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Medical Devices and Diagnostics Special Interest Group (MDD SIG)

HTA & Public Procurement of MedTech Solutions: Building a Bridge for Better Decision Making

ISPOR Europe 2022
Tuesday 8th November

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Welcome and Session Information

Simon Eggington, Medtronic International,
Tolochenaz, Switzerland

Moderator



Simon Eggington, Medtronic International,
Tolochenaz, Switzerland

Speakers



Sophie Cros, Abbott, Brussels,
Belgium.

Richard Charter, Alira Health,
London, UK.



Agenda



Welcome



Background of HTA and procurement; SIG activities



Current role of HTA in device procurement



VBHC, HTA and Joint Clinical Assessments

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HTA & Public Procurement of Medtech Solutions: Building a Bridge for Better Decision Making

Simon Eggington, Medtronic International,
Tolochenaz, Switzerland

Author's Disclosure

I am employed by Medtronic

Background to the session

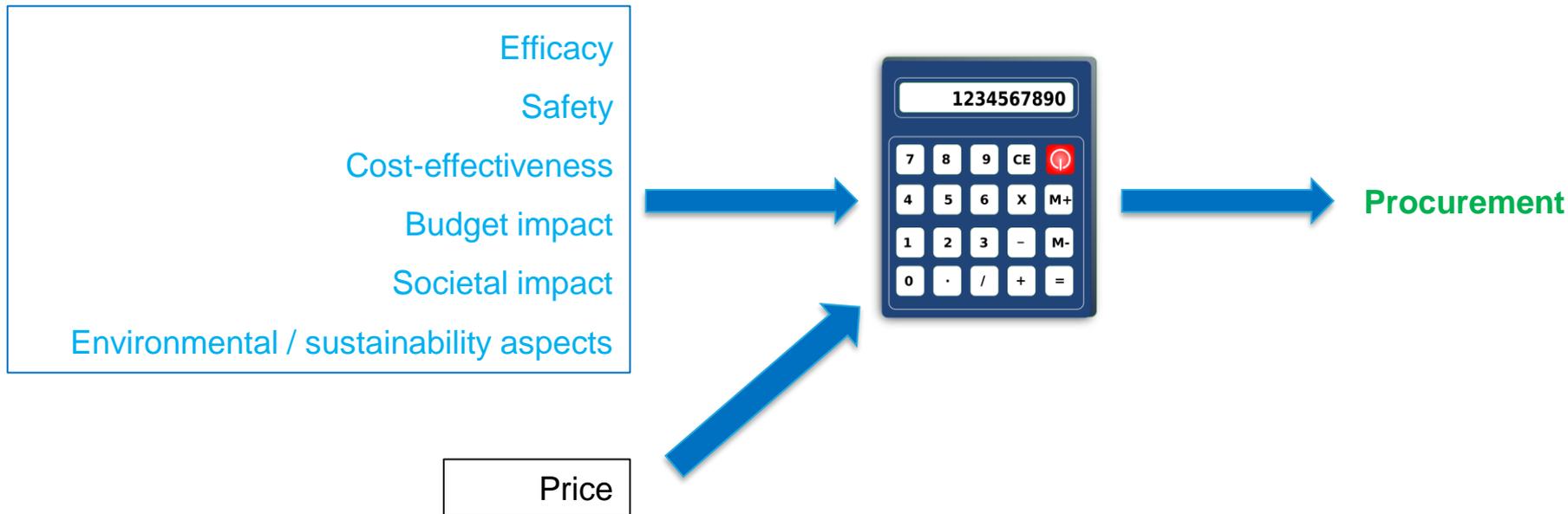
- HTA becoming more established for devices but at different levels
 - National
 - Regional
 - Hospital
- HTA is broad but its impact on purchasing decisions is less clear
- Focus of the SIG
 - What impacts device procurement
 - Should ISPOR contribute to build links between these worlds?

