

“Mistakes” in expensive procurement of medical equipment come to light

Over 100 million euros spent, non-functioning medical devices remain in hospitals



The accelerator for treatment of oncology patients, which was stored in a warehouse, cannot be placed in either of the two existing available bunkers. Now, a new one will be purchased

Autor: Biljana Bogdanovska

A total of 199 medical devices in 74 public health facilities were labeled "non-functional" in April 2015, when the then Ministry of Health sent information to the government on the state of equipment in hospitals. These are appliances purchased and installed between January 1, 2006 and April 2015 - most of them in the context of the large purchases made by the previous VMRO-DPMNE-led government.

It is the first such detailed list of medical device status we have come across through a Request for Access to Public Information. Summary information shows: 37 appliances that were financially unprofitable to repair; 17 which could not be repaired at all; 21 devices were put into expense; 39 were being repaired, 64 were in service, and 21 were to be announced by the Ministry of Health. More than a third of them were purchased in 2010, 2011, 2012 and 2013.



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Активност	Број на медицински апарати
Медицинска опрема кои финансиски е неисплатливо да се сервисираа	37
медицинска опрема за која е во тек поправката односно сервисирање на мед.апарат	39
медицинска опрема која е ставена во функција	64
Ставање на нефункционалната медицинска опрема во расход	21
медицинска опрема која не може да се сервисира	17
Јавна набавка на Министерството за здравство	21
ВКУПНО	199

13	Спец. Болница за Геникологија и Акушерство - Чаир	Инкубатор за предремено родени со пациент монитор	GE Health Care Giraffe Dash 4000	2010	Лежиштето паѓа ,не работи и пациент мониторот DASH 4000	Министерство за здравство со тендерот за резервни делови на медицински апарати
14	Спец. Болница за Геникологија и Акушерство - Чаир	Ваги за бебиња дигитални - 3	Terrailonn	2008	Не мерат	Министерство за здравство со тендерот за резервни делови на медицински апарати
15	Спец. Болница за Геникологија и Акушерство - Чаир	Електро каунтер монополарен - биполарно сечење со додатоци - 2	Martin	2011	Апаратите работат расипани се каблите 5 ком.	Министерство за здравство со тендерот за резервни делови на медицински апарати
16	Спец. Болница за Геникологија и Акушерство - Чаир	ЦТГ апарат	FC 700 - Bionet	2008	Не работи	Министерство за здравство со тендерот за резервни делови на медицински апарати
17	Спец. Болница за Геникологија и Акушерство - Чаир	ЦТГ апарат	FC 700 - Bionet	2008	Не работи	Министерство за здравство со тендерот за резервни делови на медицински апарати
18	Спец. Болница за Геникологија и Акушерство - Чаир	ЦТГ апарат	Corometrix	2006	Калота за Токо нема	Министерство за здравство со тендерот за резервни делови на медицински апарати
19	Спец. Болница за Геникологија и Акушерство - Чаир	ЦТГ апарат	FC 700 - Bionet	2011	Калота за Токо и Кардио	Министерство за здравство со тендерот за резервни делови на медицински апарати



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Purchases started at 40 million euros, meanwhile they "grew" at least three times

How much those procurements cost, the state never provided accurate information. Former Minister Imer Selmani in 2007 calculated a figure of 40 million euros. Bujar Osmani, former health minister in 2010, spoke of purchases worth 68 million euros. VMRO-DPMNE's last health minister, Nikola Todorov, in response to an interpellation submitted by SDSM against him in Parliament in 2015, announced that so far, "a total of over 100 million euros have been invested in procuring new, state-of-the-art medical equipment".



Ministers changed, numbers increased

However, the Ministry of Health, more than a month after sending in questions and five reminders that we are expecting answers, did not say whether major medical device purchases have been audited and how much the Ministry's budget funds have spent for those procurements over the 2006-2015 period.

Menche Tochi, a reporter who has been closely monitoring healthcare for many years, says that it was never revealed how many tenders there were for medical equipment, or how much the country is in debt.

