



Transforming Procurement in Healthcare:

Bridging Policy, Sustainability,
and Patient-Centric Approaches

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Event Report



Introduction

Value-Based Procurement (VBP) in healthcare is an approach to purchasing that focuses on achieving the best patient outcomes at the lowest overall cost of care. Instead of basing procurement decisions of medical technologies solely on price, VBP considers the value a product or service delivers throughout its lifecycle. VBP awards contracts based on the impact of a medical technology on pre-defined patient and clinical outcomes, aiming to improve healthcare delivery in a sustainable way.

By sharing their experiences, stakeholders from across the health sector can speed up the adoption of VBP. The European Value-Based Procurement Conference has become the annual flagship event for bringing people together to exchange ideas. Organised by the Value-Based Procurement Community of Practice with the support of EHPPA, EUREGHA, Procure4Health, the European Alliance for Value in Health, and MedTech Europe, the sixth edition of the conference was held in Brussels on 2 December 2024. Moderated by Virginie Claes, the conference attracted 120 experts and practitioners from Europe and beyond.

Summary

Sustainability is an increasingly prominent consideration for healthcare decision-makers. In VBP, this is prompting a shift in how value is defined. While value in healthcare is about achieving optimum outcomes at the lowest cost, these terms must be viewed through a sustainability lens.

In the past, 'outcomes' could be calculated based on what mattered to patients while also considering health system efficiency. The 'costs' were once calculated primarily in financial terms alongside the human resources required to deliver health services. Now, environmental outcomes and the cost to the planet must be considered.

This shift towards sustainability adds complexity to the equation and makes multi-stakeholder dialogue essential. Only by working together can partners determine which outcomes and costs to measure when making purchasing decisions. If consensus can be achieved, procurement has a strong role to play in driving value for patients and the planet.

Partnering for prevention

As well as striving for environmental sustainability, health systems across Europe face significant challenges in meeting the care needs arising from demographic change. This growing pressure comes at a time when financial resources and healthcare workforce capacity are limited. At the same time, patient outcomes can vary depending on where and how they are treated. Innovation can help: new technologies and more efficient ways of delivering care offer opportunities for efficiency.

Casper Paardekooper, European Alliance for Value in Health (EAVH), said these challenges highlight the need to accelerate the implementation of VBP. He called for greater focus on keeping people healthy and on improving how scarce resources are used. 'Innovation is the key to achieving better outcomes and better resource allocation,' he said. The Alliance has set out six key principles¹ underpinning value-based healthcare (VBHC) systems, and it has developed a taxonomy² to ensure stakeholders are speaking the same language as they work towards shared goals.

Value-based payment models can incentivise change, Mr Paardekooper said. This is reflected in the *Compass for Collaboration*³ document which the Alliance published in 2024 to help stakeholders navigate the transition to VBHC. It advocates moving from fee-for-service funding models to a modern approach that prioritises value. Regional authorities can take a leading role in driving this change, said Marco Di Donato, European Regional and Local Health Authorities (EUREGHA), by working with others to promote outcomes-based agreements. 'Healthcare systems are decentralised in two thirds of European countries, giving regions a key role in implementing value-based procurement,' he said.

Benchmarks improve outcomes and efficiency

Patient outcomes vary widely within European countries, but robust and transparent benchmarking can raise standards while eliminating waste, according to **Gregory Katz**, Professor of Value in Health, Université Paris Cité Medical School, and President of PromTime. In Belgium, there is a 700% variation in the mortality rate after rectal surgery, depending on where care is delivered. For people in Sweden who undergo cataract surgery, the rate of capsule complications varies by 3,100%. While this may be shocking, many countries do not collect and analyse outcomes data at all. 'The lack of outcome-based registries deprives practitioners of challenging their own performance,' Prof Katz said. Not only does the fee-for-service model fail to address this problem, it makes it worse: 'It rewards those who have to repeat an operation.'

