## Value Based Procurement

Hans Bax

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## Hans Bax, MBA

bax00391@gmail.com

Over 25 years international experience in procurement and supply chain management in healthcare

Former:

- Procurement Director - **University Medical Center**, Groningen (NL)
- Country Lead – **GDEKK GPO**, Cologne (GER)

Today:

- Senior Advisor Market Access – **MedTech Europe**, Brussels (B)
- Manager- **Value Based Procurement Community of Practice**, Brussels (B)
- Lecturer Public Procurement & Tender Management - **NEVI**, Utrecht (NL)

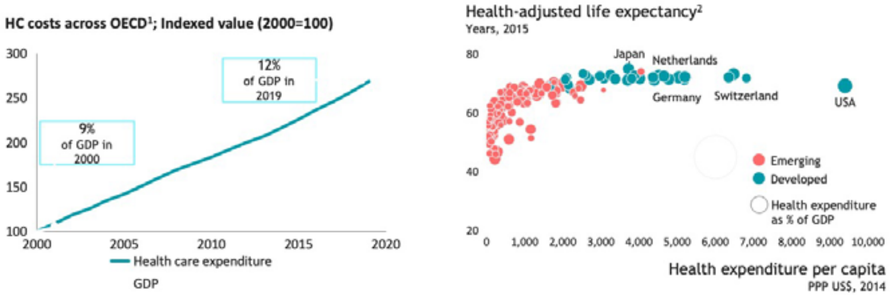
## Healthcare systems across the world face major challenges

- **Increased demand** because of ageing populations and chronic diseases
- **Backlog of treatment cases** caused by COVID-19

- Healthcare professionals **shortage and workload**
- **Access** to healthcare services **and longer waiting times**

- **Patient outcomes variations** between healthcare providers
- Healthcare providers also performing activities that add **little to no value** to patients

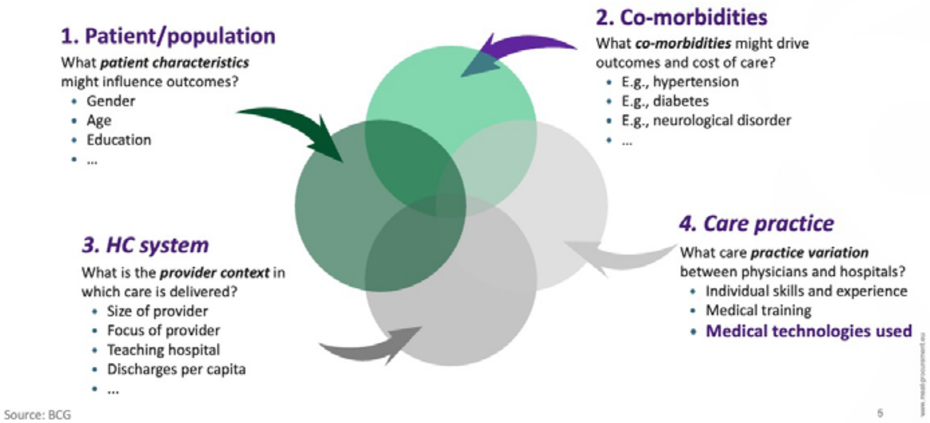
## Healthcare costs are rising with diminishing returns in outcomes




**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

## Health- and patient outcome drivers




Source: BCG

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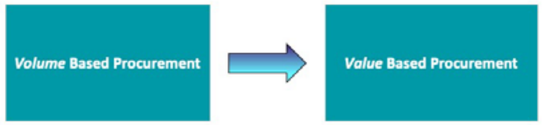
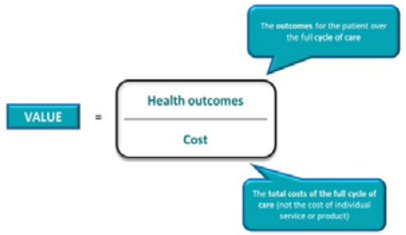
## Value Based Procurement unlocks Value Based Healthcare