- Are loans taken out or are they budget funds? If they were only budget funds, one might wonder where that kind of budget money came from, when the Finance Ministry refused to fund the reconstruction of certain rundown hospitals, saying there was no money. Take, for instance, the largest tender for medical equipment in healthcare that was so "pumped" that it even amounted to 120 million euros. An unplanned purchase of medical devices was made, the equipment was used somewhere, but the warranty expired until staff were trained to handle it. Many of these devices were left to rot in basements and when many of them were damaged, hospitals could not afford parts for them because of the high costs, the parts being very expensive. Even before the election, the then government released a tender for the purchase of 3,700 medical devices worth 33 million euros. As if the previous one was not enough. Many of those appliances that were purchased are corrosive because there is no one to use them," said reporter Tochi.



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According to her, it is publicly known that in such large projects, large tenders for medical equipment, prices are high, appliances are too expensive, and thus more likely to be greater corruption.



Menche Tochi: Many of these devices were left to rot in basements and when many of them were damaged, the hospitals could not afford new parts

- Such things are arranged tête-à-tête, and it is well known that companies pay high commissions to win tenders. Where that money ends up, we can only guess - says Tochi.

But at the same time as the then-government was purchasing appliances, citizens complained that they could not get a mammogram, computer scans, MRI ... there was no available terms, the wait was long, or the device was out of service. It was well known to both patients and doctors, so in 2017, former Health Minister Arben Taravari ordered clinic and hospital directors to check what kind of equipment they have, and its functionality.



Arben Taravari: We all knew that there were different appliances that were purchased and not used



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- We all knew that there were different appliances that were purchased and not used. At some places, it happened because the doctors had retired, so there was no one to use them, no trained staff, at other places there was no one to put them in operation, no room for the equipment, so the devices were kept in warehouses. When I was the minister, I asked all the directors of all the healthcare institutions to send me a list of their appliances that are in operation, and which are not, but I never received that list, because 15 days later I ran for mayor. Those lists are probably submitted to the Ministry of Health. My goal was, once we had them put into operation, so for instance, a device that was taken to a hospital and not used for some reason, to move it to another one where it would be put in use – said Taravari.

The non-functioning devices that had to be repaired through a tender of the Ministry of Health for medical equipment spare parts listed are: classic RTG machine in Negotino Health Center, purchased 2007; digital RTG at Prilep Hospital, purchased in 2009; as many as 8 CTG machines at the Special Hospital for Gynecology and Obstetrics in Cair, purchased between 2008 and 2012, etc.



Gruevski: "Enduring capital for Macedonian healthcare"

Former Prime Minister Gruevski once described the large and expensive purchases of medical equipment for clinics and hospitals as "enduring capital for Macedonian healthcare". We tried, but we failed to get an answer from former Health Minister Todorov, on more questions about how this equipment was procured, distributed and used.

Since coming to power, SDSM has begun a "process of rehabilitating the healthcare system", as the party described it in one of its statements. But even though, while in opposition, the party was suspicious of local tenders, alerted of purchased and non-functioning appliances, so far there is no answer to the question - where did that equipment end up, and did someone make money off those tenders, and how much, at the expense of citizens?

Now, Minister Venko Filipche says they have devised a strategy for the necessary equipment that the country lacked so far.

-Some of those are a computer tomography in Gevgelija, where a new wing of the hospital is being built. Also, a computer tomography device that is needed so that the new wing in the Strumica hospital can start working. Magnetic resonance imaging for the first time in Ohrid, Gostivar and Bitola. At the request of the Gynecology Clinic something for the intensive care unit, also at the Pediatric Clinic, individual requests from specific PHIs for something they need, whether for a new method or for something that is out of function or is often broken. One device for the Hematology Clinic that will be used for introducing a new method for bone marrow transplantation, but for children, because, right now, children are sent abroad. There is a request from the Radiology Clinic for a new angiographer because the existing one really needs to be upgraded, and this angiographer is the one that has broken down very often and is now out of service in Bitola - said Filipche.



