

Input on the Recommendations of the EXPH Opinion on Public Procurement in healthcare systems

European Alliance for Value in Health

11th February 2021



**European
Alliance for
Value in Health**

The European Alliance for Value in Health welcomes the view to strategically use public procurement to transform towards more innovative, sustainable and resilient health systems

The European Alliance for Value in Health, an Alliance of Associations with a view of a Europe where health systems are value-based, sustainable, and people-centred, welcomes the view to strategically use public procurement to transform to more innovative, efficient, sustainable, and **resilient** health systems.

As discussed at the hearing, several of our considerations are touched upon within the report and we would welcome to see these more clearly reflected in the recommendations as proposed below.

A key consideration is not to limit the public procurement as a tool to purchase technologies and associated services, but to advance towards innovation procurement, enabling the innovation of care delivery and support the transformation of health systems. This can be achieved by applying a value-based approach, ensuring the most economic solutions are selected and invested in, striving for good health of all EU citizens.

How our six key principles give guidance to public procurement in healthcare systems

In our view the six key principles defined by the European Alliance for Value in Health support a good guidance for strategic innovation in procurement and steer to value-based, sustainable and people-centred health systems in day-to-day practice.

These six key principles are:

- 1. Outcomes that matter to people and patients, as well as benefits valued by health systems and societies, are at the centre of decision-making**
These should be considered as awarding criteria, complementing the already listed quality criteria.
- 2. Interventions and services addressing prevention, social care and healthcare are organised in an integrated way around people and patients**
This should guide answering the question of what to buy when defining purchasing strategies.



3. **Resources are allocated towards high value care and prevention, with outcomes and costs of care measured holistically**

For the cost consideration, we call to not limit the consideration to just the lifecycle cost of the technology, but to the cost of care across institutional silos and account for the avoided cost by prevention of disease, and avoidance of complications, exacerbations, hospitalisations, and disease progression. This ensures a significant economic-cost benefit over time and allows for selecting the most economically advantageous solutions, services and technologies.

4. **Continuous learning, education and healthcare improvement is based on evidence, and supported by data and insights**

We advocate to use these concepts as part of the procurement specification, to foster a partnership in data and evidence generation, and apply these concepts for long-term continuous improvements in agreements or contracts.

5. **Innovative ways of care delivery are fostered**

Purchasing strategies should be directed towards innovative ways of care delivery.

6. **Financing models and payments reward value and outcomes**

We look forward to the continued implementation of value-based partnership agreements, in which not only a mitigation of risk is ensured, but also the value created by the purchased technology, services or solution is incentivised.

Our input on your recommendations

Based on our vision and mission, and our corresponding 6 key principles we want to provide you our input to strengthen the recommendations in your report.

Per recommendation, we have highlighted our suggested edits in **red text**, referring to the original text in the report. Per recommendation you also see an explanation for the suggested edits.



Recommendation 1	<p>Member States together with public buyers and decision-makers should develop <i>patient centric, value-based</i> purchasing strategies in the health sector in order to achieve more innovative, efficient, sustainable and <i>resilient</i> health systems, including digital and other information generating technologies.</p>
<p>Relevant paragraph in Draft Opinion (p. 78) and suggestion for rephrasing (in red)</p>	<p><i>There is a clear potential for alignment between the goals of the health sector and regional development and industrial policies in promoting the economic development and thus the health and wellbeing of the population served by the health system. European Union policies and legislation encourage this but there is more that could be done. This is primarily a goal of industrial rather than health policy, but the European Union and national and regional authorities may consider taking additional steps to promote the use of public procurement to promote regional industrial development. Possible measures include mechanisms that enable engagement between health organisations and local producers, for example in regional foresight exercises and other forms of dialogue. Advancing to patient centric, value-based procurement, which has at its core the outcomes that matter to people and patients as well benefits valued by health systems and societies in relation to the overall costs of care, will ensure resource allocation towards prevention and high-value quality care and enable that the most economically advantageous solutions for health systems and societies are implemented. Value-based procurement will also foster the uptake of innovative care models as well as the integration of health and social care services. As such, procurement unlocks more innovative, efficient, sustainable, and resilient health systems. System efficiency and healthcare quality improvement will be further strengthened when awarding the value of data and insights gained from digital and other information generating technologies.</i></p>
<p>Explanation</p>	<p>There is a need to not limit the public procurement as an instrument supply product in a strategic way by considering also the quality of the product and lifecycle costing. It is important to also consider the strategic interest of procurement to introduce innovative solution to innovate the delivery of care. This will unlock n high value care in economic most advantageous ways. Applying a truly value-based health care approach (in line with the previous comprehensive view on value and VBHC by the</p>



