Recording Sheet for POYC Scheme participating pharmacies represents the template utilised in the data collection process employed in the administration of the relevant questionnaire.

h. Appendix D – List of Standard Operating Procedures in place at the POYC Unit

A comprehensive list detailing all of the POYC Unit's active Standard Operating Procedures, utilised in the regulation and execution of various key functions.

i. Appendix E – Comparative Financial Analysis between the POYC Scheme and the Health Centre Distribution System: Detailed Workings

Detailed workings corresponding to the comparative financial analysis drawn between the POYC Scheme and the health centre distribution system are presented in this appendix.



Chapter 2

POYC Stock Movement

Chapter 2 – POYC Stock Movement

Chapter 2 focuses on the movement of pharmaceutical stock necessary in the execution of the POYC Scheme. This holistic analysis encompasses stock movement throughout the Scheme’s operational cycle, commencing at the stock acquisition stage, addressing storage and processing issues, as well as delivery to the participating pharmacies. Furthermore, this chapter also delves into the ancillary issues of expired and damaged stock, while also addressing safety and security arrangements.

2.1 Acquiring Stock

2.1.1 The primary function of the POYC Unit is the distribution of required pharmaceutical products to eligible individuals via the participating pharmacies. In order to carry out this function, the Unit needs to first acquire the necessary stock, which is essentially and subsequently required for onward transmission. Procurement of established stock requirements were not carried out directly by the POYC Unit, but undertaken by CPSU on its behalf.

2.1.2 In order to be continually stocked, the POYC Unit placed a monthly order of the pharmaceutical products it required with CPSU (subsequently revised to a weekly basis), which in turn endeavoured to provide the requested stock. This, however, was not always possible, as the CPSU might have at times faced shortages in its stock levels. As outlined in the feedback received from end clients and participating pharmacies in Chapter 4 and Chapter 5 respectively, this shortage of stock was a major concern for the smooth running and overall success of the Scheme. Given that this audit narrowly focused its attention on the POYC Unit, adopting a largely operational perspective on matters reviewed (as in fact outlined in Section 1.5), the audit team did not delve into the issue of stock shortage per se, as this was considered to be extraneous to the control of the POYC Unit. Nonetheless, NAO acknowledges and

recognises the significant difficulties posed by the issue of stock shortages on the POYC Scheme.

2.1.3 Following the request for stock submitted by the POYC Unit, CPSU collated the stock it was able to supply and rendered the necessary pharmaceuticals available for delivery. Once the ordered stock was transferred from the CPSU to the POYC Unit, a Goods Received Note was issued. This document presented a list of transferred goods, the specific quantities of every item that was transferred, as well as the unit and total price of each pharmaceutical item. Other basic identification and reference details, such as the order number, invoice number and date, among other fields, were also listed in the document. The Goods Received Note was signed by a receiving officer and both parties retained a copy of this document for audit trail purposes.

2.1.4 As a matter of procedure, the POYC Unit did not conduct any tests on the quality and integrity of the products received from CPSU. The stocks supplied by the CPSU were all subjected to vetting at the time of procurement by the Medicines Authority. Following these tests, the product was given a Medicines Authority number, certifying that it was safe for eventual distribution to end clients.

2.1.5 The methods and general processes by which these stock transfers were carried out were documented in detail in one of the POYC Unit’s Standard Operating Procedures (SOPs), entitled ‘Purchase, Receipt and Storage of Goods’. This SOP, besides presenting other details, defines: the different types of orders that could be placed with CPSU (that is, whether scheduled, urgent or just-release order); which employees were responsible for the corresponding functions of the process; the calculation by which reorder quantities were determined; and, the necessary checking processes that safeguarded and ensured the correctness and accuracy of every order.

2.2 Internal Stock Storage

2.2.1 Once the required stock was at hand, the POYC Unit's most significant challenge was that of managing it efficiently and repackaging for distribution among the participating pharmacies.

2.2.2 The first step in the whole system involved the allocation of acquired stock to a suitable storage place from where it could then be withdrawn for processing and eventual delivery. In the case of unprocessed stock, the POYC Unit had three main storage areas, namely the Main Store, Dangerous Drugs Store and the Refrigerated Store for temperature-sensitive stock. During onsite visits carried out by NAO officials, it was noted that as a matter of procedure, each product had a predefined storage space and as each product was physically put into its respective place, a record of this was registered in the central electronic database (utilised in the monitoring of stock levels at hand), as well as on the respective item's bin card.

2.2.3 As mentioned earlier, different kinds of stock were stored in different appropriate locations. The procedure for storing normal and refrigerated stocks were, as already indicated, defined in the SOP 'Purchase, Receipt and Storage of Goods'; however, the storage of dangerous drugs was internally regulated by a different SOP, entitled 'Dangerous Drugs Stores Procedure'.

2.2.4 Further to the checks carried out during the acquisition of stock, random stocktakes on a sample of pharmaceutical products were carried out on a regular basis so as to continuously reconcile the physical stock with the stock levels registered on the aforementioned IT database. In addition to these random checks, full stocktakes were also carried out on the POYC Unit's stores on a regular basis. These stocktaking exercises were verified by the NAO through documentary evidence provided by the POYC Unit. More specifically, documentation relating to a random stocktake carried out in October 2011 and a full stocktake performed in July 2011 were reviewed. In addition, while carrying out fieldwork, NAO officials also observed part of a random stocktake exercise being carried out at the POYC Unit's stores.

2.3 The Internal Processing of Stock

2.3.1 The POYC Unit's delivery schedule was designed around the premise of supplying all participating pharmacies within a one-week timeframe. In order to achieve this, the Unit further subdivided and organised the necessary deliveries and distribution into daily schedules.

2.3.2 The first step in preparing for the eventual delivery to pharmacies was the collation of the daily order, which was then forwarded to the stores section for processing. The NAO examined this process by observing, first hand, the procedures involved. In so doing, NAO noted that in order for the Unit to collect the daily order, the POYC Unit initiated the process by extracting what is referred to as a Picking Summation from the IT system and forwarded this to the stores section. This compilation included a list of all the pharmaceutical products and the respective quantities required by all the pharmacies that were to be serviced on that particular day. Once this form reached the POYC Unit's stores, the products were withdrawn from their respective storage locations and placed in a transitory staging area prior to being admitted into the packaging area. Once in this area, the whole batch was jointly rechecked by employees from the stores and repackaging departments. It was also observed by the audit team that the Picking Summation was then signed by these individuals, thereby certifying that these checks were carried out.

2.3.3 Once all the necessary checks were completed, the summated order was transferred to the packaging area to be sorted out in smaller consignments, each designated for a specific pharmacy. Apart from the collated Picking Summation, an individual Picking List was issued for every pharmacy. While carrying out the site visit, it was observed that it was normal practice for the POYC Unit to anticipate orders by preparing the required pharmacy specific packages that were due to be delivered on the following day. Therefore, the Picking Lists issued on a particular day for processing would usually relate to the delivery schedule set for the day after.

2.3.4 These Picking Lists detailed the names of the items and the respective quantities in which they were ordered by the individual pharmacies. The Lists were taken to the preparation room together with the collated order and a number of purposely manufactured numbered boxes (which were labelled with the names of the pharmacies that were to be serviced) intended to be utilised for the eventual delivery of orders. POYC Unit employees were then tasked with the selection of the correct pharmaceutical products, in the correct quantities, and for the correct pharmacy. The picked pharmaceutical products were put in the aforementioned purposely labelled boxes corresponding to the participating pharmacies that were to be serviced. Note was taken on the Picking List of the actual quantities of each ordered product that was placed in the box. These quantities were then used to compare the actual delivered stock with what was previously ordered, thereby identifying potential stock shortages. The Picking List was signed by three different POYC Unit employees,

two of whom would have physically prepared the order, and a pharmacy technician who would have subsequently checked the order.

2.3.5 Once the individual orders of each pharmacy were completely packaged in their respective boxes, they were transferred into a checking room where an inspection on the quantities was carried out by a qualified pharmacy technician. Following completion of the due inspection and order verification, the boxes were then sealed by two numbered seals.

2.3.6 Further to the above indicated procedures, the packed boxes were weighed and an Order Delivery Note was prepared. On this document, the numbers of the boxes and seals, respectively used for the individual order were taken note of, as well as the weight of each of the boxes.

2.3.7 It is important to note that apart from first-hand observation of the aforementioned processes, the NAO endeavoured in reviewing samples of the mentioned documentation so as to ascertain that the procedures indicated by the POYC Unit were actually being adhered to. Following this review of documentation, NAO confirmed the POYC Unit's compliance with established procedures.

2.3.8 When the actual delivery was made, the Order Delivery Note was accompanied by a Transfer Note. Upon examining a sample forwarded by the POYC Unit, NAO noted that the Transfer Note was essentially a replication of the Picking List but instead of being used for internal processes, it served as the document used for reconciliation once the order was delivered to the participating pharmacies. This document was used to carry out the final reconciliation of the physical stock with the listed items. A representative of the POYC Unit and the receiving private pharmacist signed this document, making it an official receipt corresponding to the delivered stock.

2.3.9 Finally, the individual boxes were stored in a specifically allocated space, ready to be delivered. NAO officials noted that the area where these completed orders were kept was segregated from the rest of the main stock so as to avoid confusion and therefore reduce the possibility of errors.

2.4 Delivering Stock

2.4.1 After going through all the aforementioned processes, the POYC Unit then followed through by carrying out the all important delivery of the required

stock to the respective participating pharmacies. In order to ensure that all the participating pharmacies were serviced once a week, a roster was drawn up detailing which pharmacies were to be supplied with the required stock on which day of the week.

2.4.2 As illustrated in Figure 2, the delivery rounds were carried out twice daily (one in the morning and the other in the evening) between Monday and Thursday and once on Friday (mornings only). So as to capitalise on efficiency, each round was designed to include pharmacies that were generally proximal to one another.

2.4.3 NAO officials accompanied one of the POYC Unit's delivery persons on one of the daily delivery rounds. It was observed that this process started with the compilation of individual Transfer Notes and Order Delivery Notes being forwarded to the delivery person from the stores section. The packed and sealed boxes were taken out of their storage area and moved to a loading bay. The delivery person in charge of the day's delivery then proceeded to load the van, ensuring that the boxes were sorted in a way that corresponded to the sequence dictated by the delivery schedule. Once everything was in place and all the paperwork was settled, the delivery person together with a driver commenced the planned daily round. It is important to note that the van used for the delivery, as well as the driver, were subcontracted from a private firm.

2.4.4 After leaving the POYC Unit building (which is located in the former St. Luke's Hospital complex), the delivery van proceeded to run through the set delivery schedule for the day. After reaching each of the listed pharmacies, the NAO audit team observed the delivery person extracting the respective paperwork relating to the particular pharmacy (namely the Transfer Notes and Order Delivery Notes) together with the tagged boxes. The delivery person proceeded to enter the pharmacy and transfer these boxes to the pharmacist's care, while the latter checked the boxes' and seals' reference numbers. The pharmacist then reconciled these reference numbers with those listed in the Order Delivery Note and signed the document confirming receipt. The delivery person left the Transfer Note with the pharmacist so that s/he could, later on, reconcile the pharmaceutical products in the boxes. Upon leaving, the delivery person asked the pharmacist whether s/he was in possession of any POYC boxes from the previous delivery. If the pharmacist had any of these plastic boxes, they were collected and taken back to the POYC Unit for reuse.

Figure 2: Delivery Roster

AM	Mon	Location	AM	Tue	Location	AM	Wed	Location	AM	Thu	Location	AM	Fri	Location
ALPHA			BRAVO			CHARLIE			DELTA			ECHO		
St Pauls Bay		St Pauls Bay	St Marija		Mgarr	Wales		Sliema	St Marija		Dingli	St Andrews		Swieqi
Parkes		St Pauls Bay	Karizia		Mellieha	Chemimart		Sliema	St Anthony		Rabat	Krypton		Swieqi
St Simon		Bugibba	Mellieha		Mellieha	Normans		Sliema	Nova		Rabat	PennyLane		Swieqi
Eurochemist		Qawra	Village		Mellieha	Victors		Sliema	Ideal		Rabat	J.V.'s		Swieqi
Qawra		Qawra	Victory		Naxxar	Drugstore		Sliema	Bahrja		Bahrja	Pembroke		Pembroke
El Medina		Qawra	Naxxar		Naxxar	Browns		Sliema	Mtarfa		Mtrafa	San Giorgio		Pembroke
Rotunda		Mosta	Browns		Naxxar	Rudolph		Sliema	St Mary		Attard	Potters		Paceville
Grognet		Mosta	Pillbox		Naxxar	Edwards		Sliema	ST		Attard	Melita		St julians
St Margherita		Mosta	St Albert		Gharghur	Mrabat		Sliema	Catherine		Attard	St Julians		St julians
Sghajtar		Mosta	Medicine Chest		Gharghur	Harley		Sliema	Misrah Kola		Attard	Pharmaland		Ta Xbiex
St Joseph		Mosta	Charing		Pieta	Stella Maris		Sliema	M4		Attard	Mayer		Ta Xbiex
St Loius		Mosta	Browns		Pieta	Economical		Sliema	St Joseph		Lija	Remedies		Ta Xbiex
Tat Targa		Mosta	St Anthony		Pieta	Balluta		Balluta	St Michael		Lija	Regional		Ta Xbiex
Iklin		Iklin	St Lukes		Pieta				Medica		Balzan	Regal		Msida
Mehriez		Iklin	Deby's		Msida	Dargens		Gzira	Balzan		Balzan	Regal		Msida
Marret		Fleur de Lys	TOTAL	7938		St Matthews		Gzira	TOTAL	8696		Lourdes		San Gwann
TOTAL	8924					Ohea		Gzira				San Gwann		San Gwann
						Tonys		Gzira				Medical Plaza		San Gwann
						Merhba		Ta Giorni				Marc		San Gwann
						TOTAL	6315					TOTAL	7471	

PM	MON	Location	PM	TUE	Location	PM	Wed	Location	PM	Thu	Location
FOXTROT			GOLF			HOTEL			INDIA		
Lauretana		Ghajnsielem	AGIUS		PAOLA	Fleur de lys		B Kara	Abela		Victoria
Ghajnsielem		Ghajnsielem	Brown's		PAOLA	Mackies		B Kara	Batu		Victoria
Tonys		M'forn	De Paola		PAOLA	Pharmaplus		B Kara	Castle		Victoria
Nadur		Nadur	Distinction		PAOLA	St Pauls		B Kara	Palm		Victoria
Vella		Nadur	Fleming		PAOLA	The Local		B Kara	tae-Cawla		Victoria
St. Joseph		Qala	St' Monica		PAOLA	St Venera		St Venera	Sokkors		Kercem
Joyce		Xaghra	Alpha		Fgura	St Bartholomew		St Venera	Pisani		Sannat
Xaghra		Xaghra	Cilia's		Fgura	Fatima		St Venera	Fontana		Fontana
St.John		Xewkija	Fgura		Fgura	Lantern		St Venera	TOTAL	4405	
Gozo		Xewkija	Verdala		Bormla	St Jude		B Kara			
	4696		White Cross		Bormla	St Anne		B Kara			
			Kalkara		Bormla	Herba		B Kara			
			Vittoriosa		Birgu	Holy Cross		B Kara			
			Victory		Isla	St Helen		B Kara			
			San Filippu		Isla	Rational		B Kara			
						TOTAL	6123				

2.5 Redistribution of Excess Stock from Pharmacies

2.5.1 Apart from taking all the necessary measures so as to ascertain the maximum utilisation of stock stored internally, the POYC Unit has also endeavoured to keep records of the stock stored at the participating pharmacies' premises. In order to carry out this process, the Unit entered into individual agreements with qualified pharmacists and pharmacy technicians, who were bound, against payment, to perform stocktaking exercises at the pharmacies participating in the POYC Scheme. Upon review, the NAO noted that these contracts run for a calendar year and were subject to renewal after expiration.

2.5.2 From minutes forwarded by the POYC Unit to NAO relating to meetings held between these subcontracted workers and the Unit, it was observed that the visits being made to pharmacies were intended to serve as 'courtesy visits' rather than actual spot checks or monitoring exercises. The nature of the visits was therefore somewhat unstructured and more intended to reaffirm the POYC Unit's presence rather than serving as a comprehensive system of keeping an accurate record of what the stock conditions and levels were at the participating pharmacies.

2.5.3 During these visits, the subcontracted pharmacists were required to complete a template form, a copy of which was forwarded and reviewed by the NAO, which once completed was intended to provide a clear overview



of the stock situation at the respective pharmacy. On these forms, note was taken of:

- a. the stock needed;
- b. any expired stock;
- c. whether there is any excess stock which can be collected for redistribution;
- d. stock that is nearing its expiry date;
- e. whether any stock rotation was carried out; and
- f. the stock holding conditions observed during their visit at the respective participating pharmacy.

2.5.4 According to the POYC Unit's 2011 Annual Report, utilisation of this supplementary external method of stock control has resulted in the identification of more than €140,000 worth of pharmaceutical products (corresponding to stock delivered in 2011) that were not going to be utilised at their pharmacy of original delivery. This figure represents a 35 per cent increase compared to the identification of under-utilised stock arrived at through similar exercises carried out in 2010. Following this identification, the POYC Unit endeavoured to reallocate these excess products to other pharmacies which were in need of them. In procuring this service, the POYC Unit incurred a total cost of €27,437 during 2011, which represents cost savings of €5.10 for every one euro spent.