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The foundation for the accelerator bunker at the “September 8” General Hospital was laid in 2016

The accelerator was kept in storage for 4 years - now a new one will be bought

During the investigation, the linear accelerator, purchased in 2015 for 1.8 million euros, was installed in the “September 8” General Hospital. It is soon expected to be put into operation, after four years of being packed in boxes in a warehouse in a Skopje firm.

- In our case, the problem was the accelerator. It was just installed. The device was in the warehouse for a long time. It is now set, all technical stuff has been completed. They even released it on a trial basis, but the rights have not yet been transferred from the Ministry of Health to the “September 8: hospital and it is not in our possession. When they will do this, I don't know. As for a team that has to work on it, we have a doctor who specializes, who will soon pass the specialist exam, and a physicist who has not finished his studies yet. But the device will be operated by experts from the Oncology Clinic – said Dr. Hristijan Kostov, director of the “September 8” City General Hospital.

The accelerator's procurement, registered by handover act No.17-24/138 dated 15.12.2015, was followed by doubts from the very beginning: that the MoH had initiated the procedure and prepared tender documentation favoring one economic operator. First, the company MEDIMPEX DOO from Sarajevo was selected and then eliminated on the grounds that it had no reference list. Thereby, the Ministry of Health received expert opinion from the PHI University Radiotherapy and Oncology Clinic according to which the offered accelerator of the initially selected and later eliminated economic operator in relation to the final result is compatible with the requested by the Health Ministry. MEDIMPEX filed a lawsuit with the Administrative Court, but was rejected as unfounded.



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Installation of new linear accelerator in the "September 8" General Hospital finalized

- It is an accelerator that at the moment cannot be placed in any of the two existing available bunkers. About 60 million denars had to be set aside for bunker construction, while, for 90 million denars we could have purchased a new one, Taken that now we would purchase a much more sophisticated device. What we're going to do now is get a new one that we put in the existing bunker so we don't build a new bunker, and the one in the box will be used to replace one of the three that are very old. We are not changing it now because if one is put into operation the waiting list will increase significantly – explained Filipche for the purpose of our research.

According to our sources, the monthly rent paid for the accelerator was 25,000 denars.

We also asked the Director of the Oncology Clinic, Dr. Nino Vasev what was happening with this accelerator.

- You know that from the previous government we have left a new appliance from the manufacturer "Varian" in the warehouse, which should be placed somewhere. So a bunker needs to be built, to provide conditions for the device. It was under warranty, they will extend this warranty. That is what we do with the ministry, we are making a plan when this device will be put to use in the "September 8" hospital ... I didn't know that, I was unpleasantly surprised... It's a new device, but it certainly can't stay there forever..., said Vasev.



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Dr. Nino Vasev: It's a new device, but it certainly can't stay there forever

This problem is also mentioned in the Final Report on the Financial Statements and Compliance Audit for 2017 of the Ministry of Health, which the State Audit Office published in May 2019, "Given that the equipment has not yet been put into service due to delays in the construction of the bunker, and the warranty period will expire in 2019, the occurrence of possible defects after the equipment has been put into service after the expiration of the three-year deadline will not be covered by the warranty and eventual repairs will have to be covered by the MoH budget, which will further increase the cost of equipment purchased," the auditor concluded.

The accelerator is used to treat cancer patients. It provides maximum precision in the planning and execution of treatments, given that the beam targeting is done with rubies, while in all other appliances it is done with mirrors. Annually, in North Macedonia there are 5,100 - 5,200 new patients with malignant diseases registered.



The Emergency Center, which treats 35,000-40,000 patients a year, received nothing of the large purchases that have been made



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The Emergency Center worked with one computed tomography device – which was also a donation

What were the criteria for deciding which healthcare facility will receive a device, what kind and which had priority? Emergency Clinical Center “Mother Teresa”, the largest emergency hospital in the country, has received nothing from those major purchases, said Dr. Albert Leshi, Head of Emergency Center.

- Unfortunately, there is nothing of those big purchases they made. There were neither computers nor monitors. There was a computed tomography device, but it was a donation too. At first it worked, but the technology is already outdated; If it works, it can be used on 100-120 patients, as many as we take in on daily basis. In the meantime, in the last three years we have procured some necessary appliances. Now we have requested a computed tomography device and complete equipment for the operating room - says Dr. Leshi.