Goals of session

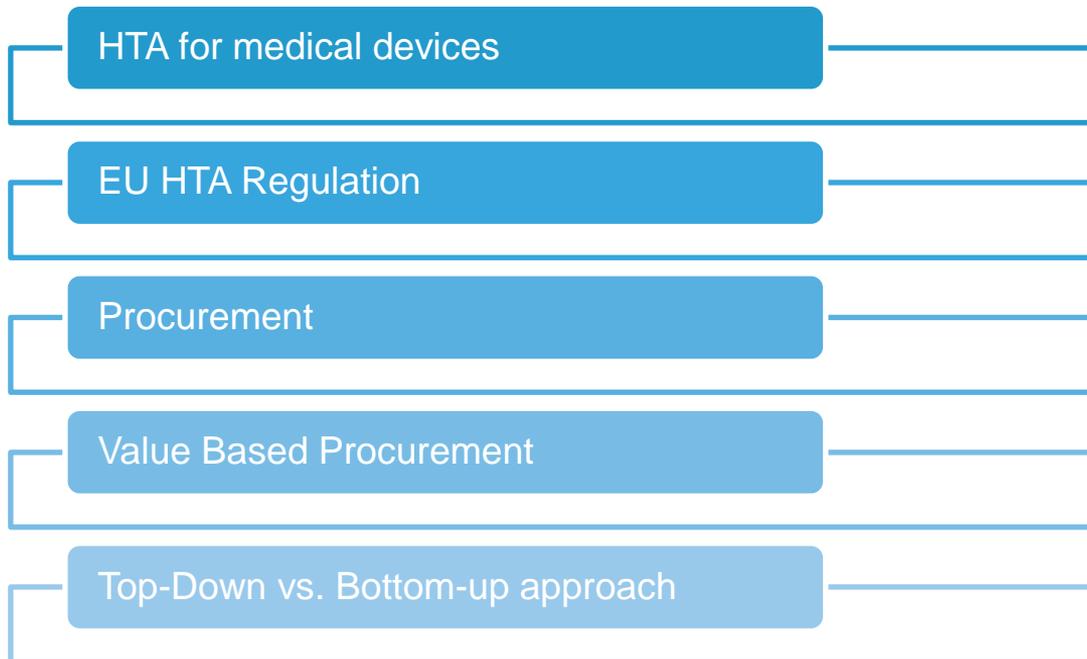
- Understand current state of play
- What does the future hold?
- Can the SIG contribute further to this topic?



What elements are relevant in procurement?

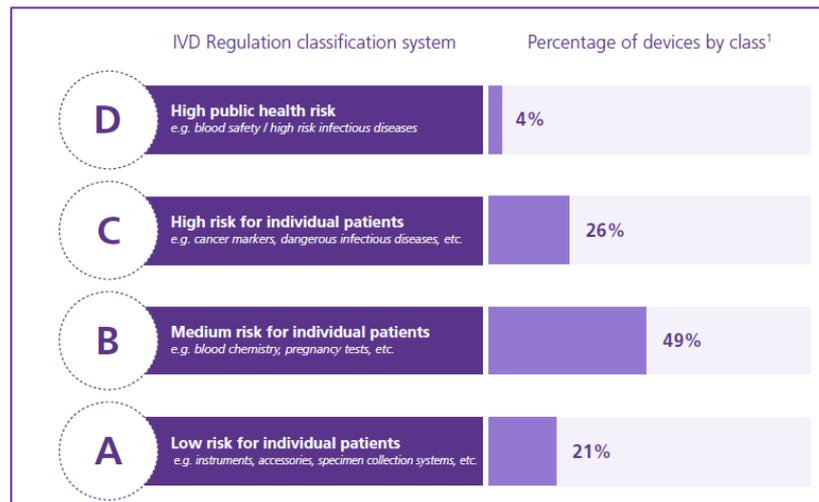
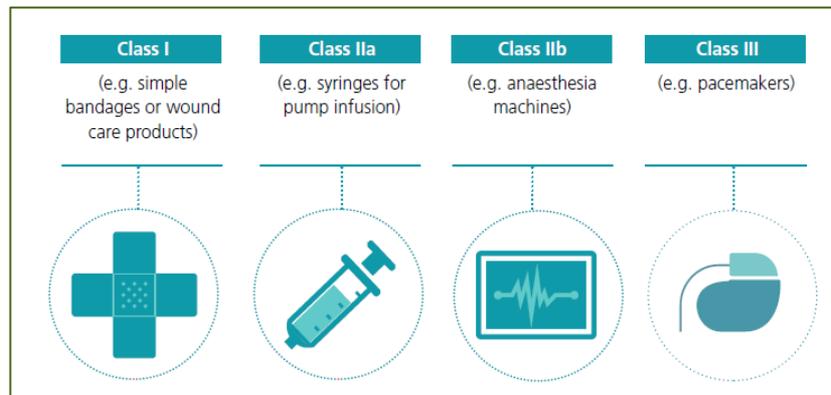
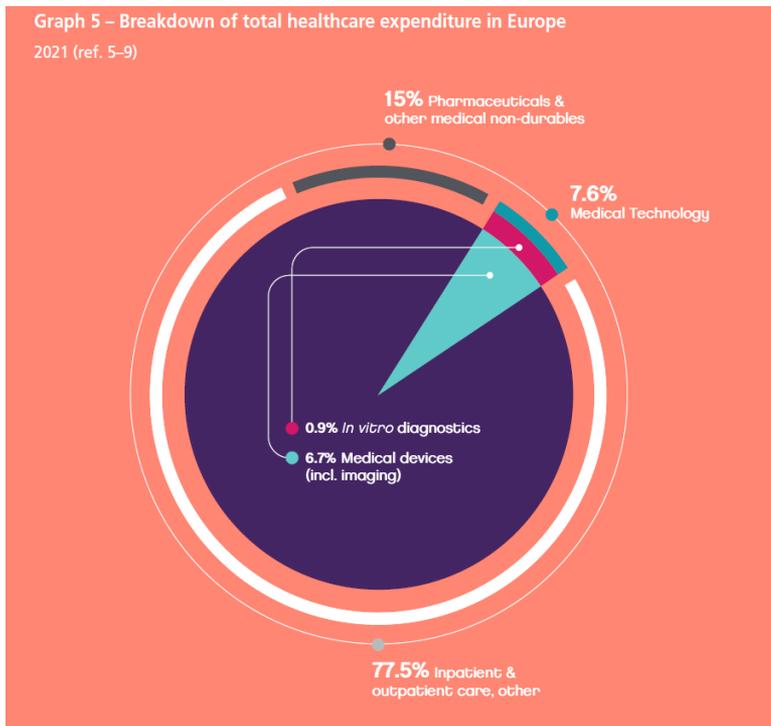


