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Trends in the application of artificial intelligence in medication procurement systems

Vladimir Milićević[1*], Igor Franc[1], Zoran Dobrosavljević[2]

[1] University of Kragujevac, Faculty of Mechanical and Civil Engineering, Kraljevo, Serbia
[2] Abstract DOO, Belgrade, Serbia

ABSTRACT

The rationale and paradigm for integrating artificial intelligence (AI) into pharmaceutical procurement systems are examined in this study. Through an analysis of the existing status of medicine procurement, we pinpoint important areas where artificial intelligence could improve process accuracy, efficiency, and dependability. It is advised to use AI to automate ordering, forecast demand, maximize inventory, and assess supply chain hazards. It is possible to determine whether certain AI models can improve medicine procurement procedures by testing and assessing them. By putting these models into practice and continuing to monitor and optimize them, drug procurement systems can lower the risk of shortages, manage inventories more effectively, and save money over the long run. This paper offers a framework for a methodical approach to process optimization and performance enhancement when integrating AI into pharmaceutical procurement systems.

KEYWORDS

Artificial intelligence, Process optimization, Model, Expertise, Medication procurement systems

1. INTRODUCTION

Procurement of medication is an important part in health care systems, impacting directly on patient care, financial efficiency, and the general effectiveness in health delivery. Traditional ways of procuring medication, though working, are often inefficient, error-prone, and hence delayed, sometimes with very serious consequences like drug shortages, monetary losses, and endangered patient safety. Considering that technological revolutions are redesigning various sectors in this age of great transformation, the place that artificial intelligence occupies within medication procurement systems is such that presents a promising solution to these age-long challenges.

Artificial intelligence can transform medication procurement through the ability of devices to process huge amounts of data, recognize patterns, and create predictive analyses. With the use of AI, healthcare systems bring unprecedented accuracy into medication demand forecasts, thereby smoothing supply lines and eliminating human errors that delay delivery time. Besides that, AI-driven procurement systems can facilitate decision-making processes by providing real-time insights and recommendations to enable optimum inventory Management and cost-cutting.

It becomes timely to justify the introduction of AI into medication procurement systems, and this paper gives an extensive proposal on how to go about it. In the next sections, specific inefficiencies that exist within traditional procurement processes will be identified, advantages of AI integration will be elucidated, and a roadmap for the

adoption of AI technologies in this critical area of healthcare will be presented. The present paper tries to provide a robust framework to health care organizations so that medication procurement within their setting may also aim at improved patient outcomes and better operational efficiency by studying case studies and existing implementations of AI in similar domains.

The present landscape is unique in history, with healthcare systems now more strained than ever by global challenges, including the COVID-19 pandemic—more than ever, underscoring the need for innovative solutions. This only integrates AI into medication procurement to solve inefficiencies at hand but also prepares healthcare systems for impending challenges ahead by ensuring robustness and adaptability throughout evolution.

2. STATE OF THE ART

The conventional pharmacy system relies heavily on manual processes and human expertise, which can lead to inefficiencies, errors, and delays [1]. AI in medication procurement systems is a fast-growing area which provides highly efficient, effective, and cost-effective solutions. State-of-the-art development in AI technologies at the moment supports a number of challenges in medication procurement chains, from demand forecasting and inventory management to supply chain optimization and error reduction. This section offers a general overview of the state-of-the-art applications of AI developed for medication procurement systems, showcasing key technologies, methodologies, and real-world implementations.

Demand Forecasting - On the other hand, one of the critical areas in which AI and Machine Learning has shown impact is in demand forecasting [2]. Traditional methods of predicting medication needs rely on historical data and manual analysis, resulting in inaccurate and slow results [3]. In contrast, AI will be able to analyze large datasets through machine learning algorithms and come out with very accurate predictions. AI models can be used to accurately predict energy consumption, load profiles, and resource planning, ensuring consistent performance and efficient resource utilization [4].

Such AI-driven forecasts will be based on the analysis of hundreds of drivers, from seasonal trends and epidemiological patterns to real-time events in healthcare. For instance, AI models can project that demand for specific medications will increase at times when influenza is most active or after infectious diseases have broken out, very minutely enabling appropriate inventory levels to be managed in advance by health providers. Further, the utilization of machine learning (ML) and deep learning (DL) techniques in predictive analytics enables personalized medicine by facilitating the early detection of conditions, precision in drug discovery, and the tailoring of treatment to individual patient profiles [5].

