BRCC Project Meeting With State Partners

Jaipur, Rajasthan, January 05, 2012

Record of Proceedings

Present: RSG, SCV, BC, USM, VB, RSH, UP, PN, KG, Sandeep Parmar, Ashutosh, Suresh Parmar, Ajay Kanani, Shalini Sharma, Rajavi,

The meeting was convened to bring all the four state partners on one platform and intimate them about their roles and responsibilities in the project in the times to come after taking them through the evolution of the project hitherto. The meeting took off with the partners being offered a warm welcome followed by a quick round of introduction by all the participants in the meeting.

This was followed by an introduction of CUTS International, the spread of the organisation around the globe and completion of 30 years of its being.

Introduction

The inception of the concept of the project was thrown light on. Business and economic growth has the potential of being, so likewise it should be very relevant to the society. In order to be socially responsible companies should not only organise blood donation camps in the name of corporate social responsibility (CSR) but also behave and abide by relevant regulations, in order for the private sector to be more responsible. India's history includes the evolution of CSR starting from the evolution of society itself. Socially responsible businesses have always been a part and parcel of our cultural mosaic.

The meeting was introduced to the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of business.

It was further discussed that the way regulations are developed and implemented, affects and influences corporate conduct.

There is need for an optimal amount of regulation together with a responsible corporate conduct so that the society gets benefited without compromising on the business activities of firms.

There is a good deal of cooperation between Indian and Norwegian think tanks on issues of the future taking special inspiration from Scandinavian countries and particularly Norway, which are fairly evolved. The project is not only about CSR but also about making the entire business cycle responsible. CUTS is implementing the project in partnership with Norwegian Institute of International Affairs (NUPI), Norway.

Snapshots

The State Partners were taken through all the major development that took place in the pursuit of the project since its inception.

April 21, 2011

The project was launched with the objective of establishment of a reciprocal relationship between business regulation & corporate conduct and exploration of the idea of how policy environment has the key role in facilitating a responsible as well as efficient business environment.

The focus is on creating shared value which involves creating economic value in a way that also creates value for society by addressing its needs and challenges.
The project launch involved broadly the discussion on thematic research outline process through which responsibility can be checked.

July 2011

Two regional dialogues were organised in Jaipur on July 12, 2011 and in Bangalore on July 15, 2011 respectively to start formulating a research methodology for the project.

November 2011

A Strategy Dialogue was organised to invite expert inputs into the draft research methodology. The sectors to be studied under the project were frozen as pharmaceuticals and healthcare.

January 2012

The meeting was held within the team of the project to discuss at length the details of the project research methodology. Also the states to be taken up for the project were finalised.

February and March 2012

Fact finding visits in the selected four states (Gujarat, Andhra Pradesh, West Bengal and Himachal Pradesh) were carried out.

Introduction to the Research Methodology

The objective of the meeting was to slice the work of state partners into three stages. This meeting was only for first stage and was supposed to delineate the work and proceedings to be taken up by state partners until the end of May.

Various respondents of questionnaires were decided to be surveyed in three stages as follows:

Stage I: a) Pharma firms
b) Hospitals
c) Consumers
d) MR's - associations and individuals
e) Community

Stage II: a) Pharma collectives
b) MR FGD's
c) Chemist associations
d) IMA – state
e) Industry collectives
f) BMW entities
g) BMW collectives
h) Medical association

Stage III: a) Government Department (State)
b) Media
c) CSO/Academia

Since the meeting was called to address upcoming task schedule for the project, it was important to also address doubts and queries of state partners regarding the same.

A question was raised by partners as to what level of regulation was being dealt with in the project (central, state and local). The answer was that regulations pertaining to all levels – central, state and local – were involved but only limited within the periphery of research problems.

Another big query raised was why government hospitals were not included in the purview of the study, in answer to which the following explanation was provided:

- Private healthcare sector is wider and bigger than the public.

- The secondary and tertiary levels of healthcare are taken care of more by the private sector.

And then private healthcare is *irresponsible* but public healthcare is *incapacitated*!

BUT here again, the objective is not to incriminate the private healthcare players, not only about how the players behave also and very importantly, how they are made to behave.

A doubt was raised as to the inclusion of public private partnerships within the scope of the project. This decision is still in the pipeline and the partners can always consider and make suggestions over it.

Another doubt that was brought to the fore was how to address the gap – businesses might believe that they are behaving responsibly and the regulation in reality is not conducive to a responsible behaviour?

