Latvia experience from outsourcing vaccine logistics to the private sector

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Country overview

• 2014:
  – Population: **1,990,000**
  – Births: **21,532** (1.1%)

• Area: **64,589** km²

• GDP per capita (nominal): **$25,195** (estimates, 2015)

• Climate: temperate (January -5°C; July 17°C)
Immunization programme trends

- **2008**: 11 antigens (Varicella)
- **2010**: 13 antigens (HPV, PCV)
- **2015**: 14 antigens (Rotavirus)

Combined vaccines:
- DTaP-IPV-Hib-HB (4 doses) from 2010
- Td-IPV (14 years) from 2010
Immunization supply chain network

**EPI**
- Forecasting
- Supervision
- Tendering (annual)
- Distribution: one national and 30 regional stores

**EPI**
- Forecasting

**Health Inspectorate**
- Inspection (1997)

**National Health Service**
- Tendering (2002) (biannual)

**Private service**
- Distribution (2006): 4 - 5 stores at the national level

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Reasons for transfer of vaccine supply to the private sector

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How the new vaccine distribution system functions (monthly cycle)

National Health Service
Payment

GPs
Reporting and ordering

Wholesalers
(4 or 5)
Distribution

EPI*
Consolidation of vaccine requests

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During 60 days

Until the end of the months

Until the 5th day of the month

Until the 18th day of the month
Impact (what was achieved)

**Advantages**
- No operational, equipment and investment costs
- Shared logistics with other pharmaceutical products and medical goods
- Development, modernization and improvement due to competition between wholesalers
- Skilled and well motivated staff
- High level of performance

**Areas for improvement**
- Several wholesalers store and distribute vaccines
- Duplication of supply chains
- Vaccine price includes in-country distribution
- No buffer stock
- Additional administrative work for EPI staff to supervise and coordinate the process
- Lack of EPI training and supportive supervision
Lessons learned (steps forward)

• Involvement of private sector in storage and distribution of vaccines is potentially cost-effective
• The following issues should be considered before decision to involve private sector in EPI vaccine management is taken:
   – Detailed assessment of the existing network
   – Cost-effectiveness analysis
   – Assessment of cold store capacity and safety offered by private sector
• Separation of tendering process for vaccine supply and storage/distribution
• Maintaining buffer stock
Thank you for your attention!