2.6 Expired and Damaged Stock

2.6.1 Even though the POYC Unit took precautions to minimise the possibility of stock expiry or damage, these

occurrences inevitably still occur. In such instances, the pharmaceutical products involved have to be disposed of. Given the potentially harmful consequences that might materialise if these products are not disposed of in the appropriate manner, it is important that the POYC Unit deals with this issue with utmost responsibility.

2.6.2 The POYC Unit informed NAO that the onsite visits carried out by the subcontracted pharmacists and pharmacy technicians, as detailed earlier in the report, were also used to identify any damaged or expired stock at pharmacy sites. An exercise intended at returning such stock situated at pharmacy level back to the POYC Unit was carried out in 2011. This exercise resulted in the identification of €73,587 worth of expired and damaged stock, corresponding to the period of POYC Scheme operations starting in 2007 and running up to 2011. This identification was complemented by internal exercises carried out by POYC Unit employees to identify damaged and expired goods onsite at the Unit's stores. The POYC Unit indicated that during the year 2011, the equivalent of €38,992 worth of pharmaceutical products situated at the Unit's main stores had been identified as expired or damaged.

2.6.3 When damaged or expired stock was identified, the POYC Unit moved such items to a segregated area for storage. NAO was, however, informed by POYC officials that although the Unit also had in effect an SOP relating to the disposal of such stock, none of the accumulated expired and/or damaged stock had yet been disposed of since the commencement of operations. The Unit explained that this permanent disposal of stock was not carried out due to technical and logistical issues.



2.7 Safety and Security

2.7.1 The POYC Unit has taken a number of measures so as to ascertain the safety of its staff and stock. The first security measure implemented by the Unit was the installation of security doors. These were intended to serve the dual function of providing reliable emergency exit routes, as well as security against intrusion. The doors were also equipped with special control devices so as to prevent individuals from entering areas to which they had no clearance.

2.7.2 During site visits carried out by NAO personnel, it was noted that the area of operations of the POYC Unit was also protected by an alarm system, providing security against fire and intrusion. It was also observed that temperature-reading devices were installed in all the areas of operation. These were used in ensuring that the temperature was at an adequate level, and therefore, in so doing, ascertain the integrity of the stored pharmaceutical products. It is also worth noting that procedures relating to: the control and monitoring of temperature; refrigeration, intruder and fire alarms; as well as access to stores were all comprehensively documented in relevant SOPs thereby enabling the POYC Unit's staff to follow these procedures with a ready and easy reference at their disposal.

2.8 Conclusions

2.8.1 NAO fully commends the system of SOPs as employed by the POYC Unit. Having documentation outlining in detail how the processes involved in one's operational activities are to be carried out serves as a safety mechanism, ensuring high levels of consistency and greatly contributing towards the reduction of errors,

thereby increasing efficiency and effectiveness of the whole operation.

2.8.2 From explanations and clarifications provided by POYC Unit representatives, through site visits carried out by NAO officials and on the basis of reviewed documentation, NAO can comprehensively conclude that the manner by which stock is handled during the storage and repackaging processes, as well as the checks carried out on it so as to ascertain its integrity, are very rigid and undoubtedly assist the Unit in its upkeep of a high quality service level. In view of this, NAO can confidently conclude that these measures are, in effect, serving their intended purpose in guarding against the possibility of mistakes and/or abuse taking place during the internal processing and storage of stock.

2.8.3 During the onsite visit carried out by NAO, it was noted that the delivery of the pharmaceutical products from the POYC Unit's stores to the participating pharmacies was conducted in a professional manner by the Unit's staff. The delivery person illustrated a high degree of proficiency while carrying out the assigned duties and minor complications that occurred during the actual delivery process were dealt with in an efficient manner by this same employee.

2.8.4 NAO is, however, concerned about the fact that the delivered pharmaceutical products were checked solely by the pharmacist, while no POYC representative was present. This practice might create the risk of a private pharmacist inaccurately declaring that they are not in receipt of certain items listed on the order form. In the eventuality of such an occurrence, the POYC Unit has no safeguard in ensuring that the claims made by the respective pharmacist are genuine.

2.8.5 The substantial figure recorded by the POYC Unit with respect to redistributed pharmaceutical products from pharmacies represents a positive indication that the practice of employing subcontracted pharmacists for external stock control purposes was of benefit, and, if used adequately, can assist in increasing the efficiency and effectiveness with which the Unit operates. In reviewing cost-benefit analysis data relating to this process, it becomes evident that the value obtained from the exercise far exceeds the costs incurred, rendering it not only good practice to implement such a measure but also financially viable to persist with such an arrangement.

2.8.6 Apart from it being good practice to dispose of any generated waste at the earliest possible occasion, especially given the nature of the stock involved, not disposing of invalid pharmaceutical products can potentially create health risks. No benefit can possibly be derived by accumulating this potentially hazardous stock into ever-increasing amounts.

2.9 Recommendations

2.9.1 NAO supports the POYC Unit in its continuous and rigorous use of its SOPs. By operating in this structured manner, while constantly exploring and monitoring ways to improve its processes, the Unit greatly minimises the risk of deviations from good practice, thereby automatically increasing the efficiency and effectiveness by which it runs its operations. Should the Unit decide in favour of any changes to its processes and procedures, it should endeavour to incorporate such changes in the corresponding SOPs at the earliest possible stage, so as to ensure continuous compliance.

2.9.2 NAO fully supports the measures taken and controls implemented by the POYC Unit in ascertaining the integrity of its stock while it is onsite. In view of this,

the Office urges the Unit to consistently and diligently maintain the standard at which these controls are being carried out so as to minimise any risks in this regard.

2.9.3 Although numerous checks are internally carried out during packaging, it is good practice for representatives of both parties to be present during the opening of the sealed boxes after delivery of the products are made at the site of the participating pharmacies. This is quintessential, as it ensures that the Unit and the respective pharmacist can simultaneously ascertain that the order is correct and therefore eliminate the risk of having a private pharmacist inaccurately declaring not having received a portion of the delivery order. In view of this, NAO strongly suggests that efforts are made so that a POYC representative is present during the opening of boxes and the checking of the delivered products, as is normal convention in most industries during such a procedure.

2.9.4 Fully supporting the initiative of having visits at pharmacy level by subcontracted pharmacists and pharmacy technicians in order to keep records of the stock situation, the NAO recommends that these representatives are employed to the best of their potential by putting into place a rigid system in which a complete and consistent check is carried out on the stock at each pharmacy. Even at the cost of having to procure more man-hours to achieve this result, NAO still opines that it is preferable to have a more comprehensive system than compromising on costs in such a way that results in a somewhat ad hoc and incomplete system of records.

2.9.5 NAO urges the POYC Unit to make the necessary arrangements so as to dispose of expired and damaged stock in an adequate manner as soon as possible. This should be carried out to minimise the risk of it being a potential threat to the health and safety of those in its vicinity.



Chapter 3

POYC Unit Management and Administration

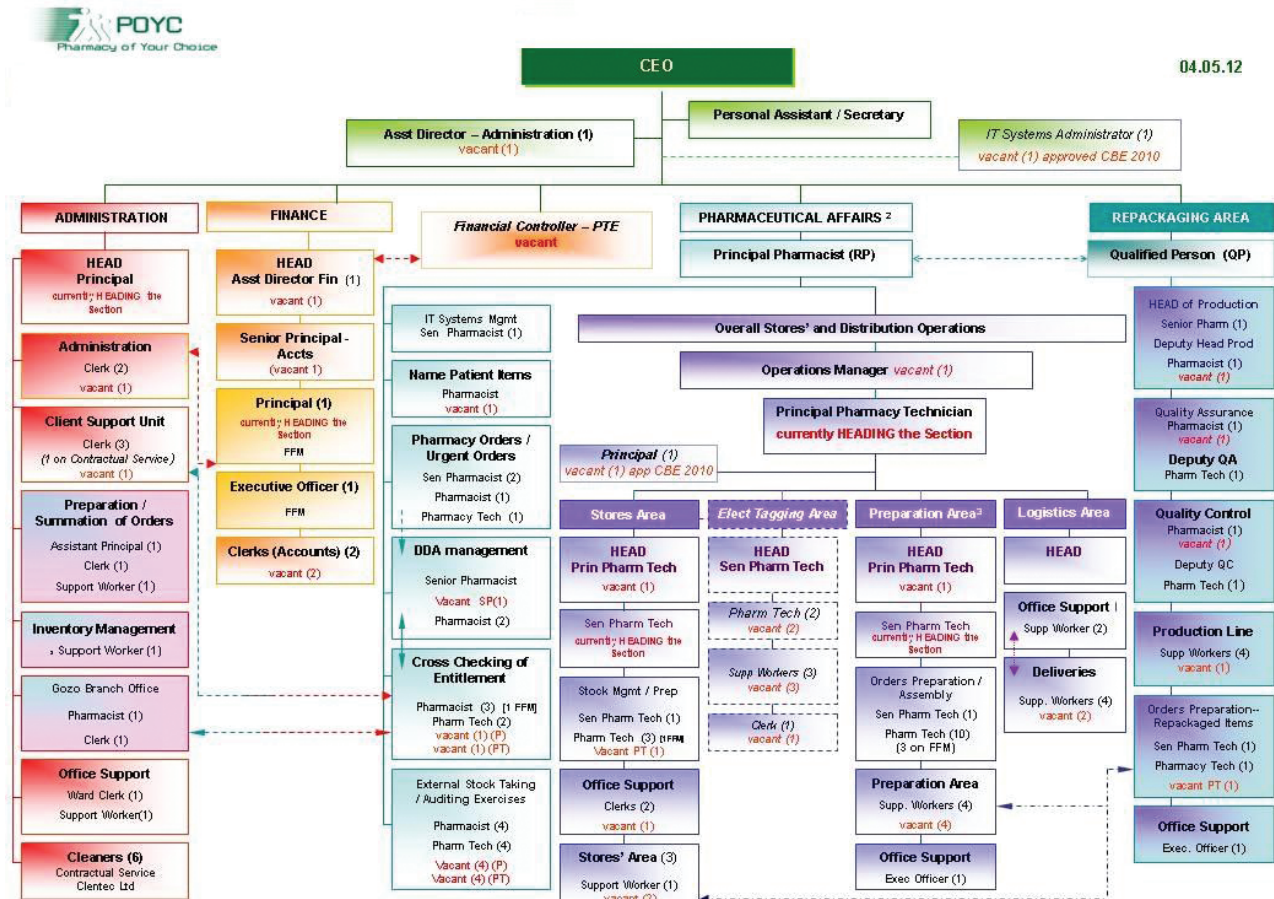
Chapter 3 – POYC Unit Management and Administration

This chapter focuses on the overall management and administration of the POYC Unit, analysing how its internal resources are utilised in the support of operations relating to the Scheme. A comparative cost analysis of the POYC Scheme and the health centre system of distribution is followed by a review of the agreement governing the relationship between the POYC Unit and the participating pharmacies. Central to this relationship is the Scheme’s IT interface, which is addressed in the final segment of this chapter.

3.1 The POYC Unit Organisational Structure and Human Resource Issues

3.1.1 The POYC Unit operates within the MHEC and the Head of this Unit reports directly to the Chief Financial Officer, Financial Monitoring and Control Unit. As illustrated in Figure 3, the Unit is divided into three main sections, namely: a Human Resource and Administration branch, a Finance section, and a Pharmaceutical Affairs branch, and a Repackaging Area.

Figure 3: POYC Unit Organisational Structure



section. The latter is further divided into two main areas, namely, the Stores Operations and the Repackaging Area. Each of these subsections' managers in turn reports to the Unit's Chief Executive Officer.

3.1.2 The NAO noted that a substantial number of vacancies prevailed throughout the organisation. Specifically, 38 positions at various levels within the organisation were classified as vacant as at May 2012. In order to be classified as fully staffed, the POYC Unit had a planned staff complement of 100 (excluding contracted services), which therefore implies that as at April 2012, the Unit had a staffing level of 62 per cent.

3.1.3 Further to the issue of staffing levels at the POYC Unit, another aspect central to effective human resource management relates to training. NAO reviewed the POYC Unit's management system relating to its training function, focusing on how the organisation identified its training requirements and how such gaps were subsequently addressed. NAO observed that, in response to this, the POYC Unit had designed a training matrix detailing the training requirements of each and every employee within its organisation. This is illustrated in Figure 4, which represents a sample of the complete training matrix.

3.1.4 This matrix essentially consisted of a comprehensive list of all of the POYC Unit's SOPs plotted against all employees. When an SOP was deemed to be of relevance to a particular position within the Unit, employees occupying such a position were therefore expected to undergo training in this regard. In each clear cell (indicating that that specific SOP is relevant to the

position the respective employee occupies) a date was inputted indicating that the respective employee had received the necessary training on the relevant SOP on that particular date. If on the other hand, it was deemed that a particular employee did not require training on a specific procedure, the respective cell was shaded accordingly.

3.1.5 Upon review of the SOPs in place, NAO noted that these deal with the various aspects in the running of the POYC Unit, including, administrative aspects, repackaging procedures, cleaning operations, and various monitoring procedures. A complete list of all SOPs is reproduced for ease of reference in Appendix D. Although the SOPs relate to different functions within the organisation, each was presented in a uniform and standardised manner. As illustrated in Figure 5, each SOP was written, reviewed and checked by different individuals in order to minimise the risk of error in terms of content. The dates detailing when the SOP came into effect, as well as that indicating when it should be revised were also included. The actual SOP text follows this table of information.


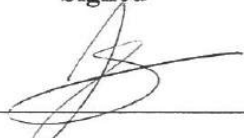


3.1.6 Apart from its review of training in the Unit's operational procedures and processes, the NAO also noted other general areas of competence considered essential in the POYC Unit's working environment. In view of this, and by means of site visits carried out by NAO officials, it was noted that, despite general proficiency in the execution of duties, certain knowledge gaps in the utilisation of basic IT programmes corresponding to specific aspects of the overall process were identified, which therefore necessitated workaround solutions, often involving the manual recording of data.

Figure 4: Adaptation of a Sample of the POYC Unit's Training Matrix

		Employee A	Employee B	Employee C	Employee D
ST001	Access to Stores		28/10/2009	28/10/2009	28/10/2009
ST002	Cleaning of Furniture and Shelving				
ST003	Cleaning of Flooring and Toilet Facilities				
ST004	Clean of Refrigerators and Cold Room				
ST005	Maintenance, Control and Monitoring of Temperature	09/03/2011	09/03/2011	09/03/2011	09/03/2011
ST006	Refrigeration, Intruder and Fire Alarms	07/04/2011	07/04/2011	03/02/2010	03/02/2010
ST007	Product Collection and Inspection following a Report	07/04/2011	07/04/2011		
ST008	Pest Control and Monitoring	07/04/2011	07/04/2011		
ST009	Supplier and Customer Status Verification	07/04/2011	07/04/2011		
ST010	Purchase, Receipt and Storage of Goods	07/04/2011	07/04/2011		

Source: POYC Unit

Figure 5: Sample of a Front Page of a POYC Unit SOP

	PHARMACY OF YOUR CHOICE DEPARTMENT	
	GENERAL QUALITY PROCEDURE	Ref : Q 002/02
Title : Training of Staff		
Written By	Signed	Date
Officer A		4/5/11
Agreed By		
Officer B		4/5/11
Authorised By		
Officer C		21.5.11
Effective date	1/06/2011	Review date
Supersedes	NA	1/06/2013
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3.2 Supporting the Participating Pharmacies

3.2.1 Apart from the core function of supplying the participating pharmacies with the requested stock, the POYC Unit indicated to NAO that it also endeavoured in providing these pharmacies with the necessary assistance so as to ascertain the smooth running of the Scheme.

3.2.2 NAO opines that a highly commendable practice undertaken by the Unit in this regard was the compilation and provision of an information pack, which the participating pharmacies were to follow so as to ensure coverage of all responsibilities in an effective manner. Upon review, NAO noted that the forwarded information pack contained four documents: the published notice indicating that the POYC Scheme had been rolled out to the area of the respective participating pharmacy, a compilation of specimens and relevant explanations of all the forms and documentation involved in the POYC Scheme, a dispensing guidelines manual, and a daily transaction procedure explaining in detail the processes to be carried out by the participating pharmacies on the POYC IT interface. These packs were forwarded to the participating pharmacies upon joining the Scheme and were also followed by training seminars.

3.2.3 Unfortunately, although the practice of organising training seminars had the potential to yield very good results, the POYC Unit indicated that there were instances, particularly relating to those pharmacies that joined the Scheme in 2007 and 2008, when the organised seminars were poorly attended, therefore detracting from the anticipated overall effectiveness. More recently, attendance to these seminars has notably improved.

3.3 Financing the POYC Scheme

3.3.1 Operating a complex and client-centred scheme such as that represented by the POYC Scheme is a resource-intensive undertaking, necessitating the corresponding significant investment of funds by central Government. These funds can be categorised under two main subheadings, namely funds invested in procuring the required pharmaceutical products and those utilised in the running and operation of the POYC Scheme.

3.3.2 Upon review of the POYC Unit's 2011 Annual report, NAO observed that the total amount of dispensed pharmaceutical products, in the aforementioned calendar year, amounted to €11,138,762. This same report also states that in the corresponding time period, a total of €12,351,907

Table 1: POYC Unit's 2011 Expenditure

Item	€
Salaries and Allowances	764,438
Utilities	13,876
Operating Materials and Supplies	91,166
Printing	4,580
Office Services – Postage	13,658
Hire of Transport	35,559
Fuel	207
Advertising	467
Cleaning	22,174
Contractual Services	1,392,489
Professional & Other Support Services	10,051
Total Expenditure	2,348,665

Source: POYC Unit

worth of pharmaceutical stock was distributed by the POYC Unit among the participating pharmacies. NAO further noted that this report indicated that the average cost of the dispensed pharmaceutical stock per patient as at end 2011 amounted to €170.32.