	<p>expert panel) will enable such strategic purchasing in the healthcare sector. While some reflection to this point was incorporated in the opinion, we consider it will be important to have it also clearly part of the recommendations. Also, we explicitly recommend the use of patient centricity which currently is rarely part of the awarding of tenders.</p> <p>We agree on the relevance of digital and propose to consider more broadly the relevance of digital and other information generating technologies/equipment in optimising health systems as well as an information-driven diagnosis, prevention and management of care.</p>
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<p>Recommendation 1 – paragraph 1.1</p>	<p>The European Union and national governments should take steps to increase the quality of procurement of health technology, including through the involvement of patients, healthcare professionals and other end users in the procurement process enabling high value health care and innovative care delivery.</p>
<p>Relevant paragraph in Draft Opinion (p. 78) and suggestion for rephrasing (in red)</p>	<p><i>To safeguard quality of procurement, there are a number of steps that can be taken. These might include the development of clear and easily understood procurement strategies where these do not exist, with strengthened measures to enforce compliance if necessary, a strong political commitment to alignment between the strategy and its implementation, clear mandates and incentives for the multidisciplinary teams involved in procurement, and systems of performance indicators that can be monitored regularly. Involvement of patients, healthcare professionals and other end users in the procurement process would be important to ensure that all relevant perspectives are taken onboard. Although beyond the scope of procurement legislation, there would be benefits from a renewed drive for interoperability by standardisation of equipment or components, confronting the way in which minor differences in design can, in effect, act as a barrier to competition and ability to shift from technical specification to criteria most valued, and to hence achievement of optimal outcomes from the tendering process. There is also an environmental argument for standardisation, as the current situation leads to unnecessary waste when contracts are changed. Another is investment in developing and disseminating standard methodologies for life cycle costing of health technology, assignment of monetary value, and awarding</i></p>



	<p><i>driven by economic considerations including the economic value of being in good health. A third is greater investment in fit-for-purpose health technology assessment of the value of health technologies and solutions (applying health economic methods considering the cost-off-sets by progressed diseases and the further societal-economic value of being in good health). Novel payment and financing models, including value-based procurement agreements will be of particular interest levelling of the inequalities in capacity among member states. Finally, procurement of health technology should engage from the outset with those who will use it and, where relevant, those on whom it will be used to ensure that it fully meets their requirements, and be taken up in the awarding criteria, including acceptability of use.</i></p>
<p>Explanation</p>	<ol style="list-style-type: none"> 1) We welcome the recommendation to improve the quality of procurement and propose to clearly add the ultimate aim on why to improve the quality well beyond the supply of technologies only. As such, the procurement will take on a strategic role and can be supportive to broader policy goals. Key elements in this change in practice we identified are to ensure the appropriate incentive structures are put in place (for procurers and the multidisciplinary teams that need to be involved to obtain the combined best and most economic advantageous selections). There is clearly a requirement for a change management and the principles to realise this will be important to reach the end goal. As for the assessment of the technology it will be important to advance from assessing the technology only towards assessing the value the technology provides within the specific health care setting and to be considered from multiple perspectives, including the patient perspective. The HTAi policy paper, Health Technology Assessment, Value Based Decision Making and Innovation. Chris Henshall, International Journal of Technology Assessment in Health Care, 00:0 (2013), 1–7 2) Important to recognize as well is the evidence of clinical outcome in the decision making. We therefore consider that the quality of evidence available and the real-world evidence needs to be part of the awarding criteria. If not yet available it should be part of the negotiated agreement for the collection of the data alongside it use as part of value-based procurement agreement, incentivizing the true effects obtained. 3) Procurement also provides a unique opportunity to introduce innovative solutions and incentives to have