Inventory Management [6]- AI technologies are changing inventory management with real-time tracking and optimization solutions. AI-powered systems can track medication stock continuously, predict the reorder points, and even automate procurement orders. In that way, it will ensure to have the right medications available at the right time and avoid the risks of stock-outs or overstocking. Further developed AI systems use predictive analytics to optimize inventory turnover rates, reducing potential waste and handling expiration dates quite effectively. Further, it makes inventory management capabilities more enriched by using IoT devices with AI in real-time data collection and monitoring.

The integration of artificial intelligence (AI) technologies into supply chain management has emerged as a crucial avenue for enhancing efficiency, agility, and responsiveness in modern business operations [7]. AI is important in the optimization of the medication supply chain by analyzing data from multiple sources, including suppliers, logistics providers, and health facilities. The AI systems find bottlenecks, forecast potential disruptions, and notice alternative ways to execute strategies. For example, artificial intelligence can project shipment delays due to weather or geopolitical event and suggest rerouting options for shipment on time. AI-driven supply chain management systems can also execute tasks within the procurement process by finding the most reliable suppliers, negotiating prices, and making the general work of the whole supply chain more efficient. Overall, the adoption of AI-driven solutions is reshaping supply chain management, enabling companies to achieve higher levels of efficiency, resilience, and competitiveness in today's rapidly evolving business landscape [8].

Error Reduction - Medication errors, constituting a major category of medical errors, are defined as preventable mistakes that can occur at any stage of the medication-use process, including prescribing, dispensing and administering medications [9]. AI can reduce these mistakes through automating several components of the procurement and dispensing process. For example, AI algorithms cross-check orders against patient records for medication prescribed and dispensed. Natural language processing technologies analyze prescription directions for ambiguities or inconsistencies that may cause human error.

Real-World Implementations - AI-driven medication procurement systems have been implemented quite successfully in several healthcare organizations and institutions [10, 11, 12, 13]. For example, an AI-based inventory management

system was adopted by the leading hospital chains across the United States. The outcome: medication stockouts decreased by 30% while inventory costs dropped by 20%. Another illustration is that of a European pharmaceutical company which applied AI-powered demand forecasting. It improved forecast accuracy by 25%. Notably, this happened with considerable reduction in excess inventory. 6. Future Directions The future of AI in medication procurement systems appears prosperous because research and development in enhancing the capability of AI and its applications never stop. Deep learning, blockchain, advanced analytics, and other newer technologies are continuing to revolutionize medication procurement. Integration with EHRs and all healthcare IT systems integrating a full range of data for analysis and seamless automation of procurement processes are rolled into one.

3. AI IN MEDICATION PROCUREMENT SYSTEMS

Artificial Intelligence (AI) is transforming the drug supply chain in several critical ways, enhancing efficiency, accuracy, and security. Deloitte [10] analyzed AI needs in field of medication procurement systems and suggested a modern and complex intelligent supply chain solution (Figure 1).
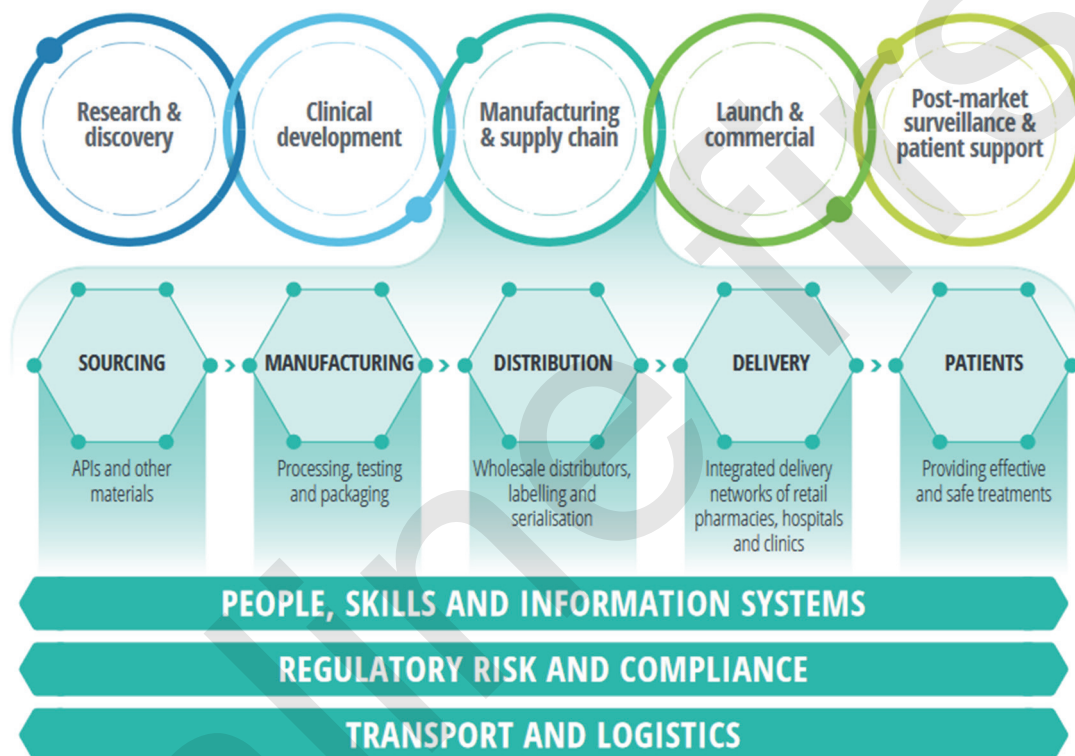

