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PROCURE

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OBSERVATIONAL STUDY ON EUROPEAN HEALTHCARE & PROCUREMENT ENVIRONMENT

INTRODUCTION

DEVIATION

METHODOLOGY

DISCLAIMERS

ID CARDS

COMPARATIVE ANALYSIS

CONCLUSIONS

Abstract

PROCURE is an EU Project supported and funded by the European Commission that brings together partners from EU countries.

A key component of the project is to undertake an "Observational Study on European Healthcare & Procurement Environment" to gain a better understanding of the functioning of healthcare systems and their supply chain through these inputs from national and/or regional stakeholders and the public procurement practices and main barriers in different countries.

The "Observational Study on European Healthcare & Public Procurement Environment" is a public report that combines the methodology process of the PROCURE Observational Study, the Identity Cards (ID Cards) and a comparative analysis from the 10 Member States involved in the PROCURE project (Austria, Belgium, France, Greece, Hungary, Italy, Portugal, Romania, Spain and Sweden).

This report, together with the ongoing Digital Statistical Tool is aiming to provide answers to the functioning of the healthcare systems and to the public procurement practices and main barriers in the healthcare sector across Europe. It is also a baseline for the next activities of the PROCURE project, which are the identification of key elements for successful public procurement practices in the healthcare sector, the elaboration of innovative public procurement strategies and the generation of tailored recommendations on public procurement in the healthcare sector across Europe.

To deliver this Observational Study, the 10 Country Leaders have collected a large amount of qualitative data within their respective Country Nodes, that constitute the raw material for each ID Card, using the standardised questionnaires previously designed by the PROCURE Consortium. In total, the qualitative data of this Observational Study have been gathered from 148 healthcare organisations that have accepted to participate to the questionnaires: 65 suppliers, 57 contracting authorities (subject to the public procurement European directive), which are public procurers, mainly hospitals and central purchasing bodies, 17 private procurers (not subject to the public procurement European directive) and 9 healthcare institutions (health ministries, regional health agencies...).

The final consolidation of the qualitative data consisted in developing a non-exhaustive comparative analysis, based on the content extracted and analysed from the 10 ID Cards. In addition of the tables of synthesis on the key finding country by country, a non-exhaustive analysis has been built showing the main similarities and differences among the 10 Member States, mostly focusing on the key practices of procurement performance, the mains suppliers' perceptions on procurement, the Covid-19 and the resulting Procurement Best Practices. Finally, to conclude the Observational Study, a non-exhaustive final balance has been elaborated to highlight the evolution and the main trends of the healthcare systems and of the healthcare procurement environment in Europe around the Covid-19 period.

Content of the Observational Study is a useful material for the PROCURE project, since it will help the organisations involved to develop further actions plans that address key topics such as procurement practices, lessons learned from Covid-19 and sustainable procurement, while helping to build a more resilient and efficient procurement process across Europe.

Keywords

Category of respondents; Country disclaimer; Country Leaders; Country Nodes; Consortium; CPB; CSR; Digital Statistical Tool; General Disclaimer; Healthcare procurement; Identity Cards; Matrix; MS; Observational Study; PPE; PROCURE; VBP

Glossary

Categories of Respondents

The 4 categories of respondents that have participated to the Observational Study, by answering to the questionnaires are:

Healthcare Institutions:
Ministry of Health or/and other National or Regional institution(s) involved in the Healthcare system in the Country

Contracting Authorities, subject to EU Public Procurement directive:
Public Hospitals or/and public healthcare facilities or/and Public Central Purchasing Bodies involved in the Healthcare area in the Country

Private procurers, not subject to EU Public Procurement directive:
Private Hospitals or/and Private healthcare facilities or/and Private Central Purchasing Bodies involved in the Healthcare area in the Country

Suppliers:
Economic operators (Large companies, small and medium businesses and Startups), suppliers of products/services involved in the Healthcare sector in the Country

Country Disclaimer

Specific disclaimer developed by each Country Leaders on a voluntary basis (where necessary) and included in the Observational Study and the correspondent ID Card. It consists in justifying and explaining any further specificities that applies only to the Member State, to strengthen and detail the common General Disclaimer.

Country Leader

A Country Leader is a healthcare procurement organisation that represents an EU Member State and that is a member of the PROCURE Consortium. It brings together, into a "Country Node", all the key stakeholders to develop an understanding of the healthcare system, the healthcare procurement practices and processes adopted. A Country Leader "leads" and coordinates contributions from organisations within the "Country Node" to the Observational Study on European Healthcare & Public Procurement Environment.

Country Node

A "Country Node" is a group of healthcare organisations from the same Member State that share their knowledge and expertise with the PROCURE project. From December 2023 until June 2024, each Member State has constituted its own Country Node and has collected the qualitative data needed for the Observational Study among the organisations of their respective Country Node.

Consortium

It is made of 23 organisations, coming from the Member States whose are partners involved in the PROCURE European project. Among these organisations, we can find Public entities or/and Public procurers, suppliers association, procurers association, affiliated entities, and supporting organisations, they all are involved in the Healthcare or/and Procurement areas.

CPB

A Central Purchasing Body (CPB), as defined by Directive 2014/24/EU, is a contracting authority that:

- Acquires supplies or services for other contracting authorities,
- Awards public contracts or framework agreements on behalf of other authorities.

The aim is to centralize procurement to achieve economies of scale, increase efficiency, and ensure compliance with public procurement rules.

CSR

Corporate Social Responsibility (CSR) refers to a company's responsibility to conduct business ethically, considering its impact on society, the environment, and the economy. It goes beyond legal compliance, focusing on sustainable practices, fair labour, community support, and environmental stewardship.

Source: European Commission, "Corporate Social Responsibility & Responsible Business Conduct".

EU Contract Hub

The Universidad Politécnica de Madrid (UPM) partner develops the quantitative methodology of the Observational Study by developing the Digital Statistical Tool, through the extraction of statistical data from sources such as TED, EUROSTAT, OECD, etc. Indeed, UPM supports the Consortium partners to collect quantitative data from public sources and databases, by using data science techniques, being TED the main reference for the Public Procurement open data across Europe.

Digital Tool is available online and free of charge.

General disclaimer

Disclaimer included in the Observational Study that applies to all ID Cards. It consists in justifying and explaining the deviation regarding the Country Node, the representativeness bias of the Observational Study, the Non-responsibility of the Country Leaders in the ID Card's content, and as consequence, the limitations for the comparative analysis. It is common to all Member States involved in PROCURE.

Healthcare procurement

Procurement of Healthcare products and services, done by the Contracting Authorities (as defined in the EU Public Procurement Directive) and other private procurers in their Countries. In this report, we have categorized them into 6 main groups of healthcare products and services, based on the Common Procurement Vocabulary European classification (CPV code):

- Pharmaceutical products (CPV 33600000)
- Medical Equipment: Imaging equipment for medical, dental and veterinary use (CPV 33110000)
- Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables) (CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000)
- Medical Consumables (CPV 33140000)
- Health services (CPV 85100000)
- Protection Clothes and Gears (CPV 35113400; CPV 18143000)

Identity Cards (ID Cards)

An ID Card is a Country sheet that gathers all the qualitative data collected and summarized during the data collection phase among the Country Nodes, providing key information on these following main 3 topics:

- National healthcare system
- Public Procurement environment
- Public Procurement practices and Covid-19 impacts

Each ID card is aiming to contain the same level of information using a common methodology with a standardised format, to ensure a consistency among the European partners involved in the project. However, based on the specificity of each Country Node, we cannot guarantee an exact same level of data among the ID Cards.

The ID cards, one per Member States, constitute the final report of the Observational Study. In the end, these ID Cards are useful knowledge resources that organisations from other Regions or Countries can refer to in the future, to better understand the different National Healthcare system and Public Procurement processes and practices across Europe.

Matrix

It is one of the main methodology tools developed to conduct the Observational Study, collectively designed within the Consortium, and used for the data collection among the Country Nodes. The items included in the Matrix define the scope of the Observational Study.

Matrix consisted in a set of questionnaires (4) dedicated to 4 categories of organisations (as respondents), members of a Country Node. Other statistical data and quantitative data of this Matrix are being covered by the development of the Digital Statistical Tool by the Spanish partner, UPM.

MS

Member States refer to the countries that are part of a specific international organization or union, such as the European Union (EU). In the context of the EU, Member States are the sovereign nations that have joined the union and adhere to its treaties, laws, and regulations. As of 2024, the EU has 27 Member States, which collaborate on policies relating to the economy, environment, security, and more.

Sources: European Union, "EU Member Countries".

Observational Study

The Observational Study on European Healthcare & Procurement Environment is the first outcome of the European project PROCURE. It consists in conducting a study to get a comprehensive assessment of public procurement practices across the EU (within the Countries represented in the PROCURE consortium) and to ensure that these practices are managed effectively and efficiently.

This Observational Study provides a better understanding on the functioning of healthcare systems and their supply chain; a mapping of health and care stakeholders; the identification of main procurement practices, best practices, barriers and trends, in the Member States involved in PROCURE.

PPE

Personal Protective Equipment (PPE) refers to clothing or equipment designed to protect individuals from health and safety hazards in the workplace or other environments. PPE includes items like helmets, gloves, masks, goggles, and safety shoes, aimed at minimizing exposure to risks such as physical, chemical, biological, or radiological dangers.

Source: World Health Organization (WHO), "Personal Protective Equipment (PPE)".

PROCURE

It is the name of the European Project, which started on December 1st, 2023 and aims at assessing the Public Procurement practices in the Healthcare sector in Europe. Resah oversaw the management of the "Observational Study on European Healthcare & Public Procurement Environment".

VBP

Value-Based Procurement (VBP) is a procurement approach that prioritizes the overall value and long-term benefits of goods and services, rather than just focusing on the lowest price. It emphasizes factors like quality, sustainability, innovation, and social or environmental impact, aiming to achieve the best outcomes for the buyer and society.

Source: European Commission, "Value-Based Procurement".

Index

ABSTRACT 5

KEYWORDS 6

GLOSSARY 6

1 INTRODUCTION 14

2 DEVIATION 18

3 METHODOLOGY 22

3.1 Country Nodes set up 24

3.1.1 Definition and composition 24
3.1.2 Tools for the Country Nodes constitution 24
3.1.3 Outcomes of the 10 Country Nodes 25

3.2 Matrix design 26

3.2.1 Preparatory work 26
3.2.2 Content 26
3.2.3 Questionnaires establishment 27
3.2.4 Questionnaire dissemination 28

3.3 Data collection and centralisation 29

3.3.1 Data collection process 29
3.3.2 Data centralisation process 29

3.4 ID Cards process 30

3.4.1 Design of the ID Card template 30
3.4.2 ID Card completion 30
3.4.3 ID Card consolidation and comparative analysis 30

4 **DISCLAIMERS ON THE OBSERVATIONAL STUDY** 32

4.1 General Disclaimer 34

4.2 Country disclaimer 34

4.2.1 AUSTRIA – GöG as Country Leader 35

4.2.2 BELGIUM – MERCURHOSP as Country Leader 35

4.2.3 FRANCE – RESAH as Country Leader 36

4.2.4 GREECE – EKAPY as Country Leader 36

4.2.5 ROMANIA – SPITAL SPIRIDON IASI as Country Leader 37

4.2.6 SPAIN – SAS as Country Leader 37

5 **ID CARDS** 38

5.1 AUSTRIA – GÖG as Country Leader 40

5.2 BELGIUM – MERCURHOSP as Country Leader 80

5.3 FRANCE – RESAH as Country Leader 106

5.4 GREECE – EKAPY as Country Leader 162

5.5 HUNGARY – NNGYK as Country Leader 210

5.6 ITALY – SCR PIEMONTE as Country Leader 238

5.7 PORTUGAL – SPMS as Country Leader 276

5.8 ROMANIA – SPITAL SPIRIDON IASI as Country Leader 306

5.9 SPAIN – SAS as Country Leader 358

5.10 SWEDEN – PURCH as Country Leader 400

6 **COMPARATIVE ANALYSIS** 428

6.1 Introduction of the Comparative Analysis 430

6.2 Key Practices of Procurement Performance 431

6.2.1 Diagnostic of performance 431

6.2.2 Procurement routes 431

6.2.3 Innovative procurement approaches 434

6.2.4 Sustainable procurement approaches 436

6.2.5 Security of supply 438

6.3 Main supplier's perceptions on public and private procurement 441

6.3.1 Procurement information accessibility 441
6.3.2 Transparency and ethic 443
6.3.3 Relationships quality with procurers 444
6.3.4 Needs and expectations 446
6.3.5 Sustainability requirements 448
6.3.6 Innovation promotion 450
6.3.7 Barriers identified 452

6.4 Covid-19 and special procurement practices implemented 454
6.5 Procurement practices implemented by Buyers 456
6.6 Main conclusions of the Comparative Analysis 457

6.6.1 Evolution and trends in the Healthcare systems in Europe 457
6.6.2 Evolution and trends in the Healthcare procurement environment in Europe 459

7 **CONCLUSIONS** **462**

7.1 Key results of the Observational Study 464
7.2 General conclusions 465

INTRODUCTION

1

INTRODUCTION

Framework of the Observational Study

The **"Observational Study on European Healthcare & Public Procurement Environment"** is a Study carried out as part of the **PROCURE European project**, started on December 1st, 2023, which aims at assessing the **Public Procurement** practices in the Healthcare sector in Europe.

The EU project PROCURE is organised into a Consortium which gathers **23 European public and private partners**, coming from **10 Members States,** all involved in the procurement and healthcare ecosystem.

Map of the European partners members of the PROCURE Consortium

The present Observational Study is one activity of the whole PROCURE project. The main **objective** of this Study is to have a better and **clear understanding of the organisation of the healthcare and procurement system** represented in the consortium, as well as the **current procurement practices** which are the most common in these different countries.

The Observational Study is a public report, that combines the **methodology process** of the Observational Study, the **10 Identity Cards** per Member States involved in the EU project PROCURE and the **Comparative Analysis**.

This **report**, together with the ongoing **Digital Statistical Tool**, developed by the Universidad Politécnica de Madrid (UPM) project partner, is aiming to provide some answers to the functioning of the healthcare systems and to the public procurement practices and main barriers in the healthcare sector across Europe. It is also a **baseline for the next activities of the EU project**, the Identification of key elements for successful public procurement practices in the healthcare sector, through Delphi Methodology and for the Generation of tailored recommendations on best public procurement practices per Member States, through Structured Dialogues, in the next activities of this EU project.

Resah has been the leading project partner conducting Observational Study on European Healthcare & Public Procurement Environment", supported by SILO, the coordinator of the EU project, and the Country Leaders coming from the 10 Member States participating in the project. Before this Observational Study, a **preparatory work** has been necessary to implement the **methodology of the Observational Study**, which resulted in defining and developing the **Country Nodes** for each Member State participating, and other **means and methods** to be used to collect the **qualitative data**, baseline of this Observational Study.

A **Country Leader** is a healthcare procurement organisation that represents an EU Member State and member of the PROCURE Consortium. It brings together, into a "Country Node", all the key healthcare stakeholders to develop an understanding of the healthcare system and the healthcare procurement practices and processes adopted. A Country Leader "leads" and coordinates contributions from organisations within the "Country Node" to the Observational Study. The Country Node definition and composition was one of the responsibilities of the Country Leaders involved in the PROCURE project.

A "**Country Node**" is a group of healthcare organisations from the same Member State that shared their knowledge and expertise with the PROCURE project. These Country Nodes organisations

Map of the 10 Country Leaders involved in PROCURE project

have been consulted to collect the data related to the healthcare system, and public and private healthcare procurement practices. These organisations members of the 10 Country Nodes have provided qualitative data by contributing to specific **questionnaires**, which represented the **key material** for the elaboration of the **Identity Cards** per Member States.

Since the Observational Study has been **a collaborative project** from 10 Members States, its workplan involved stakeholders from the healthcare ecosystem via **participatory processes** and **collective intelligence**, following a Country-approach. To keep consistence across the Consortium, and to get a standardised approach, the methodological tools were duplicated and used among in the respective 10 Member States to collect the qualitative data.

To deliver this Observational Study, the Country Leaders have collected qualitative data that constituted the raw material of the Study, using **standardised questionnaires** designed by the Consortium and **disseminated** within their respective Country Nodes. In total, qualitative data have been gathered among **148 organisations** that have participated to the Study, coming from 10 Member States: **65 suppliers, 57 contracting authorities** (subject to the public procurement European directive), mainly Hospitals and Central Purchasing Bodies), **17 private procurers** (not subject to the public procurement European directive) and **9 Healthcare Institutions** (health ministry, regional health agencies…).

The **final consolidation of data** has been done by Resah and consisted in developing a **non-exhaustive Comparative Analysis**, based on the content extracted and analysed from the 10 Identity Cards per Member States. In addition of the **tables of synthesis** on the **key finding country** by country, Resah elaborated a non-exhaustive analysis showing the **main similarities and differences** among the Member States, mostly focusing on the key practices of procurement performance, the mains suppliers' perceptions on procurement, the Covid-19 and the resulting Procurement Best Practices. Finally, to conclude the Observational Study, a non-exhaustive final balance on the **evolution** and **main trends** on the **healthcare systems** and on the **healthcare procurement environment in Europe** has been elaborated.

Content of the Comparative Analysis is indeed a useful material for the project, and specially for the next activities of this EU project since it will help the Consortium and the organisations involved to develop **actions plans** that address key topics such as **procurement practices, lessons learned from Covid-19 and sustainable procurement**, while helping to build a **more resilient and efficient procurement process** across Europe.

DEVIATION

2

DEVIATION

Despite all the efforts done by the 10 Country Leaders in setting the Country Nodes in their respective Member States (MS), it has been impossible for the Country Leaders to reach the objectives of the Country Node composition, based on at least 16 healthcare organisations per Country Node. In consequence, the qualitative data collection among the healthcare organisations was necessarily limited and heterogeneous among the 10 Country Nodes.

Because each Country Node is different, it is important to point out that no standardized Country Node composition have been set up due to the specificities of each MS. Indeed, each MS has its own national/regional political and economic realities and there is no harmonized Healthcare system neither Healthcare procurement system at a European level. The Observational Study is indeed a picture of a fragmented situation, where the system differs from region to region, and from MS to MS.

A common challenge encountered by Country Leaders has been encouraging healthcare organizations to join the Country Node and participate in the Observational Study by completing their dedicated questionnaire. It has been observed that the two groups—"Healthcare Institutions" and "Private Procurers"—are often less responsive to the questionnaires and less likely to share their qualitative data with the PROCURE Consortium.
In addition to the previous barriers, in some cases, the category of respondents "Contracting Authorities" (Public procurers) were not willing to take part of this European study due to internal political reasons.

Furthermore, from the lack of time and the lack of resources dedicated to this questionnaire's reply, the complexity of the regional/national Healthcare system organisation and its close link with the Country's internal politics had a direct impact on the level acceptance from the respondent to take part to this Observational Study.

This reluctance from respondents to share data for a public European study was recognized as a barrier during the conduct of the Observational Study. The members of the PROCURE consortium found it challenging to address this issue and felt limited in their ability to overcome it.

METHODOLOGY

3

METHODOLOGY

3.1
Country Nodes set up

3.1.1
Definition and composition

The Country Node definition and composition is one of the responsibilities of the Country Leaders involved in the Observational Study on European Healthcare & Procurement Environment.

A Country Node is a group of different healthcare organisations from a same Member State that share their knowledge and expertise with the PROCURE Consortium. These organisations are consulted for specific information related to the healthcare system and to the public and private healthcare procurement practices and to provide qualitative data to support the Observational Study.

A Country Node is made of several profiles of healthcare organisations, each one representing a category of respondent of questionnaires, needed for the data collection phase.

- Healthcare Institutions (national or regional): *Ministry of Health or/and other National or Regional institution(s) involved in the Healthcare system in the Country*
- Contracting Authorities, subject to EU Public Procurement directive (public procurers); *Public Hospitals or/and public healthcare facilities or/and Public Central Purchasing Bodies involved in the Healthcare area in the Country*
- Private procurers, not subject to EU Public Procurement directive: *Private Hospitals or/and Private healthcare facilities or/and Private Central Purchasing Bodies involved in the Healthcare area in the Country*
- Suppliers *Economic operators (Large companies, small and medium businesses and Startups), suppliers of products/services involved in the Healthcare sector in the Country*

From December 2023 until June 2024, each MS represented in PROCURE has constituted its own Country Node and has collected the qualitative data needed for the Observational Study among the organisation's members of their respective Country Node.

