“Doi moi” and private pharmacies: a case study on dispensing and financial issues in Hanoi, Vietnam

Abstract  Vietnam, a developing country, has had comparatively good health and human survival at low cost. The economic reform changed the health care system, and private pharmacies during the last 5 years have taken over a majority of the drug distribution. Problems include weaknesses in drug regulation and reported increases in antibiotic resistance.

This case study, a purposive sample of two private pharmacies in Hanoi, explored management, including dispensing, inventory and financing, using the concept of triangulation. Observations and interviews of customers were complemented by stock inventory and interviews of the pharmacy staff. Drugs were classified according to the ATC code and the essential drug list of Vietnam. Pretested protocols were used.

In all 1833 encounters were studied during the 2 weeks, out of which 286 were children. Less than 1% of customers came with prescriptions and 94.9% decided by themselves which drugs to buy. Antibiotics represented 17%, of which 90% were broad spectrum. Amoxicillin dominated, both in children and adults. Some 50% of the antibiotics were given for 2.5 days or less. Less than 50% of the drugs were essential drugs (ED) on dispensing and even less on inventory. Antibiotics and vitamins were the most commonly sold drugs and, overall, brand names dominated. Little if any drug information was observed. Antibiotics were said to represent the most profitable drugs, according to the pharmacy staff. More than 20% of all products were combination drugs, including irrational and popular products with antibiotics and corticosteroids and combinations of aspirin, phenacetin and caffeine.

This study shows an unexpectedly high proportion of customers, being “Tu Lam Bac Sy” (their own doctors), deciding themselves which drugs to buy. Although the “Doi moi” renovation has led to much improved drug availability, at least in urban setting, our case study highlights major problems in need of urgent actions. In particular the prevailing practices regarding antibiotics and combination drugs need to be seriously scrutinized and drug regulatory mechanisms should be enforced.

Key words  Vietnam · Private pharmacies · Dispensing

Introduction

Vietnam is a developing country in South East Asia with a population of 70 million. The burden of disease is dominated by acute respiratory infections, diarrhoea, malaria and tuberculosis [1], all treatable with drugs. Vietnam has had good health and human survival at low cost, with an infant mortality rate of 46% and a life expectancy of 65 years, due to social development including education, improvement of women’s status and equity [2, 3]. The public health care system in Vietnam has four levels: central, provincial, district and communal (Table 1). The public drug supply system was developed within the framework of the health network [4].

Up to 1986, Vietnam followed the Soviet model of economic development. By the late 1980s, a new era of “Doi Moi” (renovation), and “Coi Mo” (openness) began. The economic reform changed the health system [1, 4, 5] and private providers were now actively supported. Currently, any physician or pharmacist with more than 5 years’ service with the government can apply for and receive more-or-less automatic approval to set up an “after hours” private clinic or private pharmacy. To date, about 1000 private clinics have been
established in Vietnam but there are no private hospitals. In the whole country there are around 3000 private licensed pharmacies, (one third in Hanoi) and 1000 state retail pharmacies, with private sector drug stores representing three fourths of the total sales [5]. The number of modern drugs is more than 5000 and in addition there are numerous products that are imported outside the control of the government.

Private pharmacies can get drugs from many different sources including the state, private donations and companies. Asian countries and in particular Thailand, China, Singapore and Hong Kong are important sources [6]. Private pharmacies, as any other business, seek ways to maximize profit [7], and there is a conflict in the dual role of pharmacy staff as professional and businessman. Cheap generic drugs rationally dispensed may not be attractive to people whose livelihood depends on a big turnover. Pharmacy staff may have little interest in the rational use of drugs and inappropriate dispensing is a major problem in developing countries [8–15]. A recent evaluation of Swedish cooperation within the health sector showed that shifting from a subsidized to a market economy may have had more negative than positive influences on some health issues in Vietnam [5].

Problems of the drug supply system in Vietnam include weaknesses of drug regulations and inspections in a drug market which is expanding almost without control. At the time of this study there were either prescription regulations or pricing policies in the pharmaceutical market.

In 1992, a pilot study was conducted at private pharmacies in Hanoi and in Quinhon cities (unpublished mimeo). The results from this study raised concern about drugs sold without prescriptions, including broad-spectrum antibiotics such as gentamycin, chloramphenicol, amoxicillin and ampicillin. The aim of the present study was to explore and describe some aspects of drug management in two private pharmacies in Hanoi. These included drug inventory, dispensing patterns and some financial issues.

Material and methods

Materials

Two private pharmacies were selected for the study, a purposive sampling. These pharmacies were chosen out of Hanoi’s around 1000 private pharmacies based on a personal relationship between the principal investigator and individuals at these pharmacies, enabling response to sensitive issues such as the financing mechanism including profit and drug management. They represent a medium and small size pharmacy which by far is the dominating type in Hanoi.

Pharmacy A is located in the vicinity of Hanoi Medical College, serving a population of rather high education. There were five staff members working in the pharmacy, all except one with advanced professional degrees. The working hours of the pharmacy are from 7 AM to 7 PM, 7 days a week.

Pharmacy B is located on a small street in an old section of town. It serves a population of middle class in Hanoi City, and is run by an elderly couple out of their own house. Both of them were retired and stayed home every day. The wife has a pharmacy diploma. The husband, who has a high level of education, is in charge of procurement of drugs, while the wife stays home selling. Working hours are usually from 7 AM to 7 PM, 7 days a week, but in their own house drugs can be sold even at night time when needed.

The study team consisted of eight researchers and assistants (enumerators). Seven were university graduates, one had a degree in medical technology, all had a biomedical background.

Research methods

Three methods were used following the triangulation concept, including the approach that a complex reality is best described by combining methods. In this study we combined interviews, observations and register reviews an approach which is often used in the social sciences [16]. Data collection was done in 1995.

Observations and interviews with customers

Every day during the two study weeks, two enumerators were present in each private pharmacy to record every encounter. In all 1833 encounters were studied during the 2 weeks from February 15 to March 2, 1994. One person (enumerator) worked from 7 AM to 1 PM, the other from 1 PM to 7 PM. They observed the behaviour of customers and sellers, interviewed the customers, and recorded the results of observations and interviewing by using a pretested protocol. This included questions to the patients on age and sex (if the customer was not the patient then the data of the latter was asked for), dispensing with or without prescription, in the latter case who decided the purchase, the seller or the customer, (this difference was also observed), name of drug and quantity and finally unit cost and total cost. The extent of information and communication was also observed and recorded.

The drugs were classified according to the Anatomic Therapeutic Chemical (ATC) code [17]. This classification does not however include traditional medicines which were listed by name. The drugs were also classified according to the Essential Drugs List (EDL) of Vietnam of 1989 [18]. The generic names (often not given) of the brand name drugs were identified using a reference text book [19].

Inventory and observations of the operation of the two pharmacies

A stock inventory was conducted during the first day of the study. The enumerators recorded each item found at the pharmacies in a pretested protocol developed for the purpose of the study. The protocol included name of drug, formulation, strength, quantity, unit cost from wholesalers, price to the buyers. The drugs were classified according to the ATC code as well as to the EDL of Vietnam.