

The role of Procurement in healthcare to unlock Value Based Health Care

Hans Bax, MBA

Healthcare Procurement Consultant

Senior lead European Value-Based Procurement Community of Practice

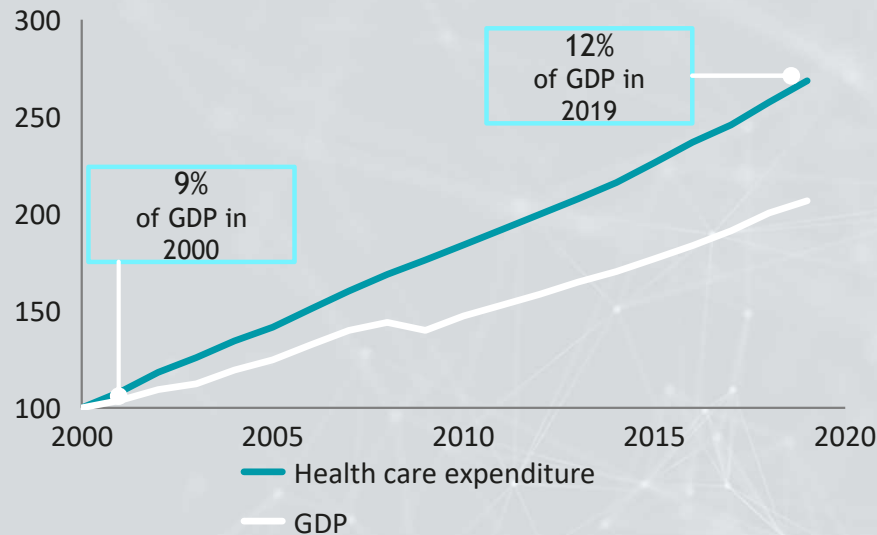
Senior lecturer Public Procurement - NEVI

Healthcare systems across Europe face major challenges

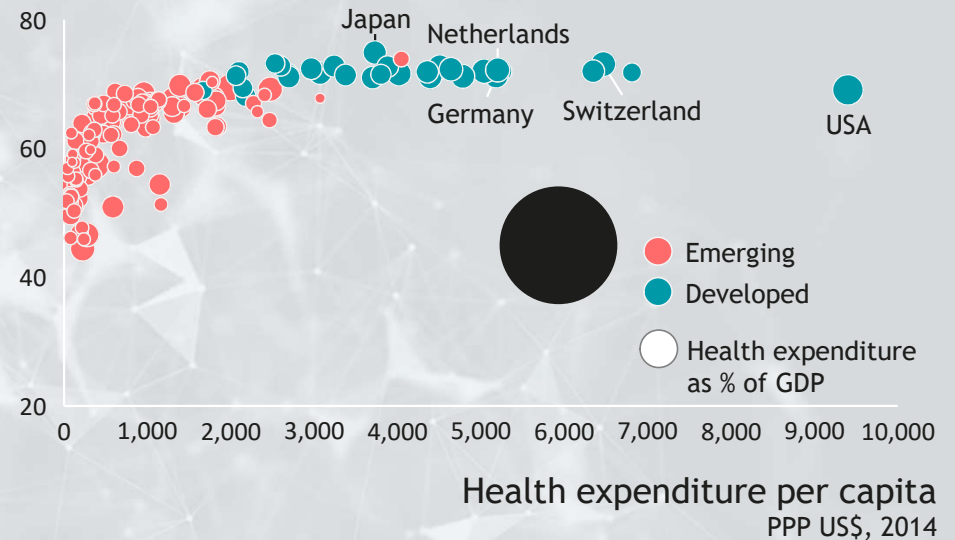
- **Increased demand** because of ageing populations and chronic diseases
- **Nursing staff** workload and shortage
- **Waiting lists**
- **Patient outcomes variations** between hospitals
- **Sustainability**
- **Supply chain disruptions**

Healthcare costs are rising with diminishing returns in outcomes

HC costs across OECD¹; Indexed value (2000=100)



Health-adjusted life expectancy²
Years, 2015



WHO and OECD have estimated that 20-40% of HC spend is wasted

1. Based on 36 OECD countries providing data 2000-2019 2. Health-adjusted life expectancy: Estimates the number of years in full health an individual is expected to live at birth by subtracting the years of ill health (weighted according to severity) from overall life expectancy
Source: OECD Health expenditures and GDP, 2022; WHO, BCG analysis

What drives healthcare and patient outcomes ?

