



2nd European Value-Based Procurement Conference

Partners for resilient and high-quality health care

Online conference, 1 December 2020

Supporting partners



EVENT REPORT

Summary

By focusing on value, including cost of care and outcomes criteria from multiple perspectives, EU procurement authorities can play a strategic role in delivering better quality care more efficiently. Several healthcare providers are testing new approaches to value-based procurement (VBP). Partnership and sharing experience are essential to developing and implementing VBP in the EU. Conferences, workshops, and ongoing collaboration among stakeholders have a key role to play.

The [2nd European Value-Based Procurement conference](#) was organised by the Value-Based Procurement Community of Practice (VBP CoP) and supported by the European Health Public Procurement Alliance ([EHPPA](#)), the European Regional and Local Authorities ([EUREGHA](#)) and [MedTech Europe](#) on 1 December 2020. This virtual event was attended by more than 250 delegates from procurement agencies, companies, government officials, European industry representatives, academics, and other healthcare stakeholders.

The conference explored the legal, technical and cultural challenges to widespread adoption and implementation of value-based (innovation) procurement. While the COVID-19 pandemic has slowed progress on many VBP projects, the crisis sparked acceleration in some areas including the procurement of innovative solutions. The pandemic also exposed inefficiencies, showed the value of resilient supply chains, and highlighted the need to make partnerships and a value-driven approach the norm across Europe.

Developing new skills, rewarding outcomes and cost of care gains, and enhancing the use of value-based agreements will play a central role in the wider adoption of innovative approaches to procurement. The VBP Community of Practice can catalyse this transition.

This document summarises some of the key themes addressed during a meeting of senior leaders of procurement organizations, procurement experts from hospitals, authorities and industry. It is designed to be shared with interested parties; and to encourage all players to engage in an ongoing dialogue and partnership about the future purchasing models for medical technologies and solutions in healthcare.

About the Value-Based Community of Practice

The VBP Community of Practice aims to bring procurers, their leadership and medtech industry representatives together and to engage with health care providers, health authorities, knowledge partners and other stakeholders with a common interest in VBP.

The VBP Community of Practice is a community of natural persons showing a high level of engagement in VBP and a drive to change current procurement practice to a value-based approach. It provides a networking platform for exchange of expertise, experience and initiatives. The VBP Community of Practice is not a legal body, but this may evolve over time when of added value. The VBP Community of Practice does performs its activities compliant with legislative requirements (e.g. GDPR, Competition- and Procurement laws as well as advice by the legal representatives part of the Community).

In order to further support and build on its activities the VBP Community of Practice cooperates with partner organizations. A distinction is made between three types of partner organisations: Supporting partner, Knowledge partner and Founding partner. More detailed information is available [here](#).



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1. Introduction

Value-based procurement (VBP) is a collaborative, multidisciplinary approach to partnering for patient-centric, better quality and more financially sustainable healthcare. VBP involves pursuing better outcomes for patients and other healthcare actors while optimising the cost of delivering care. It represents a shift away from the traditional focus on price of supplies (inputs), towards a new approach that emphasises what is valued (outputs). This approach is aligned with the 2014 EU Public Procurement Directive which seeks new methodologies to identify the best quality-price ratio for Most Economically Advantageous Tendering (value for money)¹.

To accelerate the adoption of VBP, dialogue between stakeholders and the sharing of best practice is essential. The 2nd European Value-Based Procurement conference, organised by the Value-Based Procurement Community of Practice (VBP CoP) and supported by the European Health Public Procurement Alliance (EHPPA), the European Regional and Local Authorities (EUREGHA) and MedTech Europe, brought together European stakeholders to discuss the shift to a value-based approach that will put patient benefits at the centre of purchasing decisions. More than 250 delegates from 140 organisations registered for the event. The procurement organisations represented at the conference serve 3,300 institutions providing care, of which 2,200 hospitals.

2. Setting the scene

Much has changed since the 1st VBP Conference in December 2019. The COVID-19 pandemic has had a significant impact on the pace of change in healthcare procurement: progress in some areas has slowed, while the critical role of procurement and the adoption of innovative solutions has been unprecedented. Healthcare stakeholders, authorities and systems are now looking to the long-term impacts of COVID-19. There is an opportunity to build on the positive lessons learned during the initial response, but services will be under severe financial pressures while the wider economy recovers.

