

DO CITIZENS FEEL BENEFITS FROM THE PUBLIC PROCUREMENT PROCEDURES CONDUCTED WITHIN THE PUBLIC HEALTH SECTOR?

ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN



The public health institutions in the Republic of Macedonia spends a high portion of the state budget on an annual basis for their operations and for providing the health services to its users (4.226 mil. MKD in average per year in the period 2016 to 2017). The funds used from the state budget covering many types of costs, starting from those which are necessary for their normal everyday functioning (heating; telephone and internet; buying uniforms; office utilities and supplies; fuel for its vehicles; securing the property and the employees; medicine supplies; food and beverages for the hospitalized patients; spare parts for the equipment and the vehicles; regular maintenance of the building, the equipment and the vehicles; etc.), as well as additional costs that may be questionable and should be justified in each case (purchasing vehicles; accommodation costs for the employees; reconstruction activities; marketing services; video shooting; engaging external private companies for providing certain services such as security, hotel services, flight services, etc.).

The way in which the public health institutions, and other public institutions in general, spend the budget funds is extremely important, due to the fact that they spend funds collected from the citizens and the companies in the form of public duties (mandatory health insurance, taxes and fees).

Public health institutions, although they spend large amount of funds from their budgets and from the state budget for the supply of goods, services and works, also face problems in providing health services, and the citizens face difficulties in exercising theirs basic right to health care¹.

Public procurement procedures, however, as activities that require a large amount of funds, are often used as an opportunity for abuse and for creating personal benefit of those involved in their implementation or their monitoring, without following the basic principles of economic use, rationality and efficiency in spending citizens' money.

Not providing information or providing partial information on the public procurement procedures followed by the public health institutions leads the public to doubt the work of those institutions, and also indicates the possibility of irrational and inefficient spending of the citizens' money.

Hence, it is of particular importance for citizens to have information on how the public health institutions manage and spend their money, which will enable them to hold these institutions accountable for their work.

In 2016, the Association for Emancipation, Solidarity and Equality of Women (ESE) started a process of continuous annual monitoring of the public procurement procedures conducted by the public health institutions in order to identify the problems in the public procurement system and provide recommendations for improvement in the transparency level of the public procurement procedures in the public health sector. The objective is to maximize the efficiency and effectiveness in realization of the public

¹ The problems that citizens are facing in accessing the public health services are many. Problems in the access are detected on different level of health services (primary, secondary and tertiary). Read more in other ESE's publications on the following link: <u>http://www.esem.org.mk/index.php/biblioteka/site-publikacii-i-izdanija.html</u>

procurement procedures; maximize the quality of the services provided by the public health institutions; maximize the effects of using citizens' money for providing public health services and help citizens access health care.

RECOMMENDATIONS

- <u>The Ministry of Health and the Public Health Institutions increase the efficiency in the</u> <u>public procurement procedures by introducing independent monitoring mechanisms</u> (civil society organizations (CSOs), citizens, experts, etc.) <u>and conducting independent</u> <u>assessment of each procedure conducted</u>, in order to reduce the cost of the procedures and guarantee that the citizens will have access to the goods, services and works provided.

- <u>The Government and the Ministry of Health review the procedures for purchasing</u> <u>public works conducted in 2016 and 2017</u> in order to determine the reasons for paying higher prices than in other contracts and to undertake actions for decreasing the prices for public works.

- <u>The Government and the Ministry of Health review the public procurement procedures</u> <u>conducted by the Primary Health Centers</u> in order to determine the reasons for the practice of signing contracts with a value higher than that estimated and sanction the institutions in respect of this practice. Based on the assessment, the Government and the Ministry of Health take action to guarantee that the public health institutions will not sign contracts with a value higher than that estimated.

- <u>The Ministry of Health and the Public Procurement Bureau take action to improve the</u> <u>level of transparency among the institutions in the public health sector</u>, and/or <u>guarantee that all the information</u>, especially the estimated value of the procurement <u>including VAT and the source of funds used in the procurement</u>, are publicly available. Additionally, <u>take action to detect the barriers that the Primary Health Center Ohrid is</u> <u>facing when publishing data for the public procurement procedures</u> and ensure that this institution publishes all the information regarding these procedures.

