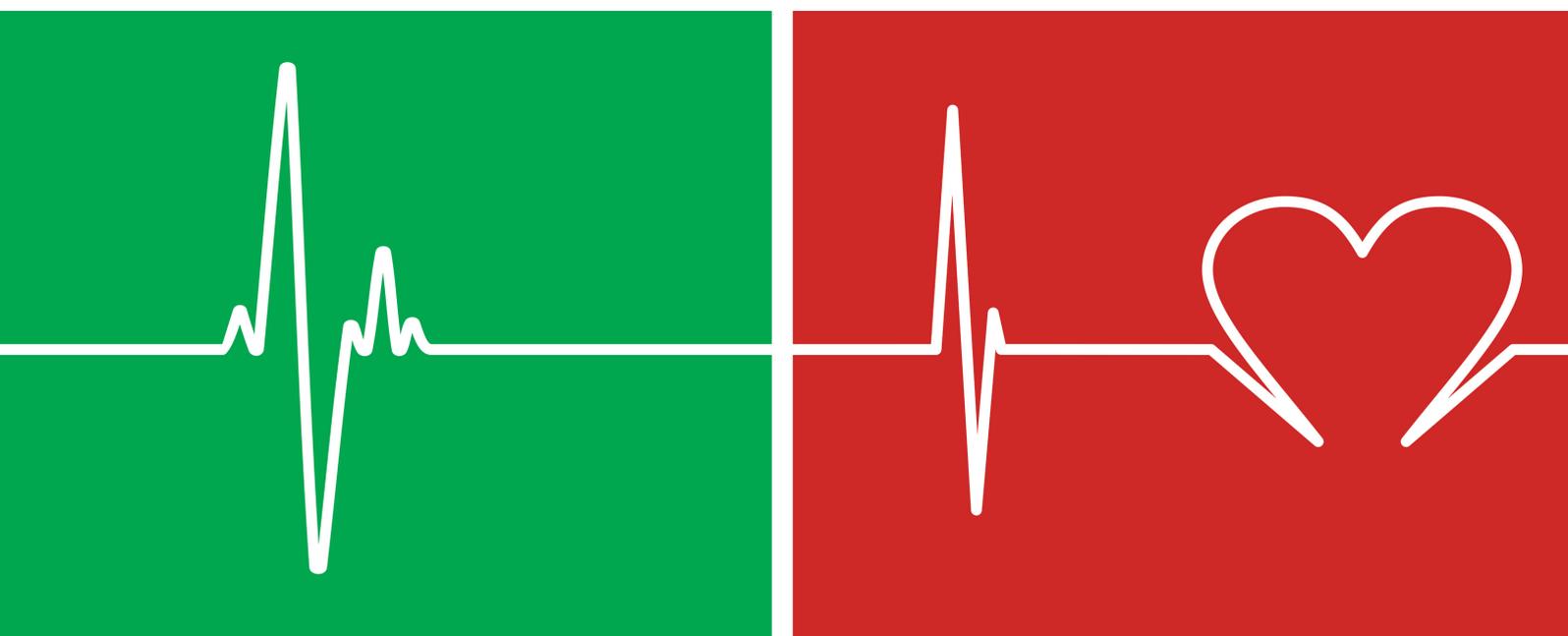


## Clinical and procurement collaboration keeps hearts beating and saves £2.5m for 2012/13



Engagement with and collaboration between senior clinical and procurement specialists is expected to save £2.5m over the year from October 2012 for NHS trusts, while ensuring clinicians get the products they need based on sound clinical evidence.

Under contracts developed by NHS London Procurement Partnership (LPP), a membership organisation for NHS trusts designed to leverage value and quality from the NHS procurement budget, the ICDs and pacemakers market in 2011 was worth around £10.2m.

ICDs and pacemakers stimulate the heart where it does not pump at appropriate times, or at all. Placed under the skin, very small cables connect to the heart muscle to regulate and monitor electrical impulses.

