

## Opinion on Public procurement in healthcare systems

### Expert Panel Expert Panel on Effective Ways of Investing in Health

#### EURIPHI reflection

February 2021

The following consideration was developed by the EURIPHI Health & Social Care Regions Network and EURIPHI consortium ([www.euriphi.eu](http://www.euriphi.eu)) as a response to the Draft Opinion on Public Procurement in Healthcare Systems by the Expert Panel on Effective Ways of Investing in Health.

The EURIPHI Health & Social Care Regions Network (the Network) was created in the framework of the EURIPHI EU H2020 funded project (GA n° 825922). The objective of the Network is to introduce innovation/innovative solutions in European health systems - to respond to common unmet needs/shortcomings - by means of (cross-border collaborative) value-based Innovation Procurement (e.g. PPI, PCP, Innovation Partnerships).

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*We welcome the Draft Opinion on Public Procurement in Healthcare Systems and we acknowledge the consideration on innovation procurement. We welcome the recognition of the clear potential for alignment between the goals of the health sector, regional development and industrial policies. We support the role of public procurement as a strategic instrument to achieve more innovative, efficient, sustainable health systems and the proposed EU initiatives in the field. However, we would like to draw your attention on the following points.*

***Point 1: The 'subject-matter' and the definition of purchasing strategy, informed by pre-tender discussion.***

'Subject-matter' definition is the first step of a procurement procedure, which should not be limited to considerations on technology but look at innovative solutions addressing unmet needs and care delivery shortcomings. Health regional authorities play a pivotal role in responding to unmet needs and care delivery shortcomings. Hence, – together with innovators/developers/suppliers – health regional authorities should be involved in the definition of purchasing strategy and of the specificities that arise in the procurement of innovative solutions, including e-health.

Within the current legislative framework, increased attention and initiatives are needed to understand the market readiness and therefore, to foster a dialogue with the industrial partners to clarify the needs and what the subject-matter (some technology, services or proposed solutions) should be. Co-creation is needed.

This would allow to:

- *Adopt a demand-driven approach in the definition of ‘subject-matter’*, and the transition from innovation supply to innovation *responsiveness*;
- *Adapt innovation procurement to evolving situation*, where the identification of unmet needs and care delivery shortcomings would be a clear starting point to address health system’s new challenges. This would reduce uncertainty for procurers, who would more luckily consider innovative solutions as a means to respond to evolving situations. Key point to deploy innovative solutions is the implementation of a solid framework minimising the risk for procurers.

In the framework of the EURIPHI project, care delivery shortcomings in the field of integrated care<sup>1</sup> in multiple disease areas have been identified. Health regional authorities contributed to this exercise, by clarifying what common needs are as well as what their readiness in using PPI as a *strategic tool* to address this challenge<sup>2</sup> is. A finding of the EURIPHI project has been that across disease areas, there are common horizontal needs. For some of them, advanced and adaptable solutions have been developed. Fostering this exchange will be of interest.

***Point 2: An approach based on ‘what it is valued’ and driven by the values of the health system<sup>3</sup>.***

The way forward to obtain the highest economic gains results in translating an approach based on *‘what it is valued’* into practice, which should be considered when applying what award criteria beyond ‘lowest price’ should be introduced according to MEAT. The concept of *‘what it is valued’* should not be restricted to technical quality criteria but applied to the specificities of health care sector.

In the framework of the EURIPHI project, the *‘what it is valued’* approach was applied along the full procurement pathway – from pre-tender phase to contracting. Lessons learned are reported as follows:

- In the *pre-tender phase*, dialogue on *‘what it is valued’* would contribute to the mitigation of uncertainty on the procurement and supply side as the specifications would be defined according to the context and what the innovators should expect. This was enabled by the use of the MEAT Value Based Procurement framework<sup>4</sup> and organisation of Open Market Consultations.
- In the *awarding phase*, the MEAT Value Based Procurement framework was – again - applied. The framework defines and categorises the most relevant criteria from which a procurement project team can select and build on, including the initial identification and selection of the most important (value-based) award criteria.

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<sup>1</sup> Deliverable D3.1 EURIPHI Health Regions Survey Integrated care: [https://www.euriphi.eu/wp-content/uploads/euriphi\\_d3.1\\_m8\\_final.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_d3.1_m8_final.pdf)

<sup>2</sup> Deliverable D1.1 Mapping of Health Regions readiness for value-based PPI and mechanisms of identification of unmet health and health systems’ needs: <https://www.euriphi.eu/wp-content/uploads/euriphi-d1.1.pdf>

<sup>3</sup> Incorporating value in investment decisions in health across Europe: [https://www.medtecheurope.org/wp-content/uploads/2019/06/2019\\_MTE\\_incorporating-value-in-investment-decisions-in-health-across-Europe.pdf](https://www.medtecheurope.org/wp-content/uploads/2019/06/2019_MTE_incorporating-value-in-investment-decisions-in-health-across-Europe.pdf)

<sup>4</sup> <http://www.meat-procurement.eu/page.pdf>

- In the *contracting phase*, Value-Based Agreements (VBA) were considered as the legal means to align the interests of both procurer and supplier. VBA enable the risk mitigation and incentivize the maximisation of benefits. This especially when expected outcomes, benefits or the cost impact are less clear or lack detailed evidence at time of the awarding and contracting. This forms a good basis for a mutual benefit and solid partnerships and it is especially critical to address sustainability and resilience of health systems.

