

# A Procurement Perspective to Efficient Spending on Healthcare



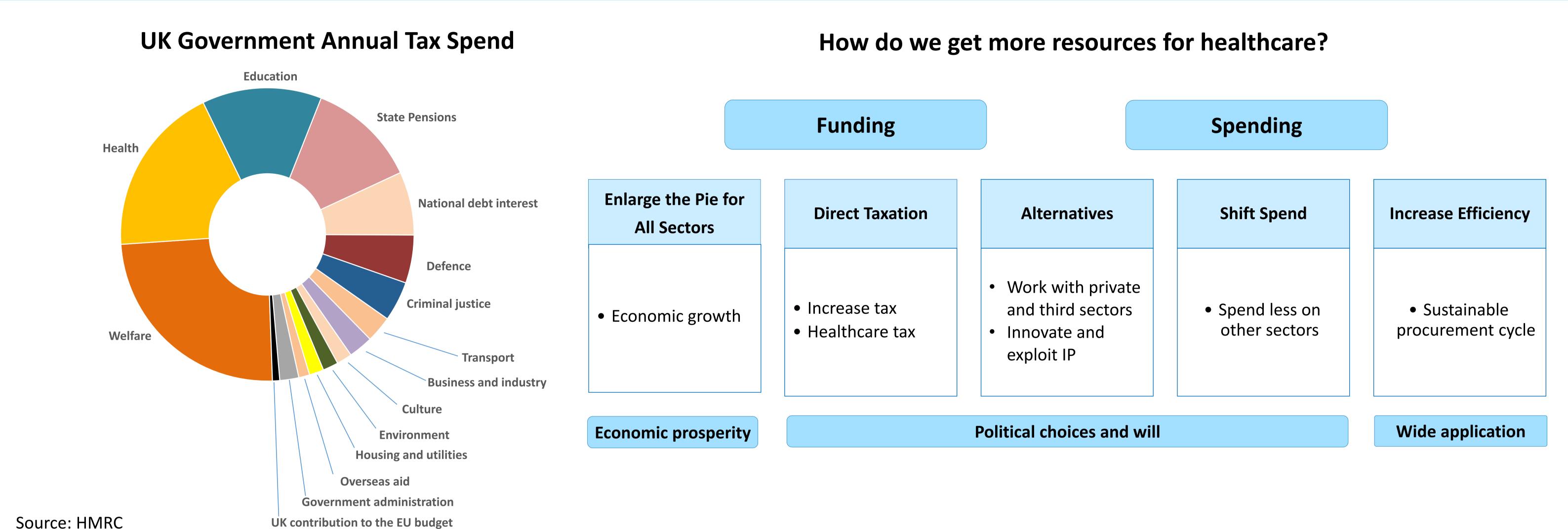
**Problem:** As we live longer lives, the healthcare sector faces increasing demand for more resources due to factors such as more complex healthcare needs and the rising cost of new medicines

Approach: "Yet, as long as resources are not infinite... the most compassionate thing to do is to use your brain and work out how to do the most good with what you have" Rosling, H (2017) Factfulness **Solution**: New creative ways, such as sustainable procurement, are needed to sustain the high-level of service and to continue to improve healthcare

## Aim: Implement sustainable procurement approaches to deliver efficient high-quality healthcare services at lower costs

- Higher standards for transparency and accountability for spending in healthcare
- Procurement is the process by which an organisation obtains goods, services or works
- Sustainable procurement is a whole-cycle approach to spending in healthcare with clear governance mechanisms and evidence-based decision-making at each stage
- In obtaining goods, services or works, the activities at each stage of the procurement cycle are considered holistically, in the light of all other stages

# Options for securing more resources for the healthcare sector



# Sustainable procurement cycle or whole-cycle approach to spending on healthcare

Leading by example: case studies from the National Health Service (NHS) in England

**Define needs** 



# **Key stage activities:** Gather and analyse feedback Reflect on feedback Implement lessons learned Case study: Improving maternal mental health services

## **Project benefits:**

- Clinically led service reviews
- New, consistent, safe, high quality service

## **Key stage activities:**

- Run process, evaluate, select best solution
- Contract and mobilise
- Manage and monitor contracts and providers

# Develop **Review and** business learn case Sustainable Procurement Define Manage Cycle contract and procurement relationships route Award and Run process implement

## **Key stage activities:**

- Gather and analyse data
- Assess needs and identify gaps
- Consult and engage relevant stakeholders
- Propose options, assess risks and benefits

Transforming care for people with learning disabilities and autism

Case study:



## **Project benefits:**

- Transforming healthcare
- 33% reduction in inpatient beds

## **Key stage activities:**

- Design procurement strategy
- Plan, initiate project, allocate resources
- Prepare documentation

## Case study:

Coordinated, patient-centred and locality focused community services

# **Project benefits:**

- New, ambitious model of care
- Patient-centred outcomes and economies of scale

## Case study:

Procuring a new Child Health **Information System** 



## **Project benefits:**

- Safe records in secure system
  - £4.4m efficiency savings

## **Conclusions and take home message**

Formal governance checkpoint: Proactive self-governance:

- Resources are always finite, but creativity in managing available funds is not
- A whole-cycle procurement is a proactive, holistic and evidence-based approach to spending that can bring tangible and intangible benefits to the healthcare sector
- The sustainable procurement cycle can be adopted and implemented at all organisational levels