Focus on Europe

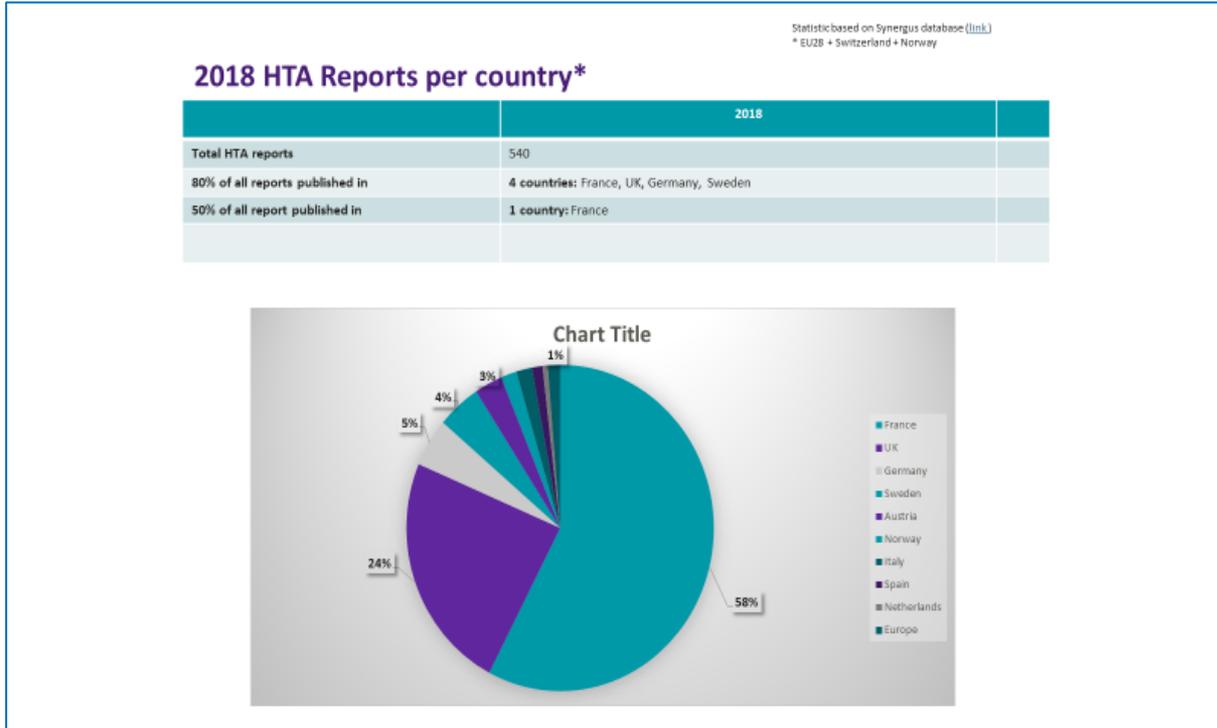


500 000 MD/IVDs in Europe

Graph 5 – Breakdown of total healthcare expenditure in Europe
2021 (ref. 5–9)



HTA



HTA in Medtech

AREA

- National
- Regional
- Local / Hospital based

LIFECYCLE

- Timing
 - Variable

SCOPE

- Brand or Therapy HTA
 - Ex: MitraClip vs. Drug Eluting Stents



- Support to reimbursement decisions in few countries e.g. France, Belgium
- Usually not conclusive when initiated close to launch as evidence is limited
- Unpredictable
- Impact limited

SIG Key Project – Role of HTA in procurement

- Describe how HTA informs device procurement
- Systematic review of literature to understand relationship
- Presented at ISPOR Europe last year
- Some studies of hospital HTA
- Minimal evidence of use of national/regional HTA in procurement decisions

- Submitted to Value in Health



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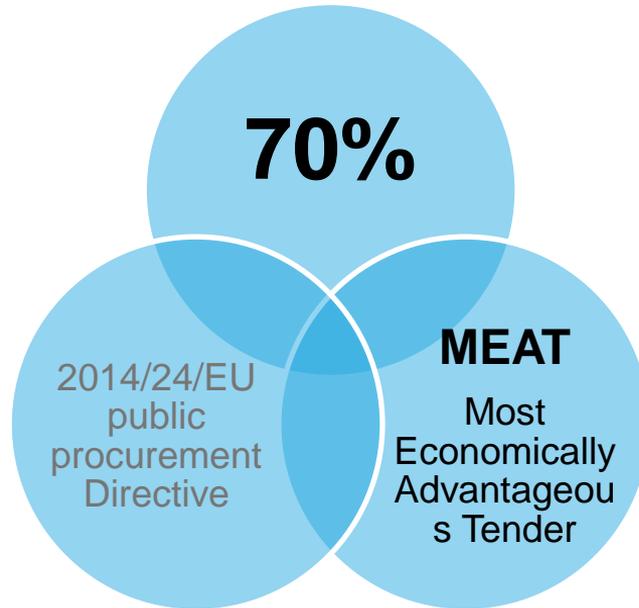
Current role of HTA in device procurement