- <u>The Public Procurement Bureau work on improving the level of transparency of the Ministry of Health</u> (to publish the estimated value of the contracts with VAT and the source of funds); <u>the University Clinic of Gynecology and Obstetrics</u> (to publish the estimated value of the contracts with VAT, number of offers received, value of the contacts signed, company selected and the source of funds); <u>the General and Clinical Hospitals</u> (to publish the estimated value of the contracts with VAT, name of the companies selected and the source of funds); <u>the Primary Health Centers</u> (to publish the estimated value of the contracts signed, company selected and the source of funds); <u>the Primary Health Centers</u> (to publish the contracts with VAT, number of offers received, value of the contracts signed, company selected and the source of funds); <u>and the Public Health Centers and the Institute for Public Health</u> (to publish the estimated value of the contracts with VAT and the source of funds).

- The Government and the Public Procurement Bureau to investigate the reason why 60% of the public procurement contract signed in 2016 and 2017 are with only 16 private companies and why 39% of the funds transferred to these companies are used for payment of only three companies (Avicena, Alkaloid and d-r. Panovski). Based on the investigation, in order to lower the risk for misuse of the budget funds, the Government and the Public Procurement Bureau take action to increase the competitiveness among

the companies in the public procurement procedures and eliminate continued transfers to only a few companies.

- The Government and the Public Procurement Bureau must provide the reasons why the public health institutions spent over 39 mil. MKD on purchasing traveling cars, restaurant services and flight tickets. In particular, they must, justify why only Clinical Hospital Bitola purchased restaurant services (from Hotel Premier); why only General Hospital Strumica purchased hotel accommodation (from FAT – COMERC DOOEL, a company that is closed one year after the procurement); for what purpose flight tickets were purchased by the University Clinic for Gynecology and Obstetrics; and for what purpose cars were purchased by the public health institutions. The Government and the Public Procurement Bureau must establish a practice of requiring that detailed and precise justification is published together with the rest of the documentation related to procurement procedures.

INTRODUCTION

The findings presented in this document are based on analysis of data from 9.696 public procurement procedures conducted within 3.136 projects by 62 public health institutions² in the Republic of Macedonia. 32 of the 62 monitored public health institutions are Primary Health Centers that conducted 3.631 public procurement procedures, 11 are Public Health Centers and the Institute of Public Health which conducted 1.532 public procurement procedures, 16 are General and Clinical Hospitals which conducted 4.082 public procurement procedures, one is the University Clinic of Gynecology and Obstetrics which conducted 312 public procurement procedures and one is the Ministry of Health that conducted 139 public procurement procedures. The Primary Health Center Ohrid is not part of the analysis because this institution did not publish any information related to its public procurement procedures conducted in 2016 2017. Additionally, five procedures (four conducted by General Hospital 8mi Septemvri and one by General Hospital "Ferid Murad" from Gostivar) are not included in the analysis because they were annulled. Also, an additional 37 public procurement procedures for which the contract value was not published by the institution in the Electronic Public Procurement System³ are not included.

The document provides information on the way and the purpose of spending the public health sector funds through the public procurement procedures; the level of transparency in the implementation of the public procurement procedures; how the budget funds are spent and who benefits the most from the public procurement procedures in the public health sector; and for what purpose the public health institutions are spending most and how much of those costs are justified

I. IN WHAT WAY AND FOR WHAT PURPOSE DO PUBLIC HEALTH INSTITUTIONS SPEND CITIZENS' MONEY DURING THE PUBLIC PROCUREMENT PROCEDURES?

Over these two years the public health institutions spent over 8 billion MKD on close to 10 thousand projects. Contracts related to works account for less than 1% of the total number of contract (214 mil. MKD), while goods accounts for 85% of the total (7.488 mil. MKD) (see table 1). The contracts related to goods for the General Hospitals and Clinical hospitals and the Primary Health Care Center account for 79% of the total

² The institutions covered with the analysis are those that implement preventive health activities for women, children and Roma, reflecting the preventive health programs that are ESE's focus of monitoring.