3.3.3 As indicated earlier, further to these direct costs incurred with regard to pharmaceutical stock, one must also take into consideration the other costs incurred in the running of the POYC Unit and the Scheme in general. As illustrated in Table 1, the total expenditure of the Unit amounted to €2,348,665 for the year 2011. As at August 2011, the POYC Scheme was servicing a total of 55,598 beneficiaries. This means that in addition to the average of €170.32 worth of pharmaceutical products dispensed to each patient, one must factor in an additional €42.24 in operational and running costs per client. This results in the whole POYC Scheme costing an average of €212.56 per beneficiary annually.

3.3.4 An integral aspect in establishing whether the POYC Scheme represents value for money or otherwise can be derived by means of comparison. To this end, the audit team compared costs incurred by Government in the operation of the former system of distribution through health centres and the POYC Scheme. The above referred figures are in stark contrast with the amounts corresponding to the costs incurred at the health centres while serving the function of dispensing free pharmaceutical products to the entitled population of end users. In order to draw comparison, the NAO cross-examined the costs incurred at the pharmacies of the Mosta and Gzira Health Centres during their last year of operation against the operational costs incurred by the POYC Scheme.

3.3.5 Integrally important in carrying out this comparison was the process of selecting POYC Scheme clients that would have previously been serviced by the Mosta and Gzira Health Centres. This filtering process essentially implied the removal of POYC end clients from various localities. Axiomatically, clients hailing from Gozo and those previously serviced under the Birkirkara Health Centre catchment area were removed. Additionally, POYC end clients from Rabat, Attard, Dingli, Mtarfa and Mdina were also removed. Although these latter mentioned localities did in fact form part of the Mosta Health Centre catchment area, NAO was informed that a substantial segment of persons hailing from these localities opted to collect their entitlement from the Floriana Health Centre. This was essentially due to greater access and convenience in terms of public transportation (one direct bus route to Floriana, as opposed to two buses to Mosta from each of the indicated localities).

3.3.6 According to information forwarded by MHEC, NAO found that the Mosta Health Centre incurred €138,856 in salaries during its last year of operation (ending August 2008) as a centre for pharmaceutical dispensation. The Gzira Health Centre registered a total of €107,626 in salaries during its last year as a dispensing centre (ending October 2010).

3.3.7 In order to draw a fair comparison, the NAO endeavoured in translating these two figures into 2011 equivalents (refer to Appendix E for detailed workings). After the necessary calculations were carried out, the audit team found that the Mosta and Gzira Health Centres incurred salary costs amounting to €151,261 and €108,029 respectively in 2011 values during their final



Table 2: Mosta and Gzira Health Centre Salaries Adjusted for 2011

Health Centre	Actual Salaries Incurred	Salaries Corrected for 2011
Mosta Health Centre	€138,856	€151,261
Gzira Health Centre	€107,626	€108,029

year of operating as a dispensing centre. These figures are presented in Table 2 for ease of reference.

3.3.8 Due to the fact that financial information, forwarded by MHEC, corresponding to these Health Centres was limited and did not incorporate overhead costs, NAO made the assumption that in this case, the same rate of overheads-to-salaries should apply as that found at the POYC Unit. Allowances were made for the distinctly diverging characteristics of the two systems of dispensation. In this regard, overhead costs such as advertisements, pharmacy fees and transport costs, among others, were not deemed applicable to the health centre context and were consequently factored out of the calculation.

3.3.9 According to NAO calculations, the summation of overheads incurred by the POYC Unit (which the Health Centres were also assumed to incur) amounted to 19 per cent of the total salaries paid by the Unit (for full calculations refer to Appendix E). When this percentage is

applied, the Mosta and Gzira Health Centres incurred total costs amounting to €180,001 and €128,555 respectively in 2011 equivalents, during their last year of dispensing free pharmaceutical products to beneficiaries. These figures are presented in Table 3 for ease of reference.

3.3.10 According to data forwarded by the POYC Unit, as at August 2011, the number of individuals entitled to free pharmaceutical products for chronic diseases, who are registered in what were previously referred to as the Mosta and Gzira catchment areas (excluding the Rabat, Attard, Dingli, Mtarfa and Mdina localities), was 30,178. The summated 2011 equivalent costs incurred by these two Health Centres results in an annual total cost of €10.22 per beneficiary as opposed to the €42.24 incurred by the POYC Scheme. It is important to note that a substantial portion of the above indicated end client rate of €42.24 corresponds to the dispensing fee forwarded to participating pharmacies. As stated earlier in the report, this ranges from €18.63 to €27.95.

Table 3: Mosta and Gzira Health Centre Salaries including Overhead Costs

Health Centre	Salaries Corrected for 2011	Total Costs including Overheads
Mosta Health Centre	€151,261	€180,001
Gzira Health Centre	€108,029	€128,555



3.3.11 Comparing the operational costs per beneficiary incurred by the POYC Unit with those incurred by the Mosta and Gzira Health Centres through the previous system of dispensation therefore results in an increase in costs incurred by government of 313 per cent.

3.4 The Agreement between the POYC Unit and the Participating Pharmacies

3.4.1 As explained earlier in the report, the agreement between the POYC Unit and the participating pharmacies mainly deals with the allocation of responsibilities of each entity taking part in the implementation of the POYC Scheme. NAO, however, observed that this document also deals with other issues, such as the conditions regulating withdrawal of participation in the POYC Scheme by a participating pharmacy, details regarding how the Scheme was to be gradually introduced and how the participating pharmacies were to be remunerated for the services offered.

3.4.2 Remuneration paid to the participating pharmacies was divided into two categories. The first was an annual taxable fee payable to the pharmacy for every registered POYC end client. The initial fee payable was set at a rate of Lm8 per beneficiary per year (equivalent to €18.63). This fee was set to augment by Lm1 (€2.33) annually, and was to be capped at a total of Lm12 (€27.95) after the fifth year of participation. NAO observed that this agreement does not give a clear indication as to whether this increase in the rate payable was related to the number of years that the pharmacy itself had been participating in the Scheme or the number of years that each respective beneficiary had been registered with the pharmacy. It was, however, indicated by the POYC Unit that the rate paid

to each respective pharmacy depended on the number of years that the pharmacy had been participant in the POYC Scheme, simply multiplied by the number of the serviced end clients. This implies that the rate payable was not based on the beneficiaries' registration duration but solely on the length of the pharmacy's registered period in the Scheme.

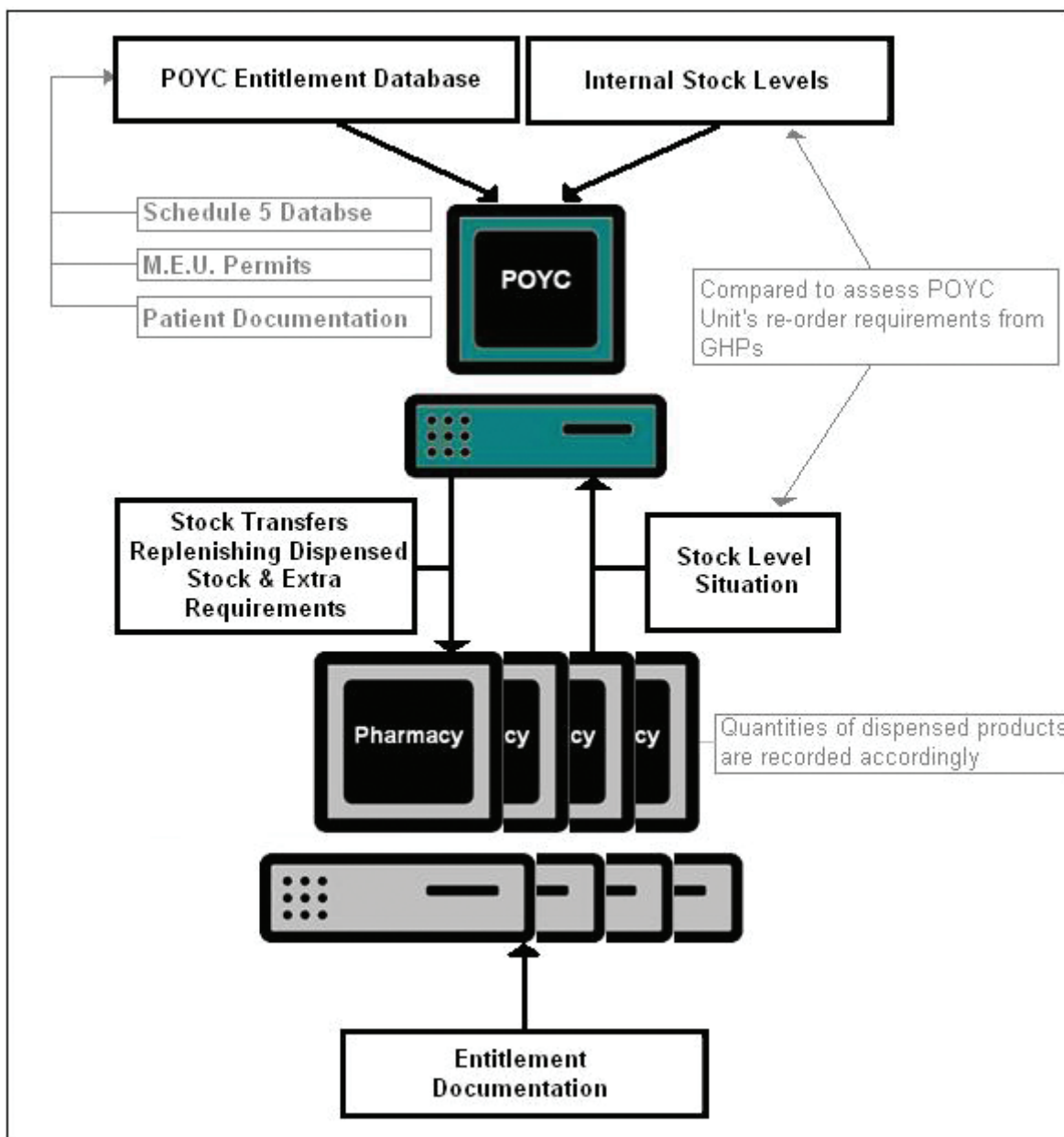
3.4.3 The other quoted method of remuneration was a tax credit scheme of up to 200 per cent of actual expenditure on software and equipment necessary for the implementation of the POYC Scheme. This incentive is subject to a maximum expenditure capping of Lm3,000 (€6,988).

3.5 IT Interface between the POYC Unit and the Participating Pharmacies

3.5.1 The IT system in place at the POYC Unit served multiple functions. As explained earlier in this report, the Unit made use of this system for internal stock control purposes, whereby it was used as a reference point against which the checking of the actual, physical stock was verified. It was also used for administrative purposes, enabling, among others, the management of financial and client records. Apart from these functions, the system also provided the POYC Unit with a clear picture of the stock levels at the participating pharmacies. An overview of the POYC Scheme IT interface is illustrated in schematic format in Figure 6.

3.5.2 During meetings and demonstrations by the POYC Unit, NAO was informed and noted that with every dispensation carried out, the private pharmacist inputted the details of the pharmaceutical products forwarded to

Figure 6: Schematic Representation of the POYC Scheme’s IT Interface



the respective patient into the information system. In so doing, the IT system constantly recorded the changing stock situation at all the participating pharmacies. The compilation of this data could then be remotely accessed by the POYC Unit in effectively real time. Having access to this information allowed the POYC Unit to, among others, compile the Picking Lists (already examined in greater detail in Chapter 2 of this report), which detailed the precise stock requirements of each and every participating pharmacy.

3.5.3 Furthermore, during these demonstrations, the POYC Unit highlighted the fact that the IT interface was also used as a preventative stock control measure. This was

achieved through a series of access controls, effectively limiting which pharmaceutical products could be dispensed by pharmacists to beneficiaries. Dispensation was thereby limited to the specific condition/s the end client was registered for on Schedule Five. It was explained that once the pharmacist accessed the respective beneficiary’s profile, the system only allowed dispensation of pharmaceutical products which corresponded to the ailment/s for which the particular beneficiary was registered. Another important consideration in this regard is that as opposed to the type of dispensed pharmaceuticals, the quantities of the dispensed entitlement were subject to the alteration by the dispensing pharmacist, in accordance with the doctor’s prescription.

3.5.4 During telephone interviews carried out with the participating pharmacies (discussed in further detail in Chapter 5) NAO gathered that the private pharmacists were generally positively inclined towards this system. It was, however, also indicated that the processes involved in operating this system were relatively labour intensive and therefore quite time consuming. With regard to the above, the POYC Unit indicated that enhancements have recently been made to the IT system that are envisaged to decrease the workload at the participating pharmacy level.

3.5.5 On a related note, the POYC Unit indicated that another project intended at upgrading the IT system in place at the participating pharmacies was underway. The main improvement in this planned upgrade will be the introduction of a faster and more efficient method of data inputting, possibly through the utilisation of electronic tagging system technology. Such technology would allow the user (participating pharmacists) to greatly reduce the amount of data that would need to be inputted manually into the system, replacing it by the faster process of scanning a preset code, which would then automatically input and upload the necessary information into the IT system. It is envisaged that this would greatly reduce the time required to input the corresponding information of each transaction. Furthermore, the POYC Unit indicated that following the completion of audit fieldwork, additional enhancements to the IT system were implemented in May 2012, intended at reducing the IT interface time at community pharmacy level, while simultaneously sustain and improve on audit trail capabilities.

3.6 Conclusions

3.6.1 Operating at relatively low staffing levels is a less than ideal or desirable scenario for the POYC Unit. NAO considers this situation to represent a particular risk to the Unit and the overall smooth running of the Scheme itself. In the former case the POYC Unit faces the risk of having to incur more overtime costs, and with employees working longer hours comes the increased probability of errors in processes being committed and remaining undetected, thereby reducing efficiency. In the latter case, the risk of overall impact on the Scheme gravitates around the issue of roll-out, which would increase the Unit's workload even further, thereby stretching and straining its already limited resources.

3.6.2 NAO supports the management and systems of training adopted by the POYC Unit. The Office opines that this system is very well-structured, enabling management to ensure that employees are being provided with all the necessary preparation and information to carry out their

respective responsibilities in an efficient and effective manner.

3.6.3 NAO is of the opinion that the SOP system adopted by the POYC Unit is highly commendable. Continued appropriate use of this system will invariably provide the POYC Unit with a rigid and failsafe method for ensuring that its staff is adequately informed on how to execute their individual responsibilities in an effective manner, while simultaneously streamlining all SOP regulated processes towards greater efficiency.

3.6.4 NAO is somewhat concerned by the fact that certain internal processes were not being recorded on the POYC Unit's IT system and instead being manually recorded. NAO considers the electronic logging of all relevant processes to be of central importance in ensuring that the POYC Unit's operations are characterised by high levels of accountability and efficiency.

3.6.5 While NAO highly commends the initiative taken by the POYC Unit in organising training seminars, it also acknowledges that the Unit is not at fault if participating pharmacies choose not to attend. NAO is nonetheless concerned that such lack in attendance might potentially transpire in private pharmacists not being fully knowledgeable and aware of the required processes.

3.6.6 Determining whether the substantial increase in costs incurred represents value for money or otherwise is a highly contentious issue. The planned further roll-out of the Scheme might result in an improved per user cost given the better economies of scale, mitigating certain fixed costs already being incurred by the POYC Unit. However, NAO considers this possible reduction in costs to be counter balanced and offset by the variable costs incurred once additional users are registered. These would include the starting fee paid to pharmacies per user, which stands at Lm8 (€18.63). Other variable costs expected to increase as more users are registered include the possible expansion of already existent subcontracting arrangements and overheads incurred. Given that at end 2011, the POYC Unit was operating at a staffing level of 62 per cent, the planned roll-out would most likely entail further costs being incurred through the recruitment and remuneration of a larger required staff complement, key in managing an increased user base.

3.6.7 This disparity in costs relating to the two systems of distribution of pharmaceuticals reflects two distinct services largely differentiated by virtue of their overall quality in service provision, with the POYC Scheme clearly ahead of the health centre system of distribution.

It is, however, practically not possible to calculate with any precision, the corresponding percentage increase in the quality of service being provided. Due to this, a fair and reliable comparison between the increase in the quality of service rendered and the related increase in costs is, in effect, unattainable.

3.6.8 Although the Memorandum of Understanding, as signed between Government and the participating signatories in 2007, covers the basic aspects of the POYC Scheme, the NAO is of the opinion that, in general, the document detailing this agreement was largely limited in terms of detail. Upon review, the audit team noted that the conditions set by the agreement were somewhat vague and ambiguous. Predominantly absent was the inclusion of expected service levels that would more precisely regulate services rendered by the participating pharmacies. This contractual lacuna exposes the POYC Unit to a vulnerable position, whereby it could not oblige the participating pharmacies to improve on particular aspects should the Unit see fit or should its attention be directed by end clients to certain deficiencies.