By performing this exercise, we learned that:

- The concept of '*what it is valued*' should be defined according to the context and to broader aspects (societal, environmental, cultural and legal);
- Therefore, '*what it is valued*' should be clearly translated into solution requirements and procurement objectives;
- When preparing the solution requirements and procurement objectives, dialogue involving relevant stakeholders should be fostered. The coalition should be composed of representatives from those who buy, pay and use the innovative solution across the full care pathway; these potentially being individual organisational entities.

Results of applying the '*what it is valued*' approach into practice, are reported in ANNEX.

***Point 3: The local dimension is key to ensure the delivery of high-value and quality care responding to specific needs.***

Centralised procurement should apply a lot-based approach at the local level to ensure delivery of high-value and quality care. The local dimension is key to exploit the opportunities of centralised procurement across the border. More specifically:

- Unbalance between *quantity* and *quality* could occur when performing centralised procurement but quality should be the main target. The unbalance between quantity and quality could be overcome by taking into consideration the local dimension. Regions are aware about the populations' needs and how address them by adopting a personalised approach.
- The *EURIPHI cross-border collaborative model*<sup>5</sup> is a good tool to optimise cooperation across the borders, as it implies localised decision making. The model fosters the adoption of an approach centered on quality, giving the possibility to regional authorities to manage at their own pace the policy they want to prioritise. Finally, the EURIPHI cross-border collaborative model would help to increase resilience, as it supports the identification of real priorities.

***Point 4: The role of regions in ensuring a trade-off between innovation and transnationality.***

The EURIPHI cross-border collaborative model provides an opportunity to maximise the benefits of collaboration across the borders while addressing the specificities of local and regional health systems. Regions play a key role to create the market conditions to boost innovation while

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<sup>5</sup> EURIPHI Reflection Paper 'Advancing health systems in Europe through cross-border value-based innovation procurement: <https://www.euriphi.eu/wp-content/uploads/euriphi-cross-border-collaborative-procurement-final-1.pdf>

fostering sustainable local development. Innovation procurement is recognised to be a lever for achieving sustainable development, provided that the local dimension is taken into consideration. The EURIPHI cross-border collaborative model supports sustainable regional development, as it balances innovation and transnationality, through local decision making.

***Point 5: EU role in support of innovation procurement: enhance funding synergies, share best-practices and facilitate networking.***

- *Enhance funding synergies:* funds supporting the implementation of innovation procurement as a tool to foster access of innovation into health systems and regional development via innovation (European Social Fund, European Regional Development Fund, HEurope and co-investments in PPI/PCP; etc.) should be cumulative. EU4Health foresees provision to regulate on this. EU could support the cumulation of funding.
- *Share best-practices:* knowledge exchange among regions would accelerate the adoption of innovation procurement as a tool to innovate health care delivery.
- *Strengthen dialogue between innovators and procurers:* to reduce uncertainty; provide better response to unmet needs; ensure deployment of innovation into health systems.
- *Mitigate procurers' risk aversion:* as procurers are averse to risk, there is the need of putting in place a solid framework to reduce such risk and supporting procurers to adapt to the evolution of health systems. This would contribute to health systems' resilience via innovation.
- *Foster identification of unmet needs, via appropriate funding:* cooperation across the borders should be fostered when it comes of identifying common unmet needs. This would enhance the adoption of a demand-driven approach and the transition from innovation supply to innovation responsiveness.
- *Foster the professionalisation of procurers,* which in turn would ensure balance in negotiation between purchaser and supplier.

## ANNEX

Results of applying the ‘*what it is valued*’ approach into practice, are reported here below:

- EURIPHI Reflection Paper EURIPHI Reflection Paper ‘Applying a value-based approach to innovation procurement in healthcare’: <https://www.euriphi.eu/wp-content/uploads/euriphi-value-based-innovation-procurement-final-1.pdf>
- EURIPHI Reflection Paper ‘Advancing health systems in Europe through cross-border value-based innovation procurement’: <https://www.euriphi.eu/wp-content/uploads/euriphi-cross-border-collaborative-procurement-final-1.pdf>
- European cross-border innovation procurement in health and social care – brochure (legal guidance): [https://www.euriphi.eu/wp-content/uploads/euriphi\\_cross-boder-ppi\\_legal-guidance.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_cross-boder-ppi_legal-guidance.pdf)
- Deliverable 5.1 Prioritization and test case learnings: [https://www.euriphi.eu/wp-content/uploads/euriphi\\_d5.1.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_d5.1.pdf)
- Deliverable 6.1 Business case: [https://www.euriphi.eu/wp-content/uploads/euriphi\\_d6.1\\_m18\\_final.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_d6.1_m18_final.pdf)
- Deliverable 6.2 Functionalities and technical prescriptions: [https://www.euriphi.eu/wp-content/uploads/euriphi\\_d6.2\\_m15\\_final.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_d6.2_m15_final.pdf)
- Deliverable 6.3 Patient-centered assessment framework: [https://www.euriphi.eu/wp-content/uploads/euriphi\\_d6.3\\_m15\\_final.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_d6.3_m15_final.pdf)
- Deliverable 6.4 Buyers group proposed model of governance: [https://www.euriphi.eu/wp-content/uploads/euriphi\\_d6.4\\_m18\\_final.pdf](https://www.euriphi.eu/wp-content/uploads/euriphi_d6.4_m18_final.pdf)