³ Four procedures of Primary Health Center Debar, two of the University Clinic of Gynecology, four of the Public Health Center Skopje, two of the Institute of Public Health, two of the Primary Health Center Radovish, five of Primary Health Center Gevgelija, two of Primary Health Center Strumica, one of Primary Health Center Kochani, three of Primary Health Center Kratovo, one of Primary Health Center Krushevo, one of Primary Health Center Bitola, one of Primary Health Center Kavadarci, two of General Hospital Kichevo, one of General Hospital Ohrid, and four of General Hospital 8mi Septemvri.

number of all contracts in 2016 and 2017 (see table 1). Although the Ministry of Health has few contracts, the total value of its contracts is 27%⁴ of the value of all contracts and higher than any other type of institutions except the General Hospitals and Clinical hospitals, which account for 49%. (see table 1).

Type of institution	M	Vork	Go	ods	Ser	vices	TO	ΓAL
	Number of contracts	Contracts value in mil. MKD						
General and Clinical Hospitals	28	62	3.436	3.543	618	498	4.082	4.104
Ministry of Health	4	92	94	2.145	41	72	139	2,308
Primary Health Centers	29	56	3.079	1.045	523	115	3.631	1.216
Public Health Centers and Institute for Public Health	0	0	1.397	480	135	41	1.532	521
University Clinic of Gynecology	2	4	271	274	39	25	312	303
TOTAL:	63	214	8.277	7.488	1.356	750	9.696	8.452

Table 1: Number and value of contract by type of institution and contract type in the period of 2016 and 2017

The average contract value in 2016 and 2017 is close to 1 million MKD, while the contracts for works have the highest average contract value at 3 million MKD or 2.5 million MKD more than the average. Across all contract types the Ministry of Health has the highest average contract value at 17 million MKD, far above the average (see table 2).

⁴ The Ministry of Health conducts centralized procurement of some medicines, equipment, etc. in order to secure economies of scale.

Type of institution	Work	Goods	Services	TOTAL
General and Clinical Hospitals	2,22	1,03	0,81	1,01
Ministry of Health	22,90	22,82	1,75	16,61
Primary Health Centers	1,92	0,34	0,22	0,33
Public Health Centers and Institute for Public Health	-	0,34	0,30	0,34
University Clinic of Gynecology	2,09	1,01	0,64	0,97
TOTAL:	3,39	0,90	0,55	0,87

Table 2: Average contract values by type of institution and contract type, expressed in mil. MKD

The table below shows that the actual value in the signed contracts was overall slightly lower than the estimated values without VAT even though the actual value includes VAT. In Macedonia the maximum rate of VAT is 18%, so it is only for the Primary Health Centers where the value of the signed contracts, at 19%, was clearly more than the estimated value.

Type of institution	Estimated value without VAT	Value of signed contract	Percentage
General and Clinical Hospitals	3.978	4.089	103%
Ministry of Health	2.694	2.308	86%
Primary Health Center	1.022	1.216	119%
Public Health Centers and Institute for Public Health	577	516	89%
University Clinic of Gynecology	307	302	98%
Grand Total	8.578	8.430	98%

Table 3: Actual contract value versus estimated value without VAT, expressed in mil. MKD

II. WHAT IS THE LEVEL OF TRANSPARENCY IN CONDUCTING PUBLIC PROCUREMENT PROCEDURES AMONG THE PUBLIC HEALTH INSTITUTIONS?

The overall results from the assessment of the level of transparency of 62 monitored public health institutions in publishing information on the subject of public procurement (the estimated value of the public procurement without VAT, the value of the public procurement with VAT, the number of submitted bids, the value of a concluded public procurement contract, the company selected as provider and the source of funds for the realization of the contract) shows that overall the institutions publish majority of the information (on average 84% of the information are publicly available). However, the 62 institutions monitored provide limited or no information regarding the estimated value of the procurement with VAT included and source of funds that will be used for payment. Additionally, the institutions sometimes do not publish information regarding the number of offers received, value of the signed contract for procurement and the company selected for providing the subject of procurement, for all the procedures conducted (this is a problem especially in the University clinic of Gynecology and Obstetrics and the Primary Health Centers). All monitored institutions publish the subject of procurement and estimated value of the procurement excluding VAT for all of the monitored public procurement procedures.