3.1.2
Tools for the Country Nodes constitution

To build the Country Nodes, several tools and methods have been used by the Country Leaders, such as:

- **Communication leaflet** specifically dedicated to the Country Nodes engagement to be shared with external organisations
- **PROCURE network** (MedTech Europe, European Union of Private Hospitals)
- **Communication actions**, such as webinar, meetings, or focus group
- **Questionnaires dissemination**: to be member of the Country Node, it was necessary to participate to the Observational Study by filling in the dedicated questionnaire (Matrix). Only the healthcare organisations which have replied to the questionnaires are considered members of a Country Node.

3.1.3 Outcomes of the 10 Country Nodes

Initially, the Country Node consisted of gathering 16 healthcare organisations, at least, per MS, with at least 1 Healthcare institution, at least 5 contracting authorities, at least 5 private procurers, and at least 5 suppliers. However, as previously explained in the Deviation section, despite the efforts made by the Country Leaders, the number and the profiles of healthcare organisations member of the Country Nodes varied by MS and could not be standardized.

Member State *Country Leader*	Country Node
AUSTRIA (AT) *GÖG*	7 Contracting Authorities 4 Private Procurers 1 Institution 5 Suppliers **Total: 17 organisations**
BELGIUM (BE) *MercurHosp*	3 Contracting Authorities 2 Private Procurers 0 Institution 3 Suppliers **Total: 8 organisations**
FRANCE (FR) *Resah*	9 Contracting Authorities 1 Private Procurers 1 Institution 13 Suppliers **Total: 24 organisations**
GREECE (GR) *EKAPY*	20 Contracting Authorities 1 Private Procurers 1 Institution 10 Suppliers **Total: 32 organisations**
HUNGARY (HU) *NNGYK*	3 Contracting Authorities 0 Private Procurers 1 Institution 5 Suppliers **Total: 9 organisations**
ITALY (IT) *SCR Piemonte spa*	2 Contracting Authorities 0 Private Procurers 2 Institution 6 Suppliers **Total: 10 organisations**
PORTUGAL (PT) *SPMS*	1 Contracting Authorities 0 Private Procurers 1 Institution 0 Suppliers **Total: 2 organisations**
ROMANIA (RO) *SPITAL SPIRIDON IASI*	5 Contracting Authorities 5 Private Procurers 2 Institution 7 Suppliers **Total: 19 organisations**
SPAIN (ES) *SAS*	5 Contracting Authorities 1 Private Procurers 0 Institution 6 Suppliers **Total: 12 organisations**
SWEDEN (SE) *PURCH*	2 Contracting Authorities 3 Private Procurers 0 Institution 10 Suppliers **Total: 15 organisations**

Results of the Country Nodes:

In total, across the 10 Member States involved in PROCURE, the Observational Study has benefited from the **expertise and participation of 148 healthcare organisations**, included the 10 Country Leaders. Among these 148 organisations, **57 are Contracting Authorities (subject to the EU public procurement directive) which means public procurers, 17 are private procurers, 9 are healthcare institutions and 65 are suppliers.**

3.2
Country Nodes set up

3.2.1
Preparatory work

To deliver the Observational Study, the PROCURE Consortium developed a qualitative methodology, which consisted of designing a tool for the data collection phase: a Matrix. This Matrix is the common tool of data collection among the Country Nodes which has been replicated among the 10 MS to guarantee the standardisation in the methodology process and to keep a certain level of data consistency in the Observational Study.

In parallel to the Country Nodes set up and prior to the Matrix design, PROCURE Consortium conducted preliminary research based on previous public studies on related topics such as Healthcare system and Public Procurement in the Healthcare area in Europe.

This literature review allowed the Consortium to shape the adequate structure of the Matrix and to better select the relevant topic that should be included in the Observational Study. This literature review has been useful to guide the Matrix design, thanks to the main references extracted from:

- *"Study on Best Practices in the Public Procurement of Medicines"* from European Commission, Gesundheit Österreich Beratung GmbH and Tetra Tech International Development.
- *"Health Systems in Transition (HiT)"*, Health system Country reports from the European Observatory on Health Systems and Policies.
- *"OECD Recommendations on Public Procurement"* and "Methodology for Assessing Procurement Systems (MAPS) framework " from the Organization for Economic Cooperation and Development.

3.2.2
Content

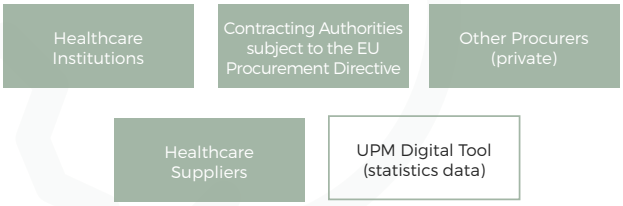
The Matrix has been developed thanks to a continuous iterative process and a collaborative approach among partners of the PROCURE Consortium.

It centralises the main topics to be included in the Observational Study, in the form of questions. Topics covered in the Matrix are the following:

- National public healthcare system and key stakeholders: description of the organization of the national healthcare system and mapping of healthcare key stakeholders
- Healthcare public/private procurement environment and key stakeholders: description of the organization of the healthcare procurement system and mapping of procurement key stakeholders (including private procurers)
- Main procurement practices: description of the main procurement practices in the healthcare sector, including supplier's perceptions and opinions
- Main challenges, Covid-19 impacts, Best Practices and major lessons learnt in the environment of healthcare procurement

3.2.3 Questionnaires establishment

The topics covered in the Matrix have been integrated into online surveys dedicated to the healthcare organisations members of the 10 Country Nodes. Indeed, the Matrix has been split into 4 questionnaires, dedicated to the following 4 categories of respondents.



Scheme of the Matrix split into 4 questionnaires corresponding to each category of respondents

The questionnaire dedicated to **"Healthcare Institutions"** mostly contains questions relating to the National public healthcare system and key stakeholders; the Healthcare procurement players; Public procurement policy objectives and Covid-19 impacts on public procurement.

The questionnaire dedicated to **"Contracting Authorities subject to the EU Public Procurement directive"** (public procurers) mostly contains questions relating to the public procurement environment in the Healthcare sector and key players; Public procurement policy objectives; Practices in the public procurement cycle in the Healthcare sector and Covid-19 impacts on public procurement; Opinions on future of healthcare system and future of healthcare procurement.

The questionnaire dedicated to the category of respondents **"Other Procurers** (private procurers)**"** mostly contains questions relating to the Private procurement environment in the Healthcare sector and key players; Practices in the private procurement cycle in the Healthcare sector and Covid-19 impacts on private procurement; Opinions on future of healthcare system and future of healthcare procurement.

And finally, the questionnaire dedicated to the category of respondents "Healthcare Suppliers mostly contains questions relating to the Suppliers opinions on Public/Private Healthcare procurement cycle; Suppliers experience and views over the public procurement system performance during the health crisis (Covid-19 impacts); Opinions on future of healthcare system and future of healthcare procurement.

These questionnaires have been duplicated and replicated into the 10 MS, except the one relative to the statistics data, which consisted of the content of the Digital Statistical Tool developed by UPM with quantitative data mainly extracted from TED and OECD sources. This quantitative questionnaire gathers data relating to Key figures on healthcare public procurement; Statistical data on healthcare public procurement practices; National public healthcare statistics; Statistical data on National public Healthcare system.

These questionnaires have been duplicated and replicated across the 10 Member States, except for the one related to the statistical data. This quantitative questionnaire gathers data on key figures related to healthcare public procurement, statistical data on healthcare public procurement practices, national public healthcare statistics, and statistical data on the national public healthcare system. It contains the content of the Digital Statistical Tool developed by UPM, with quantitative data mainly extracted from TED and OECD sources.

3.2.4
Questionnaire dissemination

Each Country Leader has used these 4 questionnaires (Matrix) within its respective MS to collect the qualitative data from the healthcare organisation members of the Country Node, through online surveys or/and interviews. Then, the qualitative data obtained from the questionnaires collection have been used as raw material for the development of the 10 ID cards of the Observational Study.

Before the data collection phase, these 4 questionnaires have been translated into the local languages (with DeepL PRO tool) and have been integrated into an online tool (Microsoft Forms). Indeed, the exact same questions have been included in the Online Surveys format so all Country Leaders could disseminate standardised questionnaires, to the different categories of respondent. Each Country Leader oversaw and organised the dissemination of the questionnaires into the Country Node for completion.

In total, **48 online surveys** have been implemented on Forms.

Summary of total number questionnaires shared by Resah to the Consortium for dissemination in their respective MS:[6]

Member States	Local language(s) of reference	Questionnaires per Category of Respondents			
		Online Surveys dedicated to:			
AUSTRIA	German	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
BELGIUM	French + Dutch	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
FRANCE	French	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
GREECE	Greek	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
HUNGARY	Hungarian	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
ITALY	Italian	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
MALTA	Maltese	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
PORTUGAL	Portuguese	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
ROMANIA	Romanian	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
SLOVAKIA	Slovak	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
SPAIN	Spanish	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
SWEDEN	Swedish	Contracting Authorities subject to the EU Public Procurement Directive	Other Procurers (Private)	Healthcare Suppliers	Healthcare Institutions
SWEDEN		12 Online Survey	12 Online Survey	12 Online Survey	12 Online Survey
TOTAL		48 Online Surveys			

[6] *This action was conducted before the withdrawal of Malta and Slovakia*

3.3
Data collection and centralisation

3.3.1
Data collection process

The 4 categories of questionnaires are the common tools to collect qualitative data within organisations from Country Node. Several methods have been implemented by the Country Leaders to collect the data within the questionnaires, such as the organisation of:

- Focus group
- Working group
- Individual Meetings
- Webinars

To complete any existing lack of information, some Country Leaders have used additional resources. Thus, in collaboration with Vamstar, MedTech Europe (a PROCURE partner) published a report in July 2024 on public procurement tenders for medical technology products in Europe. This report is based on an analysis of the EU's TED (Tenders Electronic Daily) database[7]. This report has contributed to the data collection for Austria; France; Greece; Hungary; Italy; Portugal; Romania; Spain and Sweden.

3.3.2
Data centralisation process

Once all the answers from the different categories of respondents from all Country Nodes have been completed, each Country Leader centralised and translated (in English) the data into an Excel document. This Excel was a working document for the Country Leaders to structure and fill in the ID Card template, next step of the process.

[7] *TED (Tenders Electronic Daily) is the online version of the 'Supplement to the Official Journal' of the EU, dedicated to European public procurement. Indeed, TED contains all active notices published in the Supplement to the EU Official Journal.*

3.4 ID Cards process

3.4.1 Design of the ID Card template

To structure the qualitative data collected among the 10 Country Nodes into a comprehensive document (ID Card), Resah designed an ID Card template into a Word format. This ID Card template has been filled in by each Country Leader and allowed to better organise the data by items. The Country Leaders classified the data collected into this standardized document that served as working document for Resah for the final consolidation and the comparative analysis of the Observational Study.

3.4.2 ID Card completion

According to the principles stated and agreed internally for the project by the PROCURE Consortium, the Country Leaders ensured the anonymisation of the data to be included in the ID Card, and in fine, in the Observational Study.

While filling in the template, all Country Leaders pre-selected the qualitative data to be included in the ID Card, following the instructions and the guidance from Resah (category of questionnaire, numbers of questions, format of answer, how to select the answer).

3.4.3 ID Card consolidation and comparative analysis

Resah finally performed the final consolidation and layout of the 10 ID Cards, then each Country Leader did a final proofread of its respective ID Card. In parallel, Resah developed the comparative analysis, based on the content of the 10 ID Cards.
The comparative analysis, conducted by Resah, consisted of:

- Elaborating tables of synthesis to highlight the essential information of each MS
- Showing the main similarities and differences among the MS regarding the key practices of procurement performance, the mains suppliers' perceptions on procurement, the Covid-19 and the Best Practices
- Writing the final conclusions by extracting the main trends of the healthcare systems and the main trends of the healthcare procurement environment in Europe

DISCLAIMERS

4

DISCLAIMERS

4.1 General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we concluded that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was not possible. The questionnaires completed within the 10 MS allowed us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID cards developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

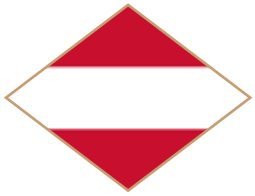
Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

4.2 Country Disclaimer

(By alphabetic order)

During the data collection phase, it raised that it might be important for some Country Leaders to insert at the beginning of their ID Card, a specific disclaimer to clarify the concrete reality and contribution inside the Country Node represented. Not all Country Leaders have decided to include a Country Disclaimer.
Below, only the Country Nodes which included the Country Disclaimer are listed.



4.2.1

AUSTRIA – GöG as Country Leader

The Austrian healthcare and long-term care systems are highly fragmented, with different responsibilities for inpatient care, outpatient care, and long-term care. This fragmentation is also reflected in the healthcare procurement environment, where purchasing is often done decentralised, as different actors are responsible for providing care and procuring products and services. This ID Card was developed based on contributions from a limited number of Country Node members and has therefore limited representativeness.

Contributions to the ID Card from Country Node members were made either through a survey or through participation in a focus group. The ID Card represents a summary of contributions made by participating Country Node members but does not include every single response provided in the survey or focus group. Importantly, the ID Card does not necessarily represent the positions of all individual Country Node members. Contracting authorities did not provide responses to all 186 questions in the comprehensive survey.
In addition, the mapping of organisations and institutions in this ID Card is not exhaustive. The comparative design of the observational study in PROCURE meant that limited number of entries could be made.

4.2.2

BELGIUM – MERCURHOSP as Country Leader

MercurHosp is a public purchasing body who belongs to 22 French-speaking hospitals. We are notifying tenders in the name and on the behalf of our members.

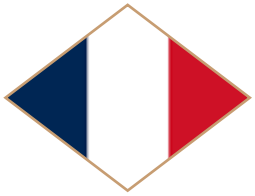
Taking on the role of Country Leader node for PROCURE has put us in a very hybrid situation nationally, as we are in principle not active in the Flemish part of the country or at federal level.

The PROCURE project happened at a politically very turbulent time of elections at the beginning of June (EU Parliament, federal and regional elections); local elections are due in the autumn 2024. The issue of healthcare is at the top of the agenda in both campaigns.

The June elections have changed the majority situation considerably.

All of this has meant that our country leader node role is not producing optimal output in all areas; the reactivity was not satisfactory in all areas. The interpretation in the conclusions of the PROCURE project have political relevance as they represent opinions that could be contrary to the current political agenda in the Belgian health sector (public decision makers, federations, industry, etc.)

MercurHosp wishes to distance itself from these discussions. The PROCURE study has been realised within the framework, conditions and rules of the EU project. To the extent that European issues are at odds with the political agenda of the countries, and Belgium in particular, MercurHosp cannot be blamed for this. The conclusions reflect the opinion of the interviewees, not that of MercurHosp.



4.2.3

FRANCE – RESAH as Country Leader

Resah is a public Central Purchasing Body that leverages the purchasing power of hospitals and nursing homes in France. Resah is the only Central Purchasing Body specialized in both healthcare and medical-social sectors in France.
In this Observational Study, Resah has the role of Country Leader for France as the organisation is involved in the PROCURE consortium. However, Resah cannot be responsible of the content of the ID Card France, which is a report built with the participation of several healthcare organisations from the Country Node France. The ID card France is an aggregation of data collected and synthetised among different health organisations: Contracting Authorities (hospitals and Resah), one private central procurement organisation and suppliers mainly coming from the healthcare sector. The ID Card has been developed thanks to the different views, perspectives and expertise of those organisations. This report does not pretend to represent all the healthcare procurement players neither to describe in its entirety the national healthcare system. The ID Card France was developed with the active participation of people who agreed to share their information by answering the questionnaires, on a voluntary basis and with a view to supporting this European project.

4.2.4

GREECE – EKAPY as Country Leader

National Centralized Health Procurement Authority (N.C.H.P.A.-EKAPY) is located at Greece. The purpose of the organization is to ensure the implementation of centralized services in the field of health.

The main objective is the coordination and implementation of centralized procurement, receipt, storage and distribution of products, materials and health services, the monitoring and control of material consumption in the field of public health services, the centralized strategic and operational planning of the financial and logistical cycle of procurement, receipt, storage and distribution of materials, products and services of the health system, etc. In addition, NCHP-EKAPY has the responsibility for the execution or implementation of projects for the improvement of all health services in the framework of the implementation of co-financed programmes from the European Union or the European Economic Area, from international programmes and from the National Development Programme, as well as national programmes, as well as the support of the Ministry of Health and its supervised bodies for the execution of projects as the executive arm of implementation.

EKAPY has the role of the Country Leader node for PROCURE. The PROCURE study has been realised within the framework, conditions and rules of the EU project. The conclusions reflect the opinion of the interviewees, not that of EKAPY. Keep in mind that EKAPY as a contracting authority has also answered the questionnaire. But the most repetitive and impactful answers have been selected.

4.2.5

ROMANIA – SPITAL SPIRIDON IASI as Country Leader

The answers in this questionnaire represent a synthesis of the answers provided by the partners who have agreed to join Romania's Country Node and based on their specific experience and activities, to support the Observational Study by filling in the online questionnaires. The survey conducted in Romania does not provide an overview of the public procurement system in the healthcare system, but rather a particular view of the respondents, including the Country Leader, on the functioning and difficulties encountered during their activity within the Healthcare system.

4.2.6

SPAIN – SAS as Country Leader

The Servicio Andaluz de Salud (SAS) has acted as the Country Leader for the PROCURE project, which has been conducted under the framework and conditions of the European Union. It is important to clarify that the information contained in the ID cards does not represent the views or opinions of the SAS. Instead, the ID cards reflect the consensus information provided by the entities participating in the project that have completed the questionnaires.

ID CARDS

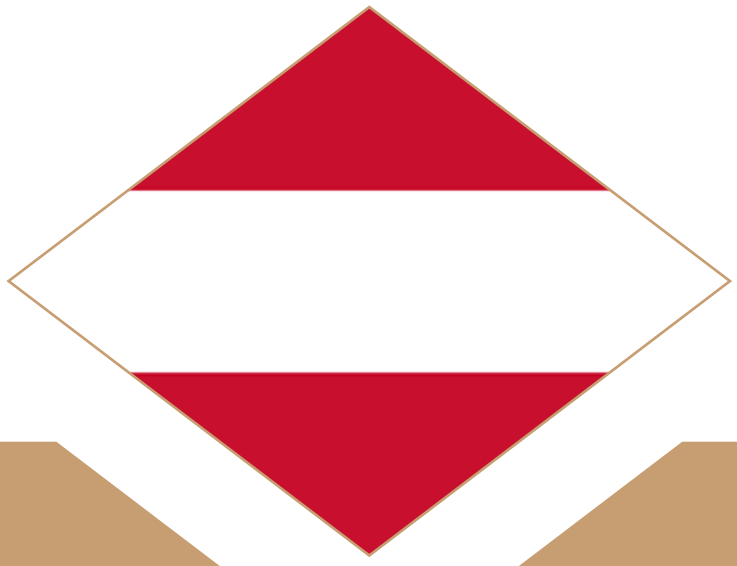
5

ID CARDS

PROCURE

ID CARD

AUSTRIA



GÖG
as Country Leader

General Disclaimer

Representativeness bias

Due to the lack of respondents among all categories and the incompleteness of Country Nodes, we determined that achieving fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS provide some qualitative data, but they do not constitute a comprehensive picture of the healthcare procurement landscape. This exercise aims to capture a snapshot of the situation at a specific time, with outputs only from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID cards developed are not intended to express a unique and sole voice of healthcare organisations from the same MS. In any case, the Country Leader cannot be held responsible for the content of the ID Card as the sole representative voice of all the country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these bias and barriers, the comparative analysis of the Observational Study is limited. We do not claim to conduct a full comparative analysis of the healthcare system and the healthcare procurement system across Europe (the 10 MS involved in PROCURE). However, we aim to provide an overview of the main similarities and differences to better understand how healthcare procurement of products and services is conducted among these 10 MS today.

Country Disclaimer

The Austrian healthcare and long-term care systems are highly fragmented, with different responsibilities for inpatient care, outpatient care, and long-term care. This fragmentation is also reflected in the healthcare procurement environment, where purchasing is often done decentralised, as different actors are responsible for providing care and procuring products and services. This ID Card was developed based on contributions from a limited number of Country Node members and has therefore **limited representativeness**.

Contributions to the ID Card from Country Node members were made either through a survey or through participation in a focus group. **The ID Card represents a summary of contributions made by participating Country Node members but does not include every single response provided in the survey or focus group. Importantly, the ID Card does not necessarily represent the positions of all individual Country Node members**.

Contracting authorities did not provide responses to all 186 questions in the comprehensive survey. In addition, the mapping of organisations and institutions in this ID Card is not exhaustive. The comparative design of the observational study in PROCURE meant that limited number of entries could be made.