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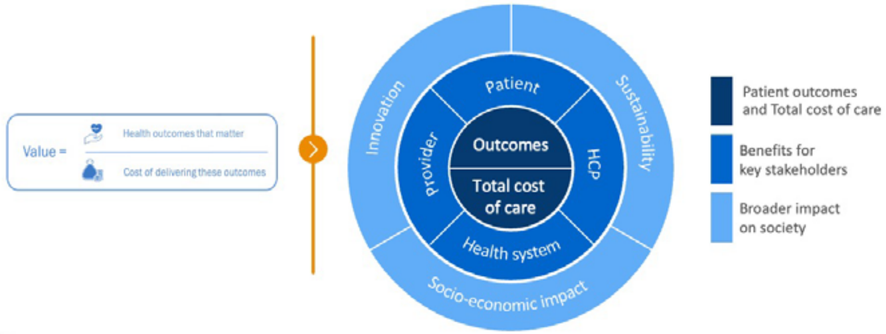
## Value Based Procurement

**Identifying and contracting those medical technologies having the *most impact on (patient-) outcomes, quality of care and total cost of care***

- **Procuring medtech to *create an impact* on improving of efficiency & effectiveness of healthcare delivery**
- **Procuring that specific medical technology (brand) demonstrating the *greatest level of impact***

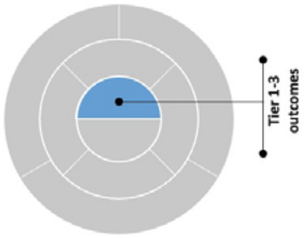
## Value-Based Procurement framework

**- define the impact on outcomes to make**




Disclaimer
The criteria listed in this document provided herein are non-exhaustive and are solely intended as examples for users, including but not limited to buyers and suppliers. These criteria do not encompass all possible factors that may be considered in evaluating awards or decisions, and their inclusion does not guarantee any specific outcome or result. The information provided should not be construed as legal, financial, or professional advice

## Core layer - Patient outcome




**Tier 1 Outcomes**

**Patient survival rate**
- Mortality rate

**Degree of health achieved**
- Quality of life (psychical, emotional and social)
- Functionality to perform activities/maintain independence
- Morbidity incidence or severity of complications

**Tier 2 Outcomes**

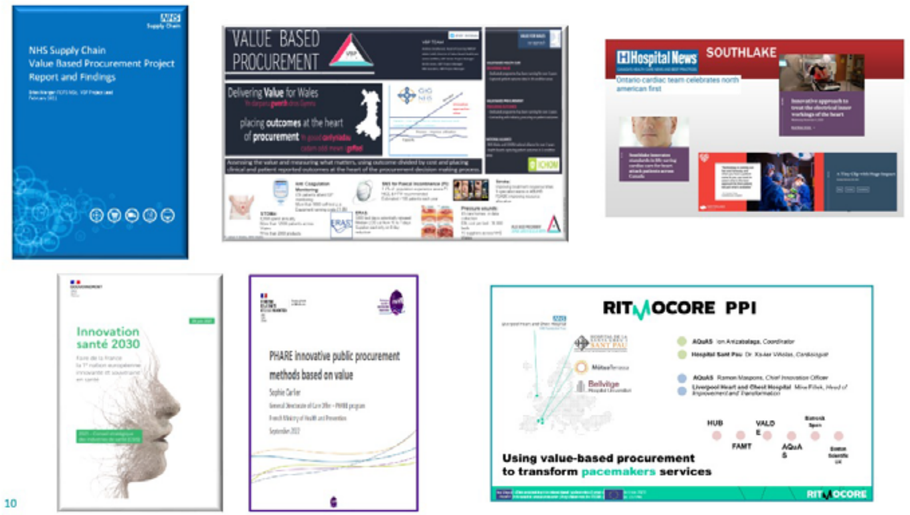
**Time to recovery and return to normal activities**
- Early and/or speed of diagnosis
- Cycle times
- Recovery- and/or rehabilitation time after surgery
- Hospital length of stay