Figure 1: The different steps in the biopharma supply chain by Deloitte Analysis (source: Deloitte Analysis [10])

Title of the paper should be written using Times New Roman font with size 16 points, in bold letters and with title case. The title should be aligned left, with single spacing and 18 points of empty vertical space above the title and 0 points of empty vertical space below the title. Please, use the quick–style named "Title", already included in this template. The biopharma supply chain, by Deloitte, regularly generates enormous amounts of internal and external data, but these data have not been fully utilized in the past. Merely gathering data does not yield useful insights. Processing this data with AI technology will be essential to managing operational effectiveness and, eventually, building a profitable, nearly autonomous, and flourishing biopharma supply chain.

The importance of applying AI in inventory management, as well as in their replenishment, is detailed in the analysis signed by the company Oracle [11]. By applying cutting-edge algorithms and computational approaches to evaluate complicated medical data, enhance operational efficiency, improve diagnostics, customize treatment regimens, and ultimately enable the delivery of improved patient care, artificial intelligence (AI) in healthcare is changing the sector. The following are some ways that AI is improving medical inventory management at the periodic automated replenishment (PAR) level:

- ➢ Optimized PAR level calculation;
- ➢ Real-time monitoring and adjustment;
- ➢ Predictive analytics;

➤ Supply chain integration;

➤ Demand forecasting and inventory optimization.