Country Node composition

Profiles of organisations involved in the Study

The Austrian Country Node consists of 17 organisations in total, distributed as follows: 7 contracting authorities or public procurers subject to the EU Procurement Directive 2014/24; 4 procurers (private), not subject to the EU Directive, 1 healthcare institution and 5 associations of suppliers.

1 Healthcare Institution	7 Contracting Authorities	4 other Procurers (private)	5 Suppliers

Contributions to the ID Card were provided by a total of 17 organisations. These are not necessarily the same as the Country Node members, as some organisations included in the Country Node did not provide contributions to the ID Card, while some other organisations providing contributions to the ID Card are not members of the Country Node but were asked to provide input through umbrella organisations or associations within the Country Node. The organisations providing input for the ID Card included 9 contracting authorities or public procurers subject to the EU Procurement Directive 2014/24, 2 Procurers (private), not subject to the EU Directive, and 6 suppliers.

Country Leader:

Gesundheit Österreich GmbH

GÖG (Gesundheit Österreich GmbH / Austrian National Public Health Institute)[8] is the institution responsible for researching and planning public healthcare in Austria and acts as the national competence and funding centre for the promotion of health.

GÖG has extensive knowledge about pharmaceutical systems and policies in European countries and beyond and has been designated as WHO Collaborating Centre for Pharmaceutical Pricing and Reimbursement Policies From 2021 to 2022, GÖG led a large-scale study on best practices in the public procurement of medicines, commissioned by HaDEA on behalf of the European Commission. This study mapped public procurement practices for pharmaceuticals in 32 European countries using desktop research, interviews, and quantitative data (TED), resulting in detailed country fact sheets and an assessment of the possible impacts of procurement practices.

GÖG has previously led the Pharmaceutical Health Information System (PHIS), which examined procurement practices in hospitals in 27 European countries. In other projects, GÖG played a leading role in assessing the performance of centralised procurement in Portugal, reviewing policy options for the procurement of AMR health technologies, studying cross-country collaborations in procurement, and contributing to a better understanding of strategic procurement.

[8] https://goeg.at/english

Introduction of the ID Card Scope definition : Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.

In this report, we only refer to health products and services, and to make easier the classification, we have built categories of main healthcare CPV codes , split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

Administration and health data in Austria

Administrative environment in Austria

Legal form of the state	Administrative model that applies to the healthcare system	Description of the health system from an administrative point of view		
		Inpatient Care	Outpatient Care	Long Term or Social Care
Federal State	Decentralised Health System NB: A decentralised healthcare system means that competences are shared between the federal government and the provinces.	The 9 federal states are responsible for hospital care (including both inpatient and outpatient services provided by hospitals).	The outpatient care system is complex and fragmented, with responsibilities for the federal government and the 9 states ("Länder"), and delegated	Long-term care is organised independently of the health system, with separate legislation, responsibilities and financing. Long-term care is provided

[9] *The source used to refer to the CPV nomenclature is the following: https://cpvcodes.eu/en/*

	In Austria, it is envisaged that the out-patient sector is subject to a self-governing body (umbrella organisation of social insurance institutions) and which acts under the general supervision of the federal government (BMSGPK). The intramural sector is under the responsibility of the individual federal states.	The federal government provides guiding legislation but the federal states are responsible for developing the specifics of the legislation, and also for implementing it. Each state has its own health fund ("Landergesundhetsfonds ") which pools funding for public hospitals owned by the state (operated by 9 state hospital holding companies/ " Landeskrankenanstalterntragergesellschaften").	responsibilities to the social health insurance (SHI) and professional bodies of healthcare providers. Healthcare financing involves contributions from both state (federal and Länder level) and SHI funds. Legislation is typically initiated at the federal level by the Ministry of Health (Federal Ministry of Social Affairs, Health, Care and Consumer Protection / BMSGPK).	informally by families (42%), through formal home care (32%), day care (2%), residential care (19%) and 24-hour home care by privately paid assistants (5%).

Health data in Austria

There is no national Health database in Austria.
There is no single organisation responsible for collecting and managing health data. Austria is currently (2024) preparing for the implementation of the European Health Data Space requirements, which will include the designation of a national health data access body.
Statistik Austria (National Statistical Office) provides some health-related data at aggregated level (https://www.statistik.at/en/statistics/population-and-society/health).

List of organisations in charge of Health data collection and health data management:

- **ELGA GmbH / Electronic Health Record Institution** maintains electronic health records, which provides healthcare providers and patients with information on diagnoses and prescribed medication. (https://www.elga.gv.at/)
- **Hospital holding companies of the nine federal states** collect data on services provided in their hospitals.
- **Dachverband der Sozialversicherungsträger (DVSV) / Umbrella organisation of Austrian Social Insurances** collects data on diagnoses and services provided in the outpatient sector, including prescribed medication. (https://www.sozialversicherung.at/cdscontent/?contentid=10007.821628&portal=svportal)
- **Gesundheit Österreich GmbH (GÖG) / Austrian National Public Health Institute** collects data on quality parameters in the inpatient and outpatient sectors and is currently leading the preparatory work for implementing the European Health Data Space in Austria. (www.goeg.at)
- **Statistik Austria / National Statistical Office** is the national statistics institute that collects and publishes data on health determinants, the population's health status, healthcare expenditure, utilis AGN ENERGIA pacchetto RGB ation of healthcare services, e.g. hospital statistics and healthcare workforce data and some cancer-specific data. (https://www.statistik.at/)
- **Medical societies:** Österreichische Gesellschaft für Neurologie (ÖGN) / Austrian Society of Neurology maintains the Austrian Multiple Sclerosis registry; Österreichische Gesellschaft für Hämatologie & Medizinische Onkologie (OeGHO) / Austrian Society of Haematology and Medical Oncology maintains the Austrian Myeloma Registry and the CML Registry.

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The national public healthcare system and stakeholders mapping, which describe the organization of the national healthcare system and introduces the main players in charge of the healthcare management, the healthcare representation, the healthcare offer (outpatient, inpatient and pharmaceutical) and the healthcare financing.

The healthcare procurement environment and stakeholders mapping, which describe the public policy objectives in terms of healthcare procurement and introduces the main players involved in the public and private healthcare procurement environment.

The **procurement practices in the healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase). It also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on public and private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, **the main conclusions** close the ID card by highlighting the notable changes and future trends of both, the national healthcare system and the healthcare procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National public healthcare system and stakeholders mapping in Austria

Healthcare management

Categories of organisations	Names of organisations, per category	Description	Hierarchical relations, if any
Government organisations and agencies at central level	Ministry of Health: Bundesministerium für Soziales, Gesundheit, Pflege und Konsumentenschutz (BMSGPK) / Federal Ministry of Social Affairs, Health, Care and Consumer Protection	BMSGPK initiates health-related legislation at federal level with responsibility for public health matters and overseeing Statutory Health Insurance. Website: https://www.sozialministerium.at	
	Professional bodies of healthcare providers	Österreichische Ärztekammer (ÖÄK) / Austrian Medical Chamber is the federal association of the medical chambers in the 9 states and represents all medical doctors in Austria (mandatory membership for doctors). Among other responsibilities, it negotiates collective contracts with the social insurances on services provided by doctors. Website: https://www.aerztekammer.at/	Legislation allows public administration to transfer responsibility to associations or professional bodies of healthcare providers. These institutions handle tasks on behalf of and in accordance with the instructions of the federal government or a federal state.
		Österreichische Apothekerkammer (ÖAK) / Austrian Chamber of Pharmacists is the representative body of all pharmacists (mandatory membership). Among other responsibilities, it negotiates collective contracts with the social insurances on the dispensing of medicines. Website: https://www.apothekerkammer.at/	
	Joint Governance System: Zielsteuerung Gesundheit	Bundes-Zielsteuerungskommission (B-ZK) / Federal Target-Based Governance Commission is the highest decision-making body of the joint, target-based governance system for healthcare in Austria. The Commission, consisting of representatives of the federal government, state governments, and social health insurance, defines both financial and health targets, and supervises reforms in the healthcare system. Website: https://www.sozialministerium.at/Themen/Gesund-heit/Gesundheitssystem/Gesundheitsreform-(Zielsteuerung-Gesundheit).html	The Federal Target-Based Governance Commission consists of representatives from Federal and State-level Government, as well as representatives from Social Health Insurance.
	Regulatory body for pharmaceuticals and medical devices (AGES Medizinmarktaufsicht)	Österreichische Agentur für Gesundheit und Ernährungssicherheit (AGES) / Austrian Agency for Health and Food Safety is responsible for human, animal, and plant health and the safety of pharmaceuticals and medical devices. AGES incorporates the medicines and devices regulatory body for marketing authorisation, surveillance and inspection of manufacturers. Website: https://www.ages.at/	AGES is jointly owned ('arm's length agency') by the Ministry of Health and the Ministry of Agriculture.

Government organisations and agencies at central level	Public health institute (Gesundheit Österreich GmbH, GÖG)	Public health institute: Gesundheit Österreich GmbH (GÖG) / Austrian National Public Health Institute is the national public health research and planning institute, which provides support to the Ministry of Health. In addition, GÖG incorporates the Federal Institute for Quality in the Healthcare System (responsible for monitoring the quality of healthcare provision) and the Austrian Health Promotion Fund (Fonds Gesundes Österreich / FGÖ, which funds initiatives and projects to promote healthy living). Website: www.goeg.at	GÖG is owned by the Ministry of Health.
	Health technology assessment institute	Austrian Institute for Health Technology Assessment (AIHTA) may be tasked with health technology assessment (HTA) activities. Website: www.aihta.at	AIHTA is jointly owned by Ministry of Health, State-level Health funds as well as Social Health Insurance.
	Electronic health records (ELGA GmbH)	Electronic health records: ELGA GmbH / Electronic Health Record Institution is responsible for further developing the e-health infrastructure in Austria, including electronic health records. Website: https://www.elga.gv.at/	ELGA is jointly owned by Ministry of Health, State-level Health funds as well as Social Health Insurance.
	State-level ministers for health (for each of the 9 federal states)	Landesgesundheitsräte / State ministers for health are responsible for healthcare provided by the states, i.e. hospital care, including the further specification and implementation of federal laws, and supervision of the state health funds. The states have outsourced the operation of the public hospitals to state-owned hospital holding companies.	
Financing organisations	Social health insurance	Dachverband der Sozialversicherungsträger (DVSV) / Federation of Austrian Social Insurances is the umbrella organisation of the self-governing social insurances (including health insurance funds, pensions insurance, and accident insurance). Social insurances are self-governing bodies consisting of representatives of employers and employees. The DVSV negotiates collective contracts for healthcare services, including with the medical associations for providing outpatient care. The DVSV also maintains the positive list of reimbursed medicines and conducts HTA to inform decisions about inclusion of medicines in the reimbursement list. Website: https://www.sozialversicherung.at/	Legislation allows that public administration transfers responsibility to social health insurance ('Selbstverwaltung`). Respective institutions act on behalf of and in accordance with the instructions of the federal government or a federal state.
	State-level Health funds / Landesgesundheitsfonds	The provincial health funds on state levels are funds under public law for the financing of public non-profit hospitals according to the system of performance-oriented hospital financing, providing funding in the framework of the Austrian Diagnosis Related Groups (DRG) System.	State-levelhealth funds are owned by the regional state-level ministers for health.

Healthcare representation[10]

Categories of organisations	Names of organisations, per category	Description
Players in charge of representation of the Healthcare Professional such as Federations, Professional associations, Councils, Unions, etc.	Österreichische Ärztekammer (ÖÄK) / Austrian Medical Chamber	Professional body of physicians (self-governing body), representing the professional, social and economic interests of Austrian physicians based on mandatory membership. Website: https://www.aerztekammer.at/
	Österreichische Apothekerkammer (ÖAK)/ Austrian Chamber of Pharmacists	Professional body of pharmacists, mandatory representation of pharmacists working in pharmacies and/or hospitals. Website: https://www.apothekerkammer.at/
	Several healthcare-related professional associations (e.g. Society for General and Family Medicine)	Advising on fundamental and interdisciplinary issues in scientific medicine, promoting the cooperation of its member in the fulfilment of their scientific-medical tasks and objectives as well as the transfer of scientific knowledge into medical practice. Website: various e.g. https://oegam.at/ (Austrian Society for General and Family Medicine), https://www.oegho.at/ (Austrian Society for Haematology and Medical Oncology), https://www.ogp.at/ (Austrian Society for Pulmonology)
	Several healthcare-related professional associations (e.g. Society for General and Family Medicine)	Advising on fundamental and interdisciplinary issues in scientific medicine, promoting the cooperation of its member in the fulfilment of their scientific-medical tasks and objectives as well as the transfer of scientific knowledge into medical practice. Website: various e.g. https://oegam.at/ (Austrian Society for General and Family Medicine), https://www.oegho.at/ (Austrian Society for Haematology and Medical Oncology), https://www.ogp.at/ (Austrian Society for Pulmonology)
Players in charge of representation of the Healthcare Beneficiaries such as Associations of patients	State-level patient advocacy organisation (as part of state-level governments/administration)	Formally established patient ombudspersons' offices in all nine federal states, who inform patients about their rights and advocate on their behalf. Website: https://www.oesterreich.gv.at/themen/hilfe_und_finanzielle_unterstuetzung_erhalten/ombudsstellen_und_anwaltschaften/Seite.3240007.html
	Bundesverband Selbsthilfe Österreich (BVSHOE) / Federal Association for Self-Help Austria	Umbrella organisation of patient organisations. Website: https://www.bundesverband-selbsthilfe.at/
	Nationales Netzwerk Selbsthilfe (NA-NES) / National Network for Self-Help	Association of some of the self-help organisations. Website: https://www.nanes.at/
Players in charge of representation of the Healthcare Industry such as Industry Associations for pharmaceutical industry, wholesalers, medical devices	Verband der pharmazeutischen Industrie Österreich (PHARMIG) / Austrian Pharmaceutical Industry Association	Association of Austrian pharmaceutical companies. Website: https://www.pharmig.at/
	Österreichischer Generikaver-band / Austrian Generics Association	Association of Austrian generic drugs manufacturers. Website: https://www.generikaverband.at/
	Interessensvertretung der Medizinprodukte-Unternehmen (AustroMed) / Interest group of medicinal product suppliers	Association of Austrian medical devices manufacturers. Website: https://www.austromed.org/

[10] *Please note that this is a non-comprehensive, exemplary list of organisations.*

Healthcare offer

Outpatient

OUTPATIENT CARE		
Main providers of Outpatient Care	**Breakdown of Outpatient Care, by provider**	**State-level or national specificities to be highlighted in terms of Outpatient Care**
Financing Outpatient care falls primarily under the responsibility of the social health insurance (SHI) funds. The SHIs are coordinated by the Dachverband der Sozialversicherungsträger (DVSV) / Federation of Austrian Social Insurances. There are 3 SHI funds: 1. Österreichische Gesundheitskasse (ÖGK) / Austrian Health Insurance Fund. 2. Sozialversicherungsanstalt der Selbständigen (SVS) / Social Insurance Institution for the Self-Employed. 3. Versicherungsanstalt öffentlich Bediensteter, Eisenbahnen und Bergbau (BVAEB) / Insurance Institution for Civil Servants, Railways, and Mining.	In 2022, there were 49,521 practising doctors (of which 13,213 are general practitioners, 27,743 are specialists, 8,564 are in training and 5,289 are dentists). 6,614 ordained as general practitioners, of which 2,623 without and 3,991 with a health insurance contract. As of2024, there were 65 primary care units in Austria.	**Problems:** Preparing care structures to demographic changes (e.g. multimorbidity of an ageing society), health promotion and preventive healthcare, especially with regard to nutrition (obesity), health literacy and navigation of the healthcare system. **Challenges:** Vacancies for physicians contracted with SHI, which will become even more difficult to fill due to demographic change. Management of patient pathways (digital before outpatient before inpatient). **Organisation:** Establishment of new forms of care (primary care units, community nurses). **Legal status:** There are differences in legal status of healthcare providers, including sole proprietor (i.e. doctors in private practice), limited liability company (GmbH) or general partnership (OG); a primary care network with several locations also has the option of organising itself as an association. **Regulations:** no special features.
Healthcare provision 1. GPs and specialist doctors providing outpatient care, represented by the Austrian Medical Association. 2. Ambulatory care centres.		

Inpatient

INPATIENT CARE		
Main providers of Inpatient Care	**Breakdown of Inpatient Care, by provider**	**State-level or national specificities to be highlighted in terms of Outpatient Care**
Inpatient care is organised on a decentralised basis in Austria. The 9 federal states are responsible for the inpatient sector. Each of the states has its own organisation responsible for its public hospitals. **The most important organisations responsible for acute care provisions in public hospitals in Austria are therefore the 9 state-owned hospital holding companies:** 1. Landeskrankenanstalten-Betriebsgesellschaft des Landes Kärnten (KABEG) 2. Steiermärkische Krankenanstaltengesellschaft m.b.H. (KAGES) 3. Burgenländische KrankenanstaltenGes.m.b.H. (KRAGES) 4. Niederösterreichische Landesgesundheitsagentur (LGA) 5. Oberösterreichische Gesundheitsholding GmbH (OÖG) 6. Salzburger Landeskliniken Betriebsgesellschaft mbH (SALK) 7. Tirol Kliniken 8. Vorarlberger Krankenhaus-Betriebsgesellschaft 9. Wiener Gesundheitsverbund (WiGeV) **Some of the Austrian social insurance funds also operate acute care hospitals:** 1. Österreichische Gesundheitskasse (ÖGK) 2. Allgemeine Unfallversicherungsanstalt (AUVA) Other relevant organisations providing acute care are the private **hospital management companies, including religious orders.** Important private organisations are the following: 1. Vinzenz Gruppe Krankenhausbeteiligungs- und Management GmbH (religious orders) 2. Barmherzige Brüder (religious order) For **rehabilitation care**, important organisations include the sickness funds and private organisations.	Publicly owned, financed through state funds: 28.0% Privately owned, financed through state funds: 12.9% Publicly owned, not financed through state funds: 25.0% Privately owned, not financed through state funds: 34.1%	**Organisation and legal status:** Inpatient care in Austria primarily falls under the responsibility of the nine federal states. However, the legislative framework for hospital care is initiated at the federal level. A simple distinction between public and private ownership is challenging in Austria. For example, hospitals can be privately owned (either for profit or not-for-profit) and be financed through the state funds, i.e. providing services as part of the publicly funded healthcare system. **Challenges:** A long-standing challenge in Austria is the comparatively strong focus on inpatient care. Austria has one of the highest hospital discharge rates in Europe and spends a comparatively high proportion of its health expenditures on hospital care. Efforts to manage patient care pathways more efficiently (prioritizing digital care over ambulatory care over inpatient care) have been one of the focal points of the 2023 health reform in Austria. Increasing the number of primary healthcare units (PVE) is considered an important step in alleviating pressure on the hospital sector. Hospital discharge is further complicated through fragmented responsibilities for health and long-term care.

Focus on Private Not-for-Profit Hospitals
- Number of facilities: 42
- Hospital Bed Density: 113.64 per 100,000 inhabitants

Focus on Private for Profit Hospitals
- Number of facilities: 82
- Hospital Bed Density: 105.15 per 100,000 inhabitants

Focus on Public Hospitals
- Number of facilities: 80
- Hospital Bed Density: 472.60 per 100,000 inhabitants

Pharmaceutical

PHARMACEUTICAL CARE		
Pharmaceutical expenditure in total per capita 765 USD (2021)		
Pharmaceutical spending, in total, as a share of GDP 1.38% (2021)		
Main providers of Pharmaceutical Care	**Breakdown of Pharmaceutical Care providers**	**State-level or national specificities to be highlighted in terms of Pharmaceutical Care**
Number of pharmacists professionals: 6,341 **Number of pharmacies (facilities):** 1,500 pharmacies, including branch pharmacies and hospital pharmacies (as of December 2023). In addition, 902 dispensing doctors.	**Number and % of community pharmacy (facilities) – non hospital pharmacy:** 1,458 (97.2%) **Number and % of hospital pharmacy (facilities):** 42 (2.8%)	**Challenges** in the pharmaceutical care provision exist due to the split between inpatient and outpatient sectors. Distinctive features of the structure of the Austrian pharmaceutical care provision include the relatively high number of dispensing doctors (only allowed to operate in areas with no community pharmacy within reach) and a comparatively low proportion of hospitals with their own pharmacies. Hospitals without their own pharmacy rely on hospital or community pharmacies for the provision of pharmaceuticals.

