

# Discussion On Purchasing Medical Equipment And Relevant Regulations

Nguyen Anh Thu<sup>1</sup>, Ninh Thi Nhung<sup>2</sup>, MBA Dinh Tran Ngoc Huy (corresponding)<sup>3</sup>, Tran Thi Tra Phuong<sup>4</sup>, Nguyen Trong Hung (corresponding)<sup>5</sup>, LLD. Nguyen Trong Diep<sup>6</sup>

<sup>1</sup>University of Law, Vietnam National University, Hanoi.

<sup>2</sup>Thai Binh University of Medical and Pharmacy, Thaibinh, Vietnam.

<sup>3</sup>Banking University HCMC Ho Chi Minh city Vietnam – International University of Japan, Japan.

<sup>4</sup>Nutrition and Sports, Exercise Medicine Centers System-Nutrihome, Vietnam.

<sup>5</sup>National Institute of Nutrition, Hanoi, Vietnam.

<sup>6</sup>University of Law, Vietnam National University, Hanoi.

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**Abstract:** Our study goal is to identify shortcomings (and reasons) in purchasing and managing medical equipment. From that thi study will propse recommendations.

By using synthetical method, legal analysis method, case study, comparative method, etc., are used to clarify issues relating to policies on purchasing medical equipment, and using A legal case in Quang Ninh Obstetrics and Gynecology Hospital, This paper pointed that Making plans to select contractors to provide goods and services for medical examination and treatment. Next, Determine needs, make detailed and reasonable forecasts on the list, types and quantities of equipment, goods, services, drugs, chemicals, biological products, tools and consumables. items to be purchased in the plan year.

**Key words:** Regultions, Purchasing, Medical Equipment, Shorcomings.

## 1. INTRODUCTION

In recent years purchasing medical equipment follows The implement Directive No. 47/CT-TTg dated December 27, 2017 of the Prime Minister; Directive No. 03/CT-BKHDT dated May 24, 2019 of the Ministry of Planning and Investment; Directive No. 20/CT-BYT dated October 1, 2020 of the Ministry of Health and legal documents, current documents related to bidding, procurement of equipment, goods and services , drugs, chemicals, biological products, tools and consumables...

We see related studies in below table:

Table 1- Related studies summary

<b>Authors</b>	<b>Year</b>	<b>Content, results</b>
Buccioli et al	2020	investigates the price variability of standardized medical devices purchased by Italian Public Buyers (PBs). A semiparametric approach is used to recover the marginal cost of each device. Average prices vary substantially between PBs; we show that most of the difference between the purchase prices and estimated costs is associated with a PB fixed effect, which, in turn, is related to the institutional characteristics and size of the PB. Repeating the main estimation using device fixed effects yields similar results. Finally, an exogenous policy change, i.e. the termination of the mandatory reference price regime, is used to assess how discretion affects medical device procurement given the skills of each PB. Our results show that less PB discretion — i.e. when mandatory reference prices apply — determines efficiency gains and losses for low- and high-skilled PBs, respectively
Krapels et al	2020	We highlight the need for more empirical work that evaluates purchasing approaches or interventions, and greater specificity in study reporting (eg, equipment type, evaluation outcomes) to build the evidence base required to influence policy and practice

		for medical equipment purchasing
PM Dat, DTN Huy	2021	Discussed <a href="#">Management Issues in Medical Industry in Vietnam</a>
Nguyen Trong Hung , Dinh Tran Ngoc Huy , Tran Thi Tra Phuong , Le Ngoc Nuong , Ninh Thi Nhung	2022	With the immune system and resistance weakened due to long-term treatment, COVID-19 infection will be a concern for patients with underlying medical conditions, especially cancer.

(source: author synthesis)

Figure 1- Medical equipment in hospitals



(source: internet)

## 2. METHOD

Authors used methods such as synthetic method, legal analysis method, case study, comparative method, etc., are used to clarify issues relating to policies on purchasing medical equipment, and authors have observed practical access and implementation of regulations with learn experiences and lessons.

## 3. DISCUSSION

These shortcomings in purchasing medical equipment in recent years describe below:

### 3.1 A legal case in Quang Ninh Obstetrics and Gynecology Hospital

The Supreme People's Procuracy has just approved the order to prosecute and detain three former officers of the Quang Ninh Department of Health for investigation on the crime of "violating regulations on bidding, causing serious consequences".

Information from the Law Protection Newspaper, an agency of the Supreme People's Procuracy, said that the Supreme People's Procuracy had approved the decision to prosecute the accused under the Department of Health of Quang Ninh province to investigate violations in the procurement of websites. equipment for Quang Ninh Obstetrics and Gynecology Hospital, causing a loss of 73 billion VND to the State.