Benchmarking outcomes is the answer, **Prof Katz** said, as it allows comparison and informs learning. For example, when benchmarking was introduced for coronary artery disease in Sweden, outcomes improved across the board – and the gap between the best and worst performers narrowed. This delivered more cost-effective care and, critically, better health for patients. He warned against a 'name and shame' culture, arguing for a mindset shift that viewed benchmarking as a dynamic process rather than a final judgement; an opportunity for improvement rather than condemnation.

Collecting and analysing outcomes data also reveals insights into which surgical interventions and devices deliver the best value. Prof Katz stressed the need for high-quality data which is audited to ensure its integrity.

1) [Our principles - European Alliance for Value in Health](#)

2) [Talking Value: A Taxonomy on Value-Based Healthcare - European Alliance for Value in Health](#)

3) [A Compass for Collaboration: Navigating Stakeholders' Roles in Transitioning To Value-Based Healthcare - European Alliance for Value in Health](#)

VBP in Germany: where are we now?

The financial sustainability of the German hospital sector was brought into sharp focus by **Michael Jünger**, Professor for Business Consulting and Management, Technische Hochschule Ingolstadt (THI). He said there were forty hospital insolvencies in Germany in 2023 and warned of a shortage of skilled workers which will result in 1.8 million healthcare vacancies by 2035. These trends pose major challenges to hospitals and the medtech sector but may help to add momentum to VBP as a means of achieving greater efficiency.

In 2020, **Prof Jünger** and his team surveyed medtech companies to understand industry's view of how well hospitals are embracing VBP. In 2024, they surveyed hospitals directly about their readiness to adopt a value-driven approach and what they need to accelerate implementation⁴. The research shows that value-based approaches are gaining momentum in Germany, but in a heterogeneous way. Developing agreed KPIs and strengthening skills could help to drive adoption across the country. Hospitals should strengthen four key competences to boost their capacity to work on VBP: digital skills, analytical knowhow, mutual understanding and communication.

One of the most dramatic changes between 2020 and 2024 has been the rise of sustainability in purchasing decisions – alongside clinical outcomes, patient well-being, user friendliness and reduction of treatment effort. 'Sustainability is becoming increasingly important as stakeholders set higher demands and expectations,' Prof Jünger explained. 'It was previously viewed from an ecological perspective. Today, sustainability includes all environmental, social and economic aspects.'

Are suppliers ready for value-based procurement?

The capacity of health systems to embrace VBHC is a key area, but it is also vital that supplier organisations are ready to participate in value discussions. Levels of readiness can vary across the industry. There may also be internal 'dissonance' in corporate organisations where, for example, a sales team is keen to advance VBHC but their legal or finance departments are not yet on board.

Hamish Laing, Professor of Enhanced Innovation, Engagement and Outcomes, Swansea University, and Director of the Value-Based Health and Care Academy, has engaged with a range of companies to gain insights into value-based supply⁵. His team has devised five key success factors which have been refined in consultation with stakeholders.

Supplier readiness: 5 key success factors

1. Visible executive leadership for VBHC
2. A user-centric approach to product or service design
3. A clear desire to establish partnerships for value with customers
4. Effective processes to share knowledge (a learning organisation)
5. Innovative business models developed for customers and employees

⁴) VBP Study 2024 - BVMed

⁵) Value-Based Supply: Developing Internal Readiness - European Alliance for Value in Health

Prof Laing and colleagues are developing a tool that will allow medtech companies to score their own readiness on each of the five success factors. This can then be used as a benchmark against which to measure progress. In future, companies could voluntarily share their scores with the research team. The data could be pseudonymised and aggregated, and then used to assess levels of readiness across the sector. 'We have co-created this tool with a broad group of stakeholders but now want to test it with a bigger group,' he explained. 'The results could be published for industry to use in their own self-assessment.' *Register to test the new tool*⁶.