1. Patient/population

What *patient characteristics* might influence outcomes?

- Gender
- Age
- Education
- ...

3. HC system

What is the *provider context* in which care is delivered?

- Size of provider
- Focus of provider
- Teaching hospital
- Discharges per capita
- ...

2. Co-morbidities

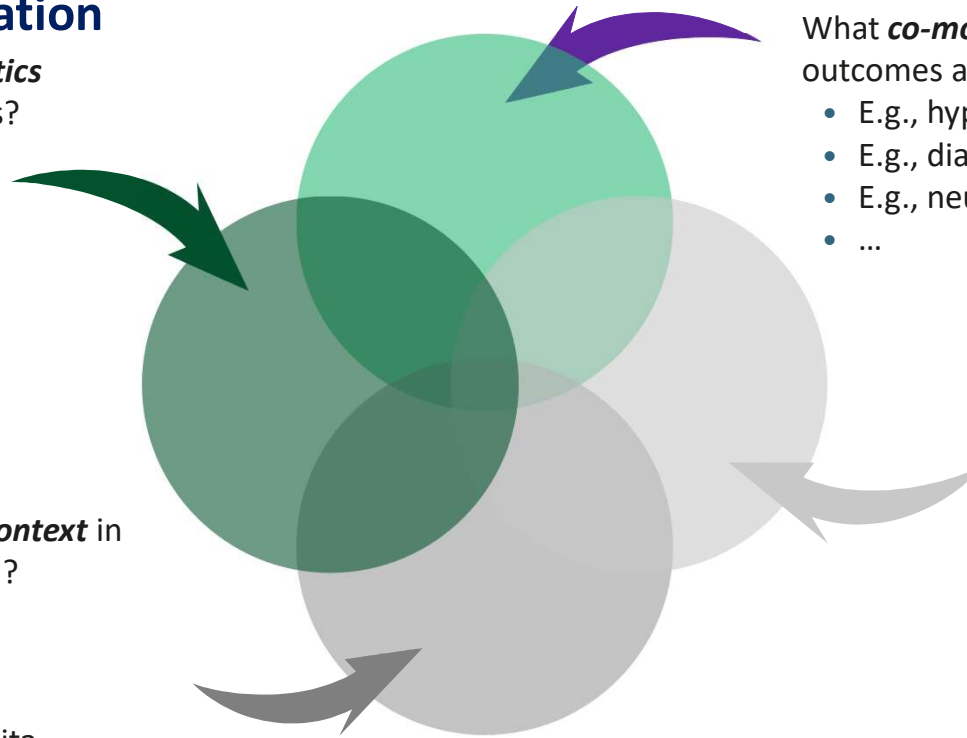
What *co-morbidities* might drive outcomes and cost of care?

- E.g., hypertension
- E.g., diabetes
- E.g., neurological disorder
- ...

4. Care practice

What care *practice variation* between physicians and hospitals?

- Individual skills and experience
- Medical training
- **Medical technologies used**





Limiting 'price-only' in public tenders



With regard to tendering of medical devices, the award should be made on the basis of the most economically advantageous tendering. The price **cannot be the sole award criterion**.
ref. § 127 (1b), Social Code Volume V



The criterion of price only can be used **if products are standardized**, supplies and services below 40.000 € with the exception of innovative products and works below 2 millions €.



Purchases by public authorities to be awarded by the criterion of best price-quality ratio. **Use of lowest price or lowest cost not allowed** or to be extensively motivated.
ref. art. 2.114 AW2012



Purchases by hospitals only to be awarded by the criterion of best value for money, **not lowest price**.
ref. Emergency Ordinance amending Law 95/2006 on health reform, article 581 adopted Feb 2020



Price **only for standardized products or services** for which quality would be the same for all providers or cost (full life costing)



To define the criteria for determining the most economically advantageous tender and their relative weighting, reasonable range or, in exceptional circumstances, the **order of importance of comparison criteria**
ref. Finnish Act on Public Procurement and Concession Contracts



Price cannot be the only award criteria but is allowed for a **maximum weight of 90%**.

'Price-only' awarding still allowed in e.g.



