



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

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April 2, 2003

ADMINISTRATIVE ORDER

No. 34 s. 2003

SUBJECT : Guidelines in the operationalization of Botika ng Barangay at CHD III Pilot Areas

I. RATIONALE

The 1987 Philippine Constitution mandates the right of every Filipino to health. The State, under Section II of Article XIII, shall adopt an "integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services acceptable to all the people at affordable cost".

Republic Act No. 6675 also known as the Generics Law, prescribes that it is the policy of the State to "ensure the adequate supply of drugs with generics name at the lowest possible cost".

The Local Government Code of 1991 particularly under Rule XIII of its Implementing Rules and Regulations prescribes the kind of relationship between the Local Government Units and People's Organization, Non-Government Organization and the Private Sector that may exist within the framework of devolution, and latter's role as partners in the delivery of basic services.

In accordance with the provisions of the preceding, the Department of Health (DOH) issued Administrative Order #23-A, dated 05 July 1996, that outlines the guidelines on the development and establishment of Botika ng Barangay and Administrative Order No. 70, dated 03 January 2002, that provides for a licensing procedure for Botika ng Barangays under the supervision of a registered pharmacist and with the support of the Local Government Units.

In order to further concretize the intentions of the subject issuances, the Department of Health through its Center for Health Development in Pampanga shall distribute a total of PhP 275,000 worth of drugs and medicines that shall be distributed at PhP 25,000.00 each to the target 11 Botika ng Barangays which are duly established in accordance with the regulations set by existing laws and other pertinent statutes.

II. SCOPE

This Order shall only be applicable to be implemented in Center for Health Development (CHD) III, particularly on the 11 Botika ng Barangays in the province of Pampanga as shall be identified by the CHD.

III. OBJECTIVES

This Order is formulated in order to:

- 1). Establish mechanisms and minimum inter-organizational requirements that will pump-prime the 11 pilot Botika ng Barangay (BnB) in carrying out sustained operations; and
- 2) Provide clear definition of roles and responsibilities among stakeholder entities.

IV. GENERAL GUIDELINES

1. The Center for Health Development III shall utilize a total of PhP 275,000 in the procurement of approved essential drugs and medicines (over the counter drugs and selected prescription drugs – cotrimoxazole and amoxicillin), which shall be distributed among the 11 pilot BnBs at PhP 25,000.00 each, as a pump priming intervention.
2. The CHD III shall assure that the participating 11 pilot BnBs have passed all documentary, legal and regulatory requirements as set in previous issuances.
3. The CHD III shall determine the drugs that shall be distributed to the different 11 BnBs based on the approved list of drugs specific for BnB dispensing as covered by the appropriate DOH issuance.
4. The DOH Pharma 50 PMU jointly with the Bureau of Food and Drugs (BFAD and its CHD counterpart shall provide technical assistance and training to the 11 BnBs. The same shall monitor the development of the pilot BnBs.
5. All transactions that shall be undertaken by the CHD III and the Pharma 50 PMU and the pilot BnBs shall be subject to existing accounting and auditing rules and regulations.
6. The CHD III shall assure that the necessary structural arrangements such as the assigning of personnel and the creation of a functional Committee for the purpose of coordination and monitoring are clearly identified and established, respectively.
7. The minimum criteria for BnB eligibility to receive drugs and medicines from the CHD III are those provided in AO No. 70 s. 2002 in addition to other structural

arrangements that shall be devised and recommended by the Pharma 50 PMU and the CHD III.

8. The pilot BnB shall operate within the responsibilities it is bound to perform under AO No. 23-A s. 1996.

V. SPECIFIC GUIDELINES

A. Additional Requirements to be imposed on the pilot BnBs.

1. A separate Memorandum of Agreement for this purpose shall jointly be perfected by the BnB, the proponent Local Government Unit (City/Municipality/Barangay), and the CHD III.
2. An accountable person from the LGU/Barangay must be explicitly identified and shall be responsible in accounting the pilot BnB to assure custodial fidelity of assets and properties.
3. Appropriate security measures must be established by the BnB and the proponent LGU in assuring the protection of the BnBs assets.
4. The BnB operator shall be primarily responsible and accountable to the maintenance of the BnB and the assets thereat, including sales.

B. Stock Replenishments

1. The CHD III shall assist the pilot BnBs in the procurement of the required stocks of medicine.
2. Only drugs within reflected on the approved list of drugs to be dispensed specifically by the BnBs as covered by the appropriate DOH issuance and have passed the BFAD Quality Assurance Protocol shall be procured by the pilot BnBs subject to the review and approval of the CHD III.

C. Fund Management

1. The BnBs shall be authorized to earn income as a result of the mark-up that is added to the acquisition cost of drugs and medicines distributed by the CHD III.
2. The sales proceeds (minus the mark-up for the drugs) of the BnB shall be used solely for the purpose of re-ordering essential drugs and medicines and adjunct needs of the BnB subject to the conditions that may be set by the CHD III Director as shall be embodied in the MOA for this specific activity.

D. Project Monitoring

1. The CHD III and the Pharma 50 PMU shall be the lead units in monitoring the performance of the pilot BnBs, notwithstanding and without prejudice to a similar role that the LGU proponent may undertake.
2. The CHD III and the Pharma 50 PMU shall have authority to check on the records of the BnB, notwithstanding and without prejudice to the regulatory functions of the Bureau of Food and Drugs.
3. The pilot BnBs must maintain the integrity and transparency of their records and shall be made available whenever asked for by the CHD III, the Pharma 50 PMU and other regulatory units.
4. Monitoring reports shall be periodically submitted by the CHD III to the Pharma 50 PMU Project Executive Officer every quarter or as often as practicable.

VI. COORDINATING INSTRUCTIONS

The Center for Health Director shall have over-all responsibility in the implementation of the system and shall be supported by DOH Central Office Staff, particularly the Pharma 50 PMU, in determining estimates and recommendations for improvement in the operation of the target pilot BnBs.

VII. SEPERABILITY CLAUSE

If any provision in these Guidelines, or application of such provision to any circumstance, is held invalid, the remainder of these Guidelines shall not be affected.

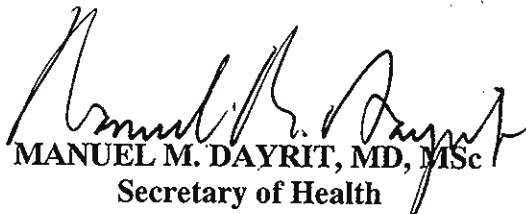
VIII. REPEALING CLAUSE

The provisions of previous issuances, which are inconsistent with those provided in this Order, are hereby rescinded and modified accordingly.

IX. EFFECTIVITY

This Order shall be effective immediately.

Signed AD
Received in the Records
Section on 4-9-03


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Secretary of Health