Delivering a paradigm shift in purchasing policy

Value-based procurement is now the policy of the new UK government for the National Health Service (NHS) in England and a new methodology has been circulated to all purchasing organisations in NHS England. **Chris Whitehouse**, Director of Whitehouse Communications, told the conference how stakeholders helped to move VBP onto the policy agenda. By building relationships behind the scenes, communicating with stakeholders through the right channels, and understanding how parliament operates, Mr Whitehouse worked with medical product suppliers, Essity, to deliver a lobbying campaign that is now bearing fruit.

At its centre, this work was built on developing evidence and bringing it to the attention of the key decision-makers. Mr Whitehouse presented an Essity case study which compared two incontinence products. The more expensive, tailored option was less likely to leak, was easier to change and was preferred by patients. By switching to the better-quality product, services could save nursing time, use fewer products overall, and reduce total costs by 48%. As well as being better from a patient perspective, the more expensive product led to fewer hospital admissions; fewer urinary tract infections; fewer ulcers, bed sores and skin infections; fewer falls and less laundry. There were sustainability benefits too, including lower CO2 emissions. The case helped to persuade key players to prioritise value in healthcare tenders. An evaluation methodology was developed by the UK Department of Health & Social Care, setting a 60% minimum weighting for value-based criteria, with price accounting for a maximum of 40%. Five VBP criteria were prioritised: social value, patient pathway, use of resources, impact on patient, and product performance.

A member of the House of Lords, the UK's upper chamber of parliament, put a question to a government minister about procurement. This led officials in charge of medtech supply to brief the minister on VBP, helping to move value to the centre of the political agenda. At the same time, opinion articles were published in influential journals. In the 2024 general election, the Labour Party manifesto referred to procurement of innovative healthcare products. Labour won the election, adding momentum to the VBP cause. 'The key is to get to know the main players, support your case with evidence, and engage in dialogue rather than making demands,' Mr Whitehouse said.

VBP case example: Australia

The Australian healthcare system faces many of the same pressures confronting Europe. Sustainability has emerged as a feature of the value equation, with procurement authorities seeking to improve health and environmental outcomes. Decision-makers must now consider the total cost of delivering outcomes, including the cost to the planet. In some instances, these interests align; in others, they are in conflict. **Richard Charter**, CHLOE Healthcare Advisory, said this raises ethical questions on how to balance the needs of health systems, patients and the environment.

VBP is viewed as part of the solution, with some of Australia's states and territories particularly proactive in rolling out pilot projects – notably New South Wales, of which Sydney is the capital. At a federal level, Australia's National Health & Climate Strategy⁷ sets out four main objectives: to build a climate-resilient health system; health system decarbonisation; international collaboration; and health in all policies.

⁶) [Expression of interest to test the value-based supply maturity tool](#)

Mr Charter also introduced an ESG report created by Vamstar for MedTech Europe. The study analysed 18,000 tenders to determine the use of VBP and ESG criteria in tenders. Looking at fifteen European countries, it found Spain, France, Norway and Denmark to be among the leaders in implementing tenders with an ESG component, while Nordic countries were particularly strong on developing advanced policy frameworks. Some larger countries, including Germany and Italy, have only recently begun to prioritise ESG in tenders.

VBP case example: Surgical site infections

Healthcare is responsible for 4.6% of global net emissions, with ICU care and surgery being significant sources of carbon. This has turned attention to the role of innovation in reducing the ecological footprint of the operating theatre. In keeping with the environmental mantra – *reduce, reuse, recycle* – green surgery⁸ aims to increase sustainability by improving the quality of patient care. Surgical complications, including infection and reoperation, incur significant costs to the patient, health budgets and the environment.