Sophie Cros, Abbott, Brussels, Belgium

Author's Disclosure

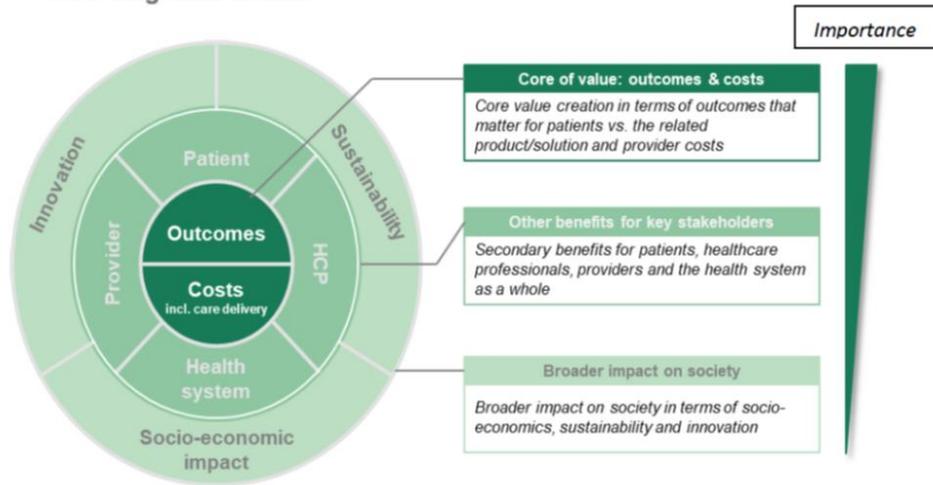
I am an Abbott employee

Procurement in Purchasing MD



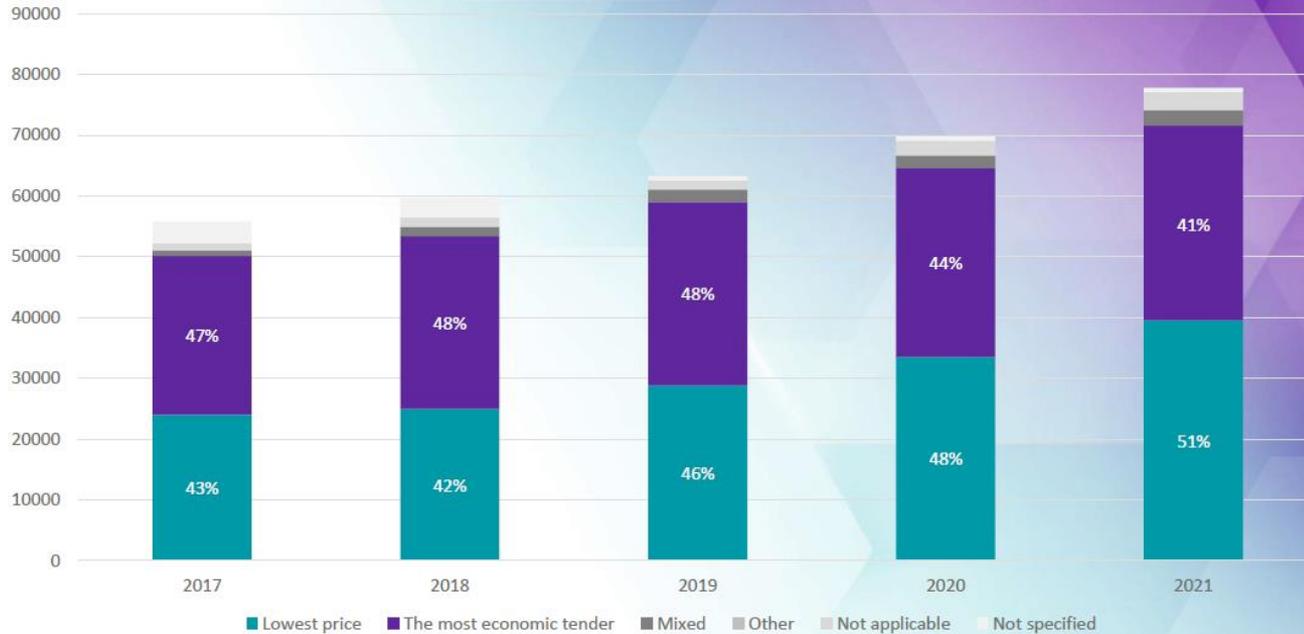
Different views of Value

VALUE
BASED
PROCUREMENT
INITIATIVE



Source : BCG

Number of +33 Tenders by 'Award Criteria'



