



Is Strategic Purchasing in Iranian Insurance Companies Effective?



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Up to 60% of healthcare expenditures in developing countries are allocated to pharmaceutical products; thus, dedicating this budget to supply pharmaceutical products is essential [1]. Good Procurement Practice (GPP) with the assistance of various approaches of tendering is among the most cost-effective methods in this respect [2-4]. Studies revealed that adding one extra supplier to tendering will averagely cause a 10% price reduction, i.e., considered the main outcome of tendering [5]. In the presence of numerous suppliers, tendering is recommended as a significant method in pricing and reimbursement [1, 5].

Generic medicine [3-6], market value, the presence of alternatives, and wholesale price [5] affect the final price. Tendering leads to further transparency in budgeting [7], selecting eligible suppliers [8], global product coverage, more access [4], and higher satisfaction of insurance companies [1]. Critical factors, such as effective leadership and political support, multi-stakeholder participation, sufficient budget, quality testing, supply chain management, trained personnel, and supply chain management help procurement to be successful [8, 9].

the main disadvantage of tendering is a 50% difference between the estimate of government and actual purchases [4]. The consequence consist of product shortage, and negative economic and clinical impacts as well as the lack of access to the healthcare system [1, 3]. Funds are irregularly released in some countries, such as India and Iran; therefore, access is not guaranteed and the subsequent shortage is inevitable [8]. Furthermore, governments are forced to construct stores to stock products more than required, which causes failure in bidding [9].

Some risk factors, such a minimizing quality, inconsistency, unclear tender award criteria, focusing on the lowest price, single-winner tendering, and the lack of monitoring should be deemed in this regard. Reward criteria are summarized concerning the lowest price, quality, ability to deliver, and the reliability of supplier [1].

Studies exploring efficient GPP in Iran are scarce; thus, we highlighted efficient GPP, as a necessity. It is proved that bidding in countries that have developed in the generic market is more common than those reaching such purposes [8]. However, it is recommended that reim-

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bursement companies use bidding for inpatients, outpatients, specific patients, and product groups [1], as well as vaccines and bulk products [5] at cumulative and regional and national levels. The aforementioned solutions could result in the optimum use of the public budget.

Ethical Considerations

Compliance with ethical guidelines

There were no ethical considerations to be considered in this research.

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Authors contributions

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Conflict of interest

The authors declared no conflict of interest.

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