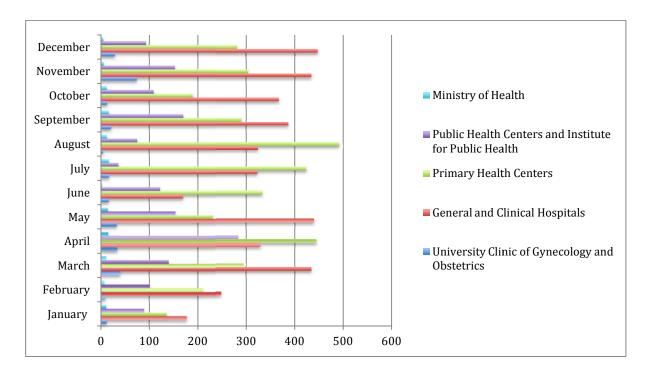
The overall scores on the level of transparency shows that the public health institutions need to work on improving of their level of transparency, but the University Clinic of Gynecology and Obstetrics is assessed as the institution with the highest level of proactive transparency in comparison to the rest of the institutions covered (average 89% of the information regarding the conducted public procurement procedures is publicly available) regarding their public procurement procedures. In contrast, the public Health Centers and the Institute for Public Health are assessed as the institutions with the lowest level of proactive transparency (average 76% of the information regarding the conducted public).

Subject of assessment	Ministry of Health	University Clinic of Gynecology and Obstetrics	General and Clinical Hospitals	Primary Health Centers	Public Health Centers and Institute for Public Health
Subject of procurement	*	*	*	*	*
Estimated value of the procurement without VAT included	*	*	*	*	*
Estimated value of the procurement with VAT included	*	*	*	*	*
Number of offers received	*	*	*	*	*
Value of the signed contract for procurement	*	*	*	*	*
Company selected as provider	*	*	*	*	*
Source of funds that will be used for payment of the procurement subject	*	*	*	*	*
Average score	*	*	*	*	*

Table 4: Level of transparency in conducting the public procurement procedures amongthe public health institutions presented by information category

III. HOW THE BUDGET FUNDS ARE SPENT IN AND WHO BENEFITS THE MOST FROM THE PUBLIC PROCUREMENT PROCEDURES IN THE PUBLIC HEALTH SECTOR?

The highest number of public procurement procedures are conducted in March and April (2.031 procedures or 21% of the total number of the procedures conducted) or three months after the beginning of the fiscal year, as well as in August and November (1.882 procedures or 19% of the total number of the procedures conducted) a few months before the end of the fiscal year (see graph 1).



Graph 1: Number of public procurement procedures conducted by separate institutions by period of realization

16 private companies out of approximately 1.000 companies selected for providing services, goods or works to the monitored public health institutions, received more than 100 million MKD each from the national budget over the period of two years through the public procurement procedures. More precisely, those 16 companies earned 5.086 mil. MKD or 60% of the total value of the contracts signed (see table 5).

Alkaloid (42%), Avicena (33%) and d-r. Panovski (24%) earned 39% of the funds paid from the national budget to the 16 private companies with the highest income from the public procurement procedures, while Zegin, Biotek, Elbijor, fARMA trejd, Makedonija Lek, Feniks Farma, Makpetrol, Pucko Petrol, Farmas MN, Medeks Farm, Sinerdzi Medikal and Komed also received significant amount of funds from the national budget in 2016 and 2017 (see table 5).

Name of the company	Total amount of funds received
ALKALOID	844.345.430
Trade and Service Company AVICENA DOO export-import Skopje	653.371.374
Joint Stock Company for Production of Medicines, Medical Equipment and	486.782.130
Supplies, Trade and Services D-R PANOVSKI Skopje	
Company for Internal and External Trade ZEGIN DOO Skopje	483.127.786
Trade and Service Company BIOTEK DOO export-import Skopje	341.593.601
Company for Production and Trade in Chemical and Cosmetic Products ELBIJOR	325.376.422
DOO export – import Skopje	
Company for Production, Trade and Services FARMA TRADE DOOEL export-	319.187.482
import Skopje	
Company for Trade, Production and Services PROMEDIKA DOO Skopje	264.769.364
Trade Company MAKEDONIJA LEK DOO Skopje	248.113.156
Company for Trade, Production and Services FENIKS FARMA DOOEL Skopje	226.984.757
Trade Company MAKPETROL PROM LTD Skopje	218.742.494
Company for Production, Trade and Services PUCKO PETROL import – export	161.048.739
DOOEL v. Plasnica, Plasnica	
Trade and Service Company FARMAS MN DOOEL Skopje	158.736.487
Company for Internal and External Trade, Representation and Services	128.581.903
MEDEKS FARM DOOEL Skopje	
Company for Production, Trade and Services SYNERGY MEDICAL DOOEL export- import Skopje	116.994.300
Trade and Service Company KOMED import-export DOOEL Skopje	108.100.867

