

## **How corruption schemes are finding their way into the medical device procurement market and what solution applies from 2016**

The medical device market involves a chain of steps in the procurement process. Even though since 2016, the process has been handed over to the Centre for Centralised Public Procurement in Health (CAPCS), there are still "tricksters" and "shysters" who make room for corruption. Diana Ranga-Enachi, an expert from IDIS Viitorul with extensive experience in public procurement, in a [podcast](#) for agora.md, brings more clarity and highlights where the average consumer can spot elements of corruption when it comes to medical equipment.

Experts have been monitoring the public procurement market since 2015, with an eye on the legality of the processes and the risks that may arise. "We try to explain to the general public why public procurement in medicine and in any sector is important and needs to be known by everyone. This is because it is public money and it is about access and the right of each of us to health services that are paid for by the state but with taxpayers' money," says Diana Ranga-Enachi.

### **CAPCS - the center that collects requests from hospitals and conducts tenders**

Historically, the medical device procurement process took a radical turn in 2016. That's when CAPCS was set up. Until this stage the problems in the health sector and especially in the public procurement process in the health sector were vague and non-transparent, notes the expert.

This makes CAPCS responsible for health procurement - the procurement of medicines and medical devices. The two areas are managed by different working groups.

### **How does the medical device procurement process work?**

These medical devices are needed by health institutions across the country. Thus, the approximately 380 medical institutions send requests with their needs to CAPCS and this is where CAPCS core role comes in: it draws up all the necessary documents, carries out the procurement procedure through an electronic system (which is also new) and ensures the award of the procurement contracts. It decides which companies are awarded the procurement contract. Moreover, CAPCS also oversees the implementation phase by concluding contracts between the parties and ensuring payments for and the delivery of medical devices.

These purchases are paid from the budgets of public institutions. However, we would like to mention one thing: public medical institutions are also allowed to purchase necessary equipment individually, as needed, but this does not apply to large purchases.

### **Where do corruption risks arise?**

The question that arises is: where do corruption risks creep in if since 2016 a state institution has emerged to manage procurement in medicine?

"If we are talking about medical devices, the risks of corruption arise right from the stage of planning needs and drawing up technical specifications. We are talking about parameters, technical capabilities that a medical device that the institution or hospital

needs must have. It is not for nothing that CAPCS has cases where it refuses these hospital requirements or asks for them to be reformulated or changed because they are too narrow," says Diana Ranga-Enachi.

In other words, some medical institutions make requests in which technical requirements of a device are formulated under a particular manufacturer or a company that is an importer of equipment. Specifically, the requested parameters coincide much with what an importer already has.

"In such a situation clearly only the company that has that particular device will qualify to bid. And you end up with other risks: few competitors, lack of bids and high prices when you know you're the only one who can meet that demand," she says.

To learn about the other signs of corruption, what cases have been identified by law enforcement officials, and how citizens can report violations, listen to the podcast.

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