Healthcare financing

Main sources of financing	Main organisations in charge of financing	Breakdown of financing, by organisation	Short description
1. Tax 2. Statutory health insurance 3. Private insurance / voluntary health insurance 4. Private expenses ('out-of-pocket')'	1. Social Security Institutions (mainly Austrian Sickness Fund / Österreichische Gesundheitskasse (ÖGK)) 2. Federal Ministries (Ministry of Finance & Ministry of Health) 3. State-level health funds / Landesgesundheitsf onds: · Burgenländischer Gesundheitsfonds (BURGEF) · Kärntner Gesundheitsfonds (kgf) · NÖ Gesundheits- und Sozialfonds (NÖGUS) · Oö. Gesundheitsfonds · Salzburger Gesundheitsfonds (SAGES) · Gesundheitsfonds Steiermark · Tiroler Gesundheitsfonds (TGF) · Gesundheitsfonds für das Land Vorarlberg · Wiener Gesundheitsfonds (WIGEV)	Health expenditure, **Government schemes:** 37.7 % (2021)	Revenue raised from taxes constitutes the second largest source. This corresponds to payments of the federal government, the Länder or municipalities for the costs of inpatient care and LTC, public health and prevention, as well as contributions to SHI funds for the unemployed and for maternity benefits. Tax revenues for healthcare are mainly pooled by the Federal Health Agency (Bundesgesundheitsag entur, BGA) at the federal level and by the nine state health funds (LGFs) at state level.
		Health expenditure, **Voluntary healthcare payment** schemes: 5.9% (2021)	Voluntary health insurance (VHI) has mainly a supplementary function in the Austrian healthcare system and can take various forms. The most common type of supplementary health insurance covers extra amenities in the hospital sector like accommodation in "special fee class" rooms in hospitals (e.g. single rooms), costs of transportation to hospitals and free choice of hospital physicians. The second most common type of VHI offers more choice of ambulatory care providers, covering fees of physicians without SHI contracts, as well as medicines and medical aids in the ambulatory care sector.
		Health expenditure, **Household out-of-pocket payments** 15.8% (2021)	Household Out-Of-Pocket (OOP) Payments include direct payments, user charges (cost-sharing) and informal payments; In 2015, the largest share of OOP was spent on ambulatory (extramural) curative and rehabilitative care (37.44%), especially for dental services (13.9% or €876 million) and on pharmaceuticals (21.4%), notably for over-the-counter (OTC) medicines (14% or €865 million). Also spending on long-term care (14.6%) and therapeutic appliances (12%) are among the largest shares of total OOP spending.

Specificities related to the national/state-level healthcare system funding: fragmentation of financing sources

The financing of Austria's healthcare system is highly fragmented with a complex network of pooled funds, transfers between the tax system and the SHI system and with financial obligations being shared between three governmental levels. The responsibilities of the different governmental financing agents are regulated by agreements under Article 15a of the Federal Constitutional Law and by the Financial Equalisation Act.

Healthcare procurement environment and stakeholders mapping in Austria

Public policy objectives: description of the national programme in Austria

Main laws that govern public procurement

- Bundesgesetz über die Vergabe von Aufträgen (Bundesvergabegesetz 2018 – BVergG 2018).
- Bundesgesetz über die Vergabe von Konzessionsverträgen (Bundesvergabegesetz Konzessionen 2018 – BVergGKonz 2018).
- Bundesgesetz über die Vergabe von Aufträgen im Verteidigungs- und Sicherheitsbereich (Bundesvergabegesetz Verteidigung und Sicherheit 2012 – BVergGVS 2012).
- Bundesgesetz über die Beschaffung und den Einsatz sauberer Straßenfahrzeuge (Straßenfahrzeug-Beschaffungsgesetz).
- Bundesgesetz über Genehmigungen im Zusammenhang mit Sanktionsmaßnahmen in Angelegenheiten des öffentlichen Auftragswesens.
- Bundesgesetz über die Errichtung einer Bundesbeschaffung Gesellschaft mit beschränkter Haftung (BB-GmbH-Gesetz).

Legal framework of reference that applies for public procurement of healthcare products

A mix of both, centralised and decentralised procurement.

Content of the national programme

Definition of the programme that promote healthcare procurement in Austria: Strategische Beschaffung in Österreich *(Strategic Procurement in Austria)*

During Strategic Procurement in Austria, the government has developed a national action plan for sustainable procurement. The Austrian action plan for sustainable public procurement (naBe) serves as a model for the responsible and careful use of resources to protect the environment and offer future generations a future worth living. With defined criteria, the public sector provides the necessary support for sustainable procurement.

Topic covered by the national programme in Austria:

- **Sustainable Procurement** (Environmental; Social and Economic)

Focus on security of supply, from the national programme

Implementation of shortage prevention techniques	Security of supply does not feature in the national action plan. Healthcare procurement is largely decentralised in Austria. However, security of supply measures has been taken at the national level: By decree of the Minister of Health in 2024, Marketing Authorization Holders (MAH) of around 700 selected medicines are required to keep a four-month stock.
Contingency plan for supply chain disruption (buffer stock)	Decree of the Minister of Health on the stockpiling of speciality medicinal products for human use (Federal Law Gazette II No. 161/2024)
Strategic stocks	The requirement to stockpile products applies to painkillers, antibiotics, medicines for cold symptoms, but also preparations for chronic cardiovascular or lung diseases.

Stakeholders mapping of the healthcare procurement environment in Austria[11]

Public perspective

Categories of Public Procurers	Territoriality level	Names of organisations	Figures
Government Public Procurers	National	1. Federal Ministry of Social Affairs, Health, Care and Consumer Protection (central procurement only in crisis or exceptional cases, or similar[12]) 2. Federal Ministry of Justice (closed prisons) 3. Federal Ministry of Defence (army hospitals)	3 Federal Ministries
National Central Purchasing Body	National	Bundesbeschaffung GmbH (BBG) / Federal Procurement Agency	In 2024, there was 1 national/central public procurement body for procurement in the healthcare sector.
State-level /Local Public Purchasing Bodies	State-level / Local	1. Zentraleinkauf Gesundheit Burgenland 2. KABEG Management / Abteilung Einkauf 3. Oberösterreichische Gesundheitsholding / Beschaffungs- und Innovationsmanagement 4. Landesgesundheitsagentur / Business Unit Supply Chain Management - Einkauf 5. SALK / Managementbereich Einkauf und Logistik 6. KAGes-Services/Einkauf 7. Tirol Kliniken / Zentraleinkauf 8. Vbg. Krankenhaus-Betriebsgesellschaft m.b.H. 9. Wigev / Vorstandsressort Einkauf	In 2024, there were 9 state-level/local public procurement bodies for hospitals.
University Hospitals	National / State-level	Procurement for university hospitals is usually conducted by the respective state-level (or national)[13] procurement unit of the owner organisation.	In 2024, there were 8 university hospitals (Graz, Innsbruck, Krems, Linz, Salzburg, St. Pölten, Tulln, Vienna)

[11]This section was elaborated during a focus group process consisting of representatives from institutions, contracting authorities and private procurers in Austria.
[12]BMSGPK carried out extensive procurements exclusively in the context of the Covid-19 crisis (e.g. vaccines or medicines for the treatment of Covid-19). Centralised procurement by the BMSGPK is not provided for in the regular process (only in crisis situations, exceptional cases or similar). According to legislation, procurement for federal institutions must be conducted by the Federal Procurement Agency (BBG).
[13]Procurement in private hospitals is classified as national level, given that religious order hospitals operate across regions (e.g. Order of the Brothers Hospitallers).

Hospitals	National / State-level	Procurement for university hospitals is usually conducted by the respective state-level (or national)[14] procurement unit of the owner organisation.	In 2024, there were 264 hospitals (in accordance with the Hospitals and Health Resorts Act, KAKuG) that generally ordered through state-level procurement bodies of the hospital owners' organisations.
Other public procurers (non-hospital) such as nursing homes, rehab centres, elderly centres	National / State-level / Local	Procurement of nursing homes, rehab centres, elderly centres is usually conducted by the respective local, state-level or national[15] procurement unit of the owner organisation.	NA

Private perspective

Categories of Private Procurers	Territoriality level	Names of organisations	Figures
Wholesalers	National / State-level	1. Full-range wholesaler 2. Wholesalers with partial product ranges	1. Full-range wholesalers comprise 5 companies in Austria: Herba-Chemosan, Jaboby, Kwizda, Phoenzix and Richter Pharma (as of 2024). 2. Wholesalers with partial product ranges comprise > 200 companies/businesses with a wholesale licence (as of 2024).
National Central Private Purchasing Body	National	Individual nationwide private organisations have set up national central procurement offices (e.g. Österreichisches Rotes Kreuz Einkauf & Service GmbH, Caritas Einkaufgruppe Österreich)	NA
Local Private Purchasing Bodies	State-level / Local	NA	NA
Alliance of private hospitals	State-level	NA	NA
Private Hospitals	National / State-level / Local	1. Religious order hospitals whose purchasing is locally or regionally, depending on the owner organisation of the hospital (as of 2024). 2. Goldenes Kreuz (maternity hospital) 3. Several fertility centres	There are 23 religious order hospitals in Austria whose purchasing is local or regional, depending on the hospital operator (as of 2024).
Other private procurers (non-hospital) such as nursing homes, rehab centres, elderly centres	National / State-level / Local	1. Senecura GmbH 2. Hilfswerk	1. Senecura operates 79 health and care facilities in Austria with around 6,800 beds. 2. Hilfswerk has 19 elderly centres and 88 Assisted living facilities.

[14] *Procurement in private hospitals is classified as national level, given that religious order hospitals operate across regions(e.g. Order of the Brothers Hospitallers).*
[15] *Owner organisations of nursing homes, rehab centres, elderly centres may operate on different levels. For example, procurement of elderly centres operated by Caritas would be considered on a national level, whereas procurement of elderly centres operated by regions take place on a regional level.*

Procurement practices in the healthcare sector and suppliers' perceptions in Austria

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by public procurers

- Guidelines and standards
  - Supplier relations.
  - Treatment of suppliers: equal treatment of suppliers and non-discrimination in tenders and supplier selection.
- Tools
  - Templates for market talks and guidelines as well as organisational instructions for employees.

Deontology training

- Anti-corruption and discrimination sensitisation in the Federal Procurement Agency (BBG) buyer training course.

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by public procurers

Legal Provisions

In addition to the legal provisions in the BVergG 2018 and the company rules (work agreements, collective labour agreements, etc.), there is also the Whistleblower Protection Act (HSchG).

Data accessibility

Most common tools used by public procurers for accessing to procurement data

- Analysis of procurement data is done via SAP-MM and electronic procurement portal vemap.
- Tendering programmes of the external procurement offices ensure that the procurement data is available.

Internal and compliance control

Most common practices and tools for internal and compliance control used by public procurers

- **Enforceable instructions for employees**
- **Internal measures:**
  - Establishing a chief compliance officer who acts as person of trust.
  - Internal control system with anti-corruption guideline.
  - Whistleblower system, including a whistleblower-website where employees can report cases anonymously via an easily accessible website.
  - Compliance training integrated into an internal E-learning platform
  - Encouraging employees to be vigilant.
- **Enhancing transparency:**
  - Introduction of an electronic procurement portal (vemap).
  - Risk management and internal revision.

Supplier relations

Most common practices, standards and tools used by public procurers in terms of supplier relations

- **Central credit check**
- **Supplier monitoring**
  - Suppliers are monitored on an ongoing basis. Contractual precautions are taken (penalties, contract cancellations, etc.).
  - Market assessment, contract handover discussions, procedure for contract adjustments, price adjustments, audits.
- **'Partnership signets' with suppliers**

Other practices and tools in terms of supplier relations

There are general terms and conditions that apply to all suppliers and contractors. The procurement departments of the client are also active in this regard and are constantly expanding/updating them.

Procurement cycle in Austria[16]

Contracting phase: market readiness/sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channels used by public procurers to analyse the market readiness & for suppliers sourcing

The 3 most common channels used are:

- Internet research such as: https://ted.europa.eu/de/; https://ausschreibungen.usp.gv.at/at.gv.bmdw.eproc-p/public/tenderlist ; https://de.statista.com;
- Trade fair visits;
- Specialist presentations.

Processes used by public procurers for market readiness analysis

The 3 most common processes used are:

- Open Market consultation / Market consultation as defined in the Procurement Act;
- Bilateral meetings / pre-tender dialogue meetings;
- Benchmarking.

Category of information collected by public procurers during sourcing

The 3 most common categories of information collected by public procurers are:

- Price;
- Technical elements;
- Risk Management.

Sourcing tools used by public procurers during sourcing

The most common recurring tool used by public procurers is a CRM - Customer Relations Management Tool.

Allotment in public procurement

In Austria, the principle of allotment is optional but recommended in national/state-level guidelines.

By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in public procurement

The 5 most common legal clauses used are:

- Time and duration of contract;
- Division of contracts into lots (principle of allotment);
- Options;
- Penalties;
- Termination.

Evaluation criteria in public procurement

Table with the recurring main awarding criteria, by category of health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE ONLY	PRICE ONLY	PRICE ONLY	PRICE ONLY and PRICE/ QUALITY RATIO[17]	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO

For medical equipment and medical consumables, no single dominant type of award criteria could be identified. While public procurers participating in the survey indicated to primarily use the price/quality ratio, an analysis of TED data for public procurement of medical technology products (i.e. various forms of medical equipment and medical consumables) found that award criteria were almost evenly split in Austria (56% using price only and 44% using price and other criteria).

Apart from the technical and price criteria, some other categories of criteria are used by public procurers for the evaluation criteria such as:

- Environmental criteria;
- Social criteria;
- Criteria measuring patient impact (Value Based Procurement);
- Security of supply.

[16] *Contracting authorities responding to the survey did not answer all 186 questions.*
[17] *Criteria may depend on the consumables that are being procured.*

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

Contract duration in Austria is in principle 4 years.
However, duration of contracts depends on the subject matter of the order. In principle, **framework agreements are concluded for 4 years.** Services are concluded on a project-related basis. Deliveries of standard products are generally concluded for an indefinite period. If major price fluctuations are to be expected, call-offs are scheduled at shorter intervals.

Processes for monitoring the execution phase

- Control: For deliveries by presenting the delivery notes or acceptance protocols, for services by presenting proof of performance.
- The specialised departments regularly monitor the services provided. Deliveries are checked regularly.
- Contract monitoring and quality management, partly digitalised.

Processes for managing the contracts penalties

- Contractual penalties provided for in the contract are enforced in accordance with the contract.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Process of evaluation of the performance and effectiveness measures

- Procurement is carried out in accordance with legal requirements and the principles of economy, efficiency, transparency and expediency.

Tool of evaluation of the performance and effectiveness measures

- Procurement manual

Monitoring and steering objectives of the procurement performance

The most recurring general objectives followed by Public Procurers in terms of procurement performance are:

- Economic performance;
- Supplier performance;
- Service quality performance (innovation);
- Environmental and social performance;
- HR performance.

Key practices of procurement performance in Austria[18]

Workforce professionalisation

Public perspective

In Austria, the most recurring tools used by Public Procurers to maintain and/or to improve the specialisation of the procurement workforce are:

- Training courses / Staff receive regular training e.g. TÜV-certified buyer training course 'Professional public procurement';
- Participation in trade fair events;
- Provision of specialist literature on the relevant topics.

Diagnostic of performance

Public perspective

Main processes used for the diagnostic of performance

Streamlining costs	Time to respond	Other	
Processes	*Process*	*Process*	*Tool*
• There are clear regulations on needs assessments and budget plans that keep procurement within an economic framework. • Ongoing needs assessment to bundle procurement processes.	There is ongoing demand/budget and procurement planning. Project teams are formed to keep an eye on efficiency and effectiveness.	The other points are regulated based on the respective procurement manual.	Procurement manual

Supplier performance

Public perspective

Supplier performance tool

- SAP Materials Management, https://community.sap.com/t5/supply-chain-management-blogs-by-members/sap-materials-management-introduction/ba-p/13591233.

[18] *Contracting authorities responding to the survey did not answer all 186 questions in the survey.*

Procurement routes

Public perspective

In Austria, procurement through Central Purchasing Bodies (CPB) is mandatory for some institutions and it is recommended or optional for others.

The Legal Act on Establishing the CPB (Bundesbeschaffung GmbH / Federal Procurement Agency) applies to the award of supply and service contracts for consideration by federal institutions and downstream departments in fulfilment of their tasks. The CPB could also be used by other public entities (e.g. state-level, municipalities) but for those entities it is not mandatory to commission the CPB for procurement. For other institutions for which the legal act does not apply to, centralising procurement activities is usually recommended (e.g. to realise cost savings potentials).

Law of reference – when mandatory: Bundesgesetz über die Errichtung einer Bundesbeschaffung Gesellschaft mit beschränkter Haftung (BB-GmbH -Gesetz) https://www.ris.bka.gv.at/Dokumente/BgblPdf/2001_39_1/2001_39_1.pdf

The main reasons why public procurers do their procurement through CPB are usually the following:
- **Efficiency gains:** to save yourself a tendering procedure; (Framework contracts);
- **Scope for synergies;**
- **Increase bargaining power** as larger quantities can determine price.

An analysis of TED data for public procurement of medical technology products (i.e. various forms of medical equipment and medical consumables) found that Austria employs both centralised and decentralised approaches, with most tenders identified from 2021-2023 awarded by state-level hospital holding companies and the Austrian Health Insurance Fund (ÖGK).

Sustainable procurement approaches

Public perspective

Main processes implemented

- As the Federal Procurement Act incorporates sustainability in its fundamental principles, public authorities must adhere to these principles in all procurement activities.
- In principle, sustainable procurement is assessed individually and implemented accordingly. While the topic is considered important, it does not solely determine procurement decisions.

Security of supply

Public perspective

Main shortage prevention techniques implemented

- The size of the warehouses in accident hospitals and rehabilitation centres must guarantee a supply security of 3 months.

Digitalisation

Public perspective

Main e-procurement tools	Internal IT tools for procurement data management
• vemap, www.vemap.com • SAP	

Suppliers' perceptions on both public & private procurement in Austria

Procurement information accessibility

Public perspective

Tools & methods used for call for public tenders monitoring

- ANKÖ (Auftragnehmerkataster Österreich), a centralised platform to streamline public procurement processes;
- Sales Representatives who maintain good contact with lead buyers;
- Websites, including
  - Auftrag.at;
  - Vemap.at;
  - Websites of healthcare institutions (and related institutions);
  - data.gv.at.

Accessibility of public procurement information

- Better and easier overview would be needed within the ANKÖ platform to streamline public procurement processes.
- Accurate quantity structures are lacking, and sufficient lead-time to increase the supply chain (6 to 9 months) is needed.
- National associations do not always have access to tender content.

Private procurement

Tools & methods used for call for private tenders monitoring

- Direct contacts are crucial as there are few public tenders (mostly direct negotiations). It is very important to have an exceptional customer relation management system in place (both personally through sales representatives and system-wise).
- ANKÖ (Auftragnehmerkataster Österreich), a centralised platform to streamline public procurement processes.
- Website: auftrag.at.

Accessibility of private procurement information

- There is a lack of timely information about upcoming tenders.

[18] *Contracting authorities responding to the survey did not answer all 186 questions in the survey.*

Transparency and ethic

Public procurement

Positive feedback	Negative feedback
• A very strict healthcare compliance law is in place that supports the behaviour of buyers. • Overall, suppliers consider public buyers to behave ethically and transparently with companies. Processes have always been transparent.	Establishing and maintaining professional relationships is only possible if the procurement staff is willing to communicate.

Private procurement

Positive feedback	Negative feedback
• Established suppliers in Austria have good customer relationship management. • Clear standards of buyers.	Transparency only applies up to a certain point.

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
• A very strict healthcare compliance law is in place that supports the behaviour of buyers. • Overall, suppliers consider public buyers to behave ethically and transparently with companies. Processes have always been transparent. • There is open communication during market exploration (pre-tendering), and fair approach on tender criteria (bidder questions and answering) during tender phase.	Establishing and maintaining professional relationships is only possible if the procurement staff is willing to communicate.

Private procurement

Positive feedback	Negative feedback
• Established suppliers in Austria have good customer relationship management. • There is open communication during market exploration (pre-tendering), and fair approach on tender criteria (bidder questions and answering) during tender phase.	Relationships are influenced by competition.

Needs and expectations

Public procurement

Positive feedback	Negative feedback
Most of the tender material is very comprehensive.	• Moving away from price as the single decisive factor would be desirable. • Lack of transparency at times in direct acquisition (non-public tenders). • Logistics details are not included in calls for tenders.

Public procurement

Positive feedback
Compared to regular tenders, private tenders are seen as more open for / more focused on innovative solutions/ products.

