



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

September 27, 1980

ADMINISTRATIVE ORDER

NO> 104 s. 1980

SUBJECT: Revision of Administrative Order No. 82 s. 1980 regarding procedures on drug procurement for special hospitals

For purposes of clarity, ease of reference and information, Administrative Order No. 82 dated April 28, 1980, as revised, is hereby quoted in full hereunder:

Pursuant to the Presidential directive to reduce the cost of drugs purchased by the Ministry of Health to more reasonable levels without sacrificing quality, an Ad Hoc Committee was created to formulate procedures for drug procurement, recommend adequate safeguards and to set the rules for the proper implementation of the program on a phase by phase basis.

Accordingly, the following recommended procedures have been approved and were implemented in the eight special hospitals under the Office of the Minister effective the third quarter of 1980. Based on the experiences in the implementation of the original order, appropriate changes have been recommended.

The following procedures shall, therefore, be strictly observed:

1. The Office of the Minister will distribute to the eight hospitals copies of the "List of Drugs for Secondary and Tertiary Care Levels" drawn up by the MOH Therapeutic Committee.
2. The hospitals will submit to the Office of the Minister triplicate copies of their quarterly requirement of drugs (Standard Form) signed by the Chief of the Hospital based on the abovementioned list at least forty five (45) days before the start of the next quarter.
3. The Office of the Minister will review the requirements submitted by the hospitals before approval by the undersigned.
4. If drugs are required in a hospital which are not included in the "List," the Therapeutic Committee of the hospital should state the justification for the use of the drugs.
5. The Office of the Minister will request the accredited drug firms to submit their quotations on the list of drugs required by the hospital.

6. The Office of the Minister will select the drug firms from which procurement of specific items will be made. Each drug firm will be informed within a reasonable period of the quantity of each item which should be delivered to each hospital.
7. Simultaneously, each hospital will be informed of the name of the pharmaceutical firm, drug item, quantity and price approved for its purchase, utilizing the same standard form with the signature of the Minister.
8. Purchase orders, and Requisition Issue Vouchers, together with supporting papers shall be prepared and approved by the chief of the hospital based on the approved price and quantity authorized by the Minister of Health. A copy of every purchase order issued shall be furnished by the hospital to the Office of the Minister for ready reference.
9. The hospital will give the approved purchase order to the drug firm.
10. The drug firm will deliver to the hospital within fifteen (15) working days, drugs in the quantity and specifications appearing in the purchase order in the presence of the hospital pharmacist.
11. The Food and Drug Administration, or any other laboratory duly authorized by the Minister of Health, will undertake testing of the drugs to determine compliance with required specifications.
12. The acceptance of the drugs by the hospital shall be witnessed by the resident auditor or COA representative.
13. The hospital shall process and approve the vouchers of accepted drugs accompanied by the necessary supporting papers.
14. The hospital will issue the corresponding check as payment for the drugs to the pharmaceutical firm.
15. The chief of the hospital will submit to the Office of the Minister a summary report of the utilization of accepted drugs at the end of each quarter.

This Order rescinds any previous administrative issuance or provision thereof, inconsistent with or contrary to this Order. This Order takes effect upon approval.

ENRIQUE M. GARCIA, M.D.
Minister of Health