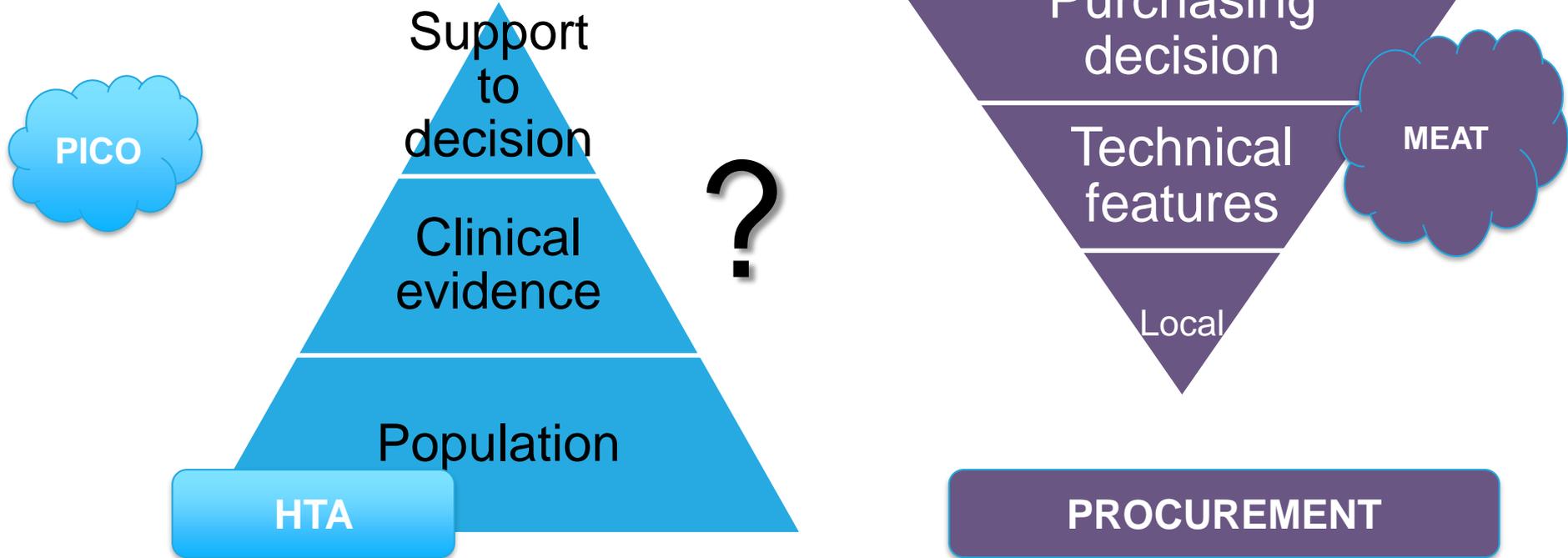
Reality check

Summary results : Callea et al 2017

- Studied the combined influence of HTA and different procurement models upon the selection and price of medical devices in Italy.
- National survey of Italian hospitals (44 hospitals across 15 regions) covering two main criteria:
 - HTA governance (regional; hospital-based; double-level; no HTA)
 - Presence of centralized procurement (yes or no)
- Four therapeutic areas characterized by rapid innovation (interventional cardiology, interventional neurology, neurosurgery, and orthopedics).
- Hospitals provided information on:
 - Quantities of devices purchased
 - Total device expenditures
 - Implementation of HTA
 - Information about the use of HTA in procurement decisions.
- Main conclusions:
 - Hospitals undertaking their own HTA activities acted as cost-containment units (with a potential to hinder access to innovative technologies)
 - Those using a regional HTA model were more likely to purchase the most expensive devices (due to a higher likelihood of positive regional HTA recommendations for such products).
 - Centralized procurement did not influence the selection of devices but led to prices which were around 10% lower than in areas without centralized procurement.
 - Hospitals following a regional HTA program were found to pay lower prices than those using an internal HTA approach, regardless of procurement level.



Can HTA support procurement?



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VBHC, HTA and Joint Clinical Assessments for Procurement

Richard Charter, Partner & Vice-President,
MedTech Market Access, Alira Health

Disclaimer



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Current :

- **Chair of the HTAi Medical Device Interest Group**
- **Vice Chair ABHI Sustainability Working Group**

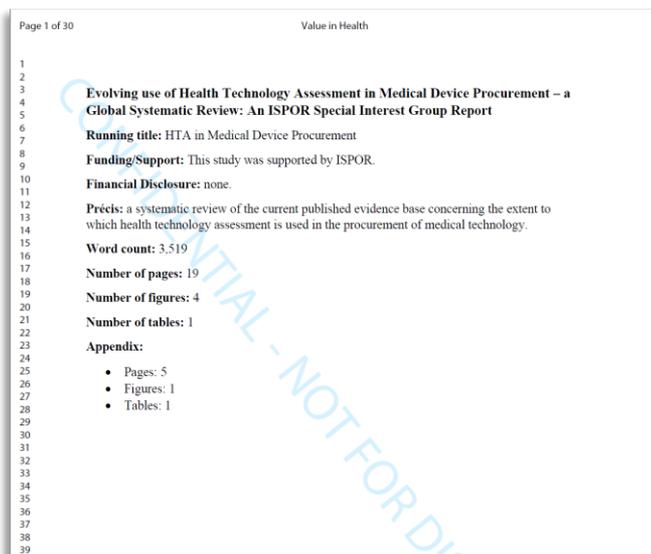
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Agenda: Topics Covered

- Key conclusions from SIG paper
- VBHC and HTA: Convergence at the point of Procurement
- VBHC and Value Based Procurement: HTA Enabled process?
- HTA Enabled Procurement: An example
- Environmental Considerations for Procurement Decisions

Should Joint Clinical Assessments Drive Procurement?