‘Money will be tight so the role of public services in the economy will be important,’ said **Nick Batey**, President at **EUREGHA** and Deputy Director Digital Healthcare at the **Welsh Government**. He said Most Economically Advantageous Tendering (MEAT) will have a greater role to play and it is essential that the Value-Based Procurement Community of Practice continues to share examples with this approach. Despite the challenges that lie ahead, he called on partners to look forward with ambition. This was echoed by **Mario Comba**, Chair European Health Public Procurement Alliance (**EHPPA**). ‘By sharing our experiences, we have an opportunity to build on each other’s best ideas and develop new ones,’ he said. He said healthcare procurement is different to other types of public procurement, not just because of the economic implications, but because the patient is at the centre.

1) Source: European Commission website: https://ec.europa.eu/growth/content/new-eu-public-procurement-rules-less-bureaucracy-higher-efficiency-0_en



Serge Bernasconi, Chief Executive Officer, **MedTech Europe**, said the Community of Practice can help to make value-based procurement the norm, but there is still a lot of work to do to convince decision-makers to embrace this approach. He said the crisis had shown that the system can be fragile but is capable of responding quickly when necessary. ‘Going forward, the most instinctive way we can progress in, is to put value-based procurement at the centre of how we operate, inside and outside crises.’ He said many companies were embracing the principle of VBP but, in a large and diverse industry, some were still focused on older approaches. To make VBP the norm, the procurement community also has room to improve and a political shift is also indispensable’.

Summary box

- COVID-19 pandemic has slowed progress on VBP programmes but showcased the importance of partnership – this is key to successful VBP
- The crisis sparked acceleration in some areas e.g. innovative solutions
- As public finances tighten, value will be central to ensuring high value quality care is obtained in the most economically advantageous ways
- A Community of Practice can make VBP the norm

3. Keynote: How policy can foster value-based healthcare

In a keynote address, **Dr Rifat Atun**, Professor of Global Health Systems, **Harvard University**, looked at how health systems performed in 2020 and highlighted the potential for the G20 Healthcare Initiative to accelerate progress on procurement. While health systems in Europe, the US and South America are classed as high-performing, the COVID-19 outbreak revealed many to be inefficient and inequitable. At a time when effective supply chains were most needed, procurement was ‘shambolic’, he said. ‘In healthcare, we have asymmetric innovation: incredibly innovative diagnostics, devices and medicines on the one hand, but innovation on the care delivery side has faltered.’ Prof Atun said Europe is ‘captured by broken systems which need to be transformed,’ adding that procurement is an important instrument for change.

Current procurement practices remain highly fragmented and do not function as coherent systems. He said the G20’s statements on transitioning to more integrated health systems could be a ‘game-changer’. It offered political support for harnessing innovation in patient pathways and value-based financing. Critical components of value-based health systems include digital systems with real-time analytics, risk adjustment, bundled care, outcome-based payment models, integrated provider networks, and behaviour change. He stressed the need to move from concept to content, and from tactical projects towards strategic investment. In some countries, procurement regulations will need to be updated to focus less on commodities and more on purchasing innovative solutions. Some regions and countries have shown what is possible, he said, urging stakeholders to invest the required time and resources in co-designing new models that suit their health systems.

G20 backs Global Innovation Hub for Improving Value in Health

The G20 has expressed support for initiatives to improve value in health systems. The new innovation hub is supported by the WHO which has published [a paper](#) on the topic. WHO calls for a 3D approach to priority setting: data, dialogue, decision.

- **19 November 2020:** G20 Health Ministers support creation of new ‘hub’
- **21-21 November 2020:** G20 Leaders statement backs value-based approach



4. Innovation in healthcare delivery

Fostering dialogue and engaging into value-based partnerships between health care providers and suppliers improve patient outcome and facilitate the management of the total cost of care delivery. Several experts shared their view on this topic.

Value-based innovation procurement and value-based agreements can transform healthcare delivery. Pioneering work is being done across the EU at local, regional and European levels. COVID-19 delayed progress on some key projects as staff were redeployed and key meetings were postponed. However, the pandemic has highlighted the importance of value-based procurement, said **Lars Dahl Allerup**, New Business Development Manager at Corporate Procurement, **Capital Region Denmark** and co-founder of **Rethink Value**. 'We have all been pushed to think of value in a more sophisticated way; to work in public-private partnerships on everything from Personal Protective Equipment (PPE) to testing equipment,' he said. 'Now we are looking at how we can grow that mindset and skillset.' Mr Dahl Allerup leads a consortium developing a digital model to measure costs, value, and socioeconomic impact of procurement.

The value-based approach to tenders taken in Catalonia helped it to react to the crisis, according to **Ramon Maspons Bosch**, Chief Innovation Officer, Agency for Health Quality and Assessment (**AquAS**), **Government of Catalonia**. Political support and a commitment to adopting innovation have made Catalonia a frontrunner in value-based procurement. 'It cannot be an occasional fad – a medium and long-term vision is needed to ensure sustainability,' he said. While some governments are reluctant to embrace the level of change required, industry can also struggle with the shift from a device-centred approach to a disease-driven approach. Not all companies have invested in demonstrating the value of their solutions. Catalonia has twice faced legal challenges to its value-based tenders. On both occasions, the court supported the government's approach, indicating that value-based procurement is here to stay.