	<p>people in good health (and as such avoid costs, and benefit from further capacity in informal care and economic capacity). We suggest adding a specific recommendation, see 1.3, to strengthen the efforts in Europe related to innovation procurement.</p>
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<p>Recommendation 1 – paragraph 1.2</p>	<p>The European Union and national governments should take steps to synthesise the specificities that arise in the procurement of e-health and information generating products/equipment and develop appropriate responses</p>
<p>Relevant paragraph in Draft Opinion (p. 79) and suggestion for rephrasing (in red)</p>	<p><i>It is important to recognise that innovations in e-health create a range of novel challenges, going well beyond other forms of health technology. It is not clear that these are always fully understood. They include, to even greater degree than with many forms of health technology, the importance of ensuring that the products procured meet the needs of the users, something that may require very extensive consultation, piloting, and simulations and use in practice within partnership agreement. It is essential that users, and where appropriate, patients, are fully engaged in this process from the outset. Furthermore, the procurement exercise should include some means of adapting the product as circumstances change and benefit from latest innovation. Obviously, this involves a transfer of risk which will need to be priced into the procurement exercise. A second set of issues arises from the use of the data that are required, and, in some cases, from the algorithms that are delivered. Put simply, the value of these products often lies in the information that they gather up from those served by the organisation of has procured them. It is essential that all parties involved have a clear understanding of the intellectual property issues that are involved. There are a number of possible ways of addressing this, including the co-creation (innovation partnerships), creation of joint ventures or the usage of partnership agreements. In all cases, a good dialogue between the parties is of essence and legal frameworks are enabled by Public Procurement Directive and by specific procurement procedures.</i></p>
<p>Explanation</p>	<p>We welcome the recognition that the value of these (e-health) products often lies in the information and the ability to operationalise care management. Data and insights translated into information is increasingly present and does indeed provide its own opportunities and</p>



	<p>challenges. Interoperability is also key to enable access to the information. In such rapid evolving technological development, procurement should also not restrict itself to a transactional purchase of current technologies but include and incentivise continued access to the latest developments and engagement in partnership agreements. A continued dialogue will be at the basis and to have the necessary provisions with the contractual agreement.</p>
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<p>Recommendation 1 – paragraph 1.3 (new, before current 1.3)</p>	<p>The European Union and national governments should use “Innovation Procurement” as a policy tool to face healthcare challenges and increase resilience and support economic recovery.</p>
<p>Not in Draft Opinion and suggestion for adding in the opinion (in red)</p>	<p><i>Innovation Procurement, i.e., the procurement of innovative solutions, needs to advance from a pilot phase supported by the EU and accelerate by being recommended as part of policy initiatives to address health systems challenges. This will enable innovate care delivery and be a policy tool to face healthcare challenges, increase resilience and sustainability of health systems, improve patient benefits, and support access to innovation. As such, it would transform care delivery across Europe. Furthermore, the objective to improve efficiencies and health outcomes will be ensured. EU co-financing should be aligned to the objectives and further strengthened by guidance and good practice sharing. Increased accessibility to join over time in H2020 and Horizon Europe will foster the use of innovation procurement across Europe.</i></p>
<p>Explanation</p>	<p>While the expert opinion touches upon innovation procurement, we consider it important to have a specific recommendation under which member states together with public buyers and decision makers should develop patient centric, value driven purchasing strategies in the health sector, in order to achieve a more innovative, efficient and sustainable, resilient health system with focus on “innovation procurement”.</p> <p>The EU has multiple initiatives underway: https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers/innovation-procurement_en and recognised in the opinion paper as well as CSA as EURIPHI. www.euriphi.eu with further guidance and professionalization initiatives. In the analysis by EURIPHI https://www.euriphi.eu/wp-content/uploads/euriphi-d1.1.pdf, Annex 1.</p>