Sustainability requirements

Public procurement

Negative feedback
• More time is needed to develop harmonised sustainability criteria. • It should be made clear what the supply chain law (Lieferkettengesetz) entails. Better understanding of sustainability and relevant laws could help focus on sustainability questions with added value.

Private procurement

Negative feedback
• It should be made clear what the supply chain law (Lieferkettengesetz) entails. Better understanding of sustainability and relevant laws could help focus on sustainability questions with added value. • There is a lack of concrete sustainability criteria.

[18] *Contracting authorities responding to the survey did not answer all 186 questions in the survey.*

Innovation promotion

Public procurement

Negative feedback
• There is often no opportunity to enter tenders with innovative products/services because the demand is too small to include them in a tender, at least initially. • In most tenders, only existing products are considered; alternative offers are not accepted; and the entire "tool-box" of different types of tenders is not yet utilised. For instance, product handling (e.g. through innovative application devices) is not considered as tender criteria. This is because various calls reference existing customers and product deliveries, which contradicts the inclusion of new products.

Private procurement

Positive feedback	Negative feedback
Compared to regular tenders, private tenders are seen as more open for / more focused on innovative solutions/products.	There are also opinions that the private sector is less open for innovation.

Barriers identified

Public procurement

Pricing is more relevant than quality and security

Suppliers consider that the willingness of public procurers to switch from purely price-orientated to value-based procurement is largely lacking. From the suppliers' perspective, there is a lack of mid-term perspective.

Substantial bureaucratic efforts

From the suppliers' perspective, substantial bureaucratic efforts are required, but timelines are often very short. Hence, the capacities are often missing to deal with various tenders at one time.

Decisions are not fully transparent

Suppliers consider that decisions are for instance, the scoring mechanisms for criteria beyond price are often not known.

Unclear requirements

Requirements on reference projects are sometimes unclear, and there is a lack of references for newly introduced products.

Non-application of market explorations

From the suppliers' perspective, market explorations are very often not applied prior to tenders, although they could help provide the purchasing organisation with a better overview.

Public procurement

Too much price-oriented

From the suppliers' perspective, there is too much focus on prices instead of added value for the user or patient. More consideration should be given to mid-term perspective.

Need for cross-border businesses

There should be more cross-border businesses. Private institutions with headquarters in other countries tend to focus on purchasing in other countries but request services locally.

Success stories

Public procurement

Dedicated tender department

Establishment of a dedicated tender department was considered necessary (despite the high additional costs) and could advance processes on suppliers' tender participation.

Useful local field service

Availability of a local field service that can reach out to customers in the public healthcare sector very quickly in case questions, problems or complaints are raised.

Test of innovative products

Innovative products are normally first tested on a small scale, for example for clinics, to find out whether it is a relevant product for the subsequent tender.

Openness for dialogue

Competitive pricing

Private procurement

Long-term relationships

Continuous customer relationship management was considered a success, as long-term relationships tend to be more important than for public buyers.

Wide range of products offered

International companies can offer a wide range of products and show example case studies.

[18] *Contracting authorities responding to the survey did not answer all 186 questions in the survey.*

Covid-19 impacts and best practices in Austria[19]

Main challenges faced during Covid-19 crisis

Institution, public and private procurement perspectives

Institution, public and private procurement perspectives

Ensuring the availability of critical items
Even before Covid-19, there was a dependency on individual suppliers, which was the cause of delivery problems and higher prices in public procurement during Covid-19. At the beginning of the Covid-19 crisis, it was almost impossible for the purchasing department to procure the urgently needed goods, as there was a shortage of goods and supplies. In some cases, companies were not supplied if they did not have a valid contractual relationship at the time. In addition, demand led to fierce competition for available items between procurers in Austria and abroad.

Ensuring quality despite supply bottlenecks

The inspection of the required quality of the delivered products had to be properly carried out and documented despite the crisis. Dealing with a wide variety of certificates and test protocols also posed a challenge. This resulted in many legal disputes that continue to this day. At the same time, the administrative workload increased massively.

Short-term adaptation of contracts

Regulations on fixed prices and price adjustment clauses had to be redeveloped, as no offers could be made under conventional regulations due to daily prices or even hourly prices.

Speed of procurement and competition

Procurement in crisis mode required quick decisions in purchasing, as otherwise there was a risk of not being able to guarantee the availability of individual products. This was exacerbated by the simultaneity of the crisis, which meant that buyers were in competition with other organisations in the country (or in Europe or other regions of the world).

Compliance with public procurement law delayed the process

Despite the extremely volatile market, the provisions of public procurement law were complied with. Some traditional procurement instruments were too slow and too sluggish to keep up with the necessary speed for procurement or to capture extreme fluctuations. Existing contracts had to be re-tendered as contract amendments were often not possible.

Covid-19 therapeutics

Procurement of Covid-19 therapeutics was conducted by the federal Ministry of Social Affairs, Health, Care and Consumer Protection (BMSGPK). Generally, the federal government does not procure and distribute medicinal products. However, due to the urgency of the situation, exceptions were made. To provide a legal framework, Covid-19 legislation was enacted (it expired on 30 June 2023). During the procurement of Covid-19 therapeutics the BMSGPK faced several challenges:

- The number of medicinal products suitable for the treatment of Covid-19 infections was limited, some of the products had not yet been approved by the EC (EMA).
- Suppliers of these products insisted on exclusive negotiations with the centralized bodies/organisations, generally represented by the BMSGPK.
- The Covid-19 crisis response unit took over the necessary procurement processes in the first phase of the pandemic (2021/2022). However,

[19] *In addition to limited responses to the survey, this section was elaborated during a focus group process consisting of representatives from institutions, contracting authorities and private procurers..*

due to the creation of a new central procurement path, the Covid-19 crisis response unit could not make use of established processes and expertise of regular procurement bodies.
- Other challenges arose primarily from the fact that the therapeutics were still in the authorisation process and subsequent procurement decisions could therefore not be based on sufficient clinical evidence.
- Additionally, due to the constantly evolving situation during the pandemic, it was difficult to accurately predict the development of the epidemiological situation. This complicated the estimate of the quantities of product that needed to be procured.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

Different challenges in different phases of the pandemic

- The Covid-19 crisis has not been uniform, which is why the challenges that needed to be addressed depended on the respective phase of the pandemic. In the initial phase, this primarily concerned protective equipment and medical consumables. In general, it was observed during the pandemic that non-locally/non-regionally produced products could be delivered less frequently and cross-border services (due to entry regulations) could be provided less frequently (or not at all).
- SARS-CoV-2 (Covid-19) testing
- The political desire in Austria for the widest possible range of tests (especially gargle tests) has led to an availability issue. There were also reviews and legal disputes with providers in this newly created market. In the case of rapid antigen tests, newly developed products and ongoing product adjustments (due to virus variants) initially led to a product bottleneck and then to cut-throat competition.
- Covid-19 therapeutics

There was uncertainty regarding the quantity required and longer-term applicability.

Supplier's perspective

Main challenges faced by suppliers during the Covid-19 crisis (bid offer, both public/private)

- **Raw material price increases**
  It was difficult to maintain the prices specified in the tender due to substantial raw material price increases. Reduced logistics chains created challenges for delivering goods. At the same time, there were requirements on binding offers for quantities that were not available, combined with penalties.
- **Online settings**
  If it was necessary to conduct training for products, it was extremely difficult to carry out practical examples online.
- **Counterfeit products**
  Invitations to tender for Covid-19 compliant products were drawn up without an acceptance guarantee, which meant that many well-known manufacturers did not submit a bid. However, public buyers got in contact and sometimes even signed contracts with suppliers newly entering the market and sometimes operating without appropriate licenses. As a result, counterfeit products appeared on the market in some cases.

New procurement practices due to Covid-19 crisis

Institution, public and private procurement perspectives

- **Contract conclusion phase** - Compared to pre-Covid-19, there is now more emphasis on ensuring the greatest possible security of supply in the procedural documents while determining suitability, selection and best bidder. After the crisis, the structure on the contractor side was further diversified to reduce dependencies and to prevent 'market collapse' in the worst-case scenario if individual suppliers with a large share fail. In connection with this, more attention is being paid to production and warehousing in Europe, and these aspects are being included in the contracts. The contracts are now more flexible. More consideration has been given to price changes due to unforeseeable events. Price development clauses (especially in volatile markets) had to be reconsidered so that suppliers would participate again, as there were major concerns about new price instability; in addition, the technical requirements in the lot procedure were strengthened.
- **Contract execution phase** - In the event of non-compliance with contracts, penalties are increasingly applied ('penalisation'). There are requirements to maintain a basic stock that guarantees operational reliability, even if unforeseeable peaks are reached. Controls on suppliers have been stepped up and economic performance is scrutinised more frequently.
- **Evaluation phase** - The fulfilment of the order was already subject to a strong evaluation before the pandemic; only fine adjustments were made in this regard.
- **Covid-19 therapeutics** - As of 2024, only one speciality medicine for the treatment of Covid-19 infections is available, therefore no changes about contract conclusion, execution, and evaluation phase were observed. The legal framework of the BVergG 2018 applies.
- **Other** - There has been a reduction in the number of manufacturers as the crisis has led to a market consolidation. In addition, insisting on contract durations in volatile markets meant that many suppliers were no longer prepared to provide corresponding price guarantees; this contributed to a further market consolidation (in some cases monopolisation). In addition, the creation of a federal warehouse for critical supplies was unthinkable before Covid-19.

New policies implemented in the Healthcare procurement

Institution, public and private procurement perspectives

Federal Procurement Act 2018

The Federal Procurement Act 2018 continues to represent the applicable legal framework, and public procurement in the healthcare sector is supported by implementation measures and action plans.

Exchange Platform

An information exchange platform has been established between procurement organisations (federal government, federal states and BBG) for crisis management in the healthcare sector.

Sustainable public procurement action plan

The Austrian action plan for sustainable public procurement (naBe) aims to support contracting authorities in sustainable procurement by defining specific requirements for 16 procurement groups for the general standard of Section 20 (5) BVergG 2018 on green procurement. These procurement groups are general consumables (office supplies, sanitary paper, lamps), durable products & capital goods (e.g. electrical appliances such as ovens, televisions and IT equipment, textiles) or construction equipment.

Best practices

Best Practices promoted by public procurers in response to the Covid-19 crisis		
Crisis as an enabling factor	**Utilisation of established tools and distribution channels**	**Making the portfolio more flexible**
The crisis made it possible for the first time to carry out joint procurement for a crisis warehouse. Contracting authorities became more aware of the support possibilities offered by joint procurement.	For the operational handling of the distribution and logistics of vaccines, it was possible to fall back on already established tools and distribution channels. No new solution had to be developed, as vaccination centres were able to access Covid-19 vaccines via the BBG's e-vaccine shop. The same applies to the distribution of masks and disposable gloves for the private practice sector.	Framework agreements/contracts are concluded for all essential products and services and flexible contract design options are provided.

Conclusions

Future of the national public healthcare system in Austria[20]

Notable changes and trends of the healthcare system in Austria

Institution, public and private procurement perspectives

Cooperation between contracting authorities

There is an increasing exchange between purchasing departments, and the focus is increasingly on cooperation. One example are informal purchasing cooperatives, which help to mitigate supply peaks more effectively than centralised warehouses.

Greater involvement of procurement institutions in planning

The centralised distribution of goods procured at federal level would not have worked without the established structures of the hospital operators, as - apart from the Austrian Armed Forces and the Red Cross - no consistent nationwide structures and processes existed at the time of the crisis.

Stronger coordination between healthcare providers and sectors

The Austrian healthcare system is fragmented in terms of financing and service provision. However, as the challenges cannot be considered and solved in isolation (e.g. the requirements of demographic change and an ageing population are relevant across all sectors), coordination and strengthening of preventive medicine are necessary.

Urban-rural divide

Demographic change is happening at various levels and is leading to a further differentiation of the population structure between urban and rural regions. The needs between the regions are developing differently, and it is becoming increasingly difficult to maintain access to healthcare, particularly in rural regions. As part of the EU Recovery and Resilience Plan (RRF), EUR 100 million has been earmarked for the expansion of primary care in Austria.

Specialisation of procurement agencies

In recent years, the requirements for public procurement have grown steadily, and the large number of objectives that are to be covered by qualitative criteria are becoming increasingly difficult for public procurement organisations to achieve. Organisations/structures are needed that can cope with the complexity of the treatment on the one hand and the requirements of procurement (consideration of various criteria such as environmental protection, employee protection) on the other.

Greater relevance of auditing

The procurement environment is extremely dynamic, and procurement systems designed in this area cannot solve challenges 'once and for all'. On the contrary, due to volatile markets, there is a need to regularly monitor/review the results of procurement. Effective control and audit systems are therefore included as indicators in international procurement assessment methods (e.g. OECD MAPS). Due to the developments mentioned above - a stronger focus on best value criteria and value-based procurement - it is

[20] *In addition to responses to the survey, content for this section was extracted from a focus group process consisting of representatives from institutions, contracting authorities and private procurers.*

necessary to regularly analyse whether the set targets have been achieved. This can be done by official auditing bodies (e.g. Court of Auditors), ensuring that the intervals and number of audits allow for a target-orientated evaluation. Alternatively, this can be carried out by internal auditing bodies, with standards and processes defined to ensure their implementation.

Supplier perspective

Digitalisation and digitisation (Austria's e-health strategy)

Digitalisation and digitisation are important trends, which are also addressed in the new Austrian e-health strategy (published in June 2024).

Demographic shift

There is a focus on finding solutions for an aging population and finding solutions for being able to finance the sector. The ageing of the population generates increased needs and demand, especially in the basic supply of medicines to people. To ensure this supply in the long term, reforms are needed in the reimbursement system and procurement processes.

Lack of incentives to ensure security in supply

A trend towards a "race to the bottom" in prices can still be observed. Suppliers believe that incentives are necessary to make the market appealing and to secure investments in regional production.

Improvement of medical techniques and technology

Medical techniques and technology have developed at a faster rate than structures and financing systems in the healthcare sector. While the healthcare sector has been an attractive employer, working conditions in some areas have become unattractive, leading to a shortage of human resources (e.g. nurses, practitioners under contract of public health insurance). Due to bottlenecks in ambulatory services, the number of hospital patients is constantly increasing, which leads to disproportionate cost increases.

Procurement practices and cost pressure shaped supply side/ supply chain

An increase in price pressure can be observed, but no long-term solutions exist yet. In addition, there has been a decrease in innovative drugs that made it to the market, less production took place in Europe, and there is increasing dependence on China and India.

Other trends

There is increasing focus on ambulatory services. Suppliers also see an opportunity to better cope with insufficient resources of healthcare staff by improving processes in the healthcare system through technology, digitalization and process management. Other trends and important developments mentioned by suppliers included the increasing number of practitioners focusing on private / out of pocket services; the European AI Act; supply chain due diligence; and the need for an improved reimbursement process to provide access to modern products and services for patients.

Future of the healthcare procurement environment in Austria[21]

Notable changes and trends of the healthcare procurement environment in Austria

Institution, public and private procurement perspectives

Increasing/advancing digitalisation

A larger number of processes/tasks are being carried out digitally. On the one hand, this represents a challenge for employees at the operational level of procurement to meet the requirements of digitalisation. On the other hand, this also means that a larger number of software products are being put out to tender (e.g. relating to tele-rehabilitation or telemedicine). In the areas of diagnostics, laboratory, rehabilitation, etc., this has already led to an expansion of the procurement spectrum about new software and interface solutions to existing systems.

Provisions of public procurement law

There is a need to consider the compatibility of data protection requirements with public procurement law, particularly in case of new (innovative) solutions. Provisions of public procurement law are cumbersome in crisis situations in individual cases but offer a corresponding spectrum for emergency procurements/exceptional cases in emergencies.

Internet of medical things / cloud solutions

The internet of medical things relates primarily to products/activities in which data is automatically generated and transferred to programmes for evaluation, e.g. various sensor patches (temperature measurement, blood glucose measurement, wound healing). These processes take place in provider-specific cloud solutions and - apart from data protection aspects - the question arises as to how data transfer can be ensured from the user's perspective when changing providers.

Procurement should correspond to clinical requirements and not the other way round

The procurement of medicinal products requires close coordination with scientific and medical societies that are involved in the development of (internal or external) guidelines or quality standards. In this way, the procurement of medicinal products can be adapted to the requirements of clinical practice.

Increase in additional administrative workload reduces participation of small and medium-sized enterprises

Public procurement/procurement in general, and in the healthcare sector in particular, has become increasingly formalised. This represents an increasing hurdle for small and medium-sized enterprises. In addition, purchasing departments in public procurement organisations can no longer carry out award procedures without legal support due to increased willingness of companies to raise objections and pursue legal action.

Spill-over effects from other areas

In recent years, there have been more stringent requirements around procurement law due to increased transparency requirements and legal requirements (especially at EU level). This has led to stricter rules, which sometimes place high demands on smaller market participants, but are considered generally sensible in terms of economical, efficient and appropriate budget management.

[21] *In addition to limited responses to the survey, content for this section was extracted from a focus group process consisting of representatives from institutions, contracting authorities and private procurers.*

Market is more volatile and more competitive

Price changes can be unpredictable due to political developments and can take on substantial scale. In addition, there has been a reduction in the number of manufacturers in recent years. As other public procurers are confronted with the same situation, this often leads to excess demand and a shift in market power towards the seller's market.

Increasing use of framework agreements

From the procurement procedure defined in the 2018 Federal Procurement Act, procurement practice in the healthcare sector is increasingly moving towards framework agreements (agreement without purchase obligation between one or more contracting authorities and one or more contractors) in open procedures (unlimited number of contractors are publicly invited to submit bids). It should be noted that an analysis of TED data for public procurement of medical technology products (i.e. various forms of medical equipment and medical consumables) found that Austria had the lowest share of open procedures compared with 14 other European countries (39% of tenders posted on TED, 2021-2023).

Different sources of funding reduce predictability

In Austria, there has been discussion over the best 'point of administration' for individual therapies in recent years. Shifting treatment and/or maintenance therapy from inpatient or outpatient-inpatient settings to lower-threshold care levels would be conceivable in many cases but has led to extensive discussions due to the dual financing system in Austria. As the outcome of the discussions is principally open-ended, this also reduces the ability to plan the conclusion of agreements for individual drugs/indications.

Supplier perspective (on public procurement)

General considerations on public procurement in the healthcare sector

Public procurement for medicinal products in Austria currently only affects hospital or institutional purchasing. The reimbursed retail sector is regulated via the reimbursement code. No significant changes to procurement structures for the reimbursement market in retail segment are foreseen. The introduction of a tender or tender-like system is unlikely. In the hospital market, there has been increased pressure in recent years, e.g. from the Austrian Court of Audit (Rechnungshof), to carry out procurement in compliance with procurement law. Until now, procurement has been carried out through heterogeneous tendering processes. The first award procedures have now been carried out (WIGEV, SALK, Tirol Kliniken) and, for the first time, criteria other than price have been used. This development is likely to continue.

System-related changes and promotion of digital healthcare solutions

Suppliers see notable trends and developments in the promotion of digital healthcare solutions; expansion of local solutions (with nurses) in the outpatient sector (extramural); expansion of local solutions like "Primärversorgungszentren" (primary care centres) and ambulatories; and continuous harmonisation within health insurance.
Cost containment related to demographic shift
Healthcare systems face cost-pressure, particularly due to demographic and organizational challenges. On the other hand, medical technology and advanced products and services (e.g. digitalization) offers multiple possibilities to increase quality of services without proportional increase of costs for the public systems.

More focus on sustainability and supply security instead of solely focussing on the price

From the supplier perspective, moving away from price-only award criteria would support public procurement to focus on quality, innovation and sustainability instead of short-term costs only. Sustainability (particularly environmental criteria) slowly gain importance in public healthcare procurement. Clear guidelines (and legislation on minimum standards) are still missing in this topic, resulting in uncertainty for suppliers and healthcare institutions. While a trend towards stronger focus on quality, innovation, and sustainability can be observed in legislation and in certain sectors, overall public procurement practices still focus primarily on costs (unit prices) instead of lifecycle costs, outcome-based costing, etc.

General considerations on changes in healthcare public procurement

From the supplier perspective, in the retail sector, there have been only few significant changes to the reimbursement process in the last 15 years. Adjustments include a separate, temporary price regulation for biosimilars and the so-called price corridor regulation (regulating prices of generic and biosimilar products included in the code of reimbursement). At the same time, administrative practice was considered to have become increasingly restrictive, resulting in initial discounts for generics significantly higher than 50%.
Suppliers also consider that few things have changed in hospital procurement, although some individual procurement procedures have now been conducted that follow the procurement law process. The 9 state hospital operators and the private supra-regional operators still predominantly procure via price lists requested annually from the suppliers. In most cases, only one supplier is included in the formulary for an active ingredient and the price usually remains the only listing criterion.