In Wales, authorities are pushing to embed value-based procurement as a 'business-as-usual' activity rather than a standalone concept. **Jonathan Irvine**, Director of Procurement and Health Courier Services, **NHS Wales**, said all procurement should strive to improve quality of life for the population of Wales. In addition to core technical skills, procurement officials need to think more broadly about the whole patient pathways. 'Some future procurement leaders may not come from purely professional procurement background,' he said. 'We need to take the blinkers off and be more open to wider skillsets and professional outlooks.' Technical knowhow will also be increasingly important. Data analytics can be used to track patient outcomes and experience, according to **Claire Salisbury**, Assistant Director of Procurement Services, **NHS Wales Shared Services Partnership**. Services in Wales are working with industry to develop IT systems that will support a remote-monitoring tool.

Systems for measuring outcomes are essential to value-based agreements which reward suppliers if specific targets are met. **Laurent Storme**, Associate Director, Med Tech Commercial, **Boston Consulting Group**, said these agreements help to address uncertainty by linking payment to actual performance. He said there is a spectrum of five main types of value-based agreements. These range from simple process-based discounts to fully integrated care provision. In the latter, the medical technology company takes on care provision with reimbursement from the payer. 'The key to success is clearly defining the problem you want to solve, securing buy-in from all stakeholders, and being reasonable and pragmatic throughout the process,' he said.

5. Towards a new partnership model

The transition from transactional relationships towards value-based partnerships requires new thinking on all sides. However, by fostering dialogue and engaging in value-based partnerships, health care providers and suppliers can improve patient outcomes and manage the total cost of care delivery.

Norway has advanced this partnership approach over several years and reaped the benefits early in the pandemic as they already had strong relationships between industry and procurement authorities. 'We're not enemies, we are partners. That requires a mindset shift from everybody,' said **Kjetil Istad**, Managing Director **Sykehusinnkjop HF** & Vice-president focusing on Value-Based Procurement for **EHPPA**. 'If you establish openness and build trust, it makes it easier when you start precompetitive dialogue as part of a tender.' Stakeholders in Norway sit together every year to look at the shared challenges that lie ahead.



Regions and countries with the strongest public-private partnerships performed best during the crisis, according to **Dr. Meinrad Lugan**, Member of the Board **B.Braun SE**; Chairman of the Board of (German Medical Technology Association) **BVMed**. However, despite examples of progress, most tenders are still price-driven, he added. Dr Lugan argued that it is time to bring MEAT to the next level. In light of shortages of PPE and other essential products, more focus should be given to security of availability. ‘PPE has not been manufactured in Europe in recent years because the focus has been on price. But if the supplier cannot fulfil the contract, it is worth nothing.’

For large hospitals, working with medtech suppliers can help to generate data on the value of innovative solutions. **Rodolphe Eurin**, CEO, **Hôpital de La Tour**, Geneva, said his hospital’s Smarter Medicines project helped to reduce unnecessary interventions. ‘For example, we put dashboards in place to help doctors monitor how often certain diagnostics were prescribed,’ he said. ‘It has helped us to show insurers we are serious about value.’ The mission of hospitals is to improve quality of life, he added. ‘Our priority is continuous improvement on outcomes. We shouldn’t be afraid of transparency; it can help us to do better for patients.’

Hospitals need technical support on how to implement value-based contracting. Resah, a central purchasing body for a network of hospitals in France, has published a guidance document in [French](#) and [English](#) to better monitor performance, manage supply risks, and train procurers to adapt their practices to VBP. ‘We need to improve the way we monitor and measure outcomes,’ said **François Capitain**, Project manager, **Resah**. ‘Now is the time for hospitals to change practice to better assess the total cost and value of what they are buying.’

This new way of thinking and working can be complex and requires preparation. **Virginie Dor**, Partner **CMS DeBacker**, has compiled [some key tips to help procurement authorities and companies navigate the legal aspects of value-based procurement](#). To minimise the risk of legal problems, authorities should ensure that they ‘follow the rules of the game’. Competitive dialogue can take time to prepare but is beneficial if done openly and professionally. ‘Transparency is vital,’ she said. ‘Be prepared, be transparent, be concrete.’

6. Early adopters

The VBP Community of Practice offers opportunities to learn from leading procurement authorities and suppliers. The Conference provided a chance to hear from, and interact with, seven experts on the challenges and benefits of value-based projects.