Source: Alira Health Analysis, MedTech Europe, Bocconi University

Paper Conclusion:

“Conclusions: There is **minimal evidence that notes HTA influencing medical device procurement**. Procurement bodies and hospitals may not be incentivized to publish their work and transparency could be improved; further research would better describe the link between HTA and procurement. **Such research would enable HTA agencies to meaningfully assess devices to target procurement bodies and allow device sponsors to prioritize evidence.**”

This could limit redundancy, improve evidence, and ultimately promote savings to health care systems and expand access.

Lets discuss this!

Value Based Procurement & HTA, more similar than different...

Health Technology Assessment (HTA)



- Health Technology Assessment (HTA) is a multidisciplinary process that summarizes information about the medical, social, economic and ethical issues related to the use of a health technology in a systematic, transparent, unbiased and robust manner.
- The aim is to inform the formulation of safe and effective health policies that are patient focused and seek to achieve the best value for public health.

Value Based Healthcare (VBHC)



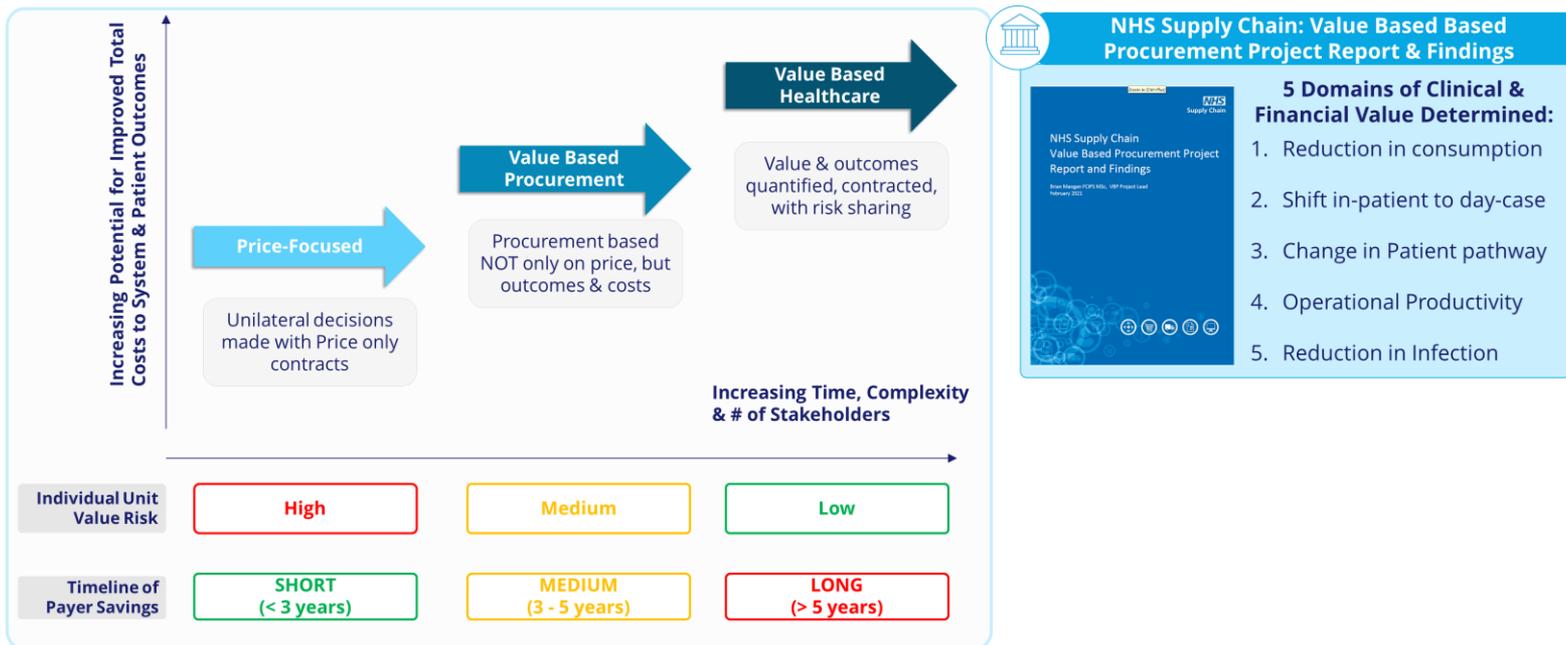
- Value Based Healthcare (VBHC) is a healthcare delivery model where partnerships are built on measuring relationships between:
 - Outcomes that matter to patients, healthcare providers and health systems;
 - Total costs across the entire care continuum, from pre-diagnosis to the time the patient exits the disease state.