3.6.9 NAO observed that the IT interface in place between the POYC Unit and the participating pharmacies was a relatively reliable system and one which greatly facilitates data sharing between all involved entities. As stated previously in this chapter, however, the private pharmacists indicated that the processes involved were somewhat time consuming. In view of this, NAO is concerned that this relative inefficiency, as identified by the private pharmacists, can be the cause of some of their perceived burden created by the POYC Scheme. Recent developments, as indicated by the POYC Unit, may mitigate the above concerns, yet a more conclusive view on such matters would be possible after a suitable period of operation has elapsed.

3.6.10 The proposed electronic tagging system project, intended at improving the IT interface in place between the POYC Unit and the participating pharmacies, can potentially lead to substantial benefits for both parties involved. On one hand, the POYC Unit would benefit from further mitigation of the possibility of input error, while the participating pharmacies would benefit from reduced time requirements to process each transaction, subsequently translating into reduced operational costs generated from the running of the POYC Scheme.

3.7 Recommendations

3.7.1 While fully acknowledging that the recruitment of additional personnel does not solely depend on the

POYC Unit and that significant efforts have been made at rectifying this situation by the Unit, NAO is nonetheless concerned about the considerable number of vacant positions in its staff complement. Keeping in view the risks already outlined when operating with a reduced workforce, NAO urges the POYC Unit to sustain its efforts in trying to secure more human resources so as to better mitigate such risks. MHEC support in this regard is critical and essential.

3.7.2 Alternatively, NAO also suggests that the POYC Unit should further explore the possibility of outsourcing the required manpower. As outlined in the previous chapter, two different subcontracting service agreements are already in place between the POYC Unit and third parties. One such contract relates to pharmacist and pharmacy technician services being rendered, while the other concerns the delivery vans and chauffeurs used to distribute stock to the participating pharmacies. As the POYC Unit has already entered into such subcontracting agreements in addressing certain specific requirements, the further application and implementation of these types of arrangements across other aspects of the organisation merits consideration. The implicit advantages associated with this course of action include the flexibility afforded to the POYC Unit in scaling upwards or downwards its subcontracted services, while simultaneously retaining the right to opt out of such agreements if they do not represent value for money.

3.7.3 In view of the method of training adopted by the POYC Unit, NAO fully supports the Unit to maintain this system of training and to ensure that the employees' training is regularly refreshed so as to ascertain a continuous high level of expertise. NAO, however, also recommends that the POYC Unit endeavours in providing training on other areas apart from those strictly relating to the Unit's core operations. In so doing, certain issues such as familiarity with the Unit's IT systems may be addressed, thereby resulting in effectiveness and efficiency gains. In addition, the electronic logging of data would enable the POYC Unit to conduct, when necessary and appropriate, data analysis that could potentially contribute towards further improvement of the system as a whole.

3.7.4 Given the significant benefits that can be achieved from the SOP system in place at the POYC Unit, the NAO encourages the POYC Unit to invest all the necessary resources in keeping these SOPs updated and its staff accordingly trained.

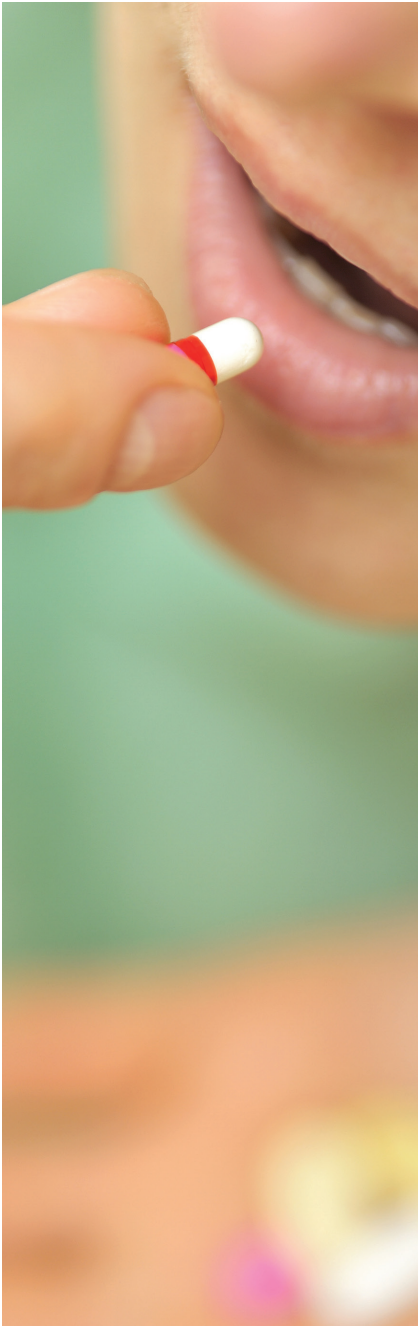
3.7.5 The POYC Unit may consider the incorporation of relevant clauses stipulating compulsory attendance

to training seminars in the next contractual agreement. Provided that the POYC Unit caters for the exigencies of the participating pharmacies, accommodating their attendance through appropriate scheduling, NAO considers the improvement attendance to such seminars and training events as facilitating the overall implementation and smooth running of the Scheme.

3.7.6 NAO acknowledges that an increase in quality of service, represented by means of the POYC Scheme, inevitably comes at a corresponding increase in terms of cost of service. Nonetheless, NAO recommends that the POYC Unit continuously engages in efforts intended to ameliorate efficiency, effectiveness and economy matters. Recommendations corresponding to such improvements are in fact presented in this report, and would, in NAO's opinion, contribute to the POYC Scheme representing better value for money.

3.7.7 In view of the lack of detail regarding the expected quality of service included in the Memorandum of Understanding, NAO highly recommends that the POYC Unit includes relevant clauses regulating the attainment and maintenance of certain quality standards upon renewal of the said agreement. NAO considers the introduction of such clauses as centrally important to the POYC Unit, effectively empowering it to take corrective action and seek redress in the eventuality of participating pharmacies engaging in practices not in accordance with the aforementioned quality standards.

3.7.8 Noting the potential benefits which can be derived from implementing the proposed upgrade of the IT interface between the POYC Unit and the participating pharmacies, NAO recommends that this process is given due importance and that the necessary resources are dedicated so as to expedite its introduction.



Chapter 4

Determining the Quality of Service: POYC End-Client Feedback

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Discerning POYC end-client views on the Scheme is the central issue focused upon in this chapter. The administered questionnaire elicited insight on a number of dimensions characterising and governing the POYC Scheme. Analysis of findings principally gravitated around the issue of service access, the approach adopted by the participating pharmacists in servicing end-client needs, the address of difficulties arising throughout operations, and finally, a comparison of the perceived

quality of service of the POYC Scheme and the health centre distribution system.

4.1 Discerning POYC End-Client Views

4.1.1 As the POYC Scheme was intended to be a more customer-oriented system of service delivery than the previous dispensing system, the audit team considered it important to evaluate whether the individuals making use

Table 4: Close-ended Questions Administered to POYC End Users

Questions		Response Categories		
1	How many times do you have to go to the pharmacy to actually collect your entitlement?	<i>Once</i>	<i>Twice</i>	<i>More</i>
2	How long does it take you to collect your entitlement?	<i>Less than 5 minutes</i>	<i>5 to 10 minutes</i>	<i>More than 10 minutes</i>
3	How long did it take you to collect your entitlement from the health centre?	<i>Less than 5 minutes</i>	<i>5 to 10 minutes</i>	<i>More than 10 minutes</i>
4	Are the hours dedicated by the pharmacy for the provision of the POYC service adequate?	<i>Largely adequate</i>	<i>Adequate</i>	<i>Not adequate</i>
5	Does the pharmacist adequately inform you about your entitlement?	<i>Largely informative</i>	<i>Informative</i>	<i>Not informative</i>
6	How adequate do you consider the pharmacists' approach towards you?	<i>Largely adequate</i>	<i>Adequate</i>	<i>Not adequate</i>
7	Is this approach better than the one you used to experience at the health centre?	<i>Better</i>	<i>Same</i>	<i>Worse</i>
8	Do you see differences in the approach the pharmacist has towards you when you go to collect the POYC entitlement and when you call for other private visits?	<i>More friendly when on private visits</i>	<i>Same</i>	<i>More friendly when collecting entitlement</i>
9	Do you consider the POYC Unit as responsive to your queries?	<i>Highly responsive</i>	<i>Responsive</i>	<i>Not responsive</i>
10	How regularly are you affected by out-of-stock items?	<i>Frequently</i>	<i>Rarely</i>	<i>Never</i>
11	Have there been instances where the pharmacist/s did not give you exactly what you had written down in your entitlement (excluding cases of out of stock items)?	<i>Yes</i>	<i>No</i>	
12	Overall, do you consider the POYC scheme to be an improvement over the old health centre system?	<i>Yes</i>	<i>Same</i>	<i>No</i>

of this system perceive notable changes, improvements or otherwise following its implementation. Integrally central to this analysis was the notion that the new system of dispensing pharmaceutical entitlements represented an overall improvement in terms of overall service quality, particularly when compared to the previous system of dispensation that operated through the local health centres. In order to assess this variation in quality, a number of questions were drawn up, which collectively sought to elicit responses representing the beneficiaries' perspectives on the POYC Scheme, thereby providing a holistic picture of the overall level of service provided.

4.1.2 The participants selected for the purpose of this study were asked 12 close-ended questions, and were subsequently given the opportunity to forward any relevant comments at the end of the interview. These 12 questions are reproduced in Table 4 for ease of reference.

4.1.3 Out of a total sample size of 382 individuals, 231 of the persons contacted for the purposes of this study agreed to participate, thereby yielding a response rate of 60.5 per cent, which resulted in a revised confidence interval of 6.43 per cent. It is important to note, however, that not all of the respondents were able to answer all of the set questions, primarily due to their varied personal experiences and circumstances.

4.2 Overview of Results Obtained

4.2.1 In general, the audit team obtained positive overall feedback with respect to the POYC Scheme through the

administration of questionnaires to the intended end users. The end users' responses to the questions put forward are illustrated in specific tables incorporated within the relevant and ensuing subsections.

4.2.2 The sub-themes around which NAO's analysis was built included the following dimensions: service access, pharmacist approach, the addressing of difficulties and an overall comparison of the different systems of distribution. As was the case with other chapters in this audit report, conclusions and recommendations pursuant to these themes are presented towards the end of this chapter.

4.3 Service Access

4.3.1 The issue of access to provided services was addressed through four questions that sought to evaluate this aspect of the POYC Scheme, while tapping on corresponding views relating to the previous system of distribution through health centres. A summary of POYC end-client responses relating to service access are reproduced in Table 5 for ease of reference.

4.3.2 When asked how many times the end users were required to call at the pharmacy in order to collect their entitlements, 79 per cent of the respondents replied that they were instructed to visit on two separate occasions: initially to present the pharmacist with the required documentation and a second time to actually collect the entitlement. Only 20 per cent indicated that the pharmacist dispensed their entitlement upon their first and only visit, while a negligible one per cent of the respondents

Table 5: Responses relating to Service Access

Question 1	How many times do you have to go to the pharmacy to actually collect your entitlement? [n=231]		
	Once	Twice	More
Summation	47	182	2
Percentage	20%	79%	1%
Question 2	How long does it take you to collect your entitlement? [n=231]		
	Less than 5 Minutes	5 to 10 Minutes	More than 10 Minutes
Summation	117	83	31
Percentage	51%	36%	13%
Question 3	How long did it take you to collect your entitlement from the health centre? [n=201]		
	Less than 5 Minutes	5 to 10 Minutes	More than 10 Minutes
Summation	1	9	191
Percentage	0%	4%	96%
Question 4	Are the hours dedicated by the pharmacy for the provision of the POYC service adequate? [n=231]		
	Largely Adequate	Adequate	Not Adequate
Summation	207	17	7
Percentage	90%	7%	3%

indicated that they were required to call at the pharmacy more than twice for the collection of each entitlement.

4.3.3 Responses obtained with respect to the time that end users had to wait to be served at their chosen private pharmacy were largely positive. The majority of respondents (51 per cent) indicated that when they collect their entitlement, that is, the second visit in the case of those who have to call twice in order to collect their entitlement, they are usually served in less than five minutes. Similarly, 36 per cent of the respondents specified that they usually have to spend approximately five to 10 minutes at the pharmacy in order to be served, while the remaining 13 per cent indicated that they ordinarily spend more than 10 minutes at the pharmacy in order to collect their entitlements.

4.3.4 The above referenced figures for waiting times starkly contrast those previously experienced by the same respondents when collecting their entitlements through the health centre method of distribution. A graphic representation of comparative results is reproduced in Figure 7. When asked how long it took each individual respondent to collect their entitlement in this manner, 96 per cent of the 201 respondents indicated that the average waiting time was more than 10 minutes, making it quite clearly the norm. In fact, a number of the respondents further clarified this response when stating that the typical waiting time necessary for collection of one’s entitlement normally extended into a good number of hours. A minority of four per cent of the respondents indicated that they used

to be served within a five to 10 minute timeframe at their respective health centre.

4.3.5 The final aspect of access to service addressed by means of the administered questionnaire focused on the general adequacy of hours dedicated by the pharmacy for the provision of POYC-related services. The vast majority of the interviewed respondents (90 per cent) claimed that the hours dedicated by their respective chosen pharmacy for the dispensation of entitlements were largely adequate. In fact, most elaborated that they were generally served any time they opted to call at the pharmacy (during normal opening hours). Similarly positive was the feedback provided by another seven per cent of the interviewed individuals who stated that the dedicated hours were adequate to their needs and expectations. Only a minority of three per cent of those interviewed stated that the pharmacies dedicated a very limited time window in which POYC clients were to be served.

4.4 Pharmacist Approach

4.4.1 The second set of questions put forward to POYC end clients focused on another aspect of quality of service, this time narrowly scoped down to the pharmacists’ approach and role in service delivery. A summary of responses recorded in this respect are presented in Table 6.

4.4.2 All interviewed respondents indicated the vastly positive manner by means of which pharmacists provide information relating to their entitlement. Out of the 231

Figure 7: Comparison of Perceived Waiting Times of POYC Scheme and Health Centre Distribution

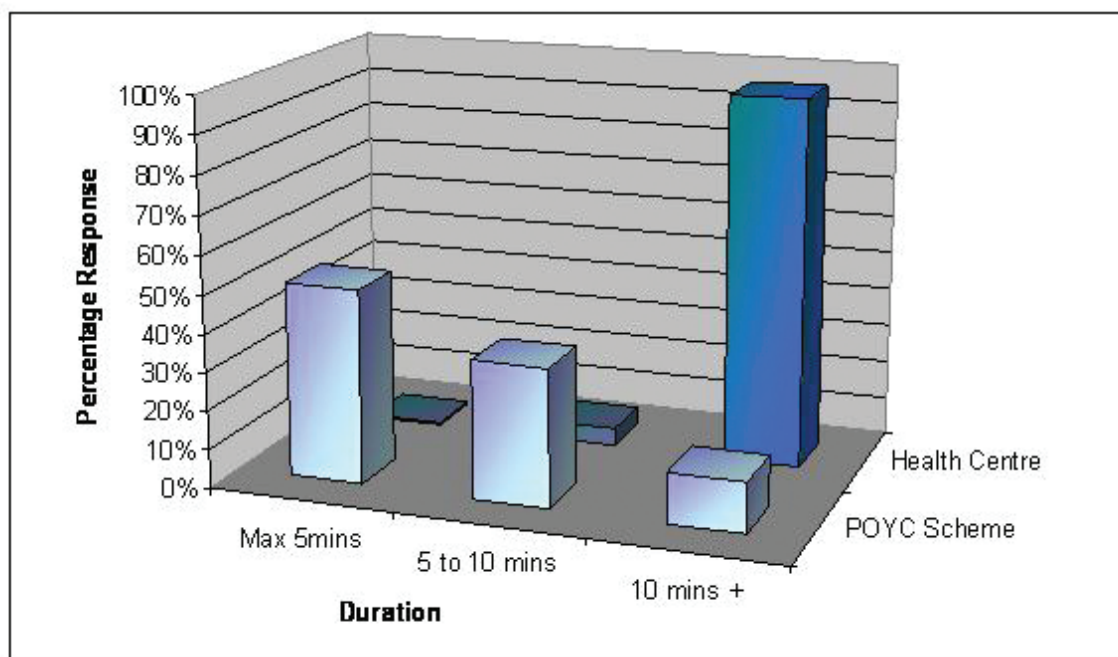


Table 6: Responses relating to Pharmacist Approach

Question 5	Does the pharmacist adequately inform you about your entitlement? [n=231]		
	Largely Informative	Informative	Not Informative
Summation	208	22	1
Percentage	90%	10%	0%
Question 6	How adequate do you consider the pharmacists' approach towards you? [n=231]		
	Largely Adequate	Adequate	Not Adequate
Summation	214	14	3
Percentage	93%	6%	1%
Question 7	Is this approach better than the one you used to experience at the health centre? [n=204]		
	Better	Same	Worse
Summation	91	111	2
Percentage	45%	54%	1%
Question 8	Do you see differences in the approach the pharmacist has towards you when you collect the POYC entitlement and when you call for other private visits? [n=231]		
	More Friendly when on Private Visits	Same	More Friendly when Collecting Entitlement
Summation	5	226	0
Percentage	2%	98%	0%

respondents, 90 per cent of POYC end clients stated that their pharmacist was highly informative, providing relevant details, instructions and explanations relating to the pharmaceutical products being dispensed. The remaining 10 per cent of respondents similarly put forward positive views when claiming that they considered their pharmacist to be adequately informative with respect to their entitlement.