Table 5: List of companies which received the highest amount of funds through the public procurement procedures conducted within the public health sector in the period of 2016 and 2017

In 2016 and 2017 the government spent 3.283 mil. MKD on 84 public procurement procedures with a value over 10 mil. MKD each. Approximately 615 mil. MKD were spent on three public procurement procedures and paid to three private companies ZEGIN, ELBIJOR AND d-r. PANOVSKI. (see table 6).

Name of the company	Total amount of funds received from bids over 10 mil. MKD	Number of bids	Average value of the bids
Trade and Service Company ALKALOID KONS import-export DOOEL Skopje	492.432.218	11	44.766.565
Company for Internal and External Trade ZEGIN DOO Skopje	436.889.604	2	218.444.802
Trade and Service Company AVICENA DOO import-export Skopje	387.945.845	18	21.552.547

Company for Production and Trade in Chemical and Cosmetic Products ELBIJOR DOO import-export Skopje	299.219.736	2	149.609.868
Company for Production, Trade and Services FARMA TRADE DOOEL import-export Skopje	252.956.565	2	126.478.282
Joint Stock Company for Production of Medicines, Medical Equipment and Supplies, Trade and Services D-R PANOVSKI Skopje	247.304.110	1	247.304.110
Trade Company MAKPETROL PROM- GAS DOOEL Skopje	155.808.544	4	38.952.136
Trade and Service Company FARMAS MN DOOEL Skopje	141.625.134	1	141.625.134
Trade Company MAKEDONIJA LEK DOO Skopje	79.988.238	3	26.662.746
Company for Production, Trade Services and Servicing EKSPEKTA MEDICAL DOOEL import-export Skopje	60.180.000	1	60.180.000
Company for Trade, Production and Services PROMEDIKA DOO Skopje	57.821.548	3	19.273.849
Company for Production, Trade, and Services SYNERGY MEDICAL DOOEL export-import Skopje	51.280.916	3	17.093.639
Trade and Service Company KUBIS MEDICAL DOOEL Skopje	49.548.200	1	49.548.200
Production and Trade Company DRVO-PROM DOOEL v. Morodvis, Zrnovci	46.254.218	1	46.254.218
Company for Production, Construction, Trade and Catering Services AK-INVEST DOOEL, export- import Tetovo	44.982.291	1	44.982.291
Pharmaceutical Chemical and Cosmetic Industry ALKALOID AD Skopje	43.634.514	1	43.634.514
Company for Trade, Production and Services FENIKS LTD Skopje	42.513.720	3	14.171.240
Company for Production, Trade and Services PUCKO PETROL import- export DOOEL v. Plasnica, Plasnica	42.401.340	3	14.133.780