EC Expert Panel opinion on 'Procurement in Healthcare'

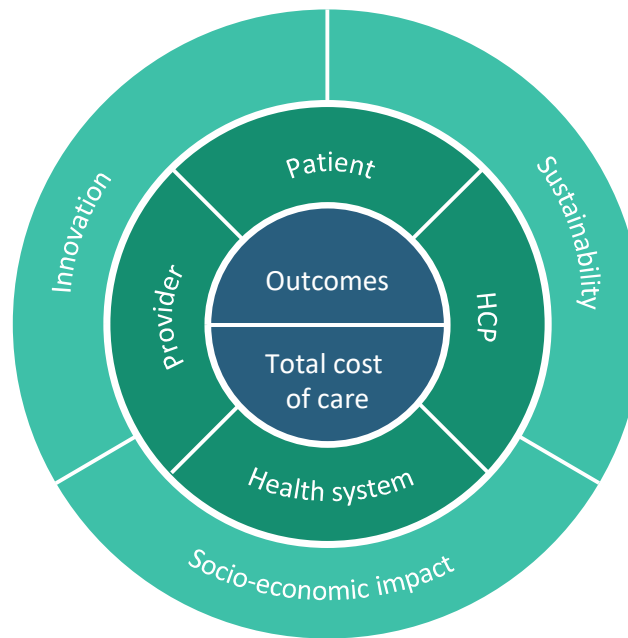


- Procurement is a **means to help to achieve improvements in health**
- Need to **measure patient reported outcome** and experiences measures (PREMs, PROMs)
- Co-produce with patients and frontline providers **non-price measures of quality**

- Procurement as a **means to achieve the goals of the health care sector**, taking into account the **interests of patients**
- Procurement to **promote wider social, economic, and environmental goals**

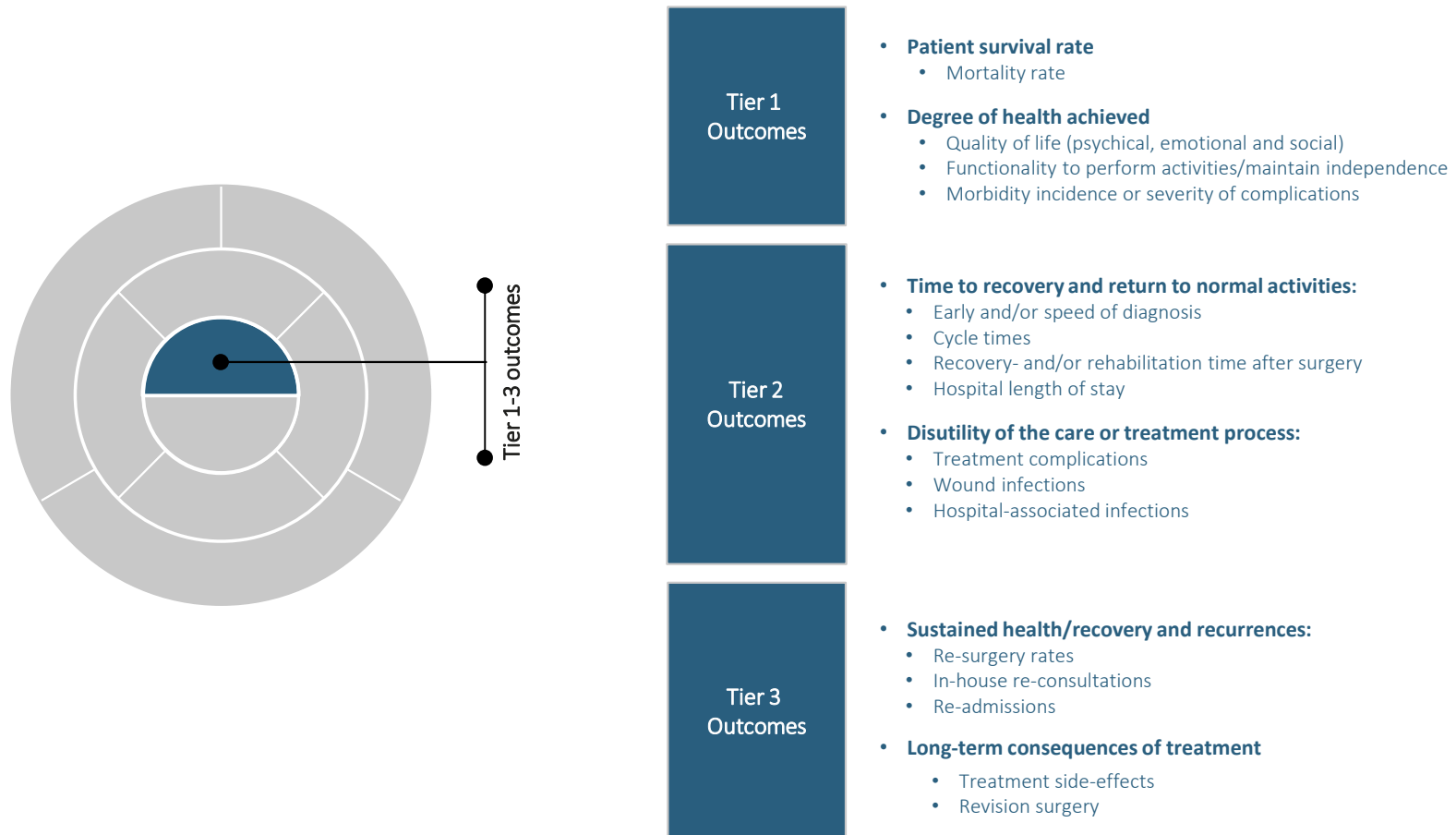
Value-Based Procurement framework

- define what impact to make



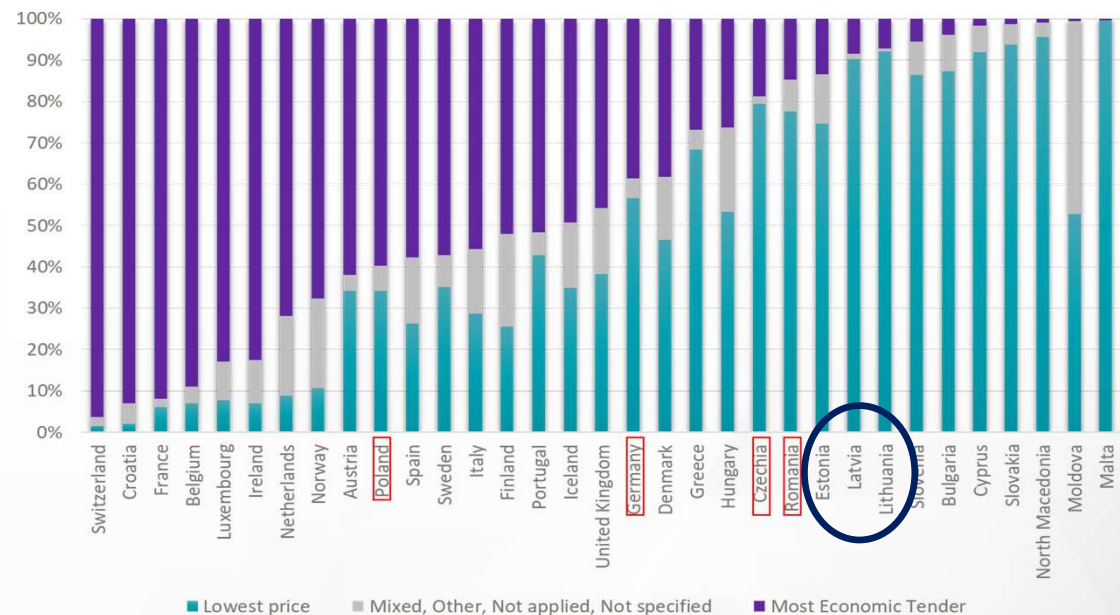
- Patient outcomes and Total cost of care
- Benefits for key stakeholders
- Broader impact on society

VBP Framework - defines the impact on patient outcomes



VBP getting momentum

- Share of **'price-only'** medtech tenders **decreasing**
- Share of medtech tenders incorporating **'patient outcome'** criteria **increasing**
- Several countries applying VBP as a strategic tool to **improve national healthcare delivery**



VBP application across Europe



- Anticoagulation Point of Care solution
- Enhanced recovery for hip fractures
- Integrated care pathway—Musculoskeletal patients
- Care service—MH/LD
- Cataract surgery



- Radiology equipment



- Haemodialysis equipment
- Infusion technology
- Remote patient monitoring in electrophysiology procedures
- Osteosynthesis implants/accessories
- Connected hospital bed services
- Cataract surgery pathway



- Colorectal and bariatric surgery
- Perioperative hypothermia prevention
- Surgical gloves



- TAVI
- Underpads & diapers
- Ritmcore (PM & home monitoring)
- Integrated care technology—several disease pathways



- Cochlear implants
- IV catheters
- Integrated care for stroke patients



- Stents & angioplasty balloon catheters
- Hip and knee implants



- Integrated care technology approach
- Wound care
- Cataract
- Infusion pumps



- Diapers—Incontinence
- Knee implant devices
- Cyclotron IP
- Renal cancer personalized treatment



- Perivascular stents
- Innovative suture material



- Cryoablation atrial fibrillation



- Surgical sutures
- Cryoablation leads



Some EU countries taking the lead

VALUE BASED PROCUREMENT

Delivering Value for Wales
 In ddiwyg gwerth arwa Cymru

placing outcomes at the heart of procurement
 In pwynt canlyniadau cadarn odd ymwyb gaffael

Assessing the value and measuring what matters, using outcome divided by cost and placing clinical and patient reported outcomes at the heart of the procurement decision making process.

Anti Coagulation Monitoring: 476 patients shared GP monitoring. More than 3000 self test kits in equipment savings up to 1.1M.

STOMA: £23M spent annually. More than 12000 patients across Wales. More than 2000 products.

ERAS: 12000 total days potentially released. Median LOS cut from 15 to 7 days. Supplies used only cut 8 days reduction.

Pressure wounds: £3.5m tonnes in data collection. £38 cost per bed. 30 000 beds. 15 suppliers across 10 NHS trusts.

Stroke: Improving treatment required times. 3 operational teams in A&E, 120000 emergency response activation.

IKNZ platform

The goal of the institut is to implement qualitative elements into the public procurement of medical devices & technologies.

We have created a safe environment for knowledge sharing and development.

www.iknz.cz

KVALITA
 UDRZITELNOST
 EFEKTIVITA
 SPOKOJENOST

NHS Supply Chain

Value Based Procurement Project Report and Findings

Brian Mangan FCIPS MSc, VBP Project Lead
 February 2021

Innovation santé 2030

Faire de la France la 1^{re} nation européenne innovante et souveraine en santé

2021 - Conseil stratégique des industries de santé (CISIS)

PHARE innovative public procurement methods based on value

Sophie Carlier
 General Directorate of Care Offer - PHARE program
 French Ministry of Health and Prevention
 September 2022

Value-based healthcare in Catalonia

Challenges and opportunities to contribute to the future

Personalised surgical process for joint replacements

A joint statement of demand for innovation in the joint replacement care pathway to improve patient outcomes



NHS Supply Chain - UK

North Midlands University Hospitals

Urinary catheter
closed-system
insertion

- **CAUTI** rate reduced to **zero**.
- **Savings** of over **£47,000** per annum.
- Reduction in **patient stay**.
- Reduction in **complaints**.
- 78kg of **clinical waste** saved.
- 11kg plastic waste avoided.
- 5 minute per catheterisation **time saving**.

Potential Trust Benefits



80% infection
reduction



£415,200 cost
avoidance



1,200 additional
bed day capacity

* Based on an average of 200 CAUTIs per year

To move forward

1. Understand Procurement is a **key driver** of value to the hospital: Procurement is of strategic relevance
2. Engage **C-level and clinical leadership**: reach out to those having the *interest and influence* to change the procurement approach and support the change
3. Identify **the hospital's (medical) objectives** and area's of **care pathways improvements**
4. Engage your **internal stakeholders**; working in **multidisciplinary teams** is essential
5. Apply the **VBP Framework**; select a limited number of value-based tender award criteria
6. **Data**, data, data
7. **Early supplier involvement** and **market consultations** are essential

VBP Community of Practice – supporting procurers in healthcare

- *Creating Awareness & Sharing Knowledge*
- Annual VBP Conference, Thematic webinars & External speaking opportunities
- Local guides, articles, papers and workshops



5th European Value Based Procurement Conference

Title: **Navigating the challenges and reaching your destination**
- from awareness to application

Venue: **Hotel Le Plaza, Brussels**
www.leplaza-brussels.be

Date: **December 11, 2023**
10am – 5pm CET

Set up: **Keynote speakers and break-out sessions**

Info & registration: www.vbpcommunity.eu





Thank you !

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Email: bax00391@gmail.com

Key challenges to overcome

Time and resource requirements

1. VBP tender process **time and resources consuming**
2. **Other priorities**, like supply chain disruptions, sustainability and short term price reductions
3. **Expertise** on VBP method is generally lacking

Internal factors

1. Procurers **lack insights** into clinical pain points and clinical/patient needs
2. Clinicians **limited involved** in the (public) procurement process
3. Insufficient **general management support**
4. **Lack of data** on outcomes

Medtech supplier readiness

1. **Translating product features & quality into patient outcomes**
2. **Evidence** supporting the value claims