Mesut Kocaman, Johnson and Johnson, presented data from a paper on the environmental impact of anastomotic leak (AL)⁹. It revealed that a single case of AL incurs CO2 emissions equivalent to five return flights from London to Rome; consumes as much water as 17 European households use in a year; and produces three times the monthly waste generation of an average European. A separate study¹⁰ showed that antibacterial sutures deliver not only cost savings, but also environmental benefits for the health system. ‘While the primary goal is patient safety and better clinical outcomes, it is important to recognise that these efforts can also lead to environmental benefit,’ he said. ‘It’s a true win-win scenario, benefiting patients and the planet.’

Improving sustainability in healthcare procurement

‘We must update the classic equation that says value equals outcomes divided by costs,’ according to **Erik van Raaij**, Professor of Sustainable Procurement in Healthcare at Erasmus University Rotterdam. He said the environmental impact should be considered as part of costs of achieving outcomes for patients.

The environmental impact of health in European systems is higher than the global average. In the Netherlands, 7% of the economy’s carbon footprint is linked to healthcare, as is 4% of waste generation, 8% of blue water use and 13% of raw material use. The latter, **Prof van Raaij** said, is particularly shocking: it reflects the practice of procuring products, using them once, incinerating them after disposal, and then reordering more – prompting more production, energy use, the processing of virgin materials such as plastics, and the mining of metals and minerals.

Healthcare purchasers must work with suppliers to bring down their impact, he said. To achieve this, hospitals and health systems need data on the full environmental cost of each product they use. The challenge is to replace ‘disposables’ with products that can be used dozens of times rather than just once. Hospitals can also take steps to drive down the number of disposable products they use, including gloves and syringes, by critically questioning how much is used and for what purpose. Reliable data on product use and their ecological impact is key. Much can be learned from the data-driven approach the underpins value-based healthcare. He called on all healthcare stakeholders to play an active role in making the supply chain more sustainable, adding that purchasing departments have a particularly important part to play.

7) [National Health and Climate Strategy | Australian Government Department of Health and Aged Care](#)

8) [Green Surgery – UK Health Alliance on Climate Change](#)

9) [Assessing the environmental impact of an anastomotic leak care pathway](#)

10) [Plus Sutures for preventing surgical site infection: a systematic review of clinical outcomes with economic and environmental models](#)

Antonia Horn, Head of Sustainability, Value and Market Think Tank at the Review Center (a joint initiative by EK-UNIKO and Sana Einkauf & Logistik), agreed that hard data is needed to inform greener purchasing decisions. ‘Only with evidence-based arguments can we achieve VBP and make good decisions together,’ she said. By upskilling and finding a common language when speaking about value, stakeholders can reduce waste, support medical innovation, and rise to the new challenges that demographic change will bring.

Paul d’Otreppe, former President of the Belgian Association of Hospital Directors, stressed the urgent need to tackle the implementation of further reform of the Belgian health system and the unacceptable variations in mortality, length of stay, readmission and patient experience. ‘The system is no longer responding to the demands it faces,’ he said. ‘It is not effective enough, too focused on cure rather than prevention, and will not be ready to meet tomorrow’s needs, such as the ageing population, unless this changes radically.’ Belgian hospitals are working with the Belgian Association of Hospital Managers BAHM, which has commissioned PwC to develop a White Paper. The paper provides a description of the situation and proposes a strategy to show how to reduce low value, waste and fragmentation in this complex system where fee-for-service remains the dominant model for reimbursement.

Kim Vriens, PwC Belgium, said public-private partnerships will play a key role in delivering transformation. She also stressed the need to consider the wellbeing of healthcare professionals when selecting outcomes. Burnout remains a significant threat to health system sustainability. **Mrs Vriens** said that, following the consensus built with actors representing all sectors in the healthcare ecosystem, the way forward will require a top-down political signal that change is needed and must take place, coupled with a bottom-up approach that brings key players together. ‘We need a joint vision for VBHC in Belgium,’ she said. ‘Procurement is an integral part of operationalising a VBHC system.’