This idea also forms a part of the core – are regulations conducive to an efficient and responsible business environment or a stumbling block?

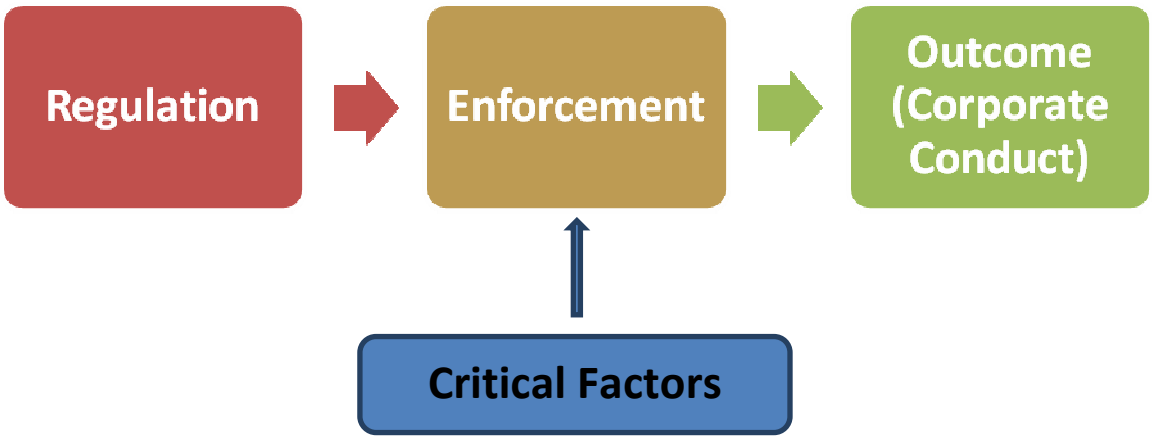
Fieldwork

Starting with two vital elements – corporate conduct and regulation and a brief insight into the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business, the two sectors – pharmaceuticals and healthcare were thrown light on. It was discussed how the value chain approach for sectors was followed keeping the related business regulations in mind. Then finally the research problems were arrived at. For the value chain, the stages in which value is added to the final product were considered and consequently issues for the research problem were identified:

i) Stage of Manufacturing – The issue of impact on environment was identified in the pharmaceutical sector and biomedical waste management in the healthcare

ii) Stage of Marketing & Distribution – Incentive structure in the pharmaceutical industry, incentive structures prevalent in healthcare[1] and also standard treatment protocol in healthcare were identified as issues

[1] The Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulation 2002 specifies punishment for doctors taking incentives for prescribing medicines



The above diagram depicts the key research output. Thus, the corporate conduct being subject to various drivers is going to vary from state to state.

For example, the State Pollution Conrol Boards in Gujarat, Himachal Pradesh are very different; the enforcement of regulations is driven by a number of varying drivers.

The respondents targeted in order to study the situation have been identified as already mentioned in the stages of implementation of the field work.

The field work is going to comprise of the following actions:

- Interviews
- Sample Surveys
- Prescription Analysis

On doubts as to the kind of questions it was made clear that both qualitative & quantitative questions should be in questionnaires. Some quantitative questions were also there, but the questionnaire was largely qualitative – to tell a story – as it is a policy-oriented research and attention is not required as much over statistical data/details.

Thus, the project aims at initiating a systematic/macro level debate rather than attempting to incriminate individuals in sectors!

The meeting was also taken through the Guidance Note that was to be followed for approaching and operationalising the questionnaire.

Partners also had questions pertaining to the final analysis, and here again they were assured that ToR for state reports will be provided to the state partners prior to writing the report.

There shall be room for trial and error in the beginning. Therefore 5-10 pharma firms and hospitals are to be targeted initially in order to test the waters as pilot study. It will also be found out if all the questions are equally relevant to both small and medium enterprises and large players.

The partners inquired if there was room for flexibility in taking questionnaires to the field for partners.

They were assured by the CUTS team that there was not an absolute embargo on variation but too much of variation should not happen and whatever amount does happen should be shared.

Concern was also voiced over operational difficulties, such as travelling to Himachal Pradesh in the rainy season.

Much travel was actually not required in the rainy season in the later stages of the fieldwork in which most of respondents were based in the state capital (Shimla).