Oracle Cloud Infrastructure (OCI) is the platform of services for automating the process of predicting and replenishing inventory using AI (Figure 2). Customers can extract and combine data to forecast the ideal inventory levels by using such cutting-edge technologies, which lowers costs and enhances patient care outcomes.
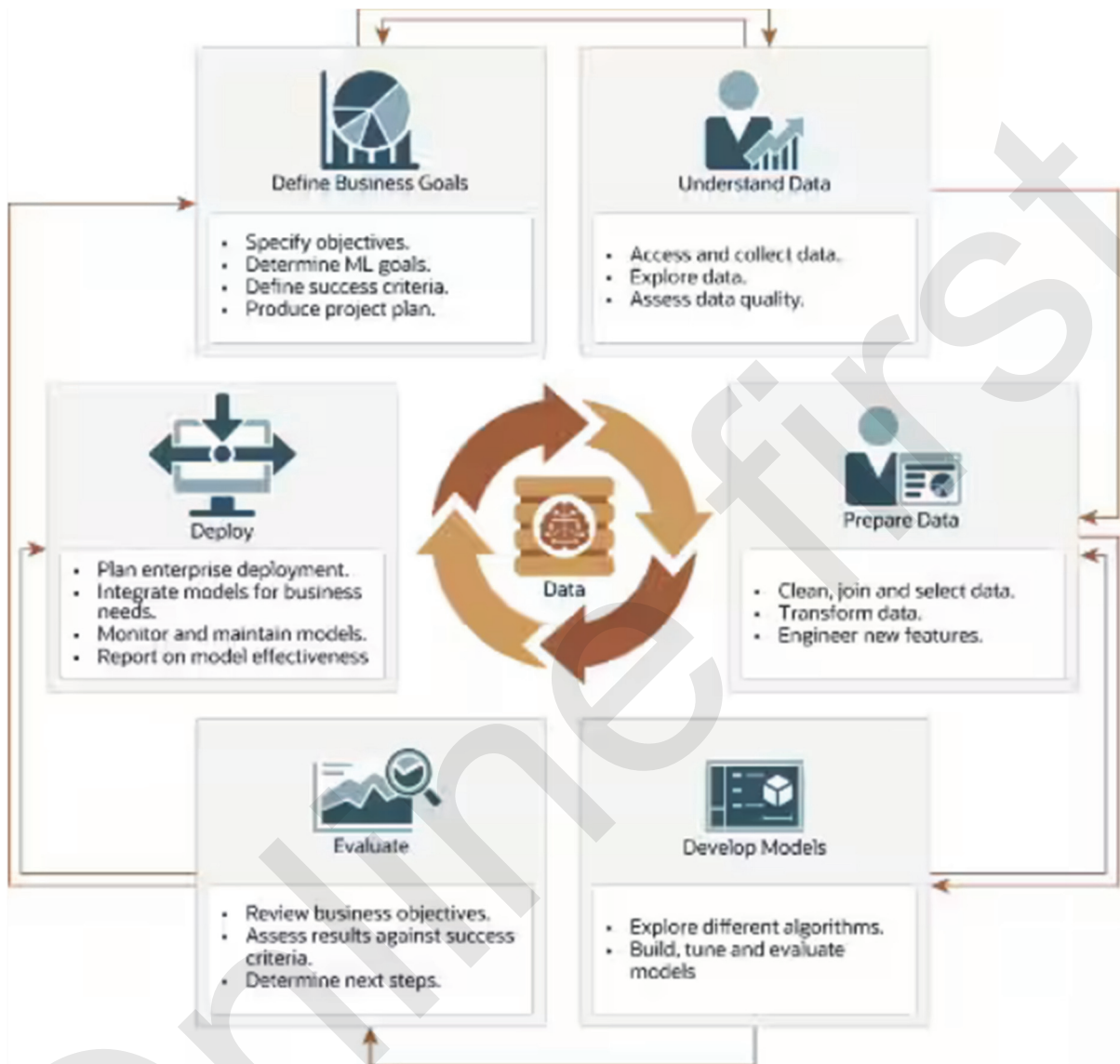

Figure 2: OCI's solutions for data deployments with AI (source: blogs.oracle.com [11])

Further, Xenonstack claims that the pharmaceutical supply chain is very complex due to the sensitivity of the products being handled. The process involves sourcing materials, manufacturing, and distributing medicines that require specific environmental conditions [12]. Xenonstack has pinpointed a few crucial supply chain processes and areas where artificial intelligence is most likely to make a big influence (Figure 3):

➤ End-to-end visibility;

➤ Demand forecasting, inventory management and logistics;

➤ Optimizing predictive maintenance;

➤ Cold chain management;

➤ Route optimization;

➤ Warehouse automation;

➤ Identifying and eliminating counterfeit Biopharmaceuticals.

Figure 3: End-to-end visibility of the supply chain (source: Xenonstack [12])

The discussion above underlines that using AI technology will completely transform industries over the coming years. But because it drastically changes from conventional linear supply chains to dynamic, linked, and open digital supply networks (DSNs) that are AI-enabled, this transformation calls for strategic thought and patience. To implement such a solution, it is needed to be reconsider and adopt following demands:

- Use the pilot project to demonstrate the benefit;
- Apply AI throughout the entire supply chain;
- Use a value-driven approach.

Novartis is, also, a huge company that considers AI implementation in its own business rapidly. AI can help Novartis increase patient access, improve customer experience, drive automation, provide predictive analytics and detect potential misconduct [13]. Novartis' solution for the implementation and application of AI relies on several key principles:

- Empower Humanity;
- Accountability;
- Mitigate Bias;
- Respect Privacy;
- Transparent and Explainable;
- Safe and Secure;
- Environmental Sustainability;
- Review, Learn and Adapt.

4. DISCUSION

The text provides a comprehensive overview of the impact of AI on medication procurement systems, emphasizing how AI is revolutionizing key aspects such as demand forecasting, inventory management, supply chain optimization, and error reduction. The integration of AI into these processes is not just a technological advancement but a transformative shift in how healthcare systems operate.

AI's role in demand forecasting is highlighted as a significant improvement over traditional methods, which often rely on historical data and manual analysis. AI's ability to analyze vast datasets, including real-time events, seasonal trends, and epidemiological patterns, allows for more accurate and timely predictions. This capability is particularly beneficial in healthcare, where demand for specific medications can fluctuate due to factors such as disease outbreaks. The use of AI in this context not only ensures that healthcare providers can maintain appropriate inventory levels but also supports the broader goal of personalized medicine by enabling more precise predictions tailored to individual patient needs.