Radiologists are not willing to work on this computed tomography - and it is also a donation



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The Skopje Emergency Center has 35,000-40,000 patients per year.

General hospitals across the country were fitted with medical devices that were of no use to the doctors. At the Kumanovo hospital, this happened with an anesthesia machine, purchased in 2010.

-The "Siare" anesthesia machine has never been used. The same device had previously received by the Maxillofacial Surgery Clinic and Kochani General Hospital. Due to the negative experiences, when working with these machines, they were withdrawn from the operating rooms as unsafe for patients, with no possibility to improve the safety of their service - reads the response we received from the General Hospital Kumanovo.

The machine for automatic washing and disinfection of flexible endoscopes from the company "Sonics", purchased in 2015, was also brought here. It was not put into operation due to a problem with the hose for water supply and drainage, the hospital confirmed.

Unused and untouched devices are also found in the general hospital in Ohrid. In the ultrasonic gynecological 4D echo machine, purchased in 2013, the 4D echo has not worked since the device was put into operation, so only the 3D device has been in operation since then. Incubator for preterm newborns, with patient monitor, due to malfunction of certain sensors has not been put into operation since its purchase, reads the letter we received from PHI General Hospital - Ohrid.



Illustration: Mother Teresa Clinical Center



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In the Special Hospital for Orthopedics and Traumatology “St. Erasmus”-Ohrid , the Top Getinge Steam Sterilizer, purchased in 2009, is out of service due to frequent repairs. Computed tomography and X-ray diagnostic apparatus purchased in 2015 and put into operation on 31.05.2017 for "performing reconstruction work" in the section where they were to be installed.

On May 25, 2017, SPO investigators entered the Bitola General Hospital seeking documents for group purchase of X-ray machines made by the Ministry of Health in the case related to procurement through the company "Visaris" owned by Ivona Talevska.

There was information that “St. Erasmus” had some of the disputed equipment from “Visaris”, but the hospital says such equipment has not arrived.

- The company "Visaris" has initiated proceedings against the signatories of the framework agreement for the purchase of appliances, including PHI “St. Erasmus”-Ohrid. On 26.06.2019 a verdict No. 53TC-21/17 was rendered rejected as unfounded - replied "St. Erasmus".

Exactly two years ago, among seven new investigations into corruption and crimes committed by former government officials, the SPO also announced the “X-ray” case. SPO launched an investigation into the 2012 acquisition of four X-ray machines by Todorov, suspected of abusing his position and favoring a minister for a million-dollar company to purchase x-ray machines. After the case was publicly disclosed, Todorov annulled the contract with “Visaris”, but according to the SPO, he breached the public procurement law in violation of the Public Procurement Act, though it should have annulled the purchase. The damage done to the budget in this case, according to the SPO, amounts to 860 thousand euros. There is no resolution or penalty for this case yet, because the case is still pending.

- The “X-ray” case, like the others, was taken over by the BPPO. It is under investigation, and the investigation will continue in the coming period. The case has been re-assigned to me and we will continue our investigation – said Special Prosecutor Elizabeta Josifovska.

SDSM, when in opposition, accused that the prices of medical devices procured by the then-government were 60% to 100% higher than the actual ones.

- The first 68m-euro package of medical equipment, promoted by the government, has a difference of 28 million euros from Gruevski's initial promises. In whose pockets will this 28 million euro difference in prices end up? Are these 28 million euros sufficient to satisfy personal and party appetites?, asked then party spokesperson Emilijan Stankovic. As examples he pointed out: a cardiograph purchased at a price of 820 thousand euros is half the price, 450 thousand euros; magnetic resonance purchased for the price of 1 million and 380 thousand euros and worth 790 thousand euros, as well as suspicion that the linear accelerator was purchased at a price twice higher than the actual price.