Another significant value addition was the idea of partners to imbibe a dissemination mechanism to inculcate interest of government and collectives. Yes, it was a very favourable option with just one caveat, consideration of all the pros and cons, as the exercise could also be counter-productive. Thus, it was important to select what to disseminate.

Consequently, an important development of the meeting took place which was the idea of identification of a State Reference Group – a champion of the project to advocate for it.

Approach to Sample Selection in States

It was decided that districts in each state with maximum concentration of pharmaceutical firms will be selected. The districts have been selected.

Followed by this, the exercise of finding out the total number of firms in selected districts was undertaken, including distribution (i.e. no. of bulk and formulations), out of these 10% were selected, proportion of Bulk & Formulations being same as their distribution in these districts. Large firms and SME's are still to be sorted. The choice of firms will be made with the aspects of both environment and marketing and distribution in mind.

Registration of all pharma firms is done under the Companies Act but the registration of hospitals is done under different regulations. The partners as a preliminary exercise have to come up with the number of private hospitals and classify these on the basis of number of beds.

It was decided that 30-40 medical representatives (MR's) would be studied for each state and there would be two focus group dialogues for MR's associations.

On partners questioning whether the formal or informal sector to be included, CUTS team stated that only formal sector should be included broadly and not the informal, but if there is some striking issue that cannot be ignored, could be included as a case study.

The meeting with the respondent is to be set up by writing to the firm indicating the purpose of research and policy advocacy to facilitate a more comprehensive approach to business regulation. Questionnaires should be administered by giving opportunity to respondents to speak as much as possible. Both qualitative and quantitative information should be gathered. For the entire analysis, guidance will be provided by CUTS.

It was suggested and also more or less agreed upon that name and title of respondents should be kept secret on the option of respondents to assure their readiness to answer.

Collaboration with the industry/associations to facilitate sensitisation prior to the survey, assuring the respondents that the survey does not intend to incriminate individuals. The project intends to advocate for both, a pro – society and a pro – business policy environment.

The Partners were introduced to and were taken through, the questionnaires for the following respondents:

- Pharmaceutical firms

- Private hospitals
- Medical representatives

In the first stage, only these three questionnaires will be taken to the field.

The partners acknowledged that a lot of work had been done on the project and consequently also the questionnaires and thus it was not very easy for them, particularly the surveyors, to straightaway take the questionnaire to the field without proper and detailed guidance. CUTS team assured that the investigators will be trained very properly during the state inception meetings and CUTS team will accompany surveyors to the field in the pre-testing surveys. Hand holding is very important to get stories that need to be obtained from respondents.

Prescription Analysis

This particular tool will be instrumental in emerging with *evidence* of unethical behaviour of doctors by gathering the relevant and actual information from users. 250 prescription analyses will be undertaken in this exercise, covering large and medium sized hospitals.

Corporate conduct of the hospital will be investigated by investigating the following:

- Alliances of hospital with diagnostic clinics
- Assessment in accordance with clinical guidelines
- Drug use pattern
- Cost of treatment

The impact of prescriptions on rational use of drugs is also expected to come to light:

- Overuse, underuse or misuse of drugs
- Polypharmacy
- Inappropriate use of antibiotics etc.

The following were discussed as important while undertaking the exercise of prescription analysis:

- Rapport building with patients

- Collection only from those who are willing
- Collection only from outpatients
- Framework for the analysis will be provided by CUTS

The collection of prescriptions was analysed and predicted as challenging and interesting.

Time Schedule

State Focus Group Discussion/ Dialogue – 4th week of August

Finalisation of state reports – Mid September

National Policy Forum – End September

State Policy Brief for the States on the
Pharmaceutical and the Healthcare Sector – October

Synthesis Chapter – For National Policy Forum
Modules for capacity building – November

Wrap up – December

The Way Forward

It is a unanimously agreed fact that pharmaceuticals and healthcare sectors have a crucial role to play and a heavy responsibility to shoulder in a world where illness is ubiquitous and overbearing. In such circumstances, a socially irresponsible behavior by these sectors only multiplies the problems exponentially. It will not be wrong to quote that the concerned market is close to being declared an obnoxious market! Being cognizant of this fact it is urgent to find out the solution to a not so easily solvable governance issue!

Thus the rationale of the study has assumed a very serious and determining character. The project has to be taken forward and it has to be assured that it culminates in the desired manner. With the meeting the Project has reached one step closer to this goal.