Company for Internal and External	28.268.349	1	28.268.349
Trade, Representation and Services			
MEDEKS FARM DOOEL Skopje			
SOLARPRO HOLDING AD Sophia,	27.586.981	2	13.793.491
Republic of Bulgaria, branch office in			
Republic of Macedonia			
OKTA Oil Refinery, Joint Stock	27.226.164	2	13.613.082
Company – Skopje			
Leasing Company PORSCHE LEASING	25.999.391	1	25.999.391
DOOEL Skopje			
Company for Production, Trade, and	22.302.766	1	22.302.766
Services KMG EOL KVAZAR DOOEL			
import-export Skopje			
Construction Company IZGREV	20.988.028	1	20.988.028
ENGINEERING DOOEL Veles			
Company for Production and Services	20.862.164	2	10.431.082
NET-ELECTRONIKS Vladimir DOOEL			
Skopje			
Trade and Service Company AVICENA	18.432.001	1	18.432.001
DOO export-import Skopje			
Trade and Service Company KOMED	16.518.466	1	16.518.466
import-export DOOEL Skopje			
Trade and Service Company ENERGY	16.000.000	1	16.000.000
DELIVERY SOLUTIONS EDS DOO			
Skopje			
Company for Production, Trade,	15.339.041	1	15.339.041
Transport and Services EURO-INVEST			
DOO export-import Tetovo			
EVN Macedonia Electricity Supply	15.000.000	1	15.000.000
DOOEL Skopje, Electricity Supply			
Company			
Company for Production, Trade and	14.454.338	1	14.454.338
Services GIPS IMOBILIA DESIGN DOO			
import-export Skopje	40,400,700	1	10,400,500
Trade and Service Company BIOTEK	13.483.783	1	13.483.783
DOO export-import Skopje	10.007.770	1	10.000 (50
Company for Production, Trade and	12.236.678	1	12.236.678
Services SUPERTRADE DOO import-			
export Skopje			
Company for Production, Trade and	11.782.300	1	11.782.300
Services SEKTRON DOO Skopje	11.702.500	-	11/02.300
Company for Production, Trade and	11.612.557	1	11.612.557
Services SPS ENGINEERING DOOEL	11.012.007	T	11.012.337
import-export Skopje			

Production and Trade Company BIO MEDIKA DOOEL Skopje	11.367.294	1	11.367.294
Company for Production, Services and Trade LITI FARM import-export DOOEL Skopje	10.644.780	1	10.644.780
Trade Company PETROL Pero, Milan, Zlatko and Slobodan DOO Ohrid	10.106.720	1	10.106.720
TOTAL:	3.282.998.542	84	

Table 6: List of public procurement procedures with a value over 10 million MKD by company, for the period of 2016 and 2017

Out of the total 84 public procurement procedures with a value over 10 mil. MKD, 41 were conducted by the General and Clinical Hospitals (645 mil. MKD), 22 by the Ministry of Health (2.179 mil. MKD), 15 by the Primary Health Centers (347 mil. MKD), three by the University Clinic of Gynecology and Obstetrics (64 mil. MKD), and three by the Public Health Centers and Institute for Public Health (47 mil. MKD).

The General Hospital "8mi Septemvri" and the Clinical Hospital Tetovo have signed the three most expensive contracts in the period 2016 – 2017. The General Hospital "8mi Septemvri" in July, 2016 signed a contract for purchasing cartridges with filters and sterilization baskets with <u>AVICENA DOO</u>, Skopje in the amount of 35 mil. MKD and in May, 2017 signed a contract with the same company in the amount of 25 mil. MKD for purchasing medical devices, reagents, tests and supplies. The Clinical Hospital Tetovo signed a contract with <u>MAKPETROL GAS</u> for purchasing natural gas in November, 2017 in the amount of 26 mil. MKD. These three contracts together represents 2% of the total value of the contracts signed by the 62 institutions in this period.

66% of the total amount of funds spent by the Ministry of Health (1.530 mil. MKD out of 2.308 mil. MKD), in the period from 2016 to 2017 through public procurement procedures are for contracts with a value over 10 mil. MKD and most of them (92%) were paid to six private companies. The companies that benefited the most from the ministry are ZEGIN DOO (426 mil. MKD for purchasing insulin, needles for injecting insulin, and blood glucose test strips for the period August 2016 until August 2018); ELBIJOR (252 mil. MKD for purchasing vaccines for the period from June 2016 until June 2018); D-R. PANOVSKI (247 mil. MKD for purchasing insulin, needles for injecting insulin, and blood glucose test strips for the period August 2016 until August 2018); FARMA TREJD DOOEL (242 mil. MKD for purchasing insulin, needles for injecting insulin, and blood glucose test strips for the period August 2016 until August 2018); ALKALOID KONS (222 mil. MKD for purchasing medicines for patients with rare diseases); and FARMAS MN DOOEL (15 mil. MKD for purchasing insulin, needles for injecting insulin, and blood glucose test strips for the period August 2016 until August 2018).