Key Similarities & Differences

Key Similarities	Key Differences
<ul style="list-style-type: none"> Both attempt to define value with a relationship between outcomes & costs: a common language 	<ul style="list-style-type: none"> VBHC focuses more on the entire patient pathway, which makes it more conducive to Medical Devices
<ul style="list-style-type: none"> Both utilize a benchmark or comparator to determine improvement / benefit 	<ul style="list-style-type: none"> HTA focuses on economic benefit, VBHC focuses on TDABC¹ (accounting) benefit, which aligns more to procurement decisions.
<ul style="list-style-type: none"> Both consider value domains beyond just 'economics' or 'accounting' 	<ul style="list-style-type: none"> VBHC implementation is driven more locally, by providers. HTA is more government or policy oriented. This is changing (e.g. Wales, France).
<ul style="list-style-type: none"> Both involve multi-stakeholder collaborative dialogues 	<ul style="list-style-type: none"> VBHC is more clearly structured around medical conditions, instead of specific technologies or interventions
<ul style="list-style-type: none"> Both attempt to reduce variation in care 	

Source: Alira Health Analysis

Conventional Procurement is maturing towards value based and HTA based decision making...



Adapted from: Mangan, B Kelley T, McGough R, & Meehan J. Value Based Procurement An alternative approach to total cost reduction, improved efficiency and enhanced patient outcomes in the NHS: A Framework for Delivery. NHS Northwest Procurement Development, 2018. University of Liverpool.

Decision criteria that can be considered by HTA & Procurement are converging.

A University Hospital Infusion Pump Tender

In 2014, a University Hospital tendered a medical device:

- Advanced model to include the total cost over the product life span for **40 units**
- High basic quality requirements, with theoretical price markups for suppliers not fulfilling all quality requirements

3 suppliers participated, only 2 fulfilled all basic requirements for final assessment

Total Assessment Incl. Function & Quality		
Supplier	Points	Missing
Company C		Failed
Company B	343	201
Company A	439	105

- Max points 544.
- Price markup per missing point: 13,000 local currency

Tender Breakdown	Company B	Company C
Equipment	596,000	831,200
Supplies for 6 years	180,000	630,000
Service equipment	17,032	0
Additional functionality and service agreement	252,270	177,325
Total Cost	1,045,302	1,638,525
<i>Markup after quality assessment</i>	2,616,900	1,365,000
Adjusted Cost	3,662,202	3,003,525

Higher price than Company B

*prices in local currency

Source: Alira Health Analysis

‘Social’ criteria, especially “environmental” criteria are becoming mandatory for both HTA & Procurement

NHS England

Greener NHS National ambition Net Zero Take action System progress

Home > Greener NHS > Take action > Suppliers

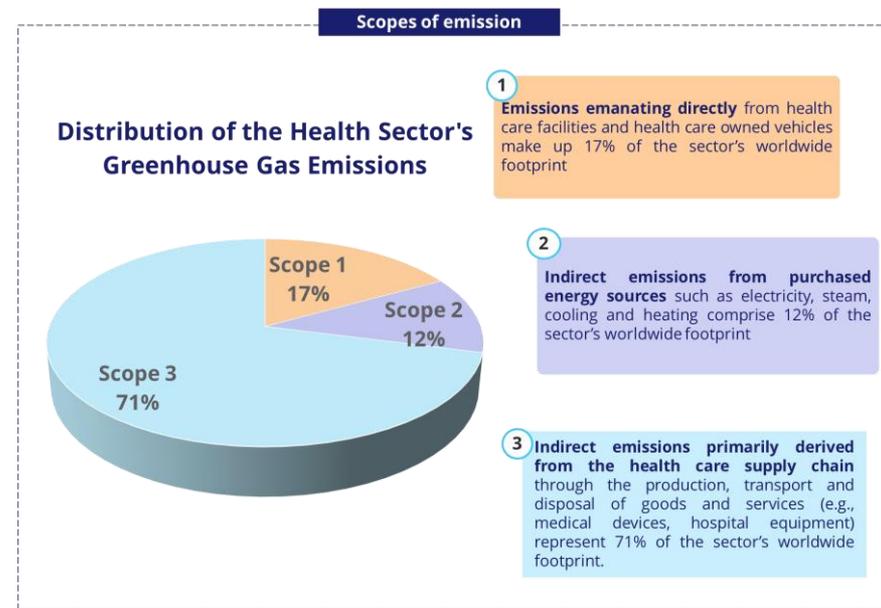
Suppliers

The NHS has committed to reaching net zero by 2040 for the emissions we control directly and by 2045 for the emissions we influence, through the goods and services we buy from our partners and suppliers.

In September 2021, one year on from the publication of the [Delivering a net zero NHS report](#), the NHS England Public Board approved a roadmap to help suppliers align with our net zero ambition between now and 2030. This approach builds on UK Government procurement policy ([PPN 06/20](#) and [PPN 06/21](#)).