	<p>Overall while it is picked up from almost 0% cases to now approximative 2% of public procurement (as reported in the TED data based per analyses reported in How Procurement unlock Value Based Health Care (https://www.medtecheurope.org/resource-library/how-procurement-unlocks-value-based-health-care/)).</p> <p>We welcome a specific recommendation on innovation procurement and initiatives to further accelerated its use . Also, with innovation procurement, public buyers have the ability to boost the recovery of the economy and help economic actors to develop new solutions, in the health and other key industrial ecosystems. Extract of Keynote speech by Commissioner Breton at the European Conference on Public Procurement Berlin (https://ec.europa.eu/commission/commissioners/2019-2024/breton/announcements/keynote-speech-commissioner-breton-european-conference-public-procurement-berlin-virtual_en).</p>
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<p>Recommendation 1 – paragraph 1.4 (previous 1.3)</p>	<p><i>Those responsible for health policy and its implementation should recognise explicitly that public procurement is a means to achieve the goals of the sector, including improvement in health and responding to the legitimate expectations of those who use it.</i></p>
<p>Relevant paragraph in Draft Opinion (p. 79 - 80) and suggestion for rephrasing (in red)</p>	<p><i>Improvement in health and responsiveness to the legitimate expectations of users are two of the fundamental goals of a health system. However, as the examples of procurement failure described in our Opinion show, other interests are sometimes prioritised. To operationalise this recommendation, several measures are needed.</i></p> <ol style="list-style-type: none"> <i>1. Entities providing health services cannot know if they are improving health if they do not measure it, and without such information it is not possible to develop criteria for procurement of products and systems whose goal is protecting or promoting health. Those responsible for procurement in the health sector should work in partnership with others to promote development and wider implementation of patient reported outcome and experiences measures (PROMs and PREMs) and other types of real-world evidence (e.g., linked to resource use and cost efficiency), as far as possible promoting their routine and widespread use in clinical practice. National research bodies should</i>



	<p>support this process. The European Commission should continue to support cross-country collaborations to support this process. <i>New financing and payment models rewarding value and outcomes, such as value-based partnership agreements, should be systematically implemented;</i></p> <ol style="list-style-type: none"> 2. <i>Those responsible for procuring in the health sector should work with patients (actual and potential), users (e.g., doctors, nurses and pharmacists), manufacturers, organisations or service providers specialised in capturing health outcomes and frontline providers to increase the use of non-price measures of quality, as described in the Directives, that are relevant to those who use and benefit from what is being procured. The subject matter will therefore also need to reflect on what is going to be bought and consortia of suppliers can be envisioned to ensure that the full solution is offered. This should draw on the principles of co-production, increasingly widely used in health research;</i> 3. <i>For non-price measures of quality, a comprehensive value framework should be considered with at its core the outcomes that matter to patients, the benefits for healthcare stakeholders and society as a whole, as well as the cost along the full process of care delivery. It also provides the opportunity to bring sustainability, digital and resilience considerations as quality award criteria leading to the most economically advantageous purchasing.</i> 4. <i>The European Commission should support these activities, including the development of European guidelines, using as its legal basis Art. 168 of the Treaty: “The Commission may, in close contact with the Member States, take any useful initiative to promote such coordination, in particular initiatives aiming at the establishment of guidelines and indicators, the organisation of exchange of best practice, and the preparation of the necessary elements for periodic monitoring and evaluation”. This should include the development of assessment reports to demonstrate the positive impact on patient outcomes and health system efficiency from innovation procurement.</i>
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Explanation	The Directive encourages the use of non-price measures of quality. These should include the benefits/value created for all the stakeholders involved in the process and those who will benefit from it (patients, doctors, nurses, hospitals, ...) and also the society and health system in general.
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Recommendation 2	<i>Member States and the European Union should take steps to increase the use of Green Public Procurement in the health sector</i>
Relevant paragraph in Draft Opinion (p. 80) and suggestion for rephrasing (in red)	<i>If society fails to protect the environment the health sector will have to deal with the consequences. Consequently, it is a matter of substantive and symbolic importance that it takes a lead. The concept of Green Public Procurement offers a means to do this. Yet the evidence available to the Expert Panel suggests that this approach is not yet widely used in the health sector, at least compared to other sectors such as construction of major infrastructure. At national level, authorities could do more to encourage this approach, for example by also using social/environmental benefits as award criteria that promote adoption of “whole life value thinking” by public authorities, thereby creating values that permeate these organisations, supporting development and standardisation of methodologies and training in their use (recognising the need to avoid national measures that interfere with the operation of the single market). There is also scope for exploring ways in which savings that would otherwise accrue to other organisations, for example through reduced costs of disposal of toxic materials, can benefit the procuring authority.</i>
Explanation	This objective can be reached by using social/environmental benefits as award criteria. Overall, the objective should be to be able to select those who go beyond the basis requirement and award those taking the lead while maintaining to award those fulfilling and exceeding health and health system related requirements.