Capacity-enhancing innovation

With health systems under pressure due to spending constraints and the rising demands of an ageing population, capacity-enhancing innovation is needed. Health spending as a share of GDP fell to 9.2% in 2022, but care needs are projected to rise in the coming decades. It is projected that the population aged over 65 years will rise from 18% in 2021 to 27% in 2050, while the proportion of people over 80 years will double from 4.8% to 9.8%.

The strain will be exacerbated by health workforce shortages and burnout, said **Belén Martí Sánchez**, Senior Director Policy & Access EMEA, Canada and LATAM Edwards Lifesciences. Innovations that reduce pressure on health systems by keeping people healthy and accelerating recovery, or technologies that ease the burden on healthcare professionals by making care more efficient, are sorely needed. By prioritising value and health system sustainability, procurement has a key role to play, but more could be done in Europe to unlock the potential of VBP.

The 2014 EU Directive on Public Procurement¹¹ was designed to simplify purchasing, improve SME access to public contracts, and to leverage pronouncement to deliver better outcomes. It encouraged purchasers to go beyond seeking the lowest price, favouring value-based criteria in decision-making. However, the Directive’s key objectives have not been met, according to **Belén Martí Sánchez**, Senior Director Policy & Access EMEA, Canada and LATAM at Edwards Lifesciences. Citing the EU Court of Auditors report¹², she said implementation has been uneven, with many countries continuing to rely on price rather than quality.

There are, however, some positive examples of how value through capacity-enhancing innovations, can be embedded in public procurement. The MITMEVA¹³ project used value-based purchasing criteria to support the management of patients with aortic valve stenosis. The tender assigned 96% of the scoring to quality criteria, with the remaining 4% assigned to price. As a result, patient quality of life improved, treatment delays fell sharply, healthcare system capacity improved significantly, and there were fewer complications. As a result, patients were less likely to be hospitalised, and costs were lower. ‘This is my dream,’ she said. ‘This is what we would like to see everywhere.’ The EU Directive is set for review, presenting opportunities to leverage procurement to drive better outcomes.

¹¹ [EU Public Procurement Directive](#)

¹² [Special report 28/2023: Public procurement in the EU | European Court of Auditors](#)

¹³ [The MITMEVA project includes the first 100 patients with aortic valve stenosis](#)

Community of practice: building on momentum

The event concluded with a look at current trends on the European procurement environment. ProCure, a multi-stakeholder EU-funded project¹⁴, has been tracking the evolution of public procurement. The project has identified a growing tendency towards the use of centralised procurement bodies as well as greater focus on supply chain management since the COVID-19 pandemic. Digitalisation of procurement processes continues apace, while green procurement has also grown in prominence. 'The study also confirms the growing trend of VBP alongside sustainability, digitalisation, and supply chain resilience,' said Hans Bax, Value Based Procurement Community of Practice.

While there has been progress, there is still room for improvement and acceleration. ProCure also highlights some of the key barriers to VBP identified by suppliers in Europe. These include regulatory and administrative burden; ongoing focus on price rather than sustainability and innovation requirements; a lack of precision in tenders; budgetary constraints; and complexities around the integration of innovation in procurement.

14) [ProCure: Public Procurement Assessment in the Health Sector](#)

15) [VBP Conference](#)

Conclusion

The conference showed that VBP is gaining momentum across Europe, Australia, Canada and beyond. It highlighted the role of sustainability as a driver of value, reshaping health priorities globally. At the same time, progress is patchy, with some regions and countries lagging behind the VBP pioneers. The need for communities of stakeholders to address challenges together is stronger than ever.

'As we look ahead, the momentum behind Value-Based Procurement continues to grow, offering a path to sustainable, patient-centred care,' Hans Bax said. 'By fostering collaboration, sharing knowledge, and embracing innovation, we can shape a future where healthcare delivers value for patients, professionals, and the planet alike. Together, let's turn vision into action.'

Find out more about the Value-Based Procurement Community of Practice¹⁵.

www.vbpcommunity.eu