The number of public tenders has increased over the past years

While there was a strong focus on security of supply particularly during the Covid-19 pandemic, many tenders are designed as framework agreements without minimum quantities resulting in uncertainties for both suppliers and healthcare institutions.

Paradigm change in evaluation criteria

A slow development from pure price-driven tenders to (in parts) quality-driven criteria could be observed. However, in most cases, costs and pricing remain the main deciding factor.

Skilled employees of suppliers

From the supplier perspective, it has become increasingly important to have skilled employees. For instance, it became an increasingly crucial factor to assure correct application of products and services by the users, which requires for training and consultation concerning products and services. Tenders sometimes foresee related criteria to assure availability of those crucial resources. However, there is still room for improvement as pressure on human resources in healthcare institutions is constantly rising and therefore demand for those (additional) services is also rising.

System-related changes

These include the introduction of the first individual primary care centres and ambulatories, the start of first prescription by nursing staff (since 1.1.24), and the beginning of the implementation of ELGA (electronic health record). Additionally, a register for medical trading companies has been established. During the pandemic, standardised procurement processes were enforced nationwide, which can support the necessary security of supply even in non-crises times. There has also been a reduction and consolidation of the various healthcare systems and, to some extent, their processes.

Suppliers perspective (on private procurement)

General considerations on healthcare private procurement

General considerations on healthcare private procurement

The private healthcare market is characterised by an increase in the number of private or elective doctors, while the number of physicians with a contract with statutory health insurance remains essentially unchanged. However, this does not affect purchasing. Some private hospitals also generally have public law status and procure medication in a manner like that described above. By investing in new technology and quality products and services, private healthcare institutions try to differentiate themselves from others (including public healthcare institutions) to attract both patients and healthcare professionals. Budgeting that is less focused on fiscal years offers more flexibility, which is also reflected in purchasing processes.

Paradigm shift also takes place in private-owned institutions

Population ageing requires new systems to maintain population health. Prevention and further approaches are necessary to enable people to remain in the workforce for much longer.

Increasing relevance of digital solutions

Digital solutions can be used in prevention but also for therapeutic approaches.

Private procurers tend to have higher cost awareness than public procurers

There tend to be more multinational purchasing efforts in the healthcare sector compared to public procurement. Decisions are based on economic factors, with an increasing emphasis on sustainability.

Private sector is an early adaptor of technological changes

The private sector is considered faster at developing and implementing digitalisation and quality-focused procurement. Private insurance companies are more familiar with new medical applications than public systems providers.

Reduction of transaction costs (particularly search costs)

The availability of information improves the bargaining power of negotiation partners. In the past, searching for information related to alternatives required additional effort, leading to more pressure from suppliers and harder conditions.
Multinational purchasing efforts

Major lessons learned by procurers in Austria

Summary of main challenges identified in public/private procurement of healthcare products and services in Austria

Challenge	Description
Ensuring the availability of critical items	The dependency on individual suppliers during the Covid-19 crisis led to delivery issues and higher prices. As a result, it was almost impossible for purchasing departments to procure urgently needed goods due to a shortage of supplies.
Ensuring quality despite supply bottlenecks	During the Covid-19 pandemic, dealing with a wide variety of certificates and test protocols posed a quality challenge, resulting in many legal disputes and an increased administrative workload.
Short-term adaptation of contracts	Regulations on fixed prices and price adjustment clauses had to be redeveloped.
Speed of procurement and competition	Procurement in crisis mode required quick decisions in purchasing. In this context, buyers were in competition with other organisations within the country, as well as in Europe and other regions of the world.
Compliance with public procurement law delayed the process	The experience of the Covid-19 pandemic showed that some of the traditional procurement instruments were too slow to keep up with the necessary speed for procurement.
Procurement of Covid-19 therapeutics	In principle, the federal government in Austria is not responsible for the procurement and distribution of speciality medicines. However, Covid-19 legislation was enacted to address this, which ended on 30 June 2023. Challenges in the procurement of Covid-19 therapeutics included a lack of treatments and clinical evidence, supplier negotiations, time pressure and critical procurement timelines, lack of product availability, and difficulty in predicting the epidemiological situation.
Different challenges in different phases of the pandemic	The Covid-19 crisis has not been uniform, which is why the challenges that needed to be addressed depended on the respective phase of the pandemic. During the pandemic, non-locally/non-regionally produced products could be delivered less frequently, and cross-border services (due to entry regulations) could be provided less frequently (or not at all).

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Austria

New practices	Description
Contract conclusion phase	Ensuring the greatest possible security of supply in the procedural documents while determining suitability and selecting the best bidder. This includes diversification of suppliers, emphasising the importance of local suppliers and production, implementing more flexible contracts, reconsidering price development clauses, and enforcing more stringent technical requirements.
Contract execution phase	In cases of non-compliance, penalties are increasingly applied. It is now mandatory to maintain a basic stock, and tighter controls on suppliers have been implemented, including economic performance analysis.
Evaluation phase	The fulfilment of the order was already subject to a thorough evaluation beforehand; only fine adjustments were made in this regard.
Other	There has been a reduction in the number of manufacturers as the crisis has led to a market consolidation. In addition, many suppliers are no longer prepared to provide price guarantees.

New policies	Description
Federal Procurement Act 2018	This Act still represents the applicable legal situation for public procurement in the healthcare sector, along with the implementation of measures and action plans.
Exchange Platform	Creation of an information exchange platform between procurement organisations for crisis management in the healthcare sector.
Sustainable public procurement action plan	This action plan aims to support contracting authorities in sustainable procurement by defining specific requirements for 16 procurement groups for the general standard of Section 20 (5) BVergG 2018 on green procurement.

Summary of best practices in Austria

Public/private procurers

Best practices	Description
Crisis as an enabling factor	Joint procurement has been carried out for the first time for a crisis warehouse and is considered a useful procurement tool for public procurers.
Utilisation of established tools and distribution channels	The use of existing distribution channels for the logistics of vaccines, masks and disposable gloves have been very efficient during the crisis.
Making the portfolio more flexible	Framework agreements/contracts are concluded for all essential products and services and flexible contract design options are provided.

Sources of the ID Card

- **Matrix**[22]
  - Questionnaires filled by Contracting Authorities
  - Questionnaires filled by Private Procurers
  - Questionnaires filled by Suppliers
  - Questionnaires filled by Institutions

[22] *Note that some contracting authorities, institutions, and private procurers provided responses to selected questions during a focus group and did not fill out the questionnaire.*

PROCURE

ID CARD

BELGIUM

MERCURHOSP as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Disclaimer

MercurHosp is a public purchasing body who belongs to 22 French-speaking hospitals. We are notifying tenders in the name and on the behalf of our members.

Taking on the role of country leader for ProCure has put us in a very hybrid situation nationally, as we are in principle not active in the Flemish part of the country federal level.

The ProCure project occurred at a very unstable political time for elections that happened in June 2024 (EU Parliament, federal and regional elections) and local elections are due in the autumn 2024. The healthcare sector is at the top of both campaigns' agenda.

In June, the elections have considerably changed the political landscape.

In this consideration, our country leader role is not to produce optimal output in all areas; because the responsiveness was not satisfactory in all areas. Therefore, the interpretation of the conclusions in the ProCure project must be read carefully, by acknowledging the political significance in the shared opinions which could be contradictory to the current political agenda in the Belgian health sector (public decision makers, federations, industry, etc.)

MercurHosp wishes to distance itself from these discussions. The ProCure study has been realised within the framework, conditions and rules of the EU project. To the extent that European issues are at odds with the political agenda of the countries, and Belgium in particular. This means that MercurHosp cannot be blamed for this. The conclusions reflect the opinion of the respondents, not the one of MercurHosp.

Country Node composition

Profiles of organisations involved in the Study

Belgian Country Node counted on the active participation of 8 organisations in total, distributed as follows: 3 Contracting Authorities (Clinique St Jean, Helora and MercurHosp), Public procurers subject to the EU Procurement Directive 2014/24; 2 Procurers (SEGEC, Secrétariat général de l'enseignement catholique), not subject to the EU Directive, 0 Healthcare Institution and finally a group of 3 Suppliers.

0 Healthcare Institution	3 Contracting Authorities	2 other Procurers (private)	3 Suppliers

Country Leader:

MercurHosp[23] is a central purchasing body that works on behalf of its members which are only healthcare institutions.

Introduction of the ID Card
Scope definition : Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.
In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[24], split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[23] https://www.mercurhosp.be/
[24] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The **National Public Healthcare System and stakeholders mapping**, which describe the organization of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The **Healthcare Procurement Environment and stakeholders mapping**, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The **Procurement practices in the Healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, the **main conclusions** close the ID card by highlighting the notables' changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

Procurement practices in the Healthcare sector and suppliers' perceptions in Belgium

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by Public procurers

- Guidelines and standards
  - A set of internal rules to be respected by all members and non-members who take part in the PMs of our PM center.
  - Purchasing & Public Procurement Process.
  - Respect established procedures, team meetings for fine-tuning, no contact with suppliers during public procurement procedures, no acceptance of gifts, restaurants.
- Tools
  - Documents and process, SLA - Purchasing & Public Procurement.

Most common guidelines, standards and tools used by Private procurers

- Tools
  - Power Bi is used for data analysis.
  - Data processed via the institution's datawarehouse.

Deontology training

Most common deontology training courses followed by public procurers

Training on ethics for procurers is not systematically provided within procurement organisations, but all public procurers are trained to:

- Purchasing & Public Procurement;
- Finance (Budget);
- Signature and legal obligations;
- Collaborative thinking and project-base.

In addition, the work rules are immediately introduced.

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by Public procurers

There are regulations implemented in Belgium to prevent fraud, bribery, and corruption in public procurement:

- Law of June 16, 2017 on public procurement.
- Law of June 17, 2013 on motivation, information and appeal procedures for public contracts and certain works, supply and service contracts.
- Royal Decree of April 18, 2017 on public procurement in traditional sectors.
- Royal Decree of January 14, 2013 establishing the general rules for the execution of public contracts.

Internal and compliance control

- Standards:
  - Internal work procedures:
    - Definition of market scope;
    - Expert control;
    - Mutual control by pairs of buyers;
    - Legal control;
    - Approval of publication and validation of institutional notification.
- Tools:
  - Internal Tools
    - Microsoft Teams - Steering Committee (Copil - Comité de pilotage);
    - Working group of experts and pharmacist;
    - Legal Advisor;
    - Internal documents concerning the purchasing process.
  - External Tools
    - TELEMARC, ONSS, National bank of companies, etc.

Most common practices and tools for internal and compliance control used by Private procurers

- Standards:
  - Internal work procedures:
    - Quality control;
    - Quantity control;
    - Certification of suppliers.
- Tools:
  - Internal documents.

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- Tools:
  - Microsoft Teams
  - Intern tool
    - IT Servers
  - External tool
    - Cloud
  - Public service platform.

Other tools that are used by procurers to access Procurement data

- Tools:
  - Logiciel 3P

Most common tools used by Private Procurers for accessing to Procurement data

- Quality control;
- Quantity control;
- Certification of suppliers.

Procurement cycle in Belgium

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channels used by Public Procurers to analyse the market readiness & for suppliers sourcing

- Institutions, experts, suppliers and relevant sources (pharmacists' associations and Be-MedTech);
- Internal database;
- Networking;
- Supplier listings Logiciel 3P ;
- Fidelo Logistics.

Processes used by Public Procurers for market readiness analysis

The 4 most common processes are:

- Strategic intelligence;
- Benchmarking;
- Bilateral meetings;
- Pre-tender dialogue meetings.

Category of information collected by Public Procurers during sourcing

The 3 most common categories of information collected by the public procurers are:

- Price list ;
- Risk management ;
- Market vision.

Sourcing Tools used by Public Procurers during sourcing

The 4 most common recurring tools used by the public procurers are:

- 3P;
- Fidelo Logistics;
- Internet;
- Internal documents.

Allotment in Public Procurement

In Belgium, the principle of allotment is mandatory. By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

The most frequently Legal Clauses used are:
- Time and duration of contract;
- Division of contracts into lots (principle of allotment);
- Options;
- Renewal;
- Modifications of contracts & Review clauses (including price revision clauses);
- Penalties;
- Financial Clauses;
- Delivery/ Logistic conditions;
- Sustainability criteria;
- Quality criteria;
- Security of supply;
- Strategic stock guarantee (sometimes) Duration of 12 months, tacitly renewable 3 times.

Evaluation criteria in public procurement

Table with the recurring main awarding criteria, by category of health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO

Private perspective

Channels used by Private Procurers to analyse the market readiness & for suppliers sourcing

- Contacts with suppliers already retailing to the Private procurers.

Processes used by Private Procurers for market readiness analysis

The 4 most common processes are:
- Strategic watch;
- Bilateral meetings / pre-tender dialogue meetings;
- Open Market consultation;
- Benchmarking Process.

Category of information collected by Private procurers during sourcing

The 3 most common categories of information collected by the private procurers are:
- Price;
- Risk Management;
- Technical elements;
- Market vision;
- Technology watch;
- Ability to respond to calls for tender.

Sourcing Tools used by Private Procurers during sourcing

The sourcing tool used by Private Procurers is internal to each organisation.

Legal clauses in Private Procurement

The most frequently Legal Clauses used are:

- Time and duration of performance;
- Modifications of contracts & Review clauses (including price revision clauses);
- Termination;
- Delivery/ Logistic conditions;
- Financial Clause;
- Technical description;
- Quality indicators;
- Sustainability;
- Delivery conditions.

Evaluation criteria in Private Procurement

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE OR PRICE/ QUALITY RATIO

Apart from the technical and price criteria, some other categories of criteria are used by Private procurers for the Evaluation criteria such as:

- Environmental criteria;
- Social criteria;
- Innovation;
- Criteria measuring patient impact (Value Based Procurement).

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

In Belgium, average public contract duration is 2 years + 1year + 1year.

Processes of monitoring the execution phase

- Dashboard of Public Tenders;
- Contract monitoring meetings are held with user departments and successful tenderers. Deficiency reports are drawn up in the event of non-performance encountered;
- Variable monitoring & control clauses depending on the contract.

Tools for monitoring the execution phase

- European public procurement law in Belgium;
- Specific penalties provided for in specifications;
- Fidelo Logistics.
- Processes for managing the contracts penalties
- Ongoing management of contract penalties based on feedback from "internal customers", the public market, the sector & supplier concerned, and the degree of criticality for the institution;
- Specific penalties are described in the specifications and are regularly applied in case of non-performance;
- Application of specifications/public procurement clauses.

Tools for managing the contracts penalties

- Tools compliant with the Royal Decree of January 14, 2013 establishing the general rules for the execution of public contracts, and its subsequent amendments. (For instance : 3P).

Private perspective

Processes of monitoring the execution phase

- Internal quantity and quality control.

Tools for monitoring the execution phase

- Internal quality system of the care homes.

Processes for managing the contracts penalties

- Application: dialogue, written, legal process.
  - If the successful winner of the tender has more than 5 complaints per year, a degree of dissatisfaction is reached with regard to the performance of the contract. A one-off special penalty of 2,500 euros may be applied following each official report noting the existence of 5 breaches. For the purposes of calculating these 5 failures, failures that have not been resolved within 1 month of the first official report may be included in a subsequent official report. This one-off penalty may be repeated as many times as such fines are issued.
  - The PA carries out a monthly calculation of compliance with delivery times based on the actual order date and the actual delivery date. For each analysis period, the percentage of items delivered outside the agreed delivery date may not exceed 10%. If, in any month, the AP finds that at least 10% of supplies have been delivered/installed late, it will apply a penalty, for that month, of 5% of the value of each order per day of delay, for each late order.

Tools for managing the contracts penalties

- Contractual and legal applications.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

- The creation of a Purchasing Committee would provide a few additional % of efficiency;
- Tracking savings from Public Procurement;
- Follow-up of the environmental clauses in specifications.

Tools of evaluation of the performance and effectiveness measures

- Excel with KPI;
- 3P;
- Fidelo logistics.

Monitoring and steering objectives of the Procurement performance

General objectives followed by Public Procurers in terms of Procurement performance are:

- Business performance;
- Logistics and supply chain;
- Environmental and social performance;
- Service quality performance (innovation);
- Process and practice performance;
- Purchasing performance and innovative purchasing.

Main indicators defined by Public Procurers in terms of Procurement performance are:

- Implementation of an internal dashboard with financial monitoring;
- Setting up Excel-based monitoring and statistics.

Accountability mechanisms and tools

- Monitoring of the execution for each tender.

Private perspective

Processes of evaluation of the performance and effectiveness measures

- Just in time;
- Quantity;
- Quality control;
- Particular control (ex. Haccp);
- Hygiene;
- Finance

Tools of evaluation of the performance and effectiveness measures

- IT Tools, Forms;
- measurement of suppliers.

Monitoring and steering objectives of the Procurement performance

General objectives followed by Private Procurers in terms of Procurement performance are:

- Economic performance;
- Logistics and Supply chain;
- Service quality performance (Innovation).

Main indicators defined by Private Procurers in terms of Procurement performance are:

- Member participation rates by market;
- % savings achieved;
- Member use of extranet pages.

Accountability mechanisms and tools

- Sanctions system.

Key practices of Procurement performance in Belgium

Workforce professionalisation

Public perspective

In Belgium, the most recurring tools used by Public Procurers to maintain and/or to improve the specialisation of the Procurement Workforce:

- Ongoing training - Essimpa / Fondation des MP ;
- Assiaps;
- Masterclass EHPPA;
- EBP.

Private perspective

In Belgium, professional training courses are regularly followed by Private Procurers to maintain and/or improve the specialisation of the Procurement Workforce.

Diagnostic of performance

Public perspective

Main processes used about the diagnostic of performance

Streamlining costs		Time to respond	
Processes	*Tools*	*Processes*	*Tools*
Quarterly savings and contract monitoring table, continuously updated by market and by institution. Diagnosis based on product portfolio, suppliers & pre-contract sales	Excel 3P	Quarterly tracking table.	Diagnosis based on pre-contract supplier response times.

Private perspective

Main processes used about the diagnostic of performance

Streamlining costs		Time to respond		Other	
Processes	*Tools*	*Processes*	*Tools*	*Processes*	*Tools*
Process management internal IT solutions, some bigger player have SAP.	/	Service helpdesk	/	ISO quality audits	Purchasing services

Supplier performance

Public perspective

Main processes for supplier performance

For some strategic markets, there is an evaluation of the quality of deliveries, the service provided, and compliance with specifications with the institutions.

Main tools used about the supplier performance

- PAB claims documentation system;
- Information gathering and statistical analysis;
- Internal Dashboard: Financial and Operational Monitoring;
- Fidelo logistics.

Private perspective

Main process for supplier performance

- Execution control with supplier performance recorded.

Main tools used about the supplier performance

- Excel and random checks.

Procurement routes

Public perspective

In Belgium, it is not mandatory to procure through CPB, there is no specific law in Belgium in addition to European law, apart from specificities relating to pharmaceutical and medical materials.
However, they do it anyway because it's good value for money and large quantities, but also because of the quality and security of supply it provides.
The main 3 categories of Healthcare products & services procured through CPB: Pharmaceutical products, Medical devices and General expenses of hospitals products.

Private perspective

Private Procurers are mainly procured by internal purchasing groups.

Innovative procurement approaches

Public perspective

Innovation is necessary in public procurement, but execution is difficult. The definition of the need and the appropriate contact persons in the institutions are poorly defined. As a result, the flow between proposals, needs definition and opportunity placement needs to be significantly developed and improved.

Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among Public procurers:

Main processes of VBP implementation	Main outcomes of VPB applicated	Main VBP Tool
Award criteria are based on price and quality and describe precise technical requirements to ensure that quality products are obtained.	Quality Equipments/products at competitive prices with reliable suppliers.	Market analysis to have the best quality response meeting internal needs.

Private perspective

When innovative approaches are adopted in Private Procurement in Healthcare, we observe a common habit among procurers regarding the searching of the most technically appropriate supplies and services.

Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among Private procurers:

Main process of VBP implementation	Main outcomes of non VPB application
Taking into account all costs over the life of the product.	Internal quality approach, linked to the audits of the authorities. Internal complaint system.

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Public procurers:

Main standards of reference	Main processes implemented	Main monitoring processes followed	Training tools for Sustainable Procurement
17 UN criteria and the criteria of the CSRD and Brussels Environment Commissions. Exchanges of best practices and supplier criteria. All of these are discussed and added to the specifications on a case-by-case basis.	Sustainability enables a qualitative purchasing cycle, optimizing both costs and the various resources mobilized.	Internal Dashboard and follow up.	Public training and sustainability working group together with hospital federations, public authorities and stakeholders in the Belgian ecosystem.

