

# MEAT Value-Based Procurement

## *Enabling Value-Based Healthcare in Europe*

### Procurement: a key pillar of value-based healthcare

Value-based healthcare is gaining traction across Europe as the way forward to build more efficient and sustainable health systems. This approach takes into account the wider patient and societal outcomes together with the life-cycle cost of healthcare delivery and services. Doing so can provide more economically advantageous solutions and increased quality and value of care for patients, healthcare professionals and health systems as a whole.

One of the most critical decisions in healthcare today is the procurement of products, services and solutions by healthcare providers and healthcare systems. By choosing one solution over another, procurement officials impact the care being offered to patients, and encourage the industry and other healthcare stakeholders to act in specific ways. Given this significant influence, procurement agencies will become one of the key players in healthcare leading the effort to focus on the value of healthcare products, services and solutions. Yet, today still, healthcare procurement often focuses only on the purchase price.

The 2014 EU Procurement Directive pushes forward a smarter, more holistic approach to procurement and innovation than what is mostly seen today. It does so by placing the Most Economically Advantageous Tender (MEAT) criteria as the default criteria in procurement processes. In other words, it encourages the use of other criteria than price only such as quality, social and environmental impact and innovation, with the aim to obtain the best price/quality ratio.

### Making MEAT value-based procurement a reality in Europe

Building up on this drive towards value-based healthcare and smarter healthcare procurement, and taking advantage of the framework provided by the EU Public Procurement Directive, MedTech Europe, in partnership with The Boston Consulting Group (BCG) and procurement experts, has launched the **MEAT Value-Based Procurement initiative**. Its objective is to support healthcare institutions, hospitals, and health and procurement authorities to adopt value-based decision-making in healthcare procurement.

To help achieve this, a framework as well as a tool and accompanying guidelines have been developed to help take wider patient, organisational and societal outcomes into account in tendering processes. The tool can be easily customised for the evaluation of tenders and includes a detailed menu of criteria to select from by tendering authorities.

Both the tool and the guidelines are currently being tested in a series of pilots in cities, regions and countries across Europe. A 'Community of Practice' made up of national procurement experts from Member States, industry representatives other healthcare stakeholders is also being built. It will act as a platform to share experiences and collect input on the application of the MEAT value-based procurement concept in healthcare tendering processes, and on the broader cultural change that is needed in healthcare management to support this shift.



## Value-based procurement in action

### THE CASE OF NORWAY



“We ran a tender to purchase intravenous (IV) catheters and gave health professionals a chance to use it and sought feedback from patients.

During the testing period, we found that the cheapest catheter was not as sharp or flexible as the competing product. Health professionals often needed to try more than once to puncture the skin. In some cases, the catheter had to be removed and replaced, costing time and money.

The outcome of the tender process was hugely encouraging and showed the value of this approach to the public service. Our scoring method allowed us to see the big picture and helped us to avoid buying a cheap product that would cost more in the long run. And, importantly, it improved the quality of the service we provide.”



**Kjetil Marius Istad**

Director of procurement and logistics, Helse Sør-Øst RHF Hospital, Norway



### THE CASE OF SWEDEN



“In Sweden, we have been using this approach in 95% of tenders since 2006. I have seen how MEAT can be a win-win: good for the purchaser and good for innovative companies. To give one example, in 2014 the Karolinska University Hospital issued a large 14-year tender for imaging services – including MRI, ultrasound and CT scanners.

The tender criteria stated that the hospital sought to procure imaging services – not just pieces of equipment. This is a profound shift in mind-set: it opens the door to maintaining technical standards as well as upgrading and replacing scanners with the latest technology.

The winning bid was successful due to a combination of attractive pricing and high quality. The company gained a high score under the R&D and innovation heading by offering to establish a local innovation hub for research and education focusing on improving outcomes in ten high-priority therapeutic areas.”



**Gunnar Goblirsch**

Head of a Unit, Stockholm County Council



### HOW TO GET INVOLVED

If you would like to receive more information on the MEAT Value-Based Procurement initiative, run a pilot to test the tool and guidelines, or become a member of the Community of Practice, please contact Sophie Koettlitz at [Sophie.Koettlitz@meat-procurement.eu](mailto:Sophie.Koettlitz@meat-procurement.eu)

To read about experiences from procurement experts and industry, check our MEAT blog series on [www.medtechviews.eu](http://www.medtechviews.eu).

To read the report of the launch event for the MEAT Value-Based Procurement tool, guidelines and framework, click [here](#).