4.4.3 Apart from being asked whether the pharmacist was generally informative, the participants were also queried with respect to the general approach and conduct displayed by the pharmacist while providing them with service. Once again, the overall level of satisfaction with the services rendered by pharmacists operating within the pharmacies involved in the POYC Scheme was extremely positive. A highly significant 93 per cent of the respondents indicated that the pharmacists that attended to their needs with respect to the POYC Scheme were largely adequate, indicating their overall approachability and helpfulness. An additional six per cent of respondents also indicated the adequacy of their respective pharmacists' approach towards addressing their particular needs. It was only one per cent of the interviewed sample of POYC end clients who expressed concern that the pharmacist's demeanour was unacceptable.

4.4.4 Further to the above, the NAO audit team explored whether there were any significant differences in

terms of the approach adopted by the pharmacist operating under the POYC Scheme against that experienced under the health centre distribution system. A total of 204 participants responded to this question (as 27 persons from the selected sample had never utilised the previous pharmaceutical distribution system as operated from the various health centres), of which 45 per cent indicated that, in their opinion, the private pharmacists generally displayed a better attitude than the health centre employees, while 54 per cent stated that they were received in a similar manner under both systems of distribution. Once again, an insignificant one per cent of the respondents did however declare that they preferred the approach adopted by the health centre employees to that displayed by the private pharmacist.

4.4.5 Finally, NAO also examined whether POYC end clients perceived any noticeable differences between the service rendered to them by the pharmacists in a private capacity and that rendered to them by the same serving pharmacist under the pretext of the POYC Scheme. The vast majority of respondents, that is, 98 per cent of the interviewed end clients, indicated that there was no notable difference with respect to services rendered in this regard. The remaining two per cent of responses submitted, put forward the argument that there was, in their opinion, a notable difference in the conduct of their pharmacist, acting on a friendlier basis when calling as a private client as opposed to other POYC Scheme-related visits.

4.5 Addressing Difficulties

4.5.1 The third and penultimate aspect of the POYC Scheme addressed by means of the end-client questionnaire, delved into the redress of difficulties relating to this Scheme, particularly focusing on the issue of out-of-stock items and incorrect dispensation by pharmacists. Table 7 summarily presents all responses relating to this aspect of the administered interview.

4.5.2 Out of the 231 POYC end clients interviewed for the purposes of this audit, only 20 persons, representing nine per cent of the overall sample of individuals, were ever in direct contact with the POYC Unit. When questioned, the Unit indicated that the queries and/or complaints put forward by those who did make contact were logged into a central database and addressed accordingly. NAO is of the opinion that this relatively small percentage of end clients, who at some point in time were in contact with the POYC Unit, is understandable, particularly when one will presumably not encounter any difficulty in addressing concerns directly with the participating pharmacy. However, the interviewing team's attention was drawn to the fact that most of the participants were under the impression that the pharmaceutical products dispensed through this Scheme were forwarded to the private pharmacies by Mater Dei Hospital and were unaware of the existence or role of the POYC Unit, central in the provision and distribution of these pharmaceutical products.

4.5.3 With respect to the aforementioned, the POYC Unit has indicated that numerous initiatives have been taken so as to heighten awareness about the POYC Scheme among the general public. Such initiatives included

interviews on local television and radio programmes, as well as the circulation of information leaflets addressing frequently asked questions. In addition to the above, the POYC Unit also indicated that its website serves an integrally important role in its public relation efforts.

4.5.4 One important issue closely associated with the distribution of pharmaceutical products is the out-of-stock issue. Feedback on this particular matter was collected in a two-pronged manner, namely through the end client and the participating pharmacy questionnaire (presented in further detail in the ensuing chapter). In the former case, the NAO audit team explored whether the POYC beneficiaries regularly experienced this problem of out-of-stock pharmaceuticals when collecting their entitlement. In response to this, 31 per cent of the respondents indicated that this situation of pharmaceutical stock shortages arose frequently. On the other hand, the largest portion of respondents, constituting 50 per cent of the total sample of participants, indicated that they rarely experienced stock shortages. Finally, the remaining 19 per cent stated that they were always provided with their entitlement by their pharmacist.

4.5.5 Further feedback provided by respondents in this regard was mixed, with a considerable portion of the respondents indicating that this issue was not of particular inconvenience, while conversely, others expressed their intense concern and worry. In the latter case, most of the participants who expressed concern indicated that the medication which they required was relatively costly and, with a significant segment of the beneficiaries being pensioners, further elaborated on how this out-of-stock situation presented a considerable burden on their limited income.

Table 7: Responses relating to the Addressing of Difficulties

Question 9	Do you consider the POYC Unit as responsive to your queries? [n=20]		
	Highly Responsive	Responsive	Not Responsive
Summation	15	3	2
Percentage	75%	15%	10%
Question 10	How regularly are you affected by out-of-stock items? [n=231]		
	Frequently	Rarely	Never
Summation	71	115	45
Percentage	31%	50%	19%
Question 11	Have there been instances where the pharmacist/s did not give you exactly what you had written down in your entitlement (excluding cases of out-of-stock items)? [n=231]		
	Yes	No	
Summation	15	216	
Percentage	6%	94%	

4.5.6 The participants were also asked whether there were any instances when the chosen private pharmacist dispensed pharmaceutical products that differed, either in type or quantity, than what the client was in fact entitled to. In response to this question, the vast majority of respondents, that is, 94 per cent of the total sample, indicated that they had never experienced such an occurrence. On the other hand, six per cent of the participants indicated that there was at least one instance involving inaccurate dispensation by the pharmacist in concern, either involving the provision of the incorrect type of medication or alternatively, an incorrect dispensation in terms of quantity. These respondents, however, also stated that in most cases, such incongruence was quickly detected and the necessary corrective action ensued accordingly.

4.6 Systems of Distribution Compared

4.6.1 Finally, the participants were asked the critically important question as to whether, in their opinion, the POYC Scheme represented an improvement over the former health centre-based system of distribution. In response to this, 85 per cent of the interviewed POYC end clients stated that they considered the new system to constitute a substantial improvement over the older arrangement. However, nine per cent of the respondents indicated that they noted no particular difference between the two systems, while the remaining six per cent stated that they were of the opinion that the old system of collecting their entitlements, from the government health centres, was in fact, a better alternative to the now operational POYC Scheme. The above results are reproduced in Table 8.

4.6.2 As stated earlier, following administration of the close-ended questions, the participants were asked whether there were any additional comments or concerns regarding this Scheme that they wanted to express. In this context, the most prevalent apprehension related to the fact that in order to benefit from this Scheme, registered POYC end clients needed to provide a doctor's prescription each time they were to collect their entitlement. A segment of the POYC end clients selected in this audit's sample indicated that they now opted to visit their private doctor for the provision of the necessary prescription, rather than calling

at the district health centre. These respondents argued that calling at the health centre prior to collecting their entitlement from their preferred pharmacy would defeat the intended convenience presented by this revised system of distribution. A significant portion of the participants went on to indicate that this process of resorting to private doctors for the provision of prescriptions was proving to be costly, with some of the respondents stating that the cost of the doctor's prescription was in fact more than the cost of the distributed pharmaceuticals.

4.7 Conclusions

4.7.1 Although a number of concerns emanating from end-user feedback did emerge, NAO can nonetheless confidently conclude that the POYC Scheme was positively received by its intended target population. The few concerns that were highlighted mainly related to the perceived deficiencies in the standard of service delivery provided by a small segment of the participating pharmacies.

4.7.2 Three issues emerge with regard to the POYC Scheme's access of service. The first of these issues related to the fact that the majority of end users indicated that they now have to call at their selected pharmacy twice for the collection of each entitlement. The second and third issues were largely positive and reflected the successful uptake of the POYC Scheme among its target population. The discrepancy between average waiting-time taken for collection of one's entitlement under the two methods of distribution is significant and centrally important in acknowledging the overall success of the Scheme. The long hours that end users indicated as being a routine and standard part of the previous collection process, have now been replaced by a few minute wait at a pharmacy chosen out of convenience, which provides the required services across a highly adequate timeframe.

4.7.3 The second aspect of the administered questionnaire, focusing on the general approach adopted by the pharmacist in the rendering of services, was characterised by predominantly positive results and feedback, reflecting well on the overall outcome of the

Table 8: Systems of Distribution Compared

Question 12	Overall, do you consider the POYC Scheme to be an improvement over the old Health Centre system? [n=226]		
	Yes	Same	No
Summation	191	21	14
Percentage	85%	9%	6%



POYC Scheme. This dimension of service quality was assuredly high, with POYC end clients attesting to this in their very positive feedback regarding the adequacy of information provided by attending pharmacists, and their professional approach in addressing client queries and concerns, which made no distinction as to whether the person was calling at the pharmacy in a private capacity or with regard to POYC Scheme requirements.

4.7.4 In delving deeper into the approach adopted by pharmacists under the previous health centre distribution system, and now under the POYC Scheme, it was interesting to note how responses fell into two roughly equivalent categories, with the majority of respondents (54 per cent) indicating status quo in terms of service improvement, while the remaining 45 per cent perceived an improved service. Although all responses were generally positive, the portion of respondents indicating an unchanged service in terms of the pharmacists' approach, somewhat mitigates the argument of an improvement in terms of quality of service rendered through the POYC Scheme.

4.7.5 Data collected with regard to the third aspect of the administered POYC end client questionnaire was largely positive, particularly with respect to the level of accuracy of dispensed pharmaceuticals and contact with the POYC Customer Care Section. In this latter case, although contact with the POYC Customer Care Section was positive, the audit team noted that end client awareness regarding the existence and role of the POYC Unit was limited. The most notable implication of such a limitation in terms of awareness is the difficulty that POYC end clients would presumably face in cases of issues arising in relation to their POYC distributed entitlement.

4.7.6 It is NAO's considered opinion that not being able to provide the necessary pharmaceutical products to eligible individuals is highly unacceptable and a significant cause for concern. As was in fact indicated in Chapter 2, this problem needs to be urgently addressed so as to ascertain an adequate level of service to all end clients.

4.7.7 Although the vast majority of POYC end clients indicated that this new Scheme of distributing pharmaceuticals was an improvement over the health centre system, a substantial segment, comprising approximately 15 per cent of this audit's participants, did not share this view. Given the considerable investment channelled into the POYC Scheme, particularly when cost comparisons are drawn to the previous system employed in the distribution of pharmaceuticals, the NAO is somewhat concerned at the minority, yet nonetheless significant percentage of end clients, who perceive no particular benefit or prefer the health centre system.

4.7.8 NAO acknowledges the concerns put forward by POYC end clients with regard to the manner through which they obtain their entitlement prescription. These concerns indicate that the original intention of the POYC Scheme was not being reached to the full, essentially due to the design of the system of distribution of pharmaceuticals. This limitation in terms of overall system design manifests itself in end clients having to either travel to the health centre for their required prescription, which therefore detracts from the intended ease of access to client entitlements, or resort to the alternative of paying for a prescription issued by a private doctor. In NAO's opinion, this quandary regarding system design and the manner in which end clients choose to utilise the service, mitigates the value for money of



the POYC Scheme, particularly so when considering the substantial increase in costs relating to its execution.

4.8 Recommendations

4.8.1 NAO urges the POYC Unit to incorporate relevant service level requirements in the soon to be revised contractual agreement between itself and the partaking pharmacies once it is renewed. Given that the vast majority of the participating pharmacies were already compliant with such high levels of service, the transition and eventual adherence towards a formal arrangement incorporating such pre-agreed standards, should presumably be a straightforward endeavour. In so doing, apart from achieving a uniform standard of service across all rolled out localities, the inclusion of such conditions in the Scheme, consequently followed up by due monitoring and enforcement mechanisms, would represent greater value for money among all of the participating pharmacies.

4.8.2 It is NAO's considered opinion that incorporation of the aforementioned service level requirements into the regulatory agreement, will facilitate the address of issues such as the number of times end users have to call at the pharmacy to collect their entitlement and the available hours dedicated by the pharmacy for the rendering of this service.

4.8.3 Other aspects deemed central to the delivery of a quality service form an integral part of the pharmacy profession, and therefore need not be incorporated under service level agreement format. Such aspects include the information provided by pharmacists to end users regarding their respective entitlement and the approach adopted by

pharmacists in serving POYC beneficiaries. However, NAO recommends that the POYC Unit considers the formalisation of other aspects of service provision, referred to elsewhere in this report, through their introduction in the next agreement regulating the POYC Scheme. It is only through incorporation within this contractual framework that the POYC Unit can hold to account defaulting pharmacies in this regard, which would consequently become liable to the imposition of penalties, as such action would constitute a breach of contract conditions.

4.8.4 While NAO acknowledges the work involved in the preparation and dispensation of individual end-user entitlements, it encourages the POYC Unit, in collaboration with participating pharmacies and other involved stakeholders, to explore possible working arrangements that would reduce the number of visits per client per entitlement collection down to a single instance. One possible means of achieving this goal could be through the utilisation of electronic prescriptions by the prescribing doctor, which would then interface with the POYC Unit's and participating pharmacy's IT systems, eventually resulting in the collection of end users' entitlement through one visit, as the process of submitting the necessary entitlement documents would have taken place electronically prior to the single visit. In addition, such a system of electronic prescription recording would enable the analysis of trends prevalent in the prescription process, possibly serving as the ideal tool in the curbing of potential misuse of allotted entitlements.

4.8.5 Despite the excellent feedback obtained regarding the average waiting-time involved in the collection of end-user entitlements, particularly when compared to results

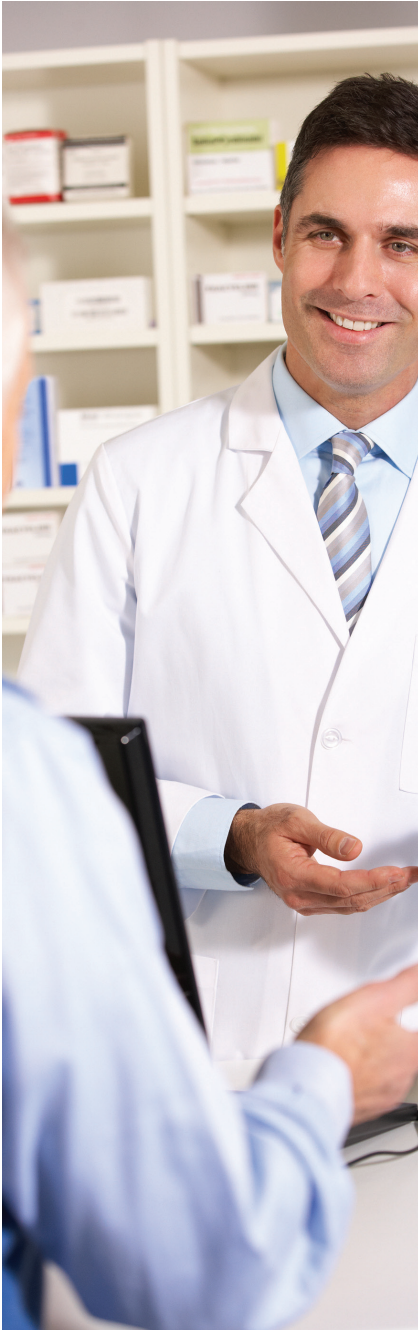
relating to the previous system of distribution, NAO nonetheless encourages the POYC Unit to sustain efforts at monitoring and maintaining this positive level of service. This recommendation can be extended to encompass all aspects of the pharmacists' approach in dealing with POYC end clients, which despite the immensely positive feedback received, would benefit from maintained regular and other ad hoc monitoring efforts.

4.8.6 Although NAO acknowledges the significant efforts at creating awareness and disseminating information undertaken by the POYC Unit with respect to the POYC Scheme, the Office nonetheless recommends the further development of the POYC Unit's customer care function so as to ensure greater visibility in terms of services rendered. POYC would stand to benefit from the adoption of a more active role in eliciting end-client feedback. Such a proactive approach would serve a twofold purpose, on the one hand promoting the Unit's customer care function by actively engaging a sample of its end clients, while on

the other hand indirectly monitoring the general level of service rendered by participating pharmacies.

4.8.7 Although NAO acknowledges that the out-of-stock issue is not subject to the control or direct influence of the POYC Unit, the Office considers the Unit to be strategically well placed to provide assistance to other involved stakeholders in the resolution or amelioration of stock shortage issues, and should therefore act accordingly.

4.8.8 Finally, with regard to the concerns expressed by POYC end clients relating to the attainment of entitlement prescriptions, NAO recommends that the POYC Unit assigns due attention to this issue. It is NAO's opinion that the POYC Unit should endeavour in the further understanding and analysis of how its end clients are impacted upon by virtue of the overall system design, and adjust accordingly so as to better fulfil its intended core objectives.



Chapter 5

Determining the Quality of Service: Participating Pharmacy Perspectives

Chapter 5 – Determining the Quality of Service: Participating Pharmacy Perspectives

This final chapter addresses the operations of the POYC Scheme from the perspective of the participating pharmacies. Of central importance to this context is the IT interface that facilitates the overall operations of the Scheme. Equally relevant are the relations that characterise and govern the processes undertaken by the participating pharmacies, particularly vis-à-vis the POYC Unit and the intended end clients. Finally, attention is also directed towards the issue of financial compensation forwarded to the participating pharmacies and other matters of general relevance.

5.1 Contextualising Participating Pharmacy Perspectives

5.1.1 In complementing the feedback obtained from POYC end users, presented in the preceding chapter, NAO also adopted a similar approach in eliciting responses from pharmacies participating in the POYC Scheme. As already indicated at various instances across this report, the participating pharmacies play a key role in the execution of the Scheme, and, therefore, gauging their views of the POYC Scheme was considered by the audit team as a valid source of insight and a means of triangulating evidence gathered from other stakeholders.