AI's impact on inventory management is equally transformative. Traditional inventory management can be prone to inefficiencies, such as overstocking or stockouts, which AI can mitigate through real-time tracking and predictive analytics. By continuously monitoring medication stocks and predicting reorder points, AI systems help maintain optimal inventory levels, thereby reducing waste and ensuring that medications are available when needed. The

incorporation of IoT devices further enhances these capabilities, allowing for real-time data collection and more responsive inventory management practices.

The text also discusses how AI is reshaping supply chain management in the pharmaceutical industry. By analyzing data from various sources, AI systems can identify bottlenecks, predict disruptions, and suggest alternative strategies. This capability is crucial in a field where timely delivery of medications can have significant health implications. AI's ability to optimize supply chains by finding reliable suppliers, negotiating prices, and managing logistics enhances overall efficiency and responsiveness, making the supply chain more resilient to external shocks such as geopolitical events or natural disasters.

One of the most critical areas where AI can make a difference is in reducing medication errors. These errors, which can occur at any stage of the medication-use process, are a major concern in healthcare. AI's ability to automate and cross-check various components of the procurement and dispensing process significantly reduces the likelihood of such errors. For example, AI algorithms can analyze patient records and prescriptions to ensure consistency and accuracy, while natural language processing technologies can detect ambiguities in prescription directions that could lead to human errors.

The discussion of real-world implementations of AI-driven systems in healthcare highlights the tangible benefits these technologies bring. For instance, the reduction in medication stockouts and inventory costs in U.S. hospital chains demonstrates AI's potential to improve operational efficiency and reduce costs. Similarly, the improved forecast accuracy achieved by a European pharmaceutical company underscores AI's ability to enhance decision-making processes in medication procurement.

The following figure provides a concise summary of the previous discussion. The image includes all the necessary tools and technologies required for the efficient and effective implementation of artificial intelligence in the observed field.
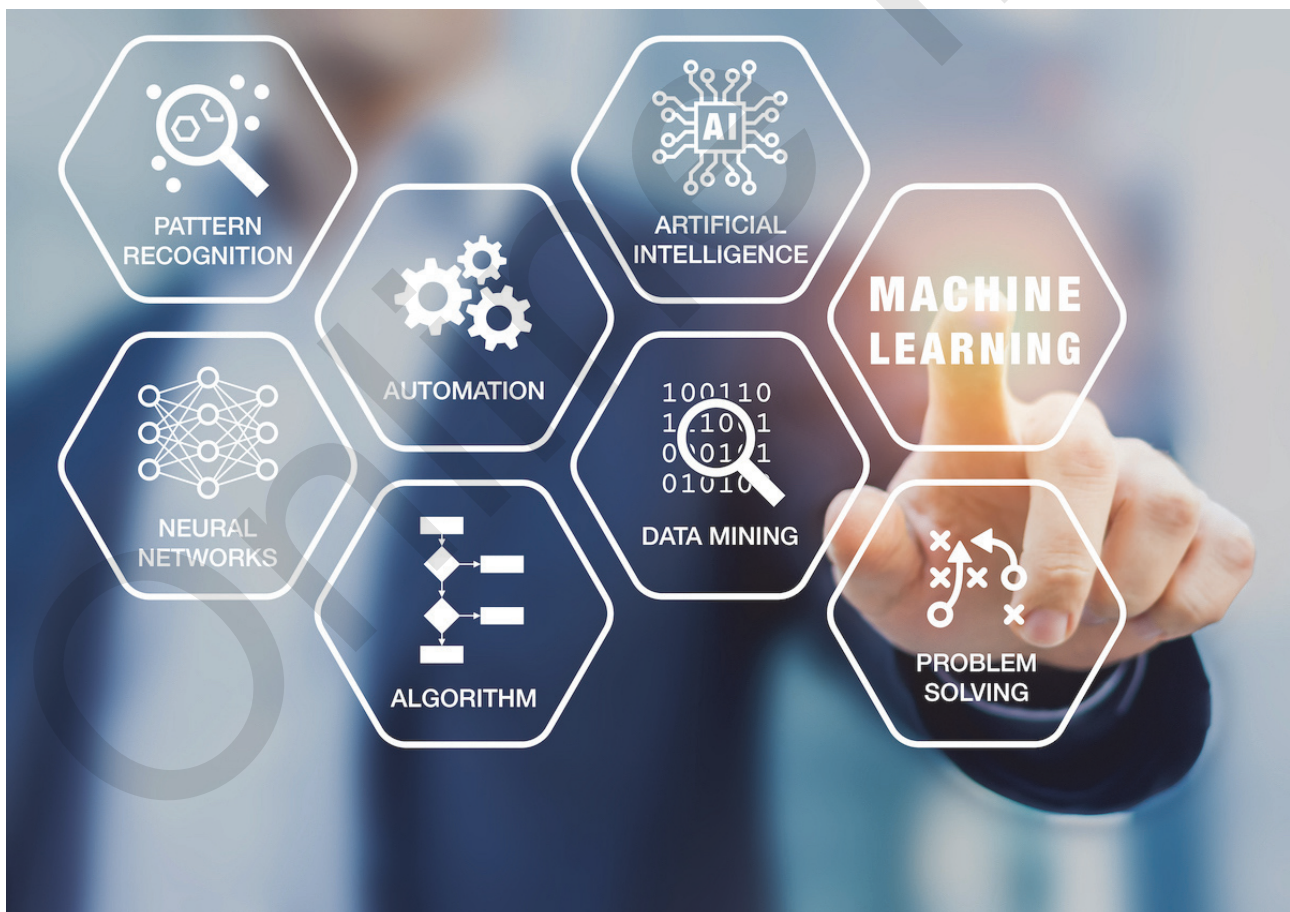