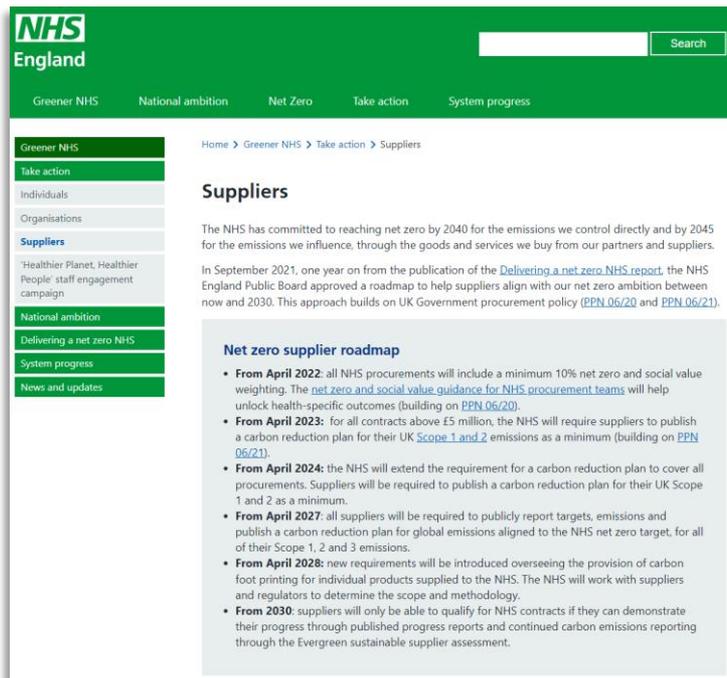
Net zero supplier roadmap

- From April 2022:** all NHS procurements will include a minimum 10% net zero and social value weighting. The [net zero and social value guidance for NHS procurement teams](#) will help unlock health-specific outcomes (building on [PPN 06/20](#)).
- From April 2023:** for all contracts above £5 million, the NHS will require suppliers to publish a carbon reduction plan for their UK [Scope 1 and 2](#) emissions as a minimum (building on [PPN 06/21](#)).
- From April 2024:** the NHS will extend the requirement for a carbon reduction plan to cover all procurements. Suppliers will be required to publish a carbon reduction plan for their UK Scope 1 and 2 as a minimum.
- From April 2027:** all suppliers will be required to publicly report targets, emissions and publish a carbon reduction plan for global emissions aligned to the NHS net zero target, for all of their Scope 1, 2 and 3 emissions.
- From April 2028:** new requirements will be introduced overseeing the provision of carbon foot printing for individual products supplied to the NHS. The NHS will work with suppliers and regulators to determine the scope and methodology.
- From 2030:** suppliers will only be able to qualify for NHS contracts if they can demonstrate their progress through published progress reports and continued carbon emissions reporting through the Evergreen sustainable supplier assessment.



Source: Alira Health Analysis; NHS England website: [Greener NHS » Suppliers \(england.nhs.uk\)](https://www.nhs.uk/greener-nhs/suppliers)

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Key principles

The Greenhouse Gas Protocol sets out an internationally recognised methodology for emissions calculation, which divides Scope 3 emissions into 15 categories:

1. Purchased goods and services,
2. Capital goods,
3. Fuel and energy-related activities,
4. Upstream transportation and distribution,
5. Waste generated in operations,
6. Business travel,
7. Employee commuting,
8. Upstream leased assets,
9. Downstream transport and distribution,
10. Processing of sold products,
11. Use of sold products,
12. End-of-life treatment of sold products,
13. Downstream leased assets,
14. Franchises,
15. Investments.

Should Joint Clinical Assessments Drive Procurement?



Statement on HTA as part of Union-level joint procurement activities

PRESS RELEASE | Tuesday 20 September 2022

“As the issue of joint procurement continues to be part of joint and Union-level discussions, **the HAG would like to stress the vital role of HTA in these activities. Where available and applicable, a Joint Clinical Assessment (JCA) should form the basis of any joint or Union-level procurement activity. Where a JCA is not available, any joint procurement decision should be based on a clinical assessment grounded in robust clinical evidence.** In all cases, HTA must rest on the competence and experience of established HTA bodies.” Source: [Home - HAG \(htahag.eu\)](https://htahag.eu)

Lets discuss this!
Questions? Comments?

Source: HAG website: [Home - HAG \(htahag.eu\)](https://htahag.eu)

Questions for the audience

- Who in the room would like to share an experience of device procurement?
- How could/should ISPOR (and the SIG) continue this research?
- How do we connect with procurement bodies to better understand their needs?

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Select a Special Interest Group to Join
- Login with your email and ISPOR password
- It should bring you to a page where you can select the Medical Devices and Diagnostics SIG
- **You must be an ISPOR member to join a SIG.**



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- Question for the Medical Devices and Diagnostics Special Interest Group email us at: MedDevices_DiagSIG@ispor.org



Discussion / Questions

