

At Baxter we pride ourselves as being at the forefront of efforts to embed Value based procurement approaches into health services around the world, and in partnership with Manchester University NHS foundation trust, we have been working to find new ways to turn VBP principles into practice in the UK.

This animation is designed to explain what the first steps of adopting VBP might look like and make the case that there has never been a better time to do it.

Right now, The NHS faces a perfect storm of rising patient demands and increased efficiency pressures, just as the costs of raw materials including energy and fuel, are on the rise. Increasingly, there is the feeling amongst procurement executives that within traditional Cost Improvement Plans, there may soon be no-where left to go.

While it's not going to be appropriate for everything the NHS buys, it may be that Value Based Procurement offers a new direction of travel.

To make VBP work, both NHS Procurement Executives, and Suppliers will need to invest in the approach. This often begins by starting to research some more sophisticated metrics for the value of particular interventions,

These metrics allow us to properly count the cascade effect that incremental improvements have along the patient pathway, compared against the cost of doing nothing;

Actual VBP agreements tend to be on a spectrum from, shared risk on an individual device, to the outsourcing of whole services. But the right solution for you is likely to be somewhere in between.

Taking the example of an individual device, that is more expensive per unit, but seen as better value because it decreases the average length of stay, If some other part of the patient pathway is simultaneously preventing patients from leaving on time then the value of the device is immediately lost.

For a VBP partnership to be successful, it must at least examine the whole patient pathway in order to find combinations of products and services with the potential to multiply their value in terms of patient outcomes.

It's a new type of working relationship in which Procurement executives use their system intelligence to identify problems. While suppliers use their market intelligence to offer solutions. In this way the supplier is acting more like a consultancy, but one that is more invested in results, as both parties are share financial risk, and are in it for the long term.

While it might take more than one year to find the optimal system, each years will see incremental improvement and within a good VBP agreement there will be defined milestones along the way to make sure that you are still on track.

At Baxter, we believe the benefits for the NHS from increasing the use of VBP are well established. As Multiple studies and our own pilot programmes have shown, it can quite quickly and measurably cut costs, increase capacity and improve outcomes. Sometimes in amazing and unexpected ways.

We believe that Momentum is building as a growing number Procurement Professions let us know that they are keen to move from theory into action.

We believe that the time Value Based Procurement is now.

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