5.1.2 A close-ended questionnaire, encompassing 15 questions in total and reproduced in Table 9 for ease of reference, was administered. The series of close-ended questions was followed by an open-ended question allowing participants to express any further concerns.

5.1.3 At the time of administration of the above indicated questionnaire, a total of 112 pharmacies were actively participating in the POYC Scheme. NAO decided to interview all pharmacies participating in the Scheme, therefore results presented in this regard correspond to the

whole population of pharmacies active as at August 2011. Out of a total population size of 112 pharmacies, 90 of the respondents contacted for the purpose of this study agreed to participate, thereby yielding a response rate of 80 per cent.

5.1.4 In conducting this aspect of the audit, NAO sought feedback from pharmacists actually involved in the provision of service to POYC end users. The rationale behind such a choice was essentially driven by the fact that NAO sought to evaluate aspects relating to the quality of service being provided. NAO acknowledges that data gathered by means of this same questionnaire may have been influenced by whether the interviewee was the pharmacy owner or otherwise. Nonetheless, NAO's overriding interest was in tapping the feedback of pharmacists directly engaged in rendering a service to POYC end users, and hence, this distinction in terms of role was considered secondary.

5.2 Overview of Results Obtained

5.2.1 The administration of the telephone questionnaires to the participating pharmacies has shed light on common concerns perceived by pharmacists as relevant to the implementation and running of the POYC Scheme. These perceived concerns are delved into in greater detail further along this chapter. In contrast with the general responses obtained from the end clients, NAO noted that in the case of the participating pharmacies, the POYC Scheme was somewhat less well received.

5.2.2 The sub-themes addressed through this questionnaire, which serve as the foundation for further analysis, are the following: the POYC Scheme's IT interface, relations between the participating pharmacies and the POYC Unit, interaction at the pharmacy and end-

Table 9: Close-ended Questions Administered to Participating Pharmacies

Questions		Response Categories				
1	How long does it take you to prepare a customer pack?	Less than 1 minute		1 to 5 minutes		More than 5 minutes
2	From a scale of 1 to 4 (with 1 being the least and 4 the most) how user friendly do you find the POYC IT interface in use at your pharmacy?	1	2	3	4	
3	From a scale of 1 to 4 (with 1 being the least and 4 the most) how efficient do you consider this IT system to be i.e. time consumed to operate it as instructed?	1	2	3	4	
4	From a scale of 1 to 4 (with 1 being the least and 4 the most) how trained do you consider yourself to adequately operate the POYC IT System?	1	2	3	4	
5	Do you feel that you are fully informed and adequately trained to fulfil your obligations as set in the Memorandum of Understanding?	<i>I am widely unaware of the exact obligations in the MoU</i>	<i>I am in general aware of my obligations but am unsure in certain areas</i>	<i>I am aware of my obligations</i>	<i>I am aware of my obligations to the minutest detail</i>	
6	Do you find the POYC Unit to be responsive to any queries you put forward?	<i>POYC are not responsive</i>	<i>POYC's responsiveness can be improved</i>	<i>POYC are responsive</i>	<i>POYC are highly responsive</i>	
7	Do you consider POYC's delivery process to be time consuming for you?	<i>Very time consuming</i>		<i>Adequate</i>		<i>Very efficient</i>
8	Are you constantly provided with the required pharmaceutical products by POYC (except in the cases where particular products are out of stock)?	<i>Never</i>	<i>Mostly Not</i>	<i>Mostly Yes</i>		<i>Always</i>
9	How often are medicinal products, supposed to be provided by the POYC Unit, out of stock?	<i>Always</i>	<i>Regularly</i>	<i>Sometimes</i>	<i>Rarely</i>	<i>Never</i>
10	Does the behaviour and general attitude of POYC clients differ from that of other private clients? What differences do you usually observe?	<i>Yes</i>			<i>No</i>	
11	Do POYC registered clients collect their entitlements on a regular basis or do you observe certain fluctuations in certain periods?	<i>Patients collect their entitlement in a highly irregular manner</i>		<i>Patients collect their entitlement fairly regularly</i>		<i>Patients are very regular</i>
12	Do you dispense clients' entitlements immediately or do you collect the voucher and direct the client to collect their entitlement at a later date?	<i>Dispense immediately</i>		<i>Depends on the number of clients in the pharmacy</i>		<i>Always dispense at a later date</i>
13	If clients are asked to collect their entitlement at a later date, how long do you usually tell the clients to allow?	<i>1 to 3 days</i>		<i>3 to 7 days</i>		<i>7 to 15 days</i>
14	Do you think that the financial compensation you are given per patient is an adequate payment for the work you are required to carry out with respect to the POYC scheme?	<i>Compensation is inadequate</i>	<i>Compensation is acceptable but doesn't fully cover the work involved</i>	<i>Compensation is adequate</i>		<i>Compensation is more than adequate</i>
15	Do you consider the timeliness by which the financial compensation is forwarded to you to be adequate?	<i>Timeliness is largely adequate</i>		<i>Timeliness is sometimes compromised</i>		<i>Timeliness is inadequate</i>



client level, the issue of financial compensation, and other general issues. Responses to these corresponding issues are illustrated in specific tables incorporated within the relevant and ensuing sub-sections.

5.3 IT Interface

5.3.1 One major factor that influenced the experience of the participating pharmacies in the POYC Scheme was the IT interface in place. In order to assess the pharmacists' opinion of this system, NAO put forward three questions that were designed to explore and map out the various aspects that influenced the experience of operation of the Scheme by means of this interface. Table 10 reproduces all relevant questions in this regard, while Figure 8 graphically illustrates the results obtained across all dimensions.

5.3.2 The first of these three questions assessed the extent to which the IT system in place was perceived to be user-friendly by the respondents. Responses were categorised from a scale of one to four, with one being the least user-friendly and four the most user-friendly. Eight per cent of the respondents indicated that the system was not at all user-friendly. The majority of respondents selected options two and three, respectively totalling 32 per cent and 49 per cent. The remaining respondents, that is, 11 per cent stated that the system was very user-friendly.

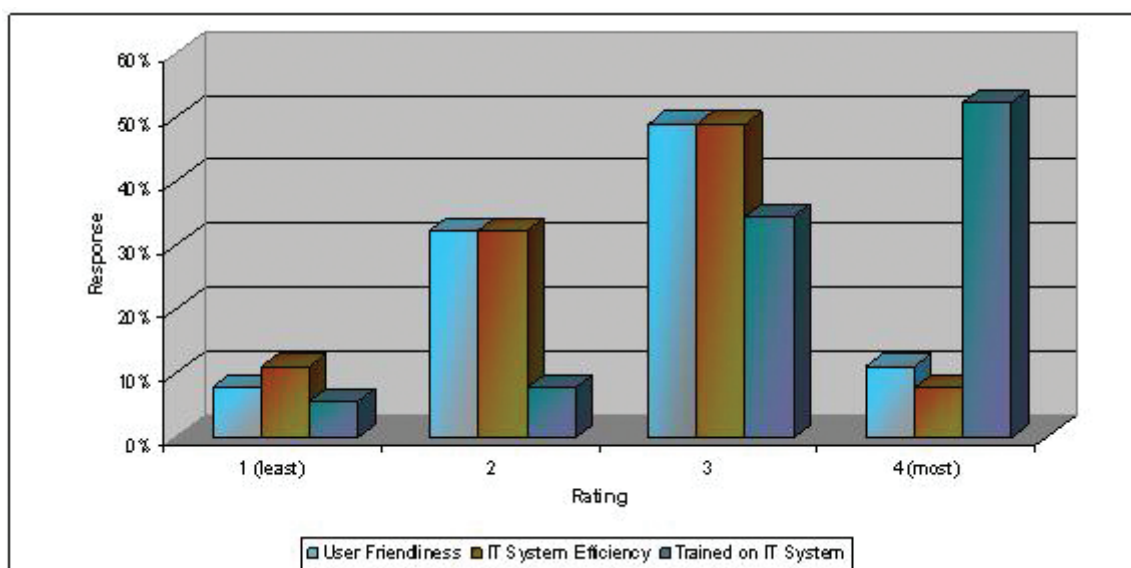
5.3.3 The second enquiry with respect to the IT system related to how efficient it is deemed to be by its users. Using the same scale as employed in the previous question, 11 per cent selected the first rating, another 32 per cent indicated the second rating, 49 per cent opted for the third rating,

Table 10: Responses relating to IT Interface

Question 2	From a scale of 1 to 4 (with 1 being the least and 4 the most), how user-friendly do you find the POYC IT interface in use at your pharmacy? [n=90]			
	1	2	3	4
Summation	7	29	44	10
Percentage	8%	32%	49%	11%
Question 3	From a scale of 1 to 4 (with 1 being the least and 4 the most), how efficient do you consider this IT system to be, that is, time consumed to operate it as instructed? [n=90]			
	1	2	3	4
Summation	10	29	44	7
Percentage	11%	32%	49%	8%
Question 4	From a scale of 1 to 4 (with 1 being the least and 4 the most), how trained do you consider yourself to adequately operate the POYC IT System? [n=90]			
	1	2	3	4
Summation	5	7	31	47
Percentage	6%	8%	34%	52%



Figure 8: IT System User Rating



while the remaining eight per cent replied by selecting the most positive option, thereby indicating that the IT system was highly efficient.

5.3.4 Correlating the responses generated from these two questions renders evident the notion that while the majority of the pharmacists making use of this IT interface perceive it as being a relatively efficient and user friendly system, a significant portion of the respondents are of the opinion that this system can be greatly improved.

5.3.5 The third and final question with respect to the IT interface focused on the respondents' self-assessed proficiency in terms of operating the system. Once again, adopting a scale from one to four, when asked how well trained in the use of this system they considered

themselves to be, six per cent scored one, indicating that they considered themselves not to be trained at all. The remaining responses were categorised as follows, with eight per cent selecting the second category, 34 per cent selecting the third category, and finally, the majority of respondents, 52 per cent in all, selecting the fourth category, indicating their self-assessed maximum level of proficiency.

5.4 Relations between the Participating Pharmacies and the POYC Unit

5.4.1 An aspect bearing central relevance to the running of the entire Scheme is the relationship between the POYC Unit and the participating pharmacies. The audit team sought to analyse this situation, particularly tapping into

Table 11: Relations between the POYC Unit and the Participating Pharmacies

Question 6	Do you find the POYC Unit to be responsive to any queries you put forward? [n=90]				
	POYC are Not Responsive	POYC's Responsiveness can be Improved	POYC are Responsive	POYC are Highly Responsive	
Summation	1	14	32	43	
Percentage	1%	16%	35%	48%	
Question 7	Do you consider the POYC Unit's delivery process to be time-consuming for you? [n=90]				
	Very Time-consuming	Adequate	Very Efficient		
Summation	6	8	76		
Percentage	7%	9%	84%		
Question 8	Are you constantly provided with the required pharmaceutical products by POYC (except in the case where particular products are out of stock)? [n=90]				
	Never	Mostly Not	Mostly Yes	Always	
Summation	1	4	25	60	
Percentage	1%	4%	28%	67%	
Question 9	How often are medicinal products supposed to be delivered by the POYC Unit out of stock? [n=90]				
	Always	Regularly	Sometimes	Rarely	Never
Summation	83	7	0	0	0
Percentage	92%	8%	0%	0%	0%

participating pharmacy perspectives, by putting forward four basic questions, which are reproduced, along with corresponding results obtained in Table 11.

5.4.2 The first question presented to the participants related to the responsiveness which the POYC Unit exercised when queries were put forward by pharmacists. Only one per cent of the interviewed participants indicated that the Unit is not responsive, while a further 16 per cent stated that the POYC Unit's responsiveness can be improved. The vast majority of interviewed pharmacists were positive in their responses, with 35 per cent indicating that the Unit was generally responsive, while the remaining 48 per cent stated that the POYC Unit was highly responsive.

5.4.3 Following this query, the audit team then delved into a set of three questions that focused on the delivery of stock items from the POYC Unit to the participating pharmacies. The first of these three questions sought to determine whether the delivery process in itself was proving to be time-consuming for the private pharmacists. In response to this, seven per cent stated that the process by which the POYC Unit delivered the required pharmaceutical products was very time-consuming. Nine per cent indicated that the time taken for this process was adequate, while a significantly notable majority of 84 per cent reported that this delivery was carried out in a very efficient manner.

5.4.4 Although NAO acknowledges that the POYC Unit is by no means solely responsible for the sourcing of pharmaceuticals, having pharmacies appropriately stocked is nonetheless of paramount importance in gauging the Scheme's overall success. In view of this, the audit sought to find out whether this was constantly being achieved, and in working towards this end, the audit team put forward a question which related to whether the participating pharmacies were constantly provided with the required pharmaceutical products (except in the cases when these products were out of stock). In response to this query, only one per cent of the respondents indicated that in each and every delivery, some mistake or another was always made by the POYC Unit, and it was never the case that the full correct order reached the pharmacy. Another four per cent stated that on most occasions the order was incorrect, while 28 per cent of the participants answered that the delivered order was generally precise. The vast majority of the respondents, amounting to 67 per cent of the total, indicated that the order received from POYC Unit was always correct and that they had never encountered any problems in this regard.

5.4.5 The last question relating to stock provision concerned the sensitive issue of out-of-stock items. When asked how often at least one of the required items was not delivered to them by the POYC Unit due to this cause, 92 per cent of the respondents indicated that this was always the case without fail. The remaining eight per cent stated that this occurrence happened regularly.

5.5 Relations between the Participating Pharmacies and the End Clients

5.5.1 The next area the questionnaire examined was the general relationship between the participating pharmacies and the individuals making use of the POYC Scheme. A summary of results obtained with regard to this area of interest are presented in Table 12.

5.5.2 The first question put forward to the participants in this regard related to whether they noticed any difference in the behaviour and general attitude between POYC registered clients calling to collect their entitlements and other clients calling at the pharmacy to buy other pharmaceuticals. In response to this question, 77 per cent of the respondents replied in the affirmative, indicating that they did notice a difference in the behaviour and the general attitude adopted between the two categories of clients, while the remaining 23 per cent stated that POYC end clients and other clients behaved in a similar manner.

5.5.3 All of the respondents who indicated perceived variances in the behaviour of the two sets of clients, further commented that the POYC customers calling at the pharmacy to utilise the Scheme were generally more demanding than their counterparts. Indeed, it was greatly emphasised that this behaviour by a portion of the

persons making use of the Scheme was the cause of much distress at the workplace for the pharmacists in charge of administering the Scheme.

5.5.4 The respondents were also asked whether the POYC beneficiaries collected their entitlement on a regular basis, or whether they observed certain fluctuations throughout particular periods during the year. Only two per cent of the interviewed pharmacists stated that the POYC beneficiaries collected their entitlements in a highly irregular manner. While 11 per cent indicated that the POYC clients collected their entitlement fairly regularly, 87 per cent of the respondents answered that the POYC registered clients collected their entitlements in a highly regular manner.

5.5.5 Another question put forward to pharmacists related to the practices employed in the dispensation procedure. By means of this question, NAO sought to establish whether pharmacists dispensed entitlements on the patients' first visit, or whether they instructed their clients to forward relevant documentation when they call at the pharmacy and then return to collect their entitlement at a later date.

5.5.6 In response to this, 12 per cent of the respondents replied that they ordinarily dispense entitlements upon the

Table 12: Responses relating to the Relations between the Participating Pharmacies and End Clients

Question 10	Does the behaviour and general attitude of POYC clients differ from that of other private clients? What differences do you usually observe? [n=90]		
	Yes	No	
	69	21	
Summation	69	21	
Percentage	77%	23%	
Question 11	Do POYC registered clients collect their entitlements on a regular basis or do you observe certain fluctuations in certain periods? [n=90]		
	Highly Irregular	Fairly Regular	Very Regular
	2	10	78
Summation	2	10	78
Percentage	2%	11%	87%
Question 12	Do you dispense clients' entitlements immediately, or do you collect the voucher and direct the client to collect their entitlement at a later date? [n=90]		
	Dispense Immediately	Depends on the Number of Clients at Pharmacy	Dispense at a Later Date
	11	1	78
Summation	11	1	78
Percentage	12%	1%	87%
Question 13	If clients are asked to collect their entitlement at a later date, how long do you usually tell clients to wait before collecting it? [n=79]		
	1 to 3 Days	3 to 7 Days	7 to 15 Days
	48	29	2
Summation	48	29	2
Percentage	60%	37%	3%

clients' first visit. One per cent of the respondents indicated that they had no fixed policy, and generally assessed whether to dispense immediately or not, depending on how busy the pharmacy was at that particular moment. The remaining 87 per cent stated that they generally dispensed at a later date. The results obtained from this question strongly correlate with the responses obtained from the questionnaire administered to the POYC beneficiaries (refer to section 4.3).

5.5.7 Of those who indicated that dispensation was carried out at a later date than the client's first visit (including the segment of pharmacists who stated that they assess whether to do so or not, according to respective circumstances), 60 per cent stated that they usually instructed their clients to call again between one to three days after so as to collect their respective entitlement. Another 37 per cent indicated that they dispense between three to seven days following the provision of the necessary documentation by the client, while the remaining three per cent pointed out that they usually instruct their clients to call between seven to 15 days following their first visit.