Knee implants: The region of Southern Denmark launched a patient-centred improvement model focusing on data-driven innovation, patient-experience outcomes and streamlining. Patient outputs, risk sharing, and payment parameters were shaped through individual dialogue meetings with suppliers. ‘This value-based agreement aims to reduce length of stay, readmission and revision rates, while improving overall patient satisfaction and functional outcome,’ said **Karsten Kirkegaard**, Senior Category Manager **Region of Southern Denmark**.

Implantable pacemakers: RITMOCORE is a public procurement of innovation (PPI) project funded by the EU under Horizon 2020. It assessed the evolution of how patients in need of an implantable pacemaker are treated. Its goal was to move from conventional purchasing of devices to innovative service provision. ‘Alignment of stakeholder interests in the long-term increases efficiency along the full care path, optimising the use of resources,’ said **Sofía Moreno Pérez**, Procurement Coordinator, **RITMOCORE project**.

Cyclotron innovation procurement: A value-based approach was taken to on-site production of radioactive O-15 PET/CT tracer. Bispebjerg-Frederiksberg Hospital, in collaboration with GE Healthcare, reduced costs by more than 30%, reduced waste, and ensuring a stable supply chain of tracer for PET/CT scanning. ‘The hospital became the first to take this product into clinical operation and has built a strategic R&D partnership for future development,’ said **Lars Dahl Allerup**, New Business Development Manager at Corporate Procurement, **Capital Region Denmark** and co-founder of **Rethink Value**.

Haemodialysis equipment: The Alrijne Zorggroep in the Netherlands took a value-based approach to purchasing state-of-the-art haemodialysis technologies. Key outcome criteria included safety for patients and providers, user-friendliness, and compliance with national quality standards. Efficiency of treatment and total cost of ownership were considered, along with environmental criteria.



‘The award criteria were translated into monetary value and added to, or subtracted from, the supplier’s total cost offering. This enabled the contracting authority to determine the most advantageous tender,’ said **Hans Bax**, Senior Advisor MEAT VBP to **MedTech Europe**.

VBP in supply chains: The NHS has developed several case studies to demonstrate how VBP can deliver value. Eight of the 13 pilots showed clinical and efficiency benefits in areas including wound care, ward-based consumables, endoscopy and endourology, cardiology and capital equipment. ‘NHS needs assurance from suppliers to substantiate their claims. This will aid VBP adoption,’ said **Brian Mangan**, Value Based Procurement Project Lead, **NHS Supply Chain**. ‘VBP should deliver tangible, measurable benefits that make a positive impact on patient care and increased efficiency.’

Infusion pump technology: Zuyderland Medisch Centrum applied a value-based approach to the procurement of infusion pump technology. Their goals were to ensure medication safety and to future-proof their system by having one infusion pump for all purposes. ‘Our advice is to focus on functionality, feasibility, and reliability rather than seeking to specify every possible detail in the tender,’ said **Maurice Janssen**, Clinical Physicist, **Zuyderland Medisch Centrum**.

Atrial fibrillation: La Tour Hospital and J&J collaborated on an outcomes-based approach to atrial fibrillation ablation via navigated catheter. Their key criteria were to reduce ‘redo’ procedures within one year and reduce total cost of care. The project also aimed to increase satisfaction among patients, healthcare professionals and payers. The broader impact on society was also considered. ‘We saw cultural change among clinical staff and J&J employees who were inspired by this innovative partnership,’ said **Roman Iselin**, Country Lead Medical Devices Switzerland, **Johnson & Johnson**.

The posters highlighting the main elements of these seven cases are available in annex 2 of this report.

7. Journey of change

Broad implementation of VBP across European healthcare is a multi-year journey.

While some progress has been made in establishing VBP as the norm, significant variation remains across Europe. An initial group of health systems are highly committed to embedding value. Stand-out examples include NHS Wales, the Capital Region of Denmark, the Catalan Health System, and the Dutch Healthcare Authority. There are further examples of quality-based contracting from Denmark and in large hospital groups in France. Both health care providers and medtech companies recognize the importance of value based procurement and those suppliers and procurers, who have used it are very enthusiastic about this approach.

An analysis of the TED EU tender database reveals an east-west divide in Europe, with Western European countries ahead when it comes to using MEAT criteria in tenders. Frontrunners include Ireland, Denmark, Belgium, Spain and the Netherlands. Norway and Italy were also in the leading group based on the very low weighting they give to price criteria in tenders. The analysis of the TED EU tender database also shows that the number of tenders in which a low weight (< 30%) has been allocated to the price criteria has grown substantially in Western Europe between 2016 and 2019. ‘There is still a lot to do in terms of readiness and skill development,’ said **Goetz Gerecke**, Managing Director and Senior Partner, **Boston Consulting Group**. ‘But, for those who have invested in these new approaches, we have seen a positive impact in terms of generating value.’