Figure 4: End-to-end visibility of the supply chain (source: www.computertalk.com [14])

For the mentioned tools and technologies to be implemented correctly, in the near future, significant emphasis will need to be placed on the following scientific disciplines: data science, machine learning, and deep learning, as the pillars of modern artificial intelligence (Figure 5).
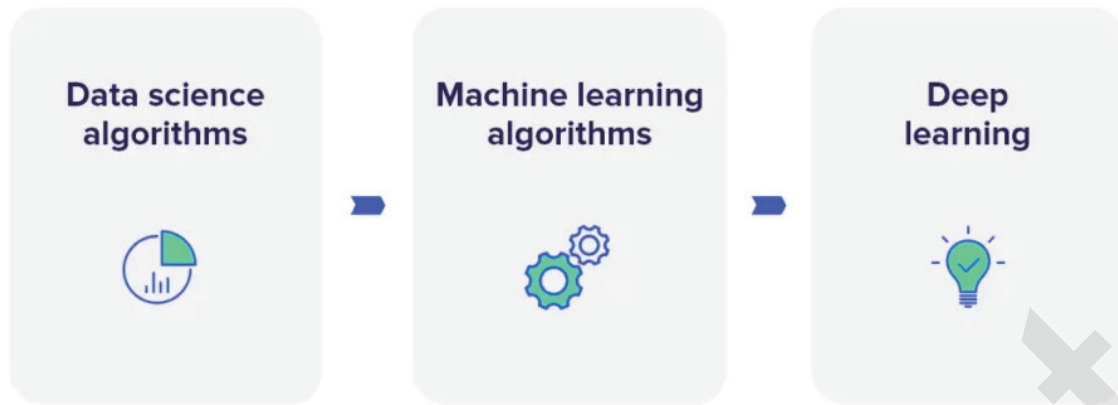
Figure 5: Main directions of AI technology (source: viseven.com [15])

5. CONCLUSIONS

Overall, the text provides a compelling argument for the integration of AI into medication procurement systems. By addressing inefficiencies, reducing errors, and optimizing various processes, AI has the potential to significantly improve the efficiency, accuracy, and cost-effectiveness of medication procurement in healthcare. The examples of real-world implementations underscore the practical benefits of AI, while the discussion of future directions highlights the ongoing potential for innovation in this field. As AI continues to evolve, its role in transforming healthcare systems is likely to become even more pronounced, offering new opportunities for improving patient care and operational efficiency.

Looking forward, the text suggests that the future of AI in medication procurement systems is promising, with ongoing research and development expected to further enhance AI's capabilities. Emerging technologies such as deep learning, blockchain, and advanced analytics will likely play a key role in this evolution, enabling more sophisticated and integrated procurement systems. The emphasis on integrating AI with electronic health records (EHRs) and other healthcare IT systems points to a future where AI-driven solutions will be fully embedded in the healthcare infrastructure, leading to more seamless and automated processes.

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CONFLICT OF INTERESTS

The authors declare no conflict of interest.

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