

Reflecting on value-based procurement over the COVID-19 pandemic and its role in the NHS's post-pandemic recovery

Chaired by Simon Walsh, Chief Officer of the HCSA

Background

Baxter Healthcare Ltd held an initial roundtable meeting in November 2020 at which attendees agreed a definition of value-based procurement (VBP) and considered its potential use in NHS Trusts.

This second meeting looked to bring procurement professionals and thought leaders together to consider how attitudes towards VBP have changed over the last year, and what role it could play as the NHS looks to recover from the COVID-19 pandemic.

Discussion summary

How have attitudes towards value-based procurement changed over the last year?

Attendees agreed that over the last year their attitudes towards VBP had either remained positive or improved. There is potential in the aftermath of COVID-19 and ahead of the upcoming NHS reforms to integrate value further into procurement.

Impact of the Covid-19 pandemic

- Many held the view that VBP has always been the natural direction of travel, but the COVID-19 pandemic has created an environment where traditional procurement models can be reconsidered.
- The pandemic required NHS Trusts to adapt and deliver services in new ways – it will be important to keep this momentum going to achieve a longer-term change in approaches to procurement.
- COVID-19 showed that driving costs down can have unintended negative consequences for delivery. The realities of the post-COVID NHS, such as the reintroduction of elective procedures and clearing the backlog, will not be solved by driving down costs. They will require greater efficiencies within systems and better, longer-lasting products.

Impact of NHS reforms

- The move towards Integrated Care Systems (ICS), offers an opportunity to embed value-based procurement into future plans.
- This is especially important since Integrated Care Boards will have to consider value across all settings – including in the community, primary care, and secondary care – with shared procurement budgets.
- The reforms provide an opportunity to consider the cost of procuring for clinical pathways rather than individual units. For instance, diabetes works well for a value-based approach given that the clinical pathway involves several disciplines.
- However, this still represents a challenge with ICS finance directors, whose language remains focused on return on investment. There needs to be an effort to shift the perception of value away from cost and on to other important measures, including patient outcomes and sustainability.

How could value-based procurement support the NHS in its recovery?

Attendees then considered what is now required to support the implementation of value-based procurement in Trusts.

1. Cross-system support for VBP is required

- Procurement Directors are generally sold on the benefits of value-based procurement.
- For its successful implementation, Chief Financial Officers and finance teams need to be persuaded to move away from traditional procurement models and look at the total cost of treatment (TCOT).
- VBP needs to be presented in a way that demonstrates its cost efficiencies in the long run – for instance by creating a TCOT calculator.

2. Procurement teams should be skilled in VBP

- Senior Procurement Directors have a strong understanding of the benefits of VBP, but this needs to be filtered down to procurement teams.
- Junior procurement staff need to be supported to develop their procurement skills.
- It was suggested that the HFMA, HCSA and ABHI could collaborate to produce a joint conference or seminar to share ideas on VBP among teams.

3. Procurement should be based on improving patient outcomes

- Ultimately, procurement needs to be focused on the impact on the patient.
- Value can be delivered by reducing the length of time patients spend in hospital, making procedures more comfortable for patients, and limiting the burden on families.
- Decisions need to be patient centered – patient groups can be a valuable source of information and input to support this.

4. Value-based procurement can demonstrate improved efficiencies

- Product prices are continuously rising, yet procurement teams are having to find new ways of improving efficiencies through annual cost improvement plans.
- Teams need to change to continue to deliver services that Trusts find valuable – value-based procurement is the natural way of doing this.

5. VBP should be weaved into anything that can grab the attention of the organisation

- Attendees discussed the success of UroLift, a MedTech device for prostate conditions, which delivered value across the clinical pathway.
- Benign Prostate Hyperplasia is common in older men. It was suggested that one of the reasons why UroLift was widely considered a success could be due to the high-profile nature of the condition.
- VBP could be weaved into similarly high-profile issues to raise its profile and importance within organisations.

6. The role of suppliers is important

- Supplier-provider relationships are crucial to successful value-based partnerships.
- Suppliers are often more knowledgeable about clinical pathways and data within Foundation Trusts than procurement teams themselves.
- Procurement Directors should work with their supplier partners to understand this data and look at how value flows across the pathway, especially given pressures resulting from COVID. Suppliers can provide support and headspace where necessary.

7. Value-based procurement should be considered business as usual

- There needs to be a shift in thinking away from VBP as a new and risky approach for Trusts to pursue and towards it being seen as business as usual.
- There are many examples of value-based procurement which Trusts have adopted but are still labelled as innovative.
- If value-based procurement is to become standard practice, finance teams need to have trust that similar partnerships have worked in the past.

8. Frameworks for value-based procurement should be established

- NHS procurement, especially around MedTech, operates in frameworks. Greater flexibility needs to be built into these frameworks to allow for innovation and different models of procurement.
- Traditionally, procurement is based on unit costs picked from catalogues. There should be a shift towards pathway-based pricing for products and innovations.
- For value-based procurement to be easy to implement, the right documentation and systems for procuring in this way need to be easily accessible for Trusts to pick up and adopt.

9. There should be a willingness to promote and share knowledge among Trusts

- Procurement teams and staff in the public sector should communicate positive experiences of value-based partnerships across Trusts.
- There is a willingness to implement VBP but getting Trusts to do so at pace is a challenge. Sharing examples of successful ways of working will encourage its swift implementation.

Attendees

Baxter would like to extend their thanks to all participants for their time and contributions:

- Simon Walsh (Chair) - Chief Officer, Health Care Supply Association
- Nick Allen - Industry Procurement Adviser, Health Innovation Manchester
- Pia Larsen - Director of Procurement and Supply Chain, University College London Hospitals NHS Foundation Trust
- Brian Mangan - Value Based Procurement Project Lead, SCCL NHS Supply Chain
- Rob McGough - Head of Commercial Health, Hill Dickinson
- Suzanne Scannell - Director of Procurement, Chelsea & Westminster & The Royal Marsden NHS Foundation Trusts
- Karen Shine - Head of Clinical Procurement, Kings College Hospital
- Gary Welch - Director of Procurement and Supply Chain, Oxford University Hospitals NHS Foundation Trust
- Marie Whitaker – Interim Head of Procurement, Manchester University NHS Foundation Trust

If you have any further questions or would like to discuss this roundtable further, please do not hesitate to contact Ann Cole, Evolving Health Manager at Baxter, at Ann_Cole@baxter.com.

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