The [VBP Community of Practice](#) can play an important role in increasing knowledge, usage and implementation of value-based procurement across Europe. It aims to bring procurement authorities and medical technology industry experts together to improve current healthcare procurement practices for the benefit of patients. ‘The VBP CoP is a community of people, not organisations,’ explained **Hans Bax**, Senior advisor VBP at **MedTech Europe**. The community is developing all kinds of supportive material, tools and training programmes, but also supports pilots and the exchange of knowledge and experience. Subscription is free for procurers and representatives of the procurement department of a healthcare provider organization, public procurement organisation or group procurement organisation.



VBP CoP offers

- Access to the VBP toolkit and supportive documents: <https://vbpcommunity.eu/ResourceLibrary.html>
- European network to exchange experiences and learn from others
- Support the development and adoption of VBP in practice

Looking ahead, the VBP Community of Practice will continue to engage with its members, its partner organizations and with the broader community of those with an interest in VBP through publications and events; to educate through training and workshops; to collaborate through seminars and peer-to-peer exchanges; to learn via deep-dive case studies and publishing guidance; and to continuously enhance its toolkit of guidelines and FAQs. ‘The Community of Practice is growing and helping to expand members’ skillsets. It’s a place to engage,’ said **Yves Verboven**, Director Value, Access and Economic Policies, **MedTech Europe**. ‘The VBP Community of Practice is ready to start demonstrating the concrete impact of this collaboration.’

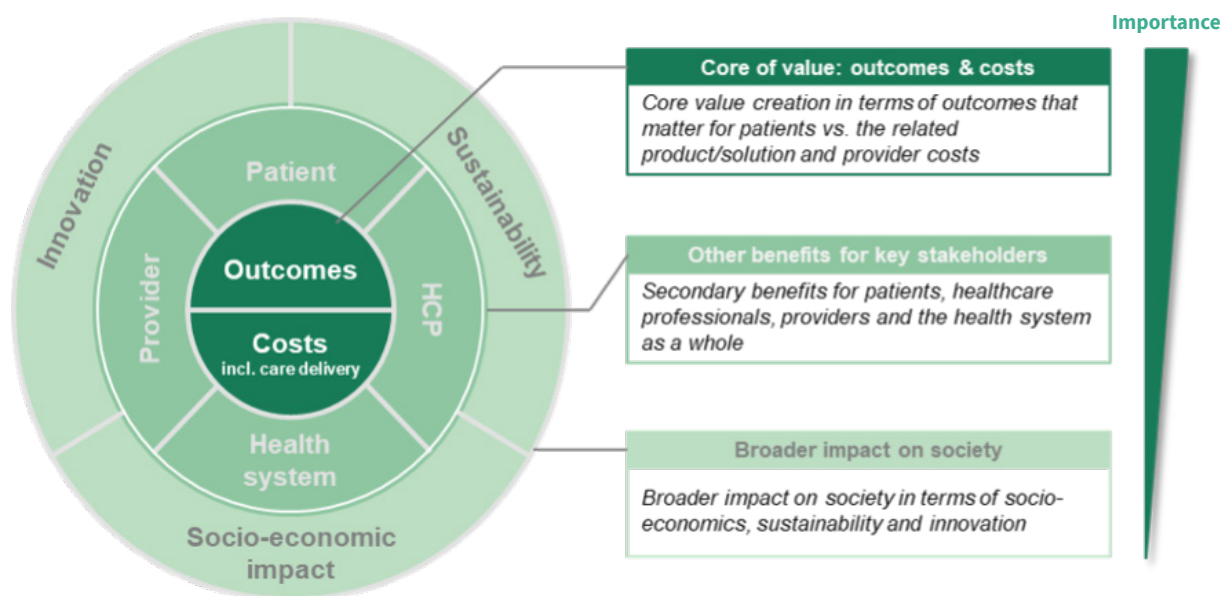


ANNEX 1

The 2014 European public procurement legislation requires contracting authorities to base the award of contracts on the most economically advantageous tender (MEAT). Implementing (MEAT) value-based procurement promises to deliver more value for patients, healthcare professionals, providers, and for the health system, while also helping to foster innovation.

MEAT Value-based procurement initiative

MedTech Europe, in partnership with The Boston Consulting Group (BCG) and procurement experts, compiled procurement best practices and a framework to guide (MEAT) value-based decision-making. The system includes criteria covering outcomes that matter to patients, total costs, other benefits for key stakeholders and broader impact on the society.



Source: The Boston Consulting Group (BCG)

To facilitate the implementation of this approach, a simple Excel spreadsheet has been built; this tool is easily customisable for the evaluation of medical technologies, services or solutions.

The framework and excel tool can be requested at info@meat-procurement.eu



ANNEX 2

The Conference provided a chance to hear from, and interact with, seven experts on the challenges and benefits of value-based projects. The 7 posters presented during the event are below. For more information on these projects, please also refer to section “Early Adopters” (page 5 of this report).

Knee implants Value Based Agreement - Region of Southern Denmark

Context & objective

Region of Southern Denmark: **patient-centered improvement model** with focus on data driven innovation, patient-experienced outcomes & streamlining. Knee replacement is a strategic service

Contract renewal (8 yrs) required for primary knee replacement implants at Vejle Hospital. Objective to improve patient outcomes

Clinical and administrative **ownership** within hospital & **involvement** of clinical staff

Tender

Individual **dialogue meetings** with suppliers adjusted and shaped the patient outputs, development, risk sharing & payment parameters

Consultation of draft tender documents with written responses from suppliers further sharpened risk sharing and payment parameters

Open tender completed in early 2018 **stryker**

Value-based agreement objective

Mitigate risk of new knee implants not delivering value in line with the current patient outcomes

VBA-elements

- Outcome**
 - Length of stay
 - Number of readmissions
 - Revision rate within 2 years
 - Overall patient satisfaction
 - Functional outcome
- Target value baseline** defined based on current outcomes
- Metrics being monitored**
 - Number of primary procedures
 - Patient hospitalization time
 - Number of readmissions
 - Number of revision procedures
 - Patient satisfaction (PROM)
 - Functional lift (PROM)
- Cohort of patients defined**
All patients undergoing primary knee replacement surgery at Vejle Hospital
- Financial specifications**
 - Prices adjusted based on actual performance (+/- 17% for following year)
 - Free knee revision implants to treat patients exceeding the maximum target value or the supplier's promised better revision percentage

Key success factors


- Start market dialogue well in advance
- Well-planned clinical implementation involving all relevant clinical staff
- Metrics based on existing data delivered to national clinical patient databases

Region of Southern Denmark

Patient outcome parameters	Total knee arthroplasty	
	Baseline	Results 2019
Clinical patient outcome in 2019		
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 1 st postoperative year	1,7 %	N.A.
Average patient revision rate after 2 nd postoperative year	2,0 %	N.A.
Average patient revision rate after 5 th postoperative year	4,1 %	N.A.
Patient reported outcomes in the start-up period in 2018		
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 %

THE TARGET

Symptomatic **bradycardias**, these patients are usually treated with an implantable **pacemaker**



THE RITMOCORE MODEL

Remote Monitoring: If something gets wrong my healthcare team will be alerted

GP Doctor: Kept informed of my health status and ACTIVE supervision

Face-to-face Visit: Specialists: Only if clinically relevant

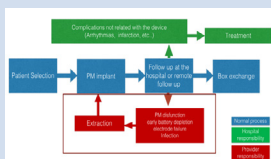
Information & Training: If doubt or fear, both for me and my caregiver

Treatment: The most appropriate, and advanced

VALUE BASED HEALTH

Our payment model :

- Pay per services not per devices
- Pay per population not per activity
- Outcome based payment
- Participation in economical consequences of complications



THE PROBLEM

- Limited HUMAN RESOURCES
- Growing Number of PATIENTS
- Limited use of REMOTE MONITORING
- Limited FINANCIAL RESOURCES
- Limited Self-care and knowledge of their condition by patients
- Poor CARE INTEGRATION
- PRICE-BASED Device Purchase
- Limited Access to LATEST TECHNOLOGY


THE FUNDAMENTALS

VALUE BASED HEALTH SERVITIZATOR PATIENT CENTERED CARE

Alignment of interests for all stakeholders in the long term

Increasing efficiency along full care path for the best care possible with available resources

Outcome value index



Outcome payments reflect the service provider influence on the outcome. The more the outcomes depend of the services provided, the less variability is allowed

KPI results compensate in each pillar, but not among pillars Clinical KPIs

5% of overall contract



Public-Private Innovation: on-site O-15 cyclotron The Capital Region of Denmark

Key value criteria used Value impact on stakeholders

Outcome focus

- Stabilizing the supply chain
- Same or better clinical outcome at lower cost

Cost of care focus

- Lower cost through the patient care pathway
- Workflow efficiency
- Staff time/consultation

Benefits for key stakeholders

- Staff availability
- Supply chain resilience
- Upgraded staff skill-set

Broader impact on society

- New product category
- Stable supply chain reduces cancellation of examinations
- New technology developed through shared funding and shared risks

Value created for the hospital

Quantitative impact (clinical and economic)

- Reduced costs (+30 %) by in-sourced production of PET/CT tracer compared to former technology (Rb-82)
- Less waste caused by radioactive decay of the tracer by replacing the sourcing set-up with on-site, on-demand production

Qualitative impact

- Stabilizing the supply chain of mission critical items
- More efficient workflow given new set-up that makes the tracer available directly in the PET/CT scanner room
- 1st hospital to take the product into clinical operation
- R&D strategic partnership for future development

Value created for the vendor

Quantitative impact (clinical and economic)

- New innovative market offering that has higher product/market fit as a result of the co-creation process
- Stronger value proposition for future commercialization

Qualitative impact

- Generation of new knowledge from R&D collaboration
- Decreased development risk of a new product due to co-financing and co-development with a clinic
- Strong global reference site for both scanners and cyclotron

Source: Region Hovedstaden Procurement Development & Strategic Partnerships (Denmark)

1



Procedure/product focus: On-site production of radioactive O-15 PET/CT tracer

Population segment: Cardiac

Care pathway: Diagnostics

Tender procedure: PPD § 80

Clinical site: Bispebjerg-Frederiksberg Hospital

Private partner: GE Healthcare



State of the art Hemodialysis - Alrijne Zorggroep (NL)



1. Key aspects

24 Stations for chronic hemodialysis

Total of 12.500 annual treatments on 2 locations

Hemodialysis equipment, consumables & support services

Bids not to exceed Euro 2,5 mio (ex VAT) based on current TCO and 100k procedures in 8 years. Contract awarded 8+2 years

2. Best value approach

- Supplier is expert on the solution; no technical requirements and specs.
- Obtaining the best solution to the objectives from the best supplier
- Dominant info: Scope & expertise, Risks, Value-add and Interviews

3. Main criteria used



Outcome

Safety for patient & care provider
User-friendliness
Safeguarding certified staffing
Meeting national quality standards



Cost of care

Efficiency of the treatment process
Total cost of ownership



Other benefits

Environmental sustainability

4. Willingness-to-pay assessment (W2P)

1. Level of fulfillment of awarding criteria translated into *monetary value*
2. Subtracted from or added to the supplier's total cost offering
3. Resulting *comparison price* used to determine most advantageous tender

Value assessment	Multiply	Neutral	Reduction	
Scoring	2	4	6	8 10
Total cost	Monetary value			
Solution offering	849.800	424.900	0	-424.900 -849.800
Risk management	121.400	60.700	0	-60.700 -121.400
Added value	121.400	60.700	0	-60.700 -121.400
Interview 1	242.800	121.800	0	-121.800 -242.800
Interview 2	242.800	121.800	0	-121.800 -242.800
Total	1.578.000			-1.578.000

Bad: = 2 points / Insufficient = 4 points / Neutral = 6 points / Good: = 8 points / Excellent = 10 points

5. Tender process

Start (non-public) tender - November 2018

Bids submitted - February 2019

Interviews executed - March 2019

Contract awarded - March 2019

Solution implemented - April 2019



NHS Supply Chain – Value Based Procurement Project - Summary



Phase 1

Pilot study completed

- 27 submissions, 13 pilot projects selected. Covid-19 impacted on 3.
- 2 pilots failed to demonstrate supplier claims.
- 8 verified demonstrating clinical and efficiency benefits.

Key messages:

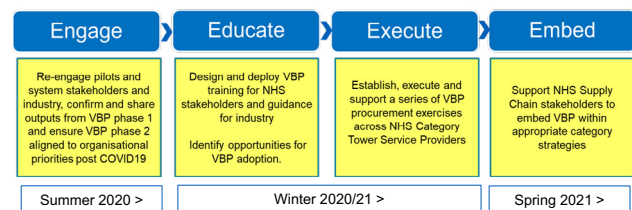
- Created number of case studies to demonstrate delivery of value (available early 2021)
- VBP approach supported from finance and procurement. View is that VBP should deliver tangible, measurable benefits that make a positive impact on patient care and increased efficiency.
- NHS needs assurance from suppliers to substantiate claims, this will aide VBP adoption.
- Need for common understanding of value between buyers and suppliers.
- Clinical support/engagement critical to adoption of VBP.
- Value created across 5 main categories

Reduction in consumption	"In patient" to day case	Change in patient pathway	Operational productivity	Reduction in infection
<ul style="list-style-type: none"> • 2 pilots demonstrated ROI based on higher quality product requiring reduce use of existing products 	<ul style="list-style-type: none"> • 3 different solutions enabling day case surgery with average LOS reduction of 3 days improved theatre efficiency and patient experience 	<ul style="list-style-type: none"> • Solution to maximised opportunity for 10 days of antibiotics to be administered at home rather than in an acute setting 	<ul style="list-style-type: none"> • Transnasal endoscopy equipment – improved patient experience, clinical outcomes and demand/capacity management 	<ul style="list-style-type: none"> • Reduction of infection is high risk cardiac patients • Reduced CAUTI rates (additional benefit to reduction in consumption)

Pilot project areas

Wound Care, Ward Based Consumables, Endoscopy and Endourology, Cardiology and Capital Equipment

Phase 2



For more information contact: brian.mangan@supplychain.nhs.uk

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VBP case summary

Product focus

Infusion pump technology

Population segment

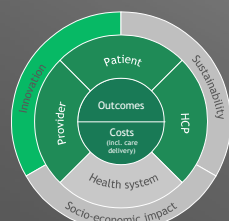
Hospitalized patients requiring administration of fluids and/or medication into their circulatory system

Procuring entity

Zuyderland Medical Center (Netherlands)

Tender procedure

Competitive dialogue (non-EU-tender)



Key value criteria used

Outcome focus

- Improvement of medication safety
- Reduction of treatment complications

Cost of care focus

- Management of the total cost of ownership of the infusion solution

Other benefits

- HCP: ease-of-use, improvement of operational safety
- Provider: implementing future-proof system

Broader impact on society

- Innovation: high end infusion system with innovative connectivity solutions



Value impact

Value impact to the hospital (Zuyderland MC)

- Improving patient medication safety by having a technical closed-loop process from medication prescription to administration
- Medical department specific server-based libraries
- Safeguarding a future-proof infusion system including:
 - standardized infusion pump for all purposes
 - IT network integration and data communication
 - Alarm management
- Application of the Best Value Procurement approach:
 - Minimization of hospital risks
 - Maximization of patient benefits
 - Medtech supplier regarded a solution provider

Value impact to the bid winner (B. Braun)

- Solution orientation: Possibility to offer a future-oriented system solution, based on the HCP process and system needs
- Partnership approach: Constructive dialogue proven valuable to optimize workflow processes and receive insights for further system improvements and innovation
- Cultural change: The possibility to share in-house expertise already in the pre-tender phase offers high value to discuss challenges and jointly define the optimal solution in the interest of both parties
- Deepened experience towards a value-based procurement process



Quote

“ Our goal was to ensure medication safety and implementing a future-proof system. Our advice is to focus on functionality, feasibility and reliability rather than seeking to technically specify every possible detail in the tender. ”

Source: Zuyderland Medisch Centrum, M.Janssen (medical physicist), MedTech Europe (2020)

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www.med-procurement.eu



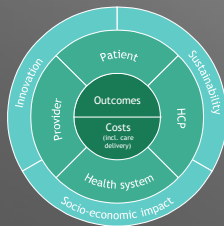
Atrial fibrillation - JNJ/La Tour - Switzerland

Procedure/product focus:
Atrial fibrillation ablation via navigated catheter

Population segment:
Patients facing paroxysmal atrial fibrillation

Care pathway:
Acute

Procuring entity:
Hôpital de La Tour - Geneva



Key value criteria used



Outcome focus

- Reduction of %age of redos within 1 year



Cost of care focus

- Reduction in total cost of care
- Reduction in cost of redos



Other benefits for stakeholders

- Increased satisfaction of patients, HCPs, provider and payers



Broader impact on society

- Support of innovative technology
- Stimulus to expand approach on both parties' side

Value impact on stakeholders

Value created for hospital

Quantitative impact (clinical and economic)

- Anticipated reduction of redo-% from 30% to 10% based on new technology
- Reduction in cost of redo procedures in case reduction target not reached given discounted products

Qualitative impact

- Reinforce reputation of hospital as high quality and innovative provider
- Increased confidence of referring physicians in procedure and surgical team
- Increased patient satisfaction

Cultural change

- Clinical staff empowered to develop innovative partnership with industry meeting goals of physicians, patients and hospital

Value created for MedTech (JNJ)

Quantitative impact (clinical and economic)

- Short term: increased revenue for supplier by selling new technology to hospital
- Mid term: expected increased revenues due to increase in number of patients due to good outcome

Qualitative impact

- Jointly developing integrated care solution within long term partnership model
- Data generated could be used as value proof of technology
- JNJ perceived as innovative company and driver of VBHC by market, employee and potential talents

Cultural change

- JNJ employees inspired by VBHC's approach and empowered to generate new VBHC solutions for their customers