The Primary Health Centers spent 29% of the funds allocated for conducting public procurement procedures for contracts with a value over 10 mil. MKD. Most of these contracts (80%) were signed by the Primary Health Center Skopje. The most expensive contract signed by the Primary Health Center Skopje was with <u>AVICENA</u> with a value of 82 mil. MKD for purchasing tests, reagents, medical supplies for equipment for immunology analysis.

The Public Health Centers and the Institute for Public Health signed only three contracts over 10 mil. MKD (all three signed by the Public Health Center Skopje) in this period. The same was the case for the University Clinic for Gynecology and Obstetrics.

The value of the contracts signed by the Public Health Center Skopje was 47 mil. MKD. 55% of the total value of these three contracts is related to purchasing vehicles from <u>PORSHE LEASING</u> (26 mil. MKD). The rest of the funds allocated to the remaining two contracts were for purchasing supplies for the equipment in the microbiological laboratory from <u>AVICENA</u>.

The three contracts over 10 mil. MKD signed by the University Clinic for Gynecology and Obstetrics had a value of 64 mil. MKD. 42% of the funds from these contracts was for purchasing tests for antenatal screening, hormonal analysis, and supplies of Immulite 200XPI from <u>AVICENA</u>.

IV. FOR WHAT PURPOSES ARE THE PUBLIC HEALTH INSTITUTIONS SPENDING MOST?

The largest share of the total amount of funds spent by the Public Health Institutions through the public procurement procedure (8.452 mil. MKD), was used for purchasing Medicines (36%), Medical devices (31%), Other services⁵ (17%) and Medical equipment (8%).

Large amounts of funds were also spent in these two years for reconstruction and maintenance of buildings (225.09 mil. MKD), which represents 3% of the total funds spent through public procurement procedures. Also noteworthy are the funds spent for vehicles and vehicles repair (216.60 mil. MKD), at 2,5% of the total funds spent. I

In 2016 and 2017 the public health institutions also spent 1.01 mil. MKD for business trips well (see table 7).

	Amount	Amount of funds spent by category of public health institution in million MKD				
What was purchased?	General and Clinical Hospitals	Ministry of Health	Primary Health Centers	Public Health Centers and the Institute for public health	University Clinic for Gynecology and Obstetrics	Total
Vehicles and vehicle repair	59,59	8,04	103,27	44,65	1,04	216,60
Business trips and services	0,51	0	0	0	0,51	1,01
Reconstructio n and maintenance of buildings	89,09	97,13	36,77	1,19	0,91	225,09
Medicines	877,99	1.966,35	104,22	9,05	58,35	3.015,97
Medical equipment	493,36	39,01	122,56	30,22	15,82	700,98
Medical devices	1.553,49	6,52	563,44	357,77	171,26	2.652,48
Other equipment	133,39	8,55	20,26	9,07	12,76	184,03
Other services	896,52	182,49	256,86	69,04	42,03	1.446,94

Table 7: Type of purchase by public health institution category in million MKD, for the period of 2016 and 2017

According to the published information, iIn 2016 and 2017, only the General Hospital Strumica (315.000 MKD), Clinical Hospital Bitola (200.000 MKD), and University Clinic for Gynecology and Obstetrics (590.000 MKD), spent funds for business trips.

⁵ The category "Other services" includes costs for everyday operation excluding the medical supplies.

The General Hospital Strumica spent more than a quarter of a million MKD on hotel accommodation in one year. The money was paid to FAT – COMERC DOOEL Strumica, a company which closed in February, 2018.

<u>The Clinical Hospital Bitola spent a quarter of a million MKD for restaurant services</u> <u>from JA-SA DOOEL, Bitola</u> or more precisely to Hotel Premier.

<u>The University Clinic for Gynecology and Obstetrics spent half a million MKD on flight</u> <u>tickets in 2016</u> and 2017. The flights were to European and Intercontinental destinations and were in economy class. The payments were made <u>to AVIO TURIST</u> <u>TRAVEL SERVICE DOOEL, Skopje.</u>

During the period 2016 and 2017, 18% of the total funds spent for vehicle purchase and vehicle maintenance were spent for purchasing vehicles (38.92 mil. MKD). Of this, 31.30 MKD was used for purchasing cars. The companies that benefited the most from the procurement procedures were EUROIMPEKS DOO (4.78 mil. MKD) and AUTOMOBILE SK (3.89 mil. MKD).