As a result, these products must be light and durable, last as long as possible to minimise replacement operations, and be highly reliable, able to produce pulses for several years. New designs include MRI-compatible devices for specific patient requirements. Home monitoring options avoiding the need for patients to come into hospital are also increasing in popularity.

LPP's contracts for the provision of ICDs and pacemakers delivered very good savings for members, but in 2012 LPP reviewed its approach. The original contracts worked on a banded structure based on volumes. Additional discounts were given for the particular market share that a trust would give to a single supplier. Discounts were also available if trusts had the storage room and cash flow to enable them to buy in bulk.

## NHS London Procurement Partnership

LPP is a membership organisation for and funded by NHS trusts, designed to leverage value and quality from the annual NHS procurement budget.

LPP works alongside NHS organisations to make the most of the commercial size of the NHS to deliver savings and improvements which enhance patient care. Our main focus is to drive collaboration, maximising our members' purchasing power.

LPP has a proven track record of delivering a range of commercial projects in a short timescale, and has demonstrated the capability to identify, develop and deliver commercial opportunities to the benefit of members and patients alike. LPP has established significant project management capability, and provides access to a range of procurement and commercial specialists.

Over the last six years, LPP has delivered more than £540m in savings in the following areas:

- Agency and Temporary Staffing
- Estates and Facilities
- Medical, Surgical and Supply Chain
- Pharmacy, Medicines Use and Procurement
- Professional Services
- Technology (Data & e-Enablement; IT & Telecoms)

As John Baglivi, LPP's Medical, Surgical and Supply Chain Workstream Lead explains, "Although this had the benefit of allowing small users to gain larger discounts, it made it difficult to identify the final price that was being paid for the products."

LPP has always engaged with clinicians in its contract negotiations, enabling clinicians to have a full role in managing the decision-making process and review the evidence for particular products. In 2012, a panel of leading London clinicians and procurement staff was set up to develop a new ICD and pacemaker framework agreement which would create a more favourable market for member trusts.

The result is a new contract delivering a single price per item. Discounts can still be applied based on market share as before, and for bulk purchases.

To introduce this new approach, LPP hosted meetings between all suppliers, senior clinical staff and procurement specialists from St Georges, Epsom and St Heliers and Barts Health – all large users of these complex specialist products.

It was made clear to suppliers that it was difficult to differentiate between their products without clinical evidence being presented. It was made clear too that there was increasing pressure on budgets, and that the earlier pricing strategy was unsustainable.

John Baglivi is in no doubt that this strategy of clinical engagement is invaluable. "Putting clinicians and procurement staff together with suppliers ensures an openness and transparency in negotiations, and ultimately an alignment between products available under our contracts and evidence-based clinical need."

Suppliers were told that any products incorporating new designs, new innovations, new technologies could not be more expensive than existing prices because of budgetary pressures, and that trusts were expecting, as a minimum, a four per cent year-on-year cash releasing saving.

The upshot is that during 2012, prices have tumbled. Suppliers now price their products not to lose market share rather than from a 'price-insensitive' point of view, and based on clinical evidence not purely clinical preference. New technologies are available without being

a cost-pressure, innovation has not been compromised by the price reduction, and new entrants to the market have been generated.

As John Baglivi says, **"LPP's stated aim is to improve patient care in a cost effective environment. We had the required experience and skills to generate savings by working with clinical and procurement staff from a variety of trusts to fundamentally change the market dynamics. We are managing the market, not being managed – and the result is a contract which provides the clinically-proven products to meet clinicians' needs, and savings for members which are fed back into patient care."**

**"Getting clinical staff around the table to discuss user needs gives a united message to industry, and in developing our tendering strategy was invaluable to achieving our objectives. Having Senior Clinical Leads such as Sue Jones (Pacing & ICDs Service Manager from St Georges) and Senior Procurement Staff like Debra Day (from Barts Health) as part of the panel identifying strategy and direction was a major factor in shaping the contract. LPP would like to thank all involved. Now we need more bold Clinical and Procurement Leads to drive our collective requirement forward."**

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