Security of supply

Public perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Public procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
For certain markets, it is mandatory to hold strategic stocks on suppliers, in agreement with the supplier.	Buffer stock effective but limited in time depending on the product.	Product categories assessed as critical to the institution and patient safety.

Private perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Private procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
Contractual conditions/sanctions with the suppliers.	No	Ordering platform based on customised magneto open source software.

Digitalisation

Public perspective

Regarding the digitalisation of Private Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools	Internal IT tools for procurement data management	IT tools for supporting procurement procedures
BOSA - Stratégie et appui - Public services.	Suite 365 Microsoft (Teams Sharepoint Office); Google Forms.	Tender submission/receipt/consolidation; Assistance with tenders for the award of contracts; Generation of justified decision notifications; BOSA (federal platform) / MERCATUS (public procurement legal aid).

Private perspective

Regarding the digitalisation of Private Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools	Internal IT tools for procurement data management	IT tools for supporting procurement procedures
In the systems of private central purchasing agency customers.	Power BI.	Support for invitations to tender; Bid submission/receipt/consolidation.

Supplier's perceptions on both Public & Private procurement in Belgium

Procurement information accessibility

Public procurement

Tools & methods used for call for Public tenders monitoring

- Digital platform: Govex, a daily overview of possible trends is presented.

Accessibility of Public procurement information

- It would be great to have an overview of the Hospital needs on tendering. What is their total spend on medical devices, ICT, etc. and divided in sub categories.
- Understanding the strategic challenges of the hospitals and working towards same goals.

Private procurement

Tools & methods used for call for Private tenders monitoring

- EBP/TED/BOSA - eProcurement
  - Web link: www.publicprocurement.be

Trasparency and ethic

Public procurement

Positive feedback
Buyers participate on the same healthcare seminars and are open to discuss the processes and the needs of their company/service. There is an aim of procurement offices to run correct tender procedures.

Relationships quality with procurers

Public procurement

Positive feedback
Share of knowledge about trends in the market. Frequently participate on several healthcare congresses where also these buyers share their experiences.

Needs and expectations

Public procurement

Positive feedback
This depends on the degree of maturity of the procurement offices at hospitals and the nature of products / services they are tendering. • With low maturity, they ask to buy "products", translated in the inventory into product lines. • Mature purchaser, there is shift towards total solutions and added value services is more feasible. Those other business models where responsibilities and SLA's shift, can be interesting for the hospitals. Lot of volume reducing solutions that seems to cost more compared to the current supplies.

Sustainability requirements

Public procurement

Positive feedback
General ask for sustainability, for example the requirement what sustainability measurements are set in place by the supplier, for example green energy, ecological transportation. In a second phase, the tender can ask how the supplier will support the sustainability at the hospital. For example, how can the supplier help to reduce the total amount of plastic waste in the OR; How can the supplier lower the number of transports towards the hospital. How can the supplier use less drink water to sterilise. The focus on sustainability builds a stronger business with customers and consumers to improve the well-being for people with less impact on the planet, creating value for both shareholders and society. When demands are not relevant, trying to change this via communication in the procedure.

Private procurement

Positive feedback
The focus on sustainability builds a stronger business with customers and consumers and improves the well-being for people with less impact on the planet, creating value for both shareholders and society. In tenders suppliers always search for the best solution for the customer, together with our customer. When demands are not relevant, trying to change this via communication in the procedure.

Innovation promotion

Public procurement

Positive feedback
The phase of market consultation is crucial to explain the current or upcoming innovation and to match it to the needs and expectations of the customer. In a second phase, it is up to the hospital to insert the interesting innovation in the tender ask. In the medical devices, the ask for innovation is often product innovation or new arrivals. Then, public buyers could also ask for service innovation or other business models as innovative models. In public tenders there are good opportunities for promoting our innovations. Sometimes as a demand during contract, sometimes only fictional for points in quality requirements. During the tender procedure with the customer should value innovations. Trying to create cutting-edge solutions, improving hygiene, health, and well-being, setting new standards for a better tomorrow.

Private procurement

Positive feedback
Suppliers continuously strive to create cutting-edge solutions, improving hygiene, health, and well-being, setting new standards for a better tomorrow. Supplier participates a lot on tender congresses, seminars and fairs in healthcare sector to explain and show our products with applications in the healthcare sector and to prove the benefits for the end customer.

Barriers identified

Public procurement

Innovation and Development

- Suppliers are committed to creating advanced solutions that enhance hygiene, health, and well-being, continually setting new benchmarks for the future.

Public Procurement and Tenders

- Public tenders present valuable opportunities for suppliers to promote their innovations, either as requirements during contracts or as criteria in quality assessments.
- During the tender process, customers are often asked to evaluate the value of such innovations.

Industry Engagement and Outreach

- Suppliers actively participate in tender congresses, seminars, and healthcare sector fairs to demonstrate and explain their products, showcasing their applications and benefits for end customers.

Market Positioning and Advocacy

- Engaging in industry events allows suppliers to position themselves as leaders in innovation, advocating for the adoption of their solutions in the healthcare sector.

Private procurement

The change of dispensers for the products in the healthcare sector and to prove the benefits for the end customer.

Success stories

Public procurement

- The maturity in the tender team & processus to answer the tenders has grown a lot. The processus is running much smoother with textual snippets being ready when a new tender ask arrives. Since tenders need to be ready against a strict deadline this creates a lot of stress in the organization.
- The quality parameters are more prominent in the tender asks and the % on price is getting more balanced.
- Building a good relationship with the buyers.
- Segmented approach (dedicated team for healthcare segment per country and in marketing support.
- Consumption reducing solutions.
- Sustainable waste management.

Covid-19 impacts and best practices in Belgium

Main challenges faced during Covid-19 crisis

Public procurement

- Failure to comply with public procurement legislation created significant issues during the crisis, leading to difficulties in managing public purchases.
- The lack of strategic stock exposed the vulnerability of supply chains during the pandemic.
- Supply problems and poor coordination between national and federal levels exacerbated the situation.
- Purchases were organized by public and ministerial bodies without consultation with existing central purchasing agencies, disrupting established processes.
- The main issue was related to pricing, not supply, which further complicated procurement efforts.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Protective equipment: masks, gloves, overshoes;
- Oxygen equipment;
- Syringes and needles;
- Swabs.

Private perspective

- Supply chain management ;
- Human Ressources (HR).

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Protection devices.

New procurement practices due to Covid-19 crisis

Public procurement

- The contractualization phase focuses on formalizing agreements and ensuring that all legal and financial terms are clearly defined between parties.
- The creation of a stock strategy is essential to ensure that inventory levels are optimized to meet both regular and emergency demands.
- The contract performance phase involves monitoring and evaluating the fulfillment of contractual obligations to ensure that both parties meet their commitments.
- The assessment phase consists of reviewing the outcomes of the contract to identify areas of success and opportunities for improvement.

Private procurement

- Strategic warehousing, supply control (enforced logistical conditions)

Best practices

Table of Best Practices promoted by Public Procurers in response to the Covid-19 crisis

Best Practices promoted by Public Procurers in response to the Covid-19 crisis	
Stock discussions with suppliers during the contractualization phase.	Synergy and pooling of resources in crisis situations: • Solidarity/resilience/agility; • Questionning.

One best practice promoted by Private Procurers in response to the Covid-19 crisis:
- Suppliers deliver by priority at all customers in healthcare the materials and products asked.

Conclusions

Future of the National Public Healthcare system in Belgium

Notable changes and trends of the Healthcare system in Belgium

Public procurement

Main trends and evolution in the Healthcare sector

- Sustainability;
- Supply chain management;
- Artificial intelligence.

Notable changes over the last 15 years in the Healthcare sector

Europe takes care of the health sector through projects and studies.

Private perspective

Main trends and evolution in the Healthcare sector

- Supply chain management;
- Green deal;
- Distinction between European production opportunities and worldwide market.

Suppliers perspective

Main trends and evolution in the Healthcare sector

- Develop International and European collaboration
  - Encourage exchanges of best practice, at European level, between members (for example, HAH, which already seems to be developing more elsewhere than in Belgium). It would be nice to have an international healthcare forums at academic level.
  - Be prepared for and release resources/reserves to deal with public health situations (e.g. pandemics) whose effects extend beyond national borders.
- Simplify administrative aspects.

Future of the Healthcare procurement environment in Belgium

Notable changes and trends of the Healthcare procurement environment in Belgium

Public perspective

Main trends and evolution in the Healthcare sector

- In view of the financial problems facing hospitals and healthcare in general, it is expected to see a professionalization and centralization of purchasing in Belgium.
- Sustainability, agility, modularity, resilience, even the emergence of local (short circuit) and possibly simplified specifications to enable better accessibility.

Notable changes over the last 15 years in the Healthcare sector

- Introduction of the Tender Act.
- Regional consolidation efforts in Wallonia and Brussels.
- First step towards training of procurers.
- Develop new opportunities in terms of purchasing strategies (with the emergence of central purchasing bodies; with the emergence of mutualization dynamics; with the professionalization of purchasing in the healthcare sector; with the advent of differentiated variable-geometry tactical purchasing approaches; with the importance of pooling all energies/resources directly/indirectly concerned around a single public procurement project...).

Private perspective

Main trends and evolution in the Healthcare sector

- Centralisation and constitution of procurement groups.

Notable changes over the last 15 years in the Healthcare sector

- Purchase in grouping, "koopkoeppel" in Flanders.

Supplier perspective (on Public procurement)

Main trends and evolution in the Healthcare sector

- Tender business;
- Shortage in qualified procurement staff;
- Digitalisation in healthcare;
- Increasing impact of sustainability in healthcare.

Notable changes over the last 15 years in the Healthcare sector

- The procurement model has become an part of the “normal sales” process;
- Better partnership between purchasers & suppliers, in line with the tender legislation;
- Merge of hospitals and increasing number of hospital buying groups;
- Role of technology enhancing services and patient satisfaction;
- Single use equipment to avoid contamination;
- Shortened hospital stay;
- 65-and-over is fastest growing demographic and need of long-term care services of +2yrs.

Suppliers perspective (on Private procurement)

Main trends and evolution in the Healthcare Private Procurement

- Reducing costs in materials and waste management

Major lessons learned by Procurers in Belgium

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Belgium

Challenge	Description
No strategic stock	There is no strategic stock in place to anticipate emergency situations.
Supply problems	Supply issues caused by a lack of coordination between national and federal levels.
Uncoordinated purchases	Purchases are organized by public and ministerial bodies without consulting existing central purchasing bodies.
Pricing problem	The issue is not the supply itself, but the pricing of products.
Supply chain management	Better management of the supply chain is needed to avoid shortages and disorganization.
Human Resources (HR)	HR challenges related to managing teams during these situations also need to be considered.

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Belgium

New practices	Description
Stock strategy	Defining a strategy for establishing and managing strategic reserves or inventories to meet demand, especially during emergencies.
Contractualisation phase	The phase in which contracts are negotiated and formalized between parties, outlining terms, responsibilities, and conditions for procurement.
Contract performance phase	Monitoring and managing the execution of the contract to ensure that the agreed-upon terms are met, including timely delivery, quality control, and adherence to the pricing strategy.
Assessment phase	The evaluation phase where the performance of the contract, supply chain effectiveness, and stock strategy are reviewed to identify successes, issues, and opportunities for improvement.

Summary of best practices in Belgium

Procurers	
Best practices	**Description**
Collaboration with suppliers	Stock discussions with suppliers during the contractualization phase.
Questioning	Involves continuous evaluation and rethinking of existing strategies, processes, and systems to adapt to evolving situations and improve responses during crises.
Solidarity/Resilience/Agility	Highlights the importance of collaboration, the ability to recover quickly from setbacks (resilience), and the capacity to adapt rapidly (agility) in order to effectively manage crisis situations.
Synergy and Pooling of Resources in Crisis Situations	Coordinated efforts of various stakeholders to combine resources and expertise, maximizing efficiency and impact during a crisis.

Suppliers	
Best practices	**Description**
Prioritization in supply chain management	Suppliers deliver by priority at all customers in healthcare the materials and products asked.

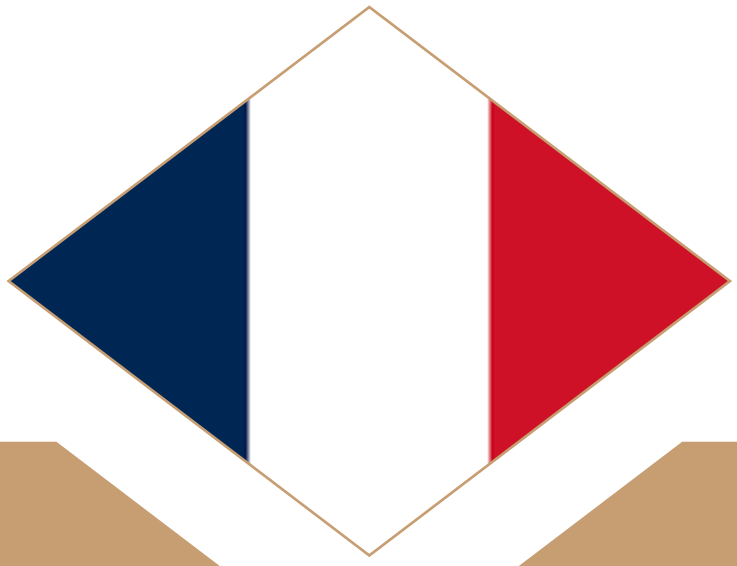
Sources of the ID Card

- Matrix
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

PROCURE

ID CARD

FRANCE



RESAH
as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Disclaimer

Resah is a public Central Purchasing Body that leverages the purchasing power of hospitals and nursing homes in France. Resah is the only Central Purchasing Body specialized in both healthcare and medical-social sectors in France.

In this Observational Study, Resah has the role of Country Leader for France as the organisation is involved in the PROCURE consortium. However, Resah cannot be responsible of the content of the ID Card France, which is a report built with the participation of several healthcare organisations from the Country Node France. The ID card France is an aggregation of data collected and synthetised among different health organisations: Contracting Authorities (hospitals and Resah), one private central procurement organisation and suppliers mainly coming from the healthcare sector. The ID Card has been developed thanks to the different views, perspectives and expertise of those organisations. This report does not pretend to represent all the healthcare procurement players neither to describe in its entirety the national healthcare system. The ID Card France was developed with the active participation of people who agreed to share their information by answering the questionnaires, on a voluntary basis and with a view to supporting this European project.

Country Node composition

Profiles of organisations involved in the Study

France Country Node counted on the active participation of 24 organisations in total, distributed as follows: 9 Contracting Authorities, Public procurers subject to the EU Procurement Directive 2014/24; 1 Procurer (private), not subject to the EU Directive, 1 Institution (French Ministry of Health) and finally a group of 13 Suppliers.
Among the typology of the 9 respondents from Contracting Authorities, 2 are CHU –Centre Hospitaliers Universitaires, CHU Dijon and CHU Nimes; 6 are CH – Centres Hospitaliers, among them CH Argenteuil, CH Chalon sur Saône, CH 4 Villes, and 1 national and Public CPB - Central Purchasing Body, Resah.
On the private side, we have counted with the participation of 1 Private Central Purchasing, CAHPP – Conseil et Référencement.
Among the 13 suppliers, we can mention pharmaceutical and medical devices companies such as Roche Diagnostics France, bioMérieux, Johnson & Johnson Medical SAS, Cook Medical, WL GORE & Associés and Coloplast France (surgery division).

9 Contracting Authorities	1 other Procurer (private)	1 Institution	13 Suppliers

Country Leader:

Resah[25] is a public Central Purchasing Body that leverages the purchasing power of hospitals and nursing homes in France. Resah is the only Central Purchasing Body specialized in both healthcare and medical-social sectors in France.

It offers more than 4000 public contracts in all the procurement segments, covering all hospital needs: medical (pharmaceuticals, medical devices, biomedical equipment, PPE…) and non-medical (ICT solutions, catering, energy…), from more than 700 suppliers, including 45% of SMEs.

Today the public organization has more than 2100 beneficiaries, including almost all French public and non-for-profit hospitals, nursing homes but also other public organizations like the public health national agency. The procurement volume through Resah's public contracts was €2.8 billion in 2023.

Resah is one of the key procurement players in the healthcare sector in France and Europe. Resah is the founding member of the EHPPA Association.

[25] https://www.resah.fr/

Introduction of the ID Card
Scope definition : Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.

In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[26], split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[26] *The source used to refer to the CPV nomenclature is: https://cpvcodes.eu/en/*

Administration and health data in France

Administrative environment in France

Legal form of the State	Administrative model that applies to the Healthcare System	Description of the Health system		
		National level	Regional level	Local level
Unitary State	Decentralised health system By decentralised health system, we mean that certain decisions in the field of health are taken by local authorities, under the supervision of the State.	At national level, alongside health insurance, which covers the risk of sickness, the ministries responsible for health and social affairs, assisted by health agencies and independent bodies (such as the Haute Autorité de santé - HAS), provide general guidance	At regional level, national decisions are adapted to take account of specific health, geographical and population characteristics. These decisions are implemented by the regional health agencies (Agence Régionale de Santé, ARS)	At local level, the healthcare system is organised around structures, healthcare facilities and healthcare professionals who provide care as close as possible to users

Health data in France

In France, there is a dedicated national Agency, founded in 2000, called **ATIH** - Agence Technique de l'Information sur l¡Hospitalisation (in english, Technical Agency for Hospital Information) which is specialised in the Health data collection and Health data management.

This Agency is a public administrative body under the supervision of the ministers for health, social affairs and social security.

The ATIH is responsible for:

- Collecting, hosting and analysing data on healthcare and medico-social institutions (activity, costs, organisation and quality of care, finance, human resources, etc.)
- Technical managing of funding arrangements for facilities (calculation of annual hospital tariffs, allocation of resources, etc.)
- Carrying out studies on the costs of health and medico-social facilities (developing methodologies and tools, steering studies, annual publication of hospital costs, etc.)
- Developing and maintaining healthcare classifications: International Classification of Diseases (ICD), Common Classification of Medical Procedures (CCAM), Specific Catalogue of Rehabilitation Procedures (CSARR), etc.

Since the Decree 2022-1972 modifying ATIH's missions, today the Agency is also responsible of:

- the medico-social sector (dashboard, technical management of the funding system)
- the quality of care and user satisfaction
- the health crisis management

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The **Healthcare Procurement Environment and stakeholders mapping**, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The **Procurement practices in the Healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, the **main conclusions** close the ID card by highlighting the notable changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National Public Healthcare system and stakeholders mapping in France

Healthcare management

Categories of organisations	Names of organisations, per category	Description
Government organisations and agencies at central level (Ministry responsible for health; national public organisations, etc.)	Ministries of health and social affairs	At national level, the public authorities manage the healthcare system through public policies. Responsabilities of Ministries: · Draw up and implement public health, health monitoring and health safety policies · Supervise care and support healthcare facilities. To this end, they ensure that health, social and medico-social facilities are properly distributed throughout the country · Provide funding for health and social care facilities, set service charges and ensure that healthcare costs are kept under control. Each year, Parliament votes the Social Security Financing Act (LFSS)
Organisations and government agencies at sub-national level (regional or local public organisations, etc.)	Regional health agencies (ARS)	The structures operating at regional level in the healthcare system are responsible for applying and adapting national decisions at regional level. Responsabilities of ARS: · Coordinate preventive care · Apply national policies at regional level, adapting them to the population and the health and geographical characteristics of the area concerned
Funding bodies	Sécurité Sociale / URSSAF	· On behalf of the social security system, the health branch covers entitlements and reimburses treatment · Urssaf collects social security contributions

Healthcare offer

Outpatient

Main categories of outpatient care providers in France:

- Self-employed healthcare professionals (i.e. those working in private practice, unlike hospital doctors)
- 7 professions are grouped together within a professional body: doctors, pharmacists, midwives, dental surgeons, nurses, physiotherapists and chiropodists.

Inpatient

In France, there is a coexistence of **public health hospitals**, with **Private for-profit hospitals** and **Private not-for-profit hospitals**.

Category	Number of facilities	Bed density
Private not for profit hospitals	680	56 000
Private for profit hospitals	980	95 000
Public hospitals	1350	242 000

Pharmaceutical

Key figures:
In France, **74 000 pharmacists are registred** at the « Ordre des Pharmaciens » (Pharmacists Association). 7 447 pharmacists are working within healthcare facilities.
There are **20 000 external pharmacies** in France (officines) and **2 200 internal pharmacies** (PUI, pharmacies à usage intérieur).