Recommendation 3	<i>Member States should take measures to professionalise procurement, and to recruit, retain, and continuously develop the necessary skills and expertise and foster continuous learning</i>
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<p>Relevant paragraph in Draft Opinion (p. 81) and suggestion for rephrasing (in red)</p>	<p><i>Except in the simplest of cases, public procurement requires considerable expertise. Those leading organisations that engage in public procurement must ensure that they have sufficient expertise to undertake it well. This requires a combination of generic expertise in public procurement, including the ability to take full advantage of the opportunities offered by the Directive, as well as expertise in their sector, in this case health. This will include the skills necessary to engage effectively with stakeholders and especially those who will use and benefit from what is being procured. Continuous learning, education and healthcare improvement should be guided by evidence, good practices and supported by data and insights. It will also require the ability to use health services research to take account of costs across the entire life cycle and arising from the operation of equipment or from the implementation of new models of care. This process should inform the development of quality criteria for assessing the different bids and comparing the price of each bidder against the quality of the services.</i></p> <p><i>Specifically:</i></p> <ul style="list-style-type: none"> • <i>We endorse the recommendation by the European Commission to promote the professionalisation of public procurement;</i> • <i>While noting the emergence of Europe-wide initiatives to convene those involved in health sector procurement to exchange experience, we encourage other pan-European organisations involved in the exchange of information on health management and health systems to place health sector procurement on their agendas;</i> • <i>Noting that there is much information on procurement available, but in many different places, we recommend that the European Commission, taking as its legal base Art. 168, examine how it could support a “community of practice”, drawing together a wide range of disciplinary perspectives and examples of best practice, and making full use of the various EU programmes, such as ERASMUS+ to facilitate interchange of staff between public purchasing agencies.</i>
<p>Explanation</p>	<p>As indicated in one of the key principles of the European Alliance for Value in Health, and inherent to a value-based approach where the outcomes measured will guide further improvement in care delivery, it will be important to facilitate by means of procurement the opportunity for continuous learning. This can concretely be realised by</p>