According to the initial investigation results, the People's Committee of Quang Ninh province approved the investment project to purchase equipment for the Obstetrics and Children's Hospital, with a total investment of 238,131 billion VND, invested by the Department of Health. The defendants from the Department of Health of Quang Ninh province have colluded with the valuation consulting unit to issue the Certificate of Appraisal at a price higher than the market price, hooking up with the contractor and AIC Company, the the company has a relationship with AIC so that AIC Company and Mopha Company won all 6 bidding packages, worth 232 billion VND, causing damage to State property worth 73 billion VND.

Based on the collected documents and evidence, the Investigation Police Agency, the Ministry of Public Security issued a decision to prosecute the case "Violation of regulations on bidding, causing serious consequences" occurring at AIC Company, Obstetrics and Gynecology Hospital Quang Ninh.

### **3.2 Shortcomings in management and purchasing medical equipment**

The main reason for the shortage of drugs and medical supplies

a) The main reason is due to psychological anxiety, fear of making mistakes, fear of being inspected and examined, so they do not dare to do, do not dare to bid and purchase from some localities and units, although the Ministry of Health and the People's Committees of the provinces and cities have decentralized procurement authority, assigned autonomy and self-responsibility to the units. Some localities have assigned units to actively bid on their own, instead of centralized bidding as before, but the units are still confused or afraid in organizing the implementation. Some businesses and suppliers are also afraid to supply goods to public entities due to unreasonable prices, complicated and difficult bidding procedures and payment procedures.

b) Procurement in the medical field sometimes comes from passive demand, depending on factors such as epidemic situation, disease pattern. Especially in the years 2020-2021, which are two years heavily affected by the COVID-19 pandemic, many bidding packages must be purchased in the form of shortened appointment of contractors, selecting contractors in an emergency to serve them. for anti-epidemic needs. Due to the impact of the COVID-19 pandemic, the source of production materials and goods is scarce, the prices of goods fluctuate, so the procurement of drugs, medical supplies, chemicals, and biological products for the room , fighting epidemics and medical examination and treatment becomes more and more difficult.

c) The understanding and implementation of Decree No. 60/2021/ND-CP dated June 21, 2021 of the Government stipulating the financial autonomy mechanism of public non-business units on the authority to decide on procurement from suppliers. The revenue sources of public non-business units assigned financial autonomy have not been consistent, leading to a slowdown in bidding and procurement of public non-business units. contractors to provide assets, goods and services since this Decree takes effect.

d) The expiration of the registration number of some drugs leads to a delay in bidding compared to the planned schedule.

e) Due to a number of difficulties, the results of national centralized bidding and negotiation on prices of some drugs for national centralized procurement have been delayed, leading to establishments having to carry out on-site procurement and not be proactive in time and quantity of shopping.

(source: moh.gov.vn, access date 16/10/2022)

Besides, The Government agrees to let the Prime Minister approve the contractor selection plan in the special cases specified in Article 26 of the Bidding Law for:

- A number of drugs, chemicals, supplies, equipment and means for epidemic prevention and control are purchased directly from manufacturers, supplied abroad, or purchased through United Nations procurement units;

- Some specific products are domestically produced at the request of the Ministry of Health, the People's Committee of the province and the appraisal opinion of the Ministry of Planning and Investment.

When formulating the bid package price for procurement of chemicals, supplies, equipment and means for the prevention of COVID-19 epidemic, it is necessary to base on Clause 2, Article 11 of Circular 58/2016/TT-BTC dated March 29, 2016 .

Particularly for the construction of bidding package prices for medical equipment procurement, the provisions of Clause 2, Article 11 of Circular 58/2016/TT-BTC mentioned above or Article 8 of Circular 14/2020/TT-BYT shall be followed. 10/7/2020.

In case of online public bidding to purchase goods for epidemic prevention and control, the minimum time for preparing bids is 10 days.

Resolution 79/NQ-CP takes effect from the date of signing.

Figure 2 – Still shortcomings in purchasing medical equipment



(source: internet)

#### **4. RECOMMENDATIONS and CONCLUSIONS**

We would suggest hospitals and medical institutions: Making plans to select contractors to provide goods and services for medical examination and treatment. Next, Determine needs, make detailed and reasonable forecasts on the list, types and quantities of equipment, goods, services, drugs, chemicals, biological products, tools and consumables. items to be purchased in the plan year, especially in the case that new equipment, goods, services, drugs, chemicals, biological products, tools and consumables are added to the procurement list due to the need to use them, increase or apply a list of new technical services put into use compared to the preceding year. In order to facilitate and shorten the time in carrying out administrative procedures for approving drug procurement plans of the units, the Department of Health has submitted to the Provincial People's Committee for decentralization and authorization, in which authorization is proposed for the director of the Department of Health to approve the bidding plan for drugs that are not on the list of centralized procurement at the local and national levels. For medical supplies, the Government is requested to direct the Ministry of Health and the Ministry of Planning and Investment to soon issue specific guidelines for bidding and procurement of medical equipment.

Figure 3 – Investing Medical equipment



(source: internet)

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#### **Conflicts of interest**

There is no conflict of interest

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