Statistics from OECD on Phamaceutical Spending:
- Total pharmaceutial expenditure per capita in France (2022, in US dollars) 766 US dollars / inhabitant
- - Total pharmaceutical expenditure as a percentage of GDP (2021) 12,5%

Source: https://data.oecd.org/healthres/pharmaceutical-spending.htm

Specificities in France regarding the pharmaceutical care in terms of problems and challenges:
- France has had to face up to the spectre of shortages of essential products: anaesthetics, anti-inflammatories, anti-cancer treatments, etc.
- Production of these molecules is now geographically far from France and there is no longer the possibility to have the control over the supply
- At the same time, medical devices such as masks, gloves, injection equipment and respirators have also gone missing
- Measures have already been taken to secure supplies and 2 categories of products are currently concerned:
  - Products deemed necessary to respond to health emergencies, for which strategic stocks have been built up
  - A set of 'Medicinal products of major therapeutic interest' (MITM) are subject to special measures on the part of manufacturers: security stocks and definition of shortage management plans, etc.

Healthcare financing

Main sources of funding for the healthcare system in France:

- **Taxes** represent **9%** of resources (mainly tax on tobacco and alcohol)
- **Private insurance/voluntary health insurance** (supplementary insurance, mutual insurance) represent **90%** (contributions from employees and companies)

Main players in charge of financing healthcare expenditure in France:

- **Compulsory health insurance** (the vast majority)
  It is the sickness branch of the French Social Security system. It covers the cost of health care for insured persons and guarantees access to care. It promotes prevention and helps to regulate the French healthcare system. It covers sickness, maternity, invalidity and death. The name of the organisation is Sécurité Sociale – Assurance Maladie (Social Security-Health Insurance). Website is https://www.ameli.fr/assure
- **State**
- **Complementary organisations** (supplementary health insurance)
- **Supplementary health insurance**
  A complementary health insurance scheme is an organisation that offers contracts designed to supplement Social Security reimbursements in the fields of sickness, accidents and maternity. These contracts cover all or part of these expenses. Companies are obliged to offer supplementary cover to all employees. State administrations gradually pay part of the contributions paid by employees to their mutual insurance company. In the other civil services (local authorities and hospitals), this coverage will be phased in from 2026.
- **Households** (direct expenditure) In France, the **expenditure on the health system in France**, understood as the **consumption of care and medical goods** (CSBM), has reached 235.8 billion in 2022, which represent **8.9% of State GDP**.

Breakdown (%) of public health system funding, by category:

Categories of health funding	%
State and supplementary health insurance	0,6%
Social security	79.6%
Supplementary organisations	12.6%
Out-of-pocket expenses for households	7.2% (€250 average out-of-pocket expenses per inhabitant)

Healthcare procurement environment and stakeholders mapping in France

Public Policy objectives

Main laws that govern public procurement

In France, the law governing public procurement is called "Code de la Commande Publique" in French, which is the Public Procurement Code.
Useful link: https://www.legifrance.gouv.fr/codes/texte_lc/LEGITEXT000037701019/

Legal framework of reference that applies for public procurement of healthcare products

In France, it is a mix of decentralised and centralised models: it is a "decentralised supply" when hospitals procure by themselves and a "centralised supply" when the procurement is done at a national or regional level by a Central Purchasing Body for instance.

Content of the national programme

Definition of the programme

In France, there is a dedicated National programme, called "Programme PHARE - Performance Hospitalière pour des Achats Responsables", which is a national programme for Hospital Performance for Sustainable Procurement.
The PHARE programme, launched in 2011, is a programme that aim to transform hospital procurement, helping hospitals to make "intelligent savings" while maintaining the quality of care. The programme includes practical measures for hospitals, with the development of practical guides and recommendations for healthcare professionals. The programme is structured around 8 key areas:

- Managing procurement performance
- Mutualisation of the procurement function
- Innovation procurement
- Complex procurement
- Sustainable procurement
- Procurement information systems
- Dematerialisation of the expenditure chain
- Logistics and supply chain optimisation

Useful Link : https://sante.gouv.fr/professionnels/gerer-un-etablissement-de-sante-medico-social/performance-des-etablissements-de-sante/phare-11061/article/le-programme-phare

Topics of the national programme and other related guidelines in France, by topic

- **Management of procurement performance**

Enhancing the value of the procurement function means quantifying procurement performance. This is why the PHARE programme, run by a sub-department of the Ministry of Health, was set up.
In France, the quantification of procurement gains is tracked through a Plan d'Action Achat de Territoire (PAAT). The PAAT is a declarative Excel document that each Groupement Hospitalier de Territoires (GHT) must complete and submit to its Agence Régionale de Santé (ARS). The PAAT and the gains achieved must be reported every two years to the relevant ARS / Direction Générale de l'Offre de Soins (DGOS). A national form is available to GHTs.
Legal framework for managing procurement performance:

- Contrats Pluriannuels d'Objectifs et de Moyens (CPOM), which set out quantified objectives. They are steered by the Ministry of Health.
- The GHT Law is another contractual document, obliging the support healthcare facilities to draw up a PAAT and integrate the gains made.

- **Sovereign procurement**

By sovereign procurement, we mean the creation of national procurement networks with production relocated in France.

The Ministry of Health can ask public procurers to set up sovereign procurement. For example, the PHARE programme has already coordinated the creation of a PPE/mask procurement contract, supported by Resah, a CPB in France, with the aim to relocate the production of nitriles gloves.

Legal framework for the implementation of sovereign procurement:

- Instruction N° DGOS/PHARE/2024/36 of 20 March 2024 on securing the sovereign procurement process for critical supplies, healthcare products and equipment
- Instruction N° DGOS/PHARE/2023/40 of 24 March 2023 on securing the sovereign procurement process for critical supplies, healthcare products and equipment (revoked)

To date, products concerned are:

- Nitrile gloves for examination
- Medical masks
- Medical pouches and infusion solution bags

Which have been identified as "critical". The list of products is subject to amendments to ensure its adequation with the needs of hospitals.

- **Innovative procurement**

The aim of the PHARE programme is to encourage hospital procurers to use innovation procurement as a means of disseminating new technologies, therapies and molecules for the benefit of patients. The PHARE programme is helping hospital public procurers to become more mature in their approach to innovation in healthcare.

Legal framework for the implementation of Innovative Procurement:

- Instruction N° DGOS/PHARE/2022/149 of 24 May 2022 relating to the implementation of a procurement policy for healthcare facilities, in connection with the Innovation Plan 2030
- Operational Guide for procurers of healthcare innovation, September 2023, Ministry of Health and Prevention, DGOS and PHARE Programme
- Practical Guide "Public procurement of innovative solutions", 2024, Department of Legal Affairs, Observatoire Economique de la Commande Publique (OECP), Ministry of the Economy, Finance and Industrial and Digital Sovereignty

Useful Links:

- Instruction N° DGOS/PHARE/2024/36 du 20 mars 2024 on securing the sovereign procurement process for critical supplies, healthcare products and equipment https://www.preventioninfection.fr/wp-content/uploads/2024/04/2024_Instruction-Securisation-approvisionnements_MNSTR.pdf
- Procurement of healthcare innovation, PHARE Programme https://sante.gouv.fr/professionnels/gerer-un-etablissement-de-sante-medico-social/performance-des-etablissements-de-sante/phare-11061/les-chantiers-operationnels/article/l-achat-d-innovation-en-sante
- Instruction N° DGOS/PHARE/2022/149 of 24 May 2022 relating to the implementation of a procurement policy for healthcare facilities https://achat-logistique.info/wp-content/uploads/2022/09/instruction-achat-innovant.pdf
- Operational Guide for procurers of healthcare innovation, September 2023, Ministry of Health and Prevention, DGOS and PHARE Programme https://sante.gouv.fr/IMG/pdf/phare_guide_operationnel_de_l_acheteur_d_innovation_vf_sept_2023.pdf
- Practical Guide "Public procurement of innovative solutions", 2024, Department of Legal Affairs, OECP https://sante.gouv.fr/IMG/pdf/oecp_avril_2024_guide_achat_solutions_innovantes.pdf
- France 2030 https://www.economie.gouv.fr/france-2030
- Conclusions of « Ségur de la Santé » https://sante.gouv.fr/IMG/pdf/dossier_de_presse_-_conclusions_segur_de_la_sante.pdf

- **Digital Health**

In terms of digital health, several strategies and initiatives exist in France:

- *Hospital procurement of Digital Innovations initiative*

The Digital Health acceleration strategy from the Government (France 2030) is promoting the innovation for digital health.
This strategy encourages the adoption of digital innovations through hospital procurement though the launch of the Hospital procurement of Digital Innovations initiative, designed to provide specific tools to support the implementation of digital innovation within hospitals. Indeed, the aim of this action is to provide specific tools to support the implementation of digital innovation in hospitals.

- *Government strategy for digital health*

The aim of this strategy is to accelerate the sharing of health data, to support citizens in

taking charge of their health, simplify the daily lives of professionals and improve the efficiency of the healthcare system. A 2023/2027 roadmap has been launched to implement this national digital health strategy. This government strategy is based on 4 key areas:

- Prevention: developing prevention and making everyone a player in their own health
- Care: giving time back to healthcare professionals and using digital technology to improve the way people are cared for
- Access to healthcare: improving access to healthcare for people and the professionals who refer them
- Favourable environment: deploy a favourable environment for the development of uses and digital innovation in health

- *Digital health doctrine*

This doctrine serves as a reference framework for digital services for exchanging and sharing health data. It was published as part of the digital health roadmap, and its aim is to describe the technical framework for future digital services for exchanging and sharing health data, in the medium and long term.

- *SEGUR on digital health*

This programme represents an accelerator for putting digital technology at the service of health, through the implementation of a "State-platform" approach:

- Deployment of shared infrastructures on a national scale, such as Mon espace santé. Mon espace santé is a personal, secure digital space offered by the Assurance Maladie and the Ministry of Health, which is intended to become the digital health record for all insured persons.
- Ongoing co-construction with patient associations, representatives of professionals and institutions in the healthcare, social and medico-social sectors, and companies.
- Updating professionals' software and developing associated digital uses.

- *Digital health development programme, SUN-ES for Ségur Usage Numérique en Établissements de Santé*

This programme, steered by the Délégation au Numérique en Santé (DNS), has been developed for the healthcare institutions and its operational monitoring is carried out by the DGOS. The aim of this programme is to support all healthcare institutions in achieving a higher level of maturity in their information systems, to improve patient care through the secure sharing of their data.

Useful Links :

- Government strategy for digital health https://esante.gouv.fr/strategie-nationale
- Roadmap of the national digital health strategy 2023 – 2027 https://esante.gouv.fr/sites/default/files/media_entity/documents/dns-feuille-de-route-2023-2027.pdf
- Digital health doctrine https://esante.gouv.fr/sites/default/files/media_entity/documents/dns-feuille-de-route-2023-2027.pdf
- SEGUR Digital health programme https://esante.gouv.fr/segur
- Digital health development programme, SUN-ES for Ségur Usage Numérique en Établissements de Santé https://sante.gouv.fr/systeme-de-sante/segur-de-la-sante/sun-es#Presentation-du-programme-SUN-ES

• Sustainable procurement (Environmental, Social and Economic)

France has several national strategies to frame and to promote sustainable procurement:

- Practical variations of the PHARE programme for hospitals, with the development of practical guides and recommendations for healthcare players, including the promotion of sustainable procurement
- Plan National pour des Achats Durables (PNAD): it is a roadmap for all public procurers committed to sustainable public procurement
- Integration of a CSR strategy into the public healthcare's institutions procurement with the introduction of a Schéma de Promotion des Achats publics Socialement et Ecologiquement Responsables (SPASER)

Legal framework for sustainable procurement, obligations and quantified objectives:

- The 3rd PNAD (2022-2025) stipulates that, by 2025, 100% of public procurement contracts must include at least one environmental consideration and, 30% of public procurement at least a social consideration
- The SPASER is a roadmap for public procurers, with quantified objectives to help structure the sustainable procurement approach. All public procurers can adopt a SPASER if they wish, but it is compulsory for all local authorities with an annual procurement volume above €50 million, based on the Public Procurement Code
- Obligations arising from the Climate and Resilience Act, amended by the Green

Industry Act: it involves the inclusion of at least one performance condition and one award criterion incorporating environmental considerations, as well as a social performance condition for contracts above the European thresholds

- The EGalim Law of October 30th, 2018, requires collective restaurants to source at least 50% of their food from local produce or produce with a sign of origin and quality, including 20% from organic farming from 2022 onwards
- The Anti-gaspillage pour une Economie Circulaire Law (AGEC) February 10th, 2020 and the decree of March 9th, 2021 set the thresholds for compulsory procurement of goods from reuse and recycling or incorporating recycled materials, and the end of single-use plastics by 2040. Since January 1st, 2022, public procurers have been obliged to include goods from reuse or recycling in their procurement in proportions of between 20% and 40%, depending on the type of product. Target figures for the AGEC Act are:
    - A 20% reduction in single-use plastic packaging by the end of 2025, at least half of which will be achieved through reuse.
    - Aim for a 100% reduction in "unnecessary" single-use plastic packaging by the end of 2025.
    - Aim for 100% recycling of single-use plastic packaging by January 1st, 2025.

Other guidelines and tools about sustainable procurement for procurers in France:

- Chart for Supplier Relations and Sustainable Procurement (2009): it is a mechanism that commit signatories to implement a progress approach in their relations with their suppliers. Since 2010, the Chart has been supported by the Médiateur des entreprises (MDE) with the Conseil National des Achats (CNA)
- Label Relations Fournisseurs et Achats Responsables (RFAR) is a label awarded by the MDE and the CAN in terms of sustainable procurement and balanced relations with suppliers, based on ISO 20400. The CPB Resah was the first player in obtaining the RFAR Label in the Healthcare sector, which also supports other Healthcare facilities to obtain it.
- The Guichet Vert offers a first-level environmental advice free of charge to all procurers subject to the public procurement code, to support the objectives of the PNAD (2022-2025)
- The Ecological planning of the healthcare system is a governmental roadmap to support the decabornation of the healthcare system within 7 areas of actions
- RAPIDD tool represents a large open community (under registration) for public procurers, called "the sustainable public procurement community", where public procurers can exchange best practices on sustainable procurement
- Guichet de l'acheteur hospitalier responsable (Sustainable Hospital Procurer's portal, only for members) developed by Resah is a portal that offers a complete package of services dedicated to sustainable procurement for health facilities

Useful Links :

- 3rd PNAD, 2022-2025 https://www.ecologie.gouv.fr/sites/default/files/documents/PNAD-PAGEAPAGE-SCREEN(3).pdf
- Public Procurement Code, article concerning the mandatory implementation of SPASER for a healthcare institution https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000037703460/
- Loi EGalim https://www.legifrance.gouv.fr/jorf/id/JORFARTI000037547983
- Loi Climat et Résilience https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043956924
- Loi AGEC https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000041553759/
- Sustainable Procurement and Supplier Relations Chart https://www.economie.gouv.fr/files/files/directions_services/mediateur-des-entreprises/Charte%20RFAR%20VF_0.pdf?v=1706795495
- Label factsheet RFAR https://www.economie.gouv.fr/files/2022-04/Fiche_pedagogique_label_RFAR3.pdf?v=1709043421
- Guichet Vert Service https://www.ecologie.gouv.fr/sites/default/files/One-pager-guichet-vert-2023.pdf
- Roadmap of the Government, Ecological planning of the healthcare system https://sante.gouv.fr/IMG/pdf/planification-ecologique-du-systeme-de-sante-feuille-de-route-mai-2023.pdf
- Best Practices Community on Sustainable Public Procurement, Rapidd https://rapidd.developpement-durable.gouv.fr/
- Guichet de l'acheteur hospitalier responsable: https://www.resah.fr/centre-de-ressources-et-d-expertise/guichet/
- **Security of supply: See next section "Focus on Security of supply"**

Focus on Security of supply, from the National programme

In France, there are measures in place to secure supplies of PPE (Personal Protective Equipment), for example through a project to relocate a factory of nitrile gloves in France[28].

Stakeholders Mapping of the Healthcare procurement environment in France

Public Players

- There are 3 mains categories of **hospital public procurers in France**.

In terms of procurement volume, Central Purchasing Bodies, Regional procurement groups such as Groupements Hospitaliers de Territoires (GHT)[29] and University Hospitals account for most of the hospital procurement.

- National and public CPB (Central Purchasing Bodies):
  - RESAH https://www.resah.fr/
  - UNIHA https://www.uniha.org/
  - UGAP https://www.ugap.fr/
  - UNICANCER https://www.unicancer.fr/fr/
  - APHP - Assistance Publique Hôpitaux de Paris https://www.aphp.fr/

- Regional procurement groups:
- In France, there are a lot of structures for hospital procurement at a regional level:
  - Approx. 8 local purchasing bodies created under the form of "Groupements de Coopération Sanitaire[30] (GCS)", called "Groupements d'achats régionaux"
    - Hauts de France : GCS achat Gram
    - Normandie : GCS Hacom
    - Bretagne : Gcs achat Bretagne
    - Centre val de loire : GCS achat centre
    - Nouvelle Aquitaine : GCS achat nouvelle Aquitaine
    - Occitanie : GCS Aso
    - Grand-Est : Graps
  - Approx. 136 Groupements Hospitaliers de Territoire (GHT)[31] have been set by law in 2016, which are Territorial hospital groups, gathering almost 900 healthcare facilities, to mutualise the resources across the territory. There are several GHT distributed on the French territory, depending on the density of population within each French Counties (départements).

- University Hospitals:
- In France, the local hospital procurement structures are mainly the 32 University Hospital Centres[32]

Private Players

There are **2 mains categories of private hospital procurers** in France:

- National and Private Central Purchasing Bodies:
  - CAHPP https://cahpp.eu/
  - CACIC https://www.cacic.fr/
  - Helpevia https://www.helpevia.fr/

- Private Procurement groups:
  - Ramsay https://www.ramsaysante.fr/
  - Elsan https://www.elsan.care/en
  - Vivalto https://www.vivalto-sante.com/
  - Clinavenir https://www.clinavenir.fr/

[28] *See paragraph dedicated to Sovereign Procurement*
[29] *More information about GHTs on the Ministry's official website https://sante.gouv.fr/professionnels/gerer-un-etablissement-de-sante-medico-social/groupements-hospitaliers-de-territoire/article/les-ght-par-region*
[30] *For more information about GCSs, visit the Ministry's official website: https://sante.gouv.fr/professionnels/gerer-un-etablissement-de-sante-medico-social/cooperations/article/le-groupement-de-cooperation-sanitaire-gcs*
[31] *More information about GHTs on the Ministry's official website https://sante.gouv.fr/professionnels/gerer-un-etablissement-de-sante-medico-social/groupements-hospitaliers-de-territoire/article/les-ght-par-region*
[32] *The full list of University Hospitals is available here https://annuaire.service-public.fr/navigation/chu*

Procurement practices in the Healthcare sector and suppliers' perceptions in France

Deontology

To be noted:

In France, breach of the Public Procurement Code may lead to criminal sanctions (called in French *"délit d'octroi d'avantage injustifié"*).

Guidelines, standards, tools

Most common guidelines, standards and tools

Used by Public procurers

- Compliance with Procurement Regulations and the Public Procurement Code
- Implementation of a Chart of Ethics within the procurement organisations, for employees, covering various ethical and deontological aspects. Indeed, the Chart of Ethics and appendices are understood as a tool
- Work contracts of employees in public procurement organisations generally contain ethical clauses

Used by Private procurers

- Chart of Ethics
- Training on anti-corruption law with specialised organisations
- Use of a dedicated digital tool, such as Provigis software, a platform for securing commercial relations between different players https://provigis.com/
- Set up of a whistleblower website

Less common practices, standards and tools

Used by Public procurers

- Mapping of breach of probity risks
- Appointment of a referral person within the procurement organisation
- Training on Ethics for procurers

Deontology training

Training on ethics for procurers is not systematically provided within procurement organisations, but all public procurers are trained to the French Public Procurement Code. Examples of training courses, where provided:

- Basic general training on Ethics for all employees as soon as they join the procurement organisation
- Specific training for public procurers to raise awareness of the implementation of the Code of Ethics and its appendices, with a reminder of the applicable rules (general principles; preventive measures for those involved in awarding the contract; other preventive measures, regarding gifts, the role of the whistleblower and the reporting procedures)
- Specific training to the ISO 37000 Corporate Governance standard for private procurers

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by Public procurers

- The French Public Procurement Code, « Code de la Commande Publique » that regulates the Public Procurement activities https://www.legifrance.gouv.fr/codes/texte_lc/LEGITEXT000037701019/
- The Public Procurement Guide, Managing Corruption Risