

MEAT workshop - CzechMed & AmCham

Webinar June 7, 2016

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Economic Policies.*

MEAT VALUE BASED PROCUREMENT

*Procurement
The Unexpected Driver of Value Based Healthcare*



2014 EU Public Procurement Directive - M.E.A.T. concept

Most Economically Advantageous Tendering by Best Price/Quality ratio stimulating innovation and focus SME, professionalization procurement.

EU Directive on public procurement from 2014



Article 67

Contract award criteria

2. The **most economically advantageous tender** from the point of view of the contracting authority shall be identified on the basis of the **price or cost, using a cost-effectiveness approach, such as life-cycle costing** in accordance with Article 68, and may include the **best price-quality ratio**, which shall be assessed on the basis of criteria, including qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question. Such criteria may comprise, for instance:

M.E.A.T.: Most economically advantageous tender

Point. (96): [excerpt]

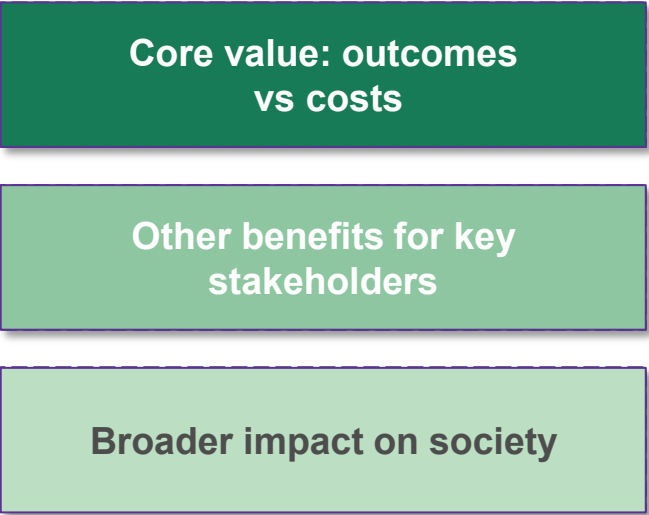
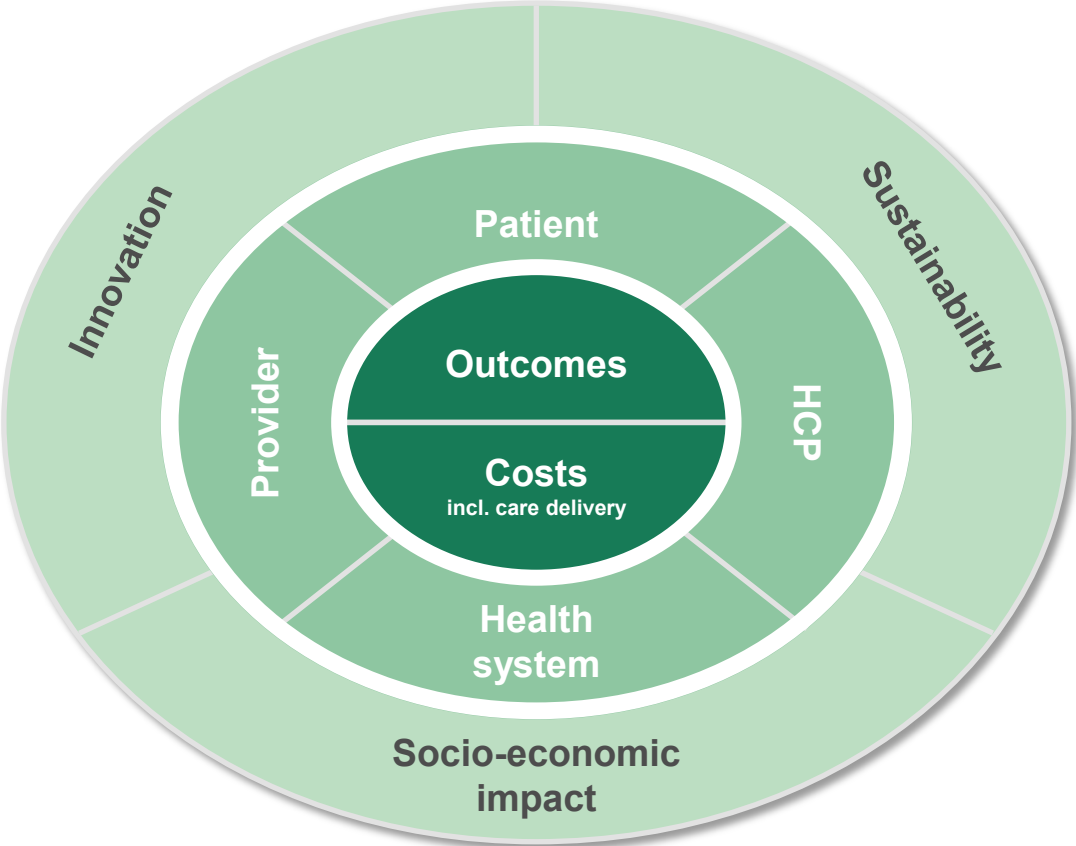
Common methodologies should be developed at Union level for the calculation of life-cycle costs for specific categories of supplies or services. Where such common methodologies are developed, their use should be made compulsory.

Art. 68: [excerpt] Life-cycle costs, incl.

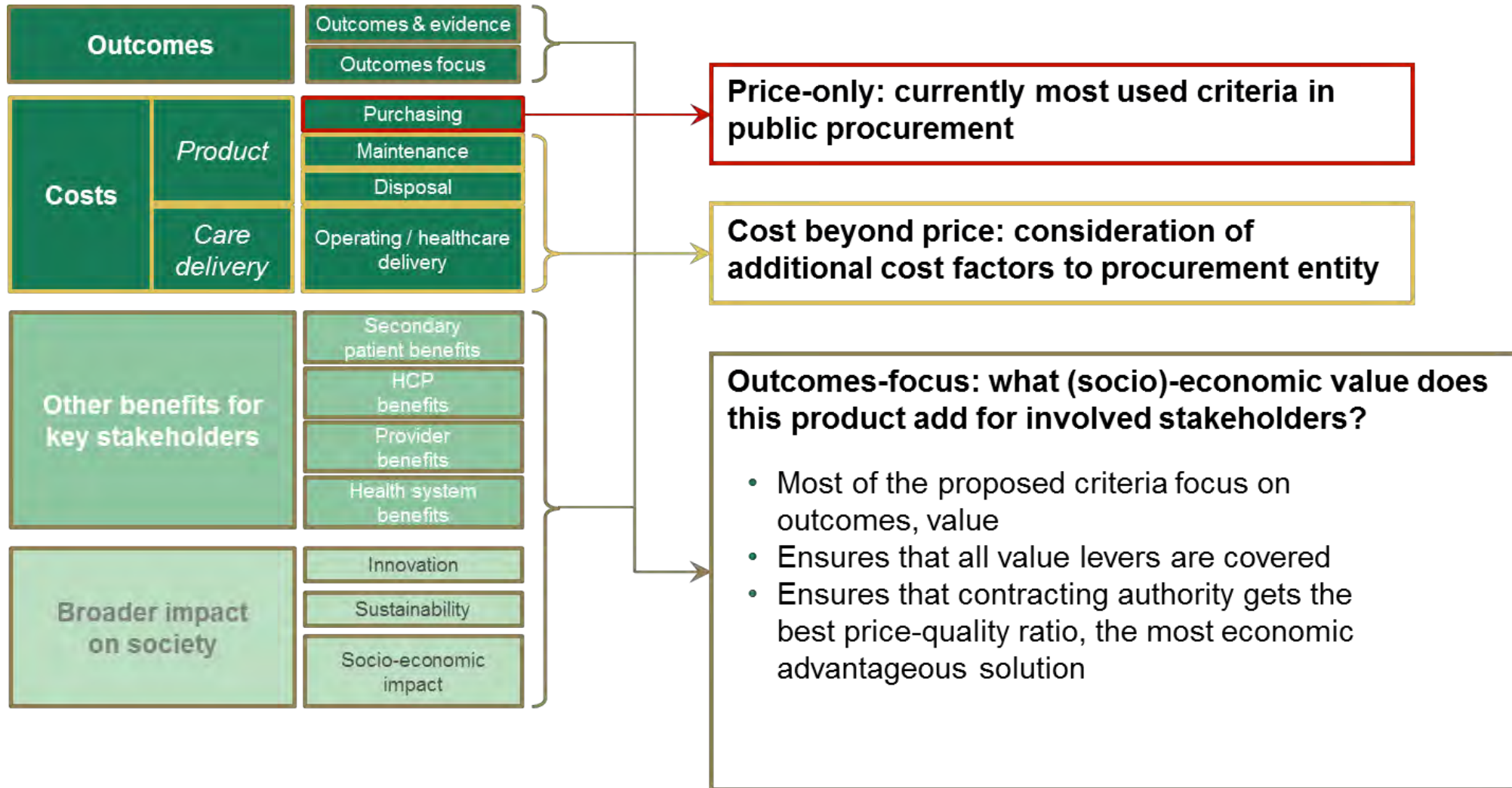
- i. costs relating to acquisition,
- ii. costs of use, such as consumption of energy and other resources,
- iii. maintenance costs,
- iv. end of life costs, such as collection and recycling costs.
- v. costs imputed to environmental externalities linked to the product, service or works during its life cycle

**On 26 May 2016, Czech Republic did not yet transpose the EU directives into their national law
European Semester calls to improve public procurement practices**

MEAT value-based procurement framework



Value Based Procurement - Most Economic Advantageous



Best practice – Common practice

Move from traditional tenders ...



... to value-based procurement of more holistic solutions



Outcomes

Suppliers required to share risk over lifetime performance of the devices



Outcomes + Other benefits

Examines contribution to outcomes measurement, service, upgrades and replacement



Outcomes

Evaluates total costs over product lifetime. High product quality requirements ensure consideration of outcomes value.



Outcomes + Other benefits

Includes pain reported by patients, nurses satisfaction and product quality.



Outcomes + Other benefits

Considers surgeons' preferences, sutures' ease of use and quality, number of caused infections or complications, etc



Outcomes + Other benefits + Broader impact

Considers total cost of treatment and health economics aspect of product

Strategic Impact : From Price to real Economic Advantageous Offering

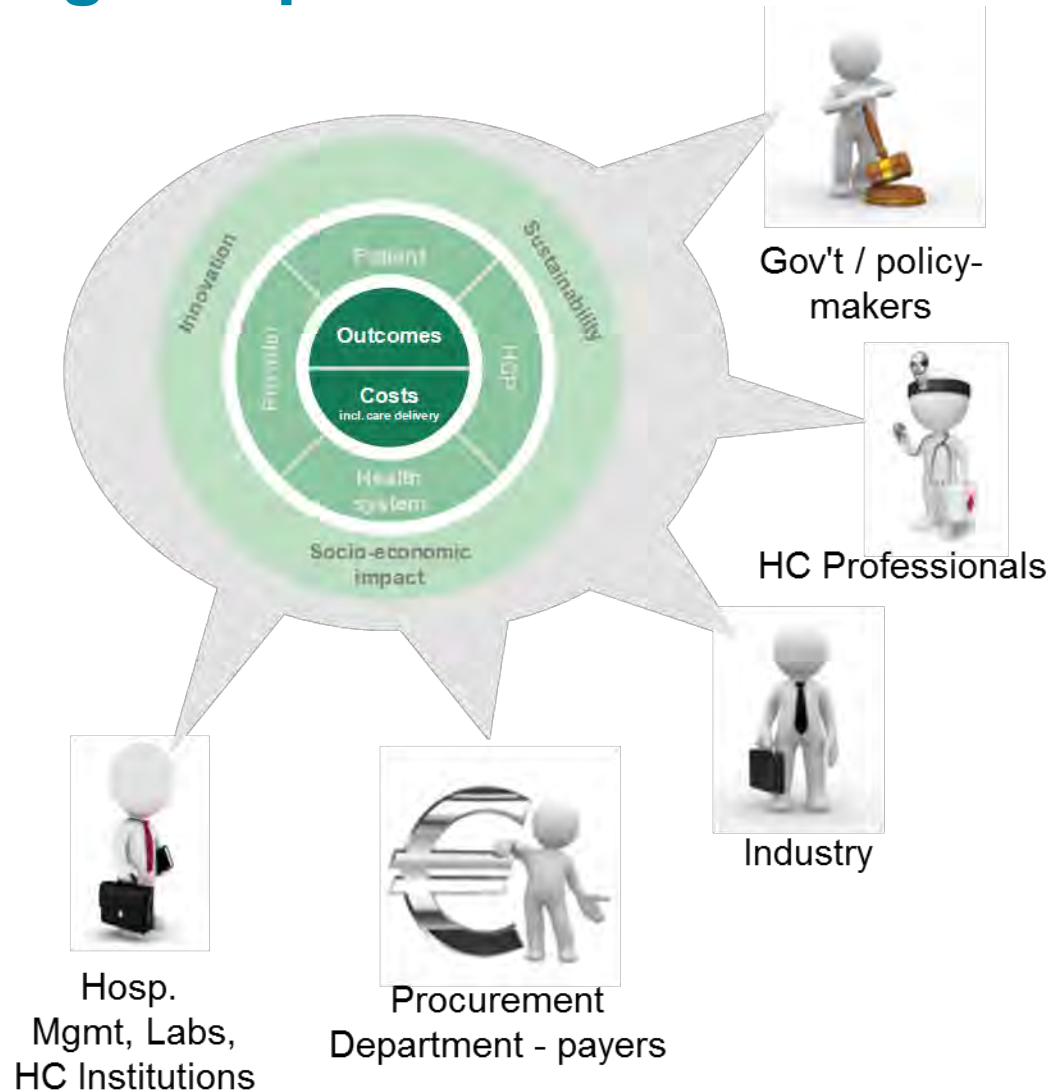
Methodology brings new way of thinking

Outcomes		Outcomes & evidence	}	New
		Outcomes focus		
Costs	<i>Product</i>	Purchasing	}	Standard
		Maintenance		
		Disposal		
	<i>Care delivery</i>	Operating / healthcare delivery	}	New
Other benefits for key stakeholders		Secondary patient benefits	}	Sometimes included
		HCP benefits		
		Provider benefits		
		Health system benefits		
Broader impact on society		Innovation	}	Sometimes included
		Sustainability		
		Socio-economic impact		

Strategic impact expected on public procurement

- 1 Procurement will include **more objective clinician involvement** to evaluate tenders
- 2 Opportunities to expand tender criteria, opening **chance to add value for all parties**
- 3 Higher **focus on value and outcomes** that matter to patients, providers and society and provide economic most advantageous offering
- 4 Higher data requirements mitigated by **alternative outcomes-focus opportunities**

Strategic Impact – a common framework !

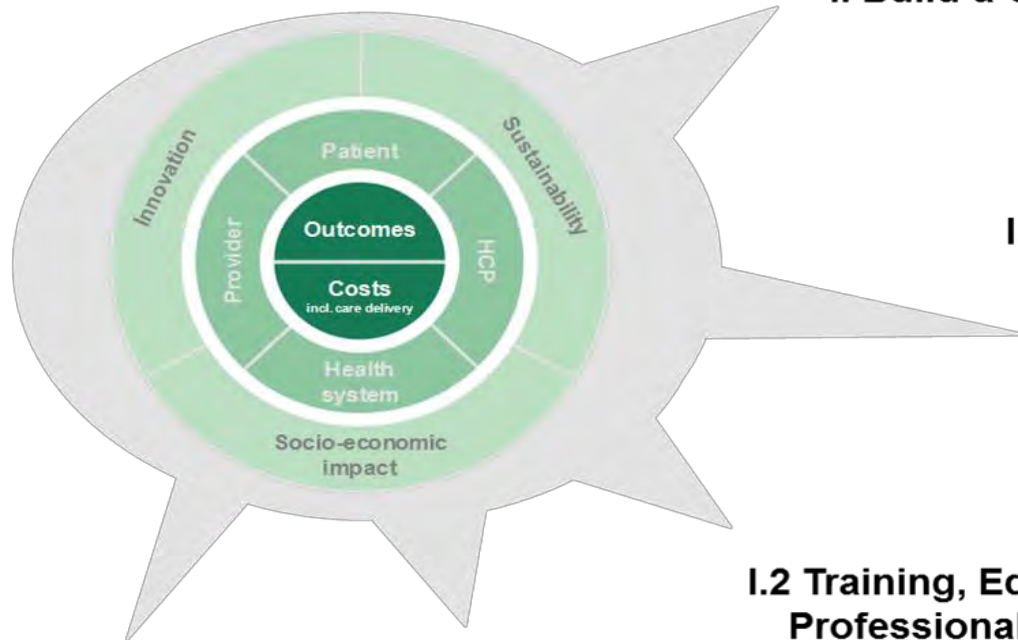


The link to Value based Healthcare

Crucial aspect is having a simple framework

- Creates a *common language*
- Help *guide dialogue* between healthcare partners
- Move focus to *MEAT- Best Price/cost-Quality Ratio* of new EU Public Procurement Directive
- *Improve value for money* for all offering *most economic advantageous healthcare*

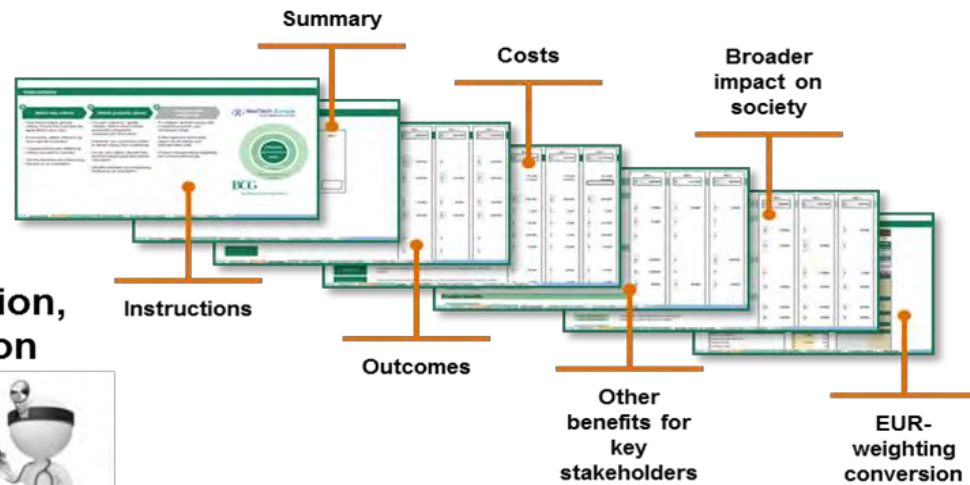
MEAT Value Based Procurement to become a Reality !



I. Build a Community of Practice



I.1 Professional Software Pack



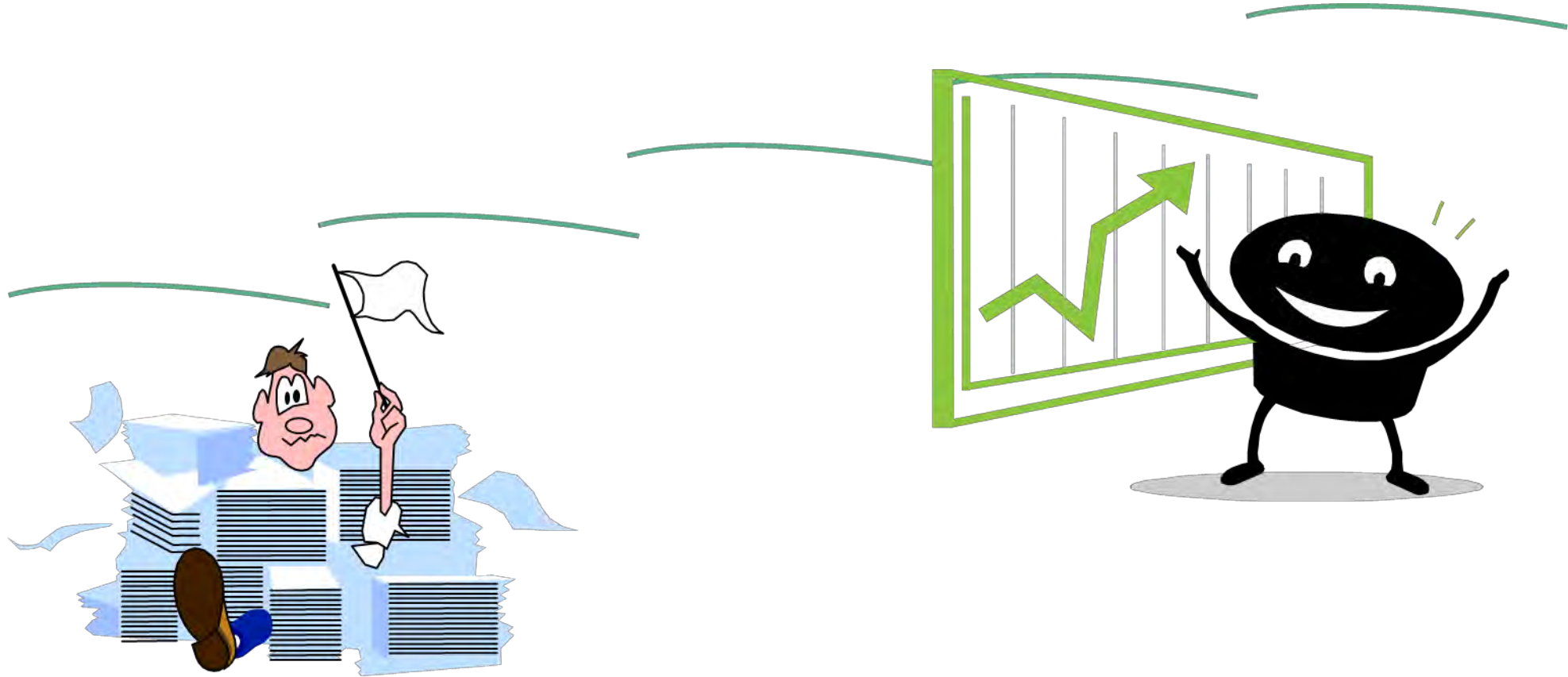
I.2 Training, Education, Professionalization



Engage in Evaluating and Piloting MEAT Value Based Procurement

Contact Sophie.Koettlitz@meat-procurement.eu

“From administrative work to creating value for money”



*Courtesy of Kjetil Istad, Helse Sor-Ost Norway
Procurement Director, Health Authority*

MEAT Value based Procurement

Thanks