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Vladimir Lazarevic: We believe that the most important criterion is "who will inspire those who pay"

Vladimir Lazarevic, president of Healthgrouper, an international health information exchange project, says that the procurement of equipment in North Macedonia has been and remains extremely centralized and that centralization has its cost. According to him, hospitals still do not have the money, and probably have no idea of procuring equipment themselves, therefore wait for the government and the Ministry of Health to do it for them.

We asked him what criteria are most important in the procurement of equipment, and where in that procedure are the most opportunities for corruption activity.

- There are so many companies and options that it really is not an easy task. We believe that the most important criterion is "who will inspire those who pay." It is up to you to interpret what inspiration should mean. However, as long as procurement is central, and hospitals do not have a fully decentralized management system, with local communities, businesses and the like, problems will persist, Lazarevic said.



Illustration: Medical devices through the halls of clinics



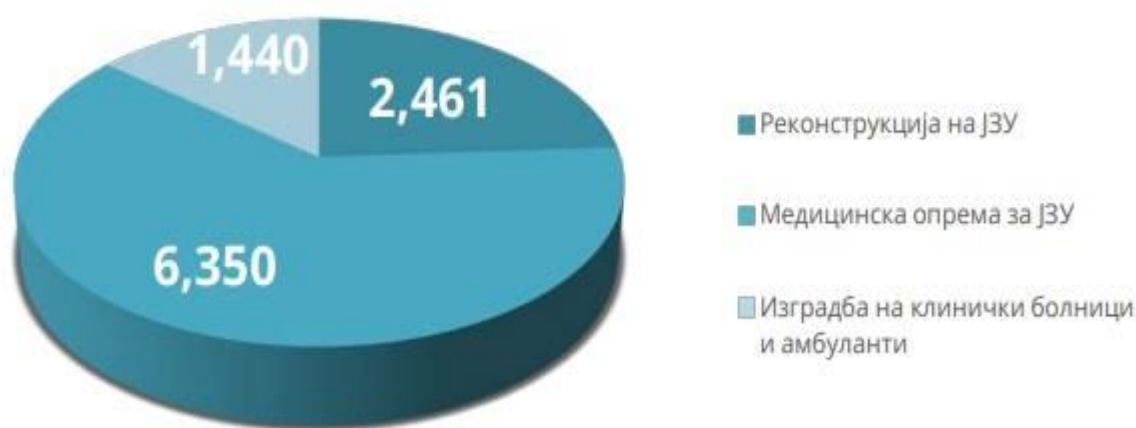
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According to Tochi, however, since the reagent tender scandal erupted, it is clear that the current government is also on a "slippery ground".

- Although there was no announcement of a Public Private Partnership in the SDSM agenda, it suddenly became a priority of the current Minister of Health. There is no plan or procurement strategy, that is, they have not said that there is such a thing. The analyzes or feasibility studies for certain projects are not made public. There is lack of transparency. There are no major tenders for medical equipment published, but there is a Public Private Partnership for sterilization, for example, a major project that will also provide equipment for sterilization and vehicles, and reorganization. Too big to handle, which in neighboring Albania proved to be a failed, expensive project - she says.

Chart 1: Distribution of capital investments by subprograms in healthcare for the period 2010-16 (1,000,000 MKD)



Source: Finance Think: "Effects of Public Investment in Public Health 2010-2016"

The Finance Think Institute for Economic Research and Policies in February 2018 released a Study entitled "Effects of Public Investment in Public Health 2010-2016" [http://www.financethink.mk/wp-content/uploads/2018/03/Studija_13_MK .pdf](http://www.financethink.mk/wp-content/uploads/2018/03/Studija_13_MK.pdf). On the basis of economic and health parameters, it recommends that - before any new equipment is purchased, in addition to the decision based on pharmacoeconomic analysis, it is necessary to ensure that all the preconditions both in terms of space and in relation to it are met, providing and educating staff to put into use immediately after delivery.

43 comparative analyzes with other European countries indicate that the Macedonian health care system still needs continuous procurement of large diagnostic equipment such as computed tomography and magnetic resonance imaging. However, before deciding on a new cycle of investment of this kind, a more detailed analysis needs to be made of the extent of utilization of existing equipment and its rational use, reads the study.

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