	<p>means of multi-year agreements, where the data and insights will foster regular discussions on the KPI agreed and to decide on possible improvements. Within these value-based agreements evidence can be developed in real-life and these daily practice learnings can be used to guide improvement. As such, joint efforts between suppliers and multidisciplinary teams of buyers can improve efficiencies and outcomes. Such learning organisations have shown reduced variation in outcomes and that high value of care is delivered while unnecessary costs are avoided. (From Martini Klinik prostate cancer treatment, to Erasmus smart bed innovation to hypothermia management and integrated care delivery). For the evidence, not a static assessment of the technology but the assessment of the value of the technology used in the health system is most relevant.</p>
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<p>Recommendation 4</p>	<p>Cooperative procurement, including cross-border collaborative and joint procurement, should be considered at the appropriate level (regional, national, EU) and for the part of the procurement process where there is good evidence of its potential benefits, including improved and faster access to services and technologies that respond to the specific needs and bring value to their patients, health systems and societies. The recent learning of the COVID crisis need to be taken into consideration.</p>
<p>Relevant paragraph in Draft Opinion (p.81-82) and suggestion for rephrasing (in red)</p>	<p><i>Cross-border procurement should be a means to an end rather than an end in itself. By increasing the number of actors involved on the purchasing side of the procurement process it will inevitably add complexity and, as a consequence, transaction costs, at least the first time that this is done (although this may reduce in subsequent rounds). This may generate a trade-off between the number of providers participating in the procurement, and the time required to complete the procurement of the service. However, these may be mitigated by the ability to share the work involved in specifying what is to be procured, especially where the needs of the member states are similar but the items to be procured involve complex specifications. Cross-border procurement will be especially attractive to smaller member states with limited purchasing power. However, given the complex nature of the pharmaceutical market within Europe, there are a number of potential unintended consequences to be</i></p>



	<p>considered. As a result, each case must be decided on its merits. Regardless of the decision made in any particular case, we support existing initiatives and encourage those involved to look beyond their individual actions to exploring whether they can develop common templates, procedures, and standards that can be used more widely. <i>With a good understanding of challenges encountered by joint contracting and procurement, a cross-border collaborative approach applied to the different phases of the procurement process will be more appropriate. Following joint cooperation in the preparatory phase, further principles of cooperation can be defined. A selection of the preferred procedure, level of cooperation and further process to be followed to then be decided upon. The recent guidance developed by the EURIPHI consortium might serve as a good basis and have a MS driven approach and the introduction in health union legislative work and building out supportive community should be considered.</i></p> <p><i>Depending on the particular good or service being procured, the balance may sometimes favour moving faster with fewer participants, while in others a broader participation may be more important than a speedier process. However, once a voluntary decision to join a joint procurement process is made, Member States should avoid engaging in parallel processes of procurement for the reasons set out above.</i></p>
Explanation	<p>The joint procurement as currently applied by means of JPA, has shown multiple limitations and should be only one of the instruments to foster cross-border collaborative activities in the field of procurement and innovation procurement.</p> <p>These limitations are expressed by multiple stakeholders and also previously recognised by the expert opinion group. Also, within innovation procurement the EU H2020 projects revealed the limitation well summarised in the recent work by Prof. Racca: https://www.larcier.com/fr/joint-public-procurement-and-innovation-2019-9782802763802.html</p> <p>Taking this work into consideration and considering further interest on cross-border collaboration while maintaining localized decision making, EURIPHI at https://www.euriphi.eu/wp-content/uploads/euriphi_cross-boder-ppi_legal-guidance.pdf and https://www.euriphi.eu/virtual-library/euriphi-reflection-paper-advancing-health-systems-in-europe-through-cross-border-value-based-</p>



	<p>innovation-procurement provide guidance and policy consideration to apply a cross-border collaborative approach with localised decision making.</p> <p>Other applications, such as the EU financed RescEU stock building, with the EU as contractor for a joint procurement and accounting for the specific needs (lot based), might be most opportune in certain situations.</p> <p>A recommendation to create a high-level forum would be welcomed. The European Alliance for Value in Health will be keen to support such initiatives representing and/or serving tens of millions of patients, health care workers in Europe and through its members tens of thousands of healthcare providers and regional authorities.</p>
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More information on the European Alliance for Value in Health

In case you want more information and/or want to keep track of our activities on the European Alliance for Value in Health, please reach out and connect to us:

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