**Disutility of the care or treatment process**
- Treatment complications
- Wound infections
- Hospital-associated infections

**Tier 3 Outcomes**

**Sustained health recovery and recurrences**
- Re-surgery rates
- In-house re-consultations
- Re-admissions

**Long term consequences of treatment**
- Treatment side-effects
- Revision surgery



# Denmark - Knee implants (1)

Region of Southern Denmark

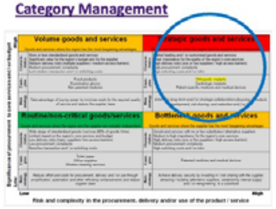
## Key procurement elements

- Knee replacement regarded **strategic service**
- Improvement of **patient outcomes**
- Support and ownership of **clinical management**
- Engaging into a **collaborative supplier relationship**

## Key contractual elements

- **8 year contract** period
- **VBA risk sharing agreement**
- Collaboration on **solutions to improve patient outcomes**
- Collaboration on **streamlining surgery & patient care process**

## Category Management

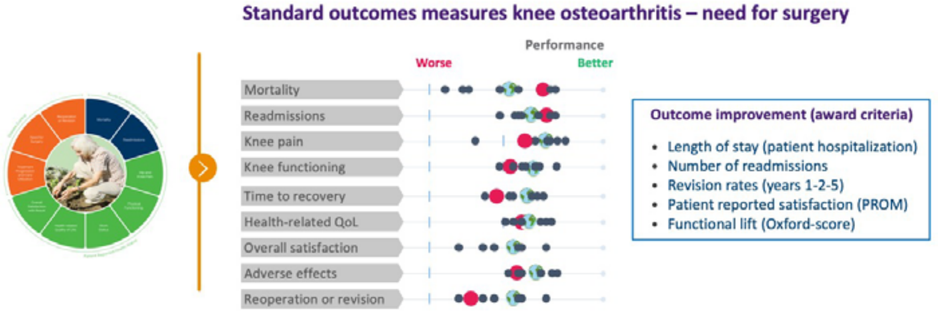



## Tender process

Category strategy Pre-study → Dialogue with market → User group process → Consultation

- **Individual dialogue meetings** with the 6 suppliers adjusted and shaped the patient outputs, development, risk sharing and payment parameters.
- A **consultation** of the **draft tender documents** with written responses from 5 suppliers further sharpened the risk sharing and payment parameters.
- **Open public tender**

# ICHOM Patient Centered Outcome Measures (2)

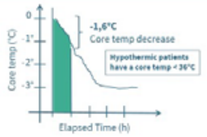


## Denmark - Knee implants (3)

| Outcome award criteria | Total knee arthroplasty | |
|---|---|---|
| **Clinical patient outcome** | **Baseline** | **Results yr 1** |
| Average patient hospitalization time (in hours) | 51.6 | 46.8 |
| Average patient re-admission rate 30 days after discharge | 5.0% | 2.4% |
| Average patient revision rate after 1st postoperative year | 1.7% | N.A. |
| Average patient revision rate after 2nd postoperative year | 2.0% | N.A. |
| Average patient revision rate after 5th postoperative year | 4.1% | N.A. |
| **Patient reported outcomes** | **Baseline** | **Results yr 1** |
| Very satisfied reported total outcome 1 year after surgery | 65% | 66% |
| Satisfied or better reported total outcome 1 year after surgery | 85% | 96% |
| Very satisfied reported functional lift 1 year after surgery | 65% | 60% |
| Satisfied or better reported functional lift 1 year after surgery | 85% | 95% |

# France: Hypothermia Management

## Patient core temperature drop during anesthesia




## Problem identification at HC Lyon (pilot site)

UniHA

HCL

**60%**

Patients hypothermic on arrival in the recovery room

## Complications


## Objective

**IMPROVE PATIENT NORMOTHERMIA RATE**

Comprehensive solution to keep patient core temperature above 36.5°C along the peri-/post-operative process

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Source: uniha.org

## UK: NHS Supply Chain (1)

NHS Supply Chain

| NHS Provider | Care pathway | Product | Impact |
|---|---|---|---|
| **Manchester University** | Parotid surgery | Tissue glue | *Replacing stapling/sutures and wound drain):*<br>Reduction length of stay (2,5 days -> day case)<br>Improving patient flow<br>Reducing patient discomfort<br>Total cost reduction (UKP 75k) |
| **Oxford University Hospitals** | Intravenous antibiotic therapy | Elastomeric pump | *From hospitalisation to home antibiotic treatment:*<br>Reduction length of stay (1.143 bed days; 360k)<br>Increased patient satisfaction |
| **North Midlands University Hospitals (*)** | Urethral catheterisation practice | Urinary catheter closed-system insertion | CAUTI reduction (100%)<br>Nurse time savings (83hrs on 1.000 procedures)<br>Total cost reduction (UKP 100k on pilot site)<br>Waste reduction |

## UK: NHS Supply Chain (2)

NHS Supply Chain

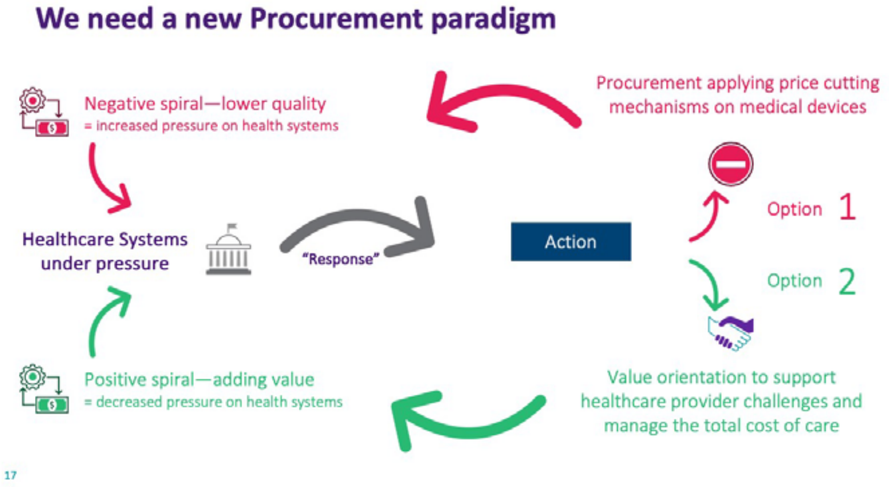
**North Midlands University Hospitals**

**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


* Based on an average of 200 CAUTIs per year



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- Messa a disposizione del pubblico, in un sistema di reti telematiche, mediante connessioni di qualsiasi genere, di un'opera dell'ingegno protetta, o di parte di essa (art. 171, legge n.633/1941 comma 1 lett. a) bis)
- Reati di cui al punto precedente commessi su opere altrui non destinate alla pubblicazione qualora ne risulti offeso l'onore o la reputazione (art. 171, legge n.633/1941 comma 3)
- Abusiva duplicazione, per trarne profitto, di programmi per elaboratore; importazione, distribuzione, vendita o detenzione a scopo commerciale o imprenditoriale o concessione in locazione di programmi contenuti in supporti non contrassegnati dalla SIAE; predisposizione di mezzi per rimuovere o eludere i dispositivi di protezione di programmi per elaboratori (art. 171-bis legge n.633/1941 comma 1)
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- Mancata comunicazione alla SIAE dei dati di identificazione dei supporti non soggetti al contrassegno o falsa dichiarazione (art. 171-septies legge n.633/1941)
- Fraudolenta produzione, vendita, importazione, promozione, installazione, modifica, utilizzo per uso pubblico e privato di apparati o parti di apparati atti alla decodificazione di trasmissioni audiovisive ad accesso condizionato effettuate via etere, via satellite, via cavo, in forma sia analogica sia digitale (art. 171-octies legge n.633/1941).

**Torna all'inizio**