5.6 Financial Compensation awarded to the Participating Pharmacies

5.6.1 Another aspect of the POYC Scheme addressed by means of the administered questionnaire related to the financial compensation paid to pharmacies with respect to services rendered. In its analysis of this issue, the audit team sought to establish whether pharmacists perceived effected payments as adequate compensation, and whether such payments were forwarded to pharmacies in a timely manner. Responses to these two questions are reproduced in tabular format in Table 13.

5.6.2 As indicated earlier in this chapter, pharmacists responding to this questionnaire were not asked to indicate whether they were the owner of the participating pharmacy or otherwise. NAO acknowledges that this factor undoubtedly influences perceptions regarding financial compensation, and therefore, the ensuing results must be understood in this context. Out of the 90 respondents who agreed to participate in this study, 85 considered themselves to be suitably informed and in a position to reply to this question.

5.6.3 With respect to the adequacy of the amount of compensation forwarded, 59 per cent of the participants indicated that they thought this was largely inadequate. On the other hand, 36 per cent stated that compensation was acceptable but did not fully cover the work involved, while the remaining five per cent considered the forwarded compensation to be adequate.

5.6.4 The second and final question with respect to the compensation received related to the timeliness by which payment due was effected by the POYC Unit in favour of the participating pharmacies. Out of the 90 interviewed respondents, 62 replied to this question for the same reason already expounded upon in the preceding paragraphs.

5.6.5 Of those who answered, only three per cent indicated that the timeliness by which payment was made was largely inadequate. On the other hand, 16 per cent stated that timeliness was sometimes compromised, while 81 per cent reported that payments due were generally received on time.

Table 13: Responses relating to Financial Compensation

Question 14	Do you consider the financial compensation provided per patient as adequate payment for the work you are required to carry out with respect to the POYC Scheme? [n=85]			
	Inadequate	Acceptable but Does Not Fully Cover the Work Entailed	Adequate	More than Adequate
Summation	50	31	4	0
Percentage	59%	36%	5%	0%
Question 15	Do you consider the timeliness by which the financial compensation is forwarded to you to be adequate? [n=85]			
	Largely Inadequate	Sometimes Compromised	Adequate	
Summation	2	10	50	
Percentage	3%	16%	81%	

Table 14: Responses relating to Other Issues

Question 1	How long does it take you to prepare a customer pack? [n=90]			
	Less than 1 Minute	1 to 5 Minutes	More than 5 Minutes	
Summation	1	22	67	
Percentage	1%	24%	75%	
Question 5	Do you feel that you are fully informed and adequately trained to fulfil your obligations as set in the Memorandum of Understanding? [n=90]			
	Widely Unaware of the Exact Obligations	Generally Aware but Unsure of Certain Areas	Aware of my Obligations	Aware of my Obligations to the Most Minute of Details
Summation	14	47	26	3
Percentage	16%	52%	29%	3%

5.7 Other Issues

5.7.1 Other issues, equally relevant to the audit as a whole, were addressed by means of this same questionnaire, essentially focusing on the time taken to prepare a POYC customer pack and the Memorandum of Understanding. Results relating to these two issues are presented in Table 14.

5.7.2 In reference to the question that addressed perceived time taken for a pharmacist to prepare a single customer pack and render it ready for dispensation, one per cent of the respondents indicated that this was a very straightforward process and usually took less than one minute to complete. On the other hand, 24 per cent specified that this process took between one and five minutes to complete, while the remaining 75 per cent stated that preparing a customer pack took more than five minutes. It is also worth noting that a significant portion of those indicating that they spent more than five minutes in preparing a single pack, specified that this process did not usually take more than 10 minutes. Another small portion of these respondents were, however, very keen on specifying to the interviewer that the preparation of these packs sometimes took much more than five minutes, with some going as far as stating that on occasion they had to dedicate 45 minutes for the preparation of a single pack.

5.7.3 The audit team also sought to gauge the pharmacists' level of awareness and understanding of their obligations as established in the Memorandum of Understanding. In response to this question, 16 per cent of the respondents indicated that they were widely unaware of the details and exact obligations as set out in this agreement. Furthermore, 52 per cent stated that they were generally aware of their obligations, but unsure about certain details, while another 29 per cent of the respondents specified that

they were aware of the obligations as set in the agreement. The remaining three per cent were confident in stating that they were aware of their obligations with respect to the POYC Scheme to the smallest of details.

5.7.4 At the end of the telephone interview, the respondents were given the opportunity to put forward any additional comments they deemed important and relevant to the Scheme in general. In this regard, the respondents indicated that one of their most pressing concerns was that the pharmacies were compensated with the same rate of payment for every client served, irrespective of differing exigencies that these might have. It was indicated that certain clients collected their entitlement more frequently than once every two months, due to the special circumstances pertaining to their medical condition and corresponding medication. By implication, pharmacists were claiming that they engaged in more cycles per year so as to prepare and dispense these medicinal products, thereby transpiring in additional work which pharmacists perceived as not being proportionally remunerated.

5.8 Conclusions

5.8.1 The majority of responses put forward by the participating pharmacies generally indicate that the POYC Scheme's IT interface adequately served its intended purposes, scoring positively in terms of user-friendliness and efficiency. Nonetheless, NAO considers the significant minorities that responded negatively in this regard as warranting the POYC Unit's attention. NAO is of the opinion that numerous factors may be influencing these somewhat negative perceptions of the Scheme's IT interface. One possible explanation that could account for pharmacists registering poor ratings for user-friendliness and efficiency is the Scheme's robust system of data logging, which effectively ensures accountability of

transferred stock. The recording of such data, although absolutely necessary in ensuring appropriate levels of control, constitutes a significantly time-consuming process, which may be one source of the aforementioned negative perceptions. As stated earlier in the report, the POYC Unit indicated that enhancements were recently implemented so as to mitigate the above concerns.

5.8.2 On a related note, perceptions with regard to proficiency in operating the IT system were largely positive. However, the 15 per cent of pharmacists who indicated difficulties in executing the Scheme's processes through this interface represent a risk in terms of inefficiency and ineffectiveness of data recording.

5.8.3 The second aspect tapped into by the questionnaire administered to participating pharmacies addressed the interaction between the POYC Unit and the aforementioned pharmacies. From the data obtained in this regard, it is evident that the Scheme is operating in a highly efficient and effective manner. The majority of participating pharmacies consistently rated the POYC Unit as highly responsive to any queries that might arise, as well as efficient and precise in terms of delivery of stock. NAO considers these results as indicative of the overall positive performance of the distribution system as a whole, the result of a professionally set up POYC Unit.

5.8.4 Despite the above, NAO is nonetheless greatly concerned by the recurring issue of out-of-stock pharmaceuticals, which in fact featured as a central issue in the responses put forward by pharmacists. NAO acknowledges that the out of stock issue is not within the immediate control of the POYC Unit, nonetheless, its impact on the POYC Scheme is undoubtedly significant. The concerns vociferously expressed by numerous pharmacists are valid and understandable.

5.8.5 Results obtained with respect to the third aspect of the questionnaire present a clear picture of the working relationship in place between the participating pharmacies and POYC end clients. Barring the strain caused by the perceived inappropriate behaviour and attitude of a segment of POYC end clients, the distribution mechanism has gradually evolved into a more or less regular pattern. The varied approaches to dispensation appear to be suitably addressing client needs, as was in fact rendered amply evident in the preceding chapter. This flexibility in approach may in fact be beneficial to the Scheme's overall efficiency and effectiveness. Nonetheless, NAO considers it relevant for the POYC Unit to address outliers, both at the end-client level, manifested in terms of irregularity of entitlement collection, and at the pharmacy level,

particularly in cases when end clients are asked to wait for unacceptable lengthy periods of time in order for their entitlement to be prepared.

5.8.6 NAO considers the financial compensation forwarded to pharmacies participating in the POYC Scheme to represent a complex and multifaceted issue. Reconciling the perceived negative views drawn from the administered questionnaire with the per client costs presented in Chapter 3 may prove to be a significant challenge for MHEC, the POYC Unit, signatories to the Memorandum of Understanding, and other involved stakeholders.

5.8.7 Although the POYC Unit indicated that payments were forwarded in a timely manner, the survey indicated that according to 19 per cent of interviewed pharmacists, this payment was occasionally not effected according to agreed schedules. Given that it is expected of the participating pharmacies to provide the highest level of service so as to ensure the success of this Scheme, NAO opines that it is only appropriate that compensation for services rendered is correspondingly settled on time, should this not be the case.

5.8.8 NAO acknowledges that the process of preparing customer packs can be a relatively time-consuming task. This is, however, in the Office's opinion, an inevitable outcome, due to the importance of ensuring the integrity of the entire process. NAO considers the appropriate recording and execution of the dispensation process to be key in securing the required level of accountability.

5.8.9 Although not under the direct responsibility of the POYC Unit, results relating to the query addressing the perceived level of knowledge that private pharmacists have of the Memorandum of Understanding are of some concern to NAO. Lack of appropriate awareness of the details incorporated in this agreement creates the risk of having the Scheme not working in the precise manner that it was intended to. Furthermore, this limitation also creates opportunities for uncertainty on the part of the participating pharmacies with respect to the manner of operation of the overall Scheme, potentially transpiring in inefficiency and ineffectiveness.

5.9 Recommendations

5.9.1 In view of the results obtained with respect to the efficiency and user-friendliness of the IT interface in place, NAO urges the POYC Unit to expedite its efforts in upgrading the IT system (as elaborated in further detail in Chapter 3), so as to further facilitate the work undertaken at pharmacy level. In so doing, the POYC Unit would be

ensuring that the participating pharmacies provide a quality service when operating this Scheme.

5.9.2 Although the vast majority of respondents indicated their perceived proficiency at operating the POYC Scheme's IT interface, NAO considers those pharmacists who did not rate themselves to be of adequate proficiency as warranting the POYC Unit's attention. In this regard, NAO recommends that systems of refreshing one's ability at operating this interface be introduced by means of short training programmes.

5.9.3 NAO fully commends the work carried out by the POYC Unit in servicing pharmacies participating in this Scheme. No effort should be spared in ensuring that the Unit maintains its present set-up and modus operandi, which have evidently rendered positive results. Distributing the substantial volumes of stock that goes through this Unit is no simple matter, and therefore, the NAO recognises the POYC Unit as an organisation that actively engages in best practices.

5.9.4 Although the NAO fully acknowledges the fact that the issue of out-of-stock items is, by and large, outside of the POYC Unit's area of direct control, the Office nonetheless urges the Unit, as a main stakeholder, to actively and continually forward relevant recommendations and exert pressure, when possible, so as to address this issue in a more satisfactory manner.

5.9.5 NAO recommends a two-pronged revision to the dispensation mechanism employed, effectively addressing pharmacy-level adjustment on one side, and end-client implications on the other. In this latter case, the POYC Unit should introduce formal and regular monitoring mechanisms that identify anomalous and irregular entitlement collection patterns by the end client. Seasonal fluctuations in entitlement collection and other grossly irregular trends may be indicative of inappropriately allocated pharmaceutical stock that would certainly warrant the POYC Unit's review.

5.9.6 The other arm of this two-pronged approach focuses on pharmacy-level standardisation, an issue which has been repeatedly referred to in the preceding chapters. In this respect, NAO recommends that parameters relating to dispensation timeframes be established and incorporated in the soon to be revised contractual agreement. By means of example, the recommended service-level agreement may seek to cap the maximum waiting period between

submission of documentation and collection of entitlement.

5.9.7 Multifaceted issues, such as that presented by the financial compensation forwarded to participating pharmacies, warrant correspondingly multifaceted solutions. It is in this context that the NAO recommends the holistic and systematic redress of various facets of the Scheme's operations, including, but not restrictively limited to: the overall process by which Government procures pharmaceutical stock, the general efficiency of the POYC Unit's operations, the specific tasks carried out by participating pharmacies, and the proliferation of greater awareness among its intended target population of how the Scheme operates.

5.9.8 With respect to the timeliness by which the participating pharmacies receive their financial compensation for services rendered, NAO urges the POYC Unit to endeavour in taking all the necessary measures in ensuring that the timeliness of payments is not compromised.

5.9.9 NAO recommends that the POYC Unit re-examines the documentation process required for the preparation of customer packs with a view towards reducing the workload of participating pharmacies. Notwithstanding the above, the review and possible alteration of this task should not jeopardise the solid and reliable system of ensuring accountability throughout the distribution process.

5.9.10 Awareness of the Memorandum of Understanding assumes central importance in the context of the proposed service-level requirements put forward by NAO in the preceding text. This would be particularly relevant should such service levels be incorporated into the soon to be revised Memorandum. NAO considers this heightened awareness as essential in the overall running of the Scheme, irrespective of whether the person effecting the dispensation is the owner of the participating pharmacy or an employee. To this end, NAO recommends that the POYC Unit adopts a two dimensional approach in ensuring adequate awareness of the proposed service levels. On one hand, the POYC Unit should instigate awareness among targeted stakeholders, through appropriate training and published material. Complementing this first course of action is the need to introduce suitable monitoring and enforcement mechanisms, which would effectively safeguard compliance to contractual obligations.



Appendices

Appendix A – List of Ailments included in Schedule Five

1. Malignant Diseases
2. Cardiovascular Diseases:
 - (a) Chronic Heart Failure
 - (b) Hypertension
 - (c) Ischaemic Heart Disease
 - (d) Cardiac Arrhythmias
 - (e) Peripheral Vascular Disease
 - (f) Cerebrovascular disease
 - (g) Genetic Dyslipidaemia
3. Respiratory Diseases:
 - (a) Chronic Respiratory Failure
 - (b) Cystic Fibrosis
 - (c) Chronic Obstructive Pulmonary Disease
 - (d) Chronic Asthma
4. Digestive System Diseases:
 - (a) Gastro – Oesophageal Reflux Disease
 - (b) Gastric/Duodenal Ulcers
 - (c) Inflammatory Bowel Disease
 - (d) Coeliac Disease
 - (e) Diverticular Disease requiring Stoma Care
 - (f) Hirschprung’s Disease
 - (g) Imperforate Anus
 - (h) Small Intestinal Failure
5. Liver Diseases:
 - (a) Chronic Liver Disease
6. Haematological Diseases:
 - (a) Inherited Bleeding Disorders
 - (b) Inherited Haemoglobinopathies
7. Nervous System Diseases:
 - (a) Epilepsy
 - (b) Parkinson’s Disease
 - (c) Myasthenia Gravis
 - (d) Multiple Sclerosis
 - (e) Motor Neurone Disease
 - (f) Trigeminal Neuralgia
 - (g) Huntington’s Chorea
 - (h) Dementia
 - (i) Schizophrenia
 - (j) Psychosis
 - (k) Chronic Mood Disorders

- (l) Chronic Neurotic Disorders
- (m) Addiction Disorders
- (n) Chronic Psychiatric Disorders starting in Childhood
- (o) Chronic Eating Disorders
- (p) Cerebral Palsy
- (q) Narcolepsy
- (r) Spinal Cord Pathologies
- (s) Congenital Indifference to pain

8. Renal Diseases:

- (a) Chronic Kidney Disease

9. Endocrine Diseases:

- (a) Diabetes Mellitus
- (b) Addison's Disease
- (c) Precocious Puberty
- (d) Hypoparathyroidism
- (e) Hypopituitarism
- (f) Hypogonadism
- (g) Enzyme Disorders
- (h) Endometriosis and Adenomyosis
- (i) Pituitary Adenomas

10. Skin Diseases:

- (a) Psoriasis
- (b) Chronic Immunobullous Disorders
- (c) Congenital Ichthyosis

11. Infectious Diseases:

- (a) HIV/AIDS and HIV Related Diseases
- (b) Hepatitis B & C
- (c) Tuberculosis
- (d) Hospital Acquired Infections
- (e) Leprosy
- (f) Polio and Post-Polio Syndrome
- (g) Chronic Osteomyelitis

12. Rheumatic Diseases:

- (a) Rheumatoid Arthritis
- (b) Paget's Disease
- (c) Lupus Erythematosus
- (d) Systemic Sclerosis
- (e) Dermatomyositis/Polymyositis
- (f) Polyarthritis Nodosa
- (g) Seronegative Arthritis
- (h) Crystal Deposition Disease
- (i) Polymyalgia Rheumatica

13. Metabolic Disorders

- (a) Inborn Errors of Metabolism

14. Eye Diseases:

- (a) Glaucoma
- (b) Vascular Disease of the Retina

15. Immunodeficiency:

- (a) Primary Immunodeficiency Disorder
- (b) Secondary Immunodeficiency Disorder

16. Chromosome Disorders:

- (a) Down Syndrome
- (b) Turner Syndrome
- (c) Prader-Willi Syndrome.

Appendix B – Specimen Sample of Data Recording Sheet: POYC Scheme End-Clients

Question Number				1			2			3			
Ref No.	Client Surname	Client Name	Contact Number	How many times do you have to go to the pharmacy to actually collect your entitlement?			How long does it take you to collect your entitlement?			How long did it take you to collect your entitlement from the health centre?			
				Once	Twice	More	Less than 5 minutes	5 to 10 minutes	More than 10 minutes	Less than 5 minutes	5 to 10 minutes	More than 10 minutes	
1	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	
2	XXX	XXX	21XXXXXX		1				1			1	
3	XXX	XXX	21XXXXXX		1			1				1	
4	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	
5	XXX	XXX	21XXXXXX		1		1					1	
6	XXX	XXX	21XXXXXX		1		1			1			
7	XXX	XXX	21XXXXXX			1			1			1	
8	XXX	XXX	21XXXXXX		1				1			1	
9	XXX	XXX	21XXXXXX		1			1				1	
10	XXX	XXX	21XXXXXX		1			1			1		
Question Number				4			5			6			
Ref No.	Client Surname	Client Name	Contact Number	Are the hours dedicated by the pharmacy for the provision of the POYC service adequate?			Does the pharmacist adequately inform you about your entitlement?			How adequate do you consider the pharmacists' approach to you?			
				Largely adequate	Adequate	Not adequate	Largely informative	Informative	Not informative	Largely adequate	Adequate	Not adequate	
1	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	
2	XXX	XXX	21XXXXXX	1			1			1			
3	XXX	XXX	21XXXXXX	1			1			1			
4	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	
5	XXX	XXX	21XXXXXX		1		1			1			
6	XXX	XXX	21XXXXXX	1			1			1			
7	XXX	XXX	21XXXXXX			1	1			1			
8	XXX	XXX	21XXXXXX	1			1			1			
9	XXX	XXX	21XXXXXX		1			1			1		
10	XXX	XXX	21XXXXXX	1			1			1			
Question Number				7			8			9			
Ref No.	Client Surname	Client Name	Contact Number	Is this approach better than that you used to experience at the health centre?			Do you see differences in the approach the pharmacists has towards you when you go to collect the POYC entitlement and when you call for other private visits?			Do you consider the POYC Unit as responsive to your queries?			
				Better	Same	Worse	More friendly when on private visits	Same	More friendly when collecting entitlement	Highly responsive	Responsive	Not responsive	
1	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	
2	XXX	XXX	21XXXXXX		1			1		0	0	0	
3	XXX	XXX	21XXXXXX		1			1		0	0	0	
4	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	
5	XXX	XXX	21XXXXXX		1			1		0	0	0	
6	XXX	XXX	21XXXXXX	1				1		0	0	0	
7	XXX	XXX	21XXXXXX	1				1		0	0	0	
8	XXX	XXX	21XXXXXX		1			1		0	0	0	
9	XXX	XXX	21XXXXXX		1			1		0	0	0	
10	XXX	XXX	21XXXXXX	1				1		0	0	0	
Question Number				10			11			12			13
Ref No.	Client Surname	Client Name	Contact Number	How regular are you affected by out of stock items?			Have there been instances where the pharmacist/s does not give you exactly what you have written down in your entitlement (excluding in the cases of out of stock items)?			Overall, do you consider the POYC scheme to be an improvement on the old Health Centre system?			Are there any comments you would like to add?
				Frequently	Rarely	Never	Yes	No	Comment	Yes	Same	No	Comments
1	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	XXX
2	XXX	XXX	21XXXXXX	1				1			1		XXX
3	XXX	XXX	21XXXXXX		1			1			1		XXX
4	XXX	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	XXX
5	XXX	XXX	21XXXXXX	1				1			1		XXX
6	XXX	XXX	21XXXXXX		1			1			1		XXX
7	XXX	XXX	21XXXXXX	1				1			1		XXX
8	XXX	XXX	21XXXXXX	1				1			1		XXX
9	XXX	XXX	21XXXXXX		1			1			1		XXX
10	XXX	XXX	21XXXXXX		1			1			1		XXX

Appendix C – Specimen Sample of Data Recording Sheet: POYC Scheme Participating Pharmacies

Question Number			1			2				3				
Ref No.	Pharmacy	Contact Number	How long does it take you to prepare a customer pack?			From a scale of 1 to 4 (with 1 being the least and 4 the most) how user friendly do you find the POYC IT interface in use at your pharmacy?				From a scale of 1 to 4 (with 1 being the least and 4 the most) how efficient do you consider this IT system to be i.e. time consumed to operate it as instructed?				
			Less than 1 minute	1 to 5 minutes	More than 5 minutes	1	2	3	4	1	2	3	4	
1	XXX	21XXXXXX			1			1				1		
2	XXX	21XXXXXX		1				1				1		
3	XXX	21XXXXXX			1			1			1			
4	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	0	0	
5	XXX	21XXXXXX			1			1			1			
6	XXX	21XXXXXX			1			1				1		
7	XXX	21XXXXXX	1					1				1		
8	XXX	21XXXXXX			1			1			1			
9	XXX	21XXXXXX		1				1				1		
10	XXX	21XXXXXX			1			1				1		
Question Number			4				5							
Ref No.	Pharmacy	Contact Number	From a scale of 1 to 4 (with 1 being the least and 4 the most) how trained do you consider yourself to adequately operate the POYC IT System?				Do you feel that you are fully informed and adequately trained to fulfill your obligations as set in the Memorandum Of Understanding?							
			1	2	3	4	I am widely unaware of the exact obligations in the MoU	I am in general aware of my obligations but am unsure in certain areas	I am aware of my obligations	I am aware of my obligations to the minutest detail				
1	XXX	21XXXXXX				1			1					
2	XXX	21XXXXXX				1			1					
3	XXX	21XXXXXX				1			1					
4	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	0	0	
5	XXX	21XXXXXX		1					1					
6	XXX	21XXXXXX			1				1					
7	XXX	21XXXXXX				1			1					
8	XXX	21XXXXXX				1			1					
9	XXX	21XXXXXX				1			1			1		
10	XXX	21XXXXXX		1					1					
Question Number			6				7							
Ref No.	Pharmacy	Contact Number	Do you find the POYC Unit to be responsive to any queries you put forward?				Do you consider POYC's delivery process to be time consuming for you?							
			POYC are not responsive	POYC's responsiveness can be improved	POYC are responsive	POYC are highly responsive	Very time consuming	Adequate	Very efficient					
1	XXX	21XXXXXX				1			1				1	
2	XXX	21XXXXXX				1			1			1		
3	XXX	21XXXXXX				1			1			1		
4	XXX	21XXXXXX	0		0	0	0	0	0	0	0	0	0	
5	XXX	21XXXXXX				1			1			1		
6	XXX	21XXXXXX				1			1			1		
7	XXX	21XXXXXX				1			1			1		
8	XXX	21XXXXXX				1			1			1		
9	XXX	21XXXXXX				1			1			1		
10	XXX	21XXXXXX				1			1			1		
Question Number			8				9					10		
Ref No.	Pharmacy	Contact Number	Are you constantly provided with the required pharmaceutical products by POYC (except in the cases where particular products are out of stock)?				How often are medicinal products, supposed to be provided by the POYC Unit, out of stock?					Does the behaviour and general attitude of POYC clients differ from other, private, clinics? What differences do you usually observe?		
			Never	Mostly Not	Mostly Yes	Always	Always	Regularly	Sometimes	Rarely	Never	Yes	No	Comments
1	XXX	21XXXXXX			1		1					1		XXX
2	XXX	21XXXXXX			1		1					1		XXX
3	XXX	21XXXXXX			1		1					1		XXX
4	XXX	21XXXXXX	0	0	0	0	0	0	0	0	0	0	0	XXX
5	XXX	21XXXXXX		1					1			1		XXX
6	XXX	21XXXXXX			1				1			1		XXX
7	XXX	21XXXXXX				1			1			1	1	XXX
8	XXX	21XXXXXX			1				1			1		XXX
9	XXX	21XXXXXX			1				1			1		XXX
10	XXX	21XXXXXX			1				1			1		XXX

Question Number			11			12			
Ref No.	Pharmacy	Contact Number	Do POYC registered clients collect their entitlements on a regular basis or do you observe certain fluctuations in certain periods?			Do you dispense clients' entitlements immediately or do you collect the voucher and direct the client to collect their entitlement at a later date?			
			Patients collect their entitlement in a highly irregular manner	Patients collect their entitlement fairly regularly	Patients are very regular	Dispense immediately	Depends on the number of clients in the pharmacy	Always dispense at a later date	
1	XXX	21XXXXXX		1				1	
2	XXX	21XXXXXX			1		1		
3	XXX	21XXXXXX		1				1	
4	XXX	21XXXXXX	0	0	0	0	0	0	
5	XXX	21XXXXXX			1	1			
6	XXX	21XXXXXX			1			1	
7	XXX	21XXXXXX			1			1	
8	XXX	21XXXXXX			1			1	
9	XXX	21XXXXXX		1				1	
10	XXX	21XXXXXX		1				1	
Question Number			13			14			
Ref No.	Pharmacy	Contact Number	If clients are asked to collect their entitlement at a later date, how long do you usually tell the clients to allow?			Do you think that the financial compensation you are given per patient is an adequate payment for the work you are required to carry out with respect to the POYC scheme?			
			1 to 3 days	3 to 7 days	7 to 15 days	Compensation is inadequate	Compensation is acceptable but doesn't fully cover the work involved	Compensation is adequate	Compensation is more than adequate
1	XXX	21XXXXXX	1					1	
2	XXX	21XXXXXX	1			1			
3	XXX	21XXXXXX		1		1			
4	XXX	21XXXXXX	0	0	0	0	0	0	0
5	XXX	21XXXXXX				1			
6	XXX	21XXXXXX	1			1			
7	XXX	21XXXXXX	1					1	
8	XXX	21XXXXXX	1			1			
9	XXX	21XXXXXX		1		1			
10	XXX	21XXXXXX	1			1			
Question Number			15			16			
Ref No.	Pharmacy	Contact Number	Do you consider the timeliness by which the financial compensation is forwarded to you to be adequate?			What are the main difficulties you face in implementing the POYC scheme? (e.g. lack of storage space, sudden increase in workload etc?)			
			Timeliness is largely inadequate	Timeliness is sometimes compromised	Timeliness is adequate	Comments			
1	XXX	21XXXXXX	0	0	0	XXX			
2	XXX	21XXXXXX			1	XXX			
3	XXX	21XXXXXX	0	0	0	XXX			
4	XXX	21XXXXXX	0	0	0	XXX			
5	XXX	21XXXXXX			1	XXX			
6	XXX	21XXXXXX			1	XXX			
7	XXX	21XXXXXX			1	XXX			
8	XXX	21XXXXXX			1	XXX			
9	XXX	21XXXXXX			1	XXX			
10	XXX	21XXXXXX			1	XXX			

Appendix D – List of Standard Operating Procedures in place at the POYC Unit

1. The Production and Control of Documents within the Quality Management System
2. Training of Staff
3. Customer Care Services And Complaint's Handling
4. Staff Signature Log
5. Dangerous Drugs Stores Procedure
6. Data Input
7. Handling of Files and Correspondence
8. Cleaning of King Dispensa Tablet Counter
9. Storage of the King Dispensa Tablet Counter
10. Repackaging of Tablets/Capsules Supplied in Bulk Form
11. Cleaning of EcoZap 26 fly killer
12. Access to Stores
13. Cleaning of Furniture and Shelving
14. Cleaning of Flooring and Toilet Facilities
15. Cleaning of Refrigerators and Cold Room
16. Maintenance, Control and Monitoring of Temperature
17. Refrigeration, Intruder and Fire Alarms.
18. Product Collection and Inspection following a report
19. Pest Control and Monitoring
20. Supplier and Customer Status Verification
21. Purchase, Receipt and Storage of Goods
22. Return of Goods to Stores
23. Management of Expired and Damaged Items
24. Product Recall
25. Preparation, Packaging and Completion of Pharmaceutical Product Consignments
26. The Generation of Resupply Orders for POYC Scheme Pharmacies

Appendix E – Comparative Financial Analysis between the POYC Scheme and the Health Centre Distribution System: Detailed Workings

POYC Financial Records for year ending 2011	
DESCRIPTION	Expenditure as at end 2011
	€
SALARIES - STAFF	759,680
ALLOWANCES - STAFF	4,758
UTILITIES	13,876
OPERATING MATERIALS AND SUPPLIES	91,166
O.S PRINTING PD TO GPP	4,580
OFFICE SERVICES - POSTAGE	13,658
HIRE OF TRANSPORT	35,559
TRANSPORT - FUEL	207
ADVERTISING	467
CLEANING	22,174
CONTRACTUAL SERVICES	1,392,489
PROFESSIONAL & OTHER SUPPORT SERVICES	10,051
TRAINING - COURSES	0
TOTAL	2,348,665

POYC Costs apportioned for Mosta and Gzira Health Centre Catchment Areas	
Total No. of beneficiaries as at August 2011	55,598
Total No. of beneficiaries serviced within Mosta and Gzira catchment area as at August 2011 (excluding individuals residing in Rabat, Attard, Dingli, Mtarfa and Mdina)	30,178
Percentage of Mosta and Gzira catchment area beneficiaries wrt total	54%
POYC Unit's Total Expenditure during 2011	€ 2,348,665
Mosta and Gzira catchment area costs wrt total (54% thereof)	€ 1,274,830

Calculation of Overheads : Salary ratio at POYC (Selected overheads are those which are expected to be incurred in Health Centre Pharmacies)	
Total POYC Unit Salaries and Allowances during 2011	€ 764,438
Total POYC Unit Overheads during 2011 which are expected to be incurred in Health Centre Pharmacies (i.e. Utilities, Operating Materials, Printing, Office Services and Cleaning)	€ 145,454
Overhead ratio wrt Salaries at POYC Unit as at end 2011	19%

Health Centre Salary Costings					
Mosta					
2008 Actual					
	No. of Employees	Basic Pay as at 2008 per Employee <i>(sourced from from Financial Estimates 2008)</i>	Total Basic Pay 2008	Other Income as at 2008	Total Income for all Employees within Category as at 2008
Senior Pharmacist	1	€ 20,296	€ 20,296	€ 4,818	€ 25,114
Pharmacists	2	€ 17,756	€ 35,512	€ 8,596	€ 44,108
Pharm. Technicians	3	€ 13,827	€ 41,481	€ 13,275	€ 54,756
Health Assistant	1	€ 11,579	€ 11,579	€ 3,299	€ 14,878
Actual Total			€ 108,868	€ 29,988	€ 138,856
2011 Equivalent					
	No. of Employees	Basic Pay as at 2011 per employee <i>(sourced from from Financial Estimates 2011)</i>	Total Basic Pay	Other Income as at 2011 <i>(assuming similar ratio Total Basic Pay 2008 : Other Income as at 2008)</i>	Total Income for all employees within category as at 2011
Senior Pharmacist	1	€ 22,272	€ 22,272	€ 5,287	€ 27,559
Pharmacists	2	€ 19,435	€ 38,870	€ 9,409	€ 48,279
Pharm. Technicians	3	€ 15,023	€ 45,069	€ 14,423	€ 59,492
Health Assistant	1	€ 12,398	€ 12,398	€ 3,532	€ 15,930
Actual Total			€ 118,609	€ 32,652	€ 151,261
Gzira					
2010 Actual					
	No. of Employees	Basic Pay as at 2010 per employee <i>(derived from from financial estimates 2010)</i>	Basic Pay <i>(of all employees within category)</i>	Other Income as at 2010	Total Income for all employees within category as at 2010
Pharmacists	2	€ 19,373	€ 38,746	€ 8,450	€ 47,196
Pharmacist (red. hrs)	1	€ 9,687	€ 9,687	€ 2,128	€ 11,815
Pharm. Technicians	2	€ 14,961	€ 29,922	€ 3,815	€ 33,737
Health Assistant	1	€ 12,336	€ 12,336	€ 2,542	€ 14,878
Actual Total			€ 90,691	€ 16,935	€ 107,626
2011 Equivalent					
	No. of Employees	Basic Pay as at 2011 per employee <i>(sourced from from Financial Estimates 2011)</i>	Total Basic Pay	Other Income as at 2011 <i>(assuming similar ratio Total Basic Pay 2010 : Other Income as at 2008)</i>	Total Income for all employees within category as at 2011
Pharmacists	2	€ 19,435	€ 38,870	€ 8,477	€ 47,347
Pharmacist (red. hrs)	1	€ 9,718	€ 9,718	€ 2,135	€ 11,853
Pharm. Technicians	2	€ 15,023	€ 30,046	€ 3,831	€ 33,877
Health Assistant	1	€ 12,398	€ 12,398	€ 2,555	€ 14,953
Actual Total			€ 91,032	€ 16,997	€ 108,029

Health Centre Total Costs in 2011 Equivalents	
Mosta Health Centre Total (2011 equivalent):	Gzira Health Centre Total (2011 equivalent):
Salaries: € 118,609 + € 32,652 = € 151,261	Salaries: € 91,032 + € 16,997 = € 108,029
Overheads: € 151,261 x 19%* = € 28,740	Overheads: € 108,029 x 19%* = € 20,526
<u>€ 180,001</u>	<u>€ 128,555</u>
Total for both Health Centres	<u>€ 308,556</u>
<p>* Due to incomplete information, NAO assumed that the same Overhead is to salaries percentage applied to the Health System as that calculated for the POYC Unit. This percentage notionally accounts for the actual overheads incurred by the health centre pharmacies as well as other ancillary management and administrative support costs.</p>	

COMPARISON OF THE TWO SYSTEMS	
POYC Total Costs apportioned to reflect the former Mosta and Gzira catchment areas:	€ 1,274,830
Mosta and Gzira Health Centres Total Costs (2011 equivalent):	€ 308,556
POYC Scheme Cost per beneficiary (30,178 beneficiaries in Mosta and Gzira catchments areas)	€ 42.24*
Health Centre System Cost per beneficiary (assuming the same amount of 30,178 beneficiaries)	€ 10.22
Percentage cost INCREASE of POYC (Mosta and Gzira apportionment) wrt Health Centre dispensation - 2011:	313%
<p><i>*a substantial portion of the €42.24 corresponds to the dispensing fee forwarded to participating pharmacies which ranges from €18.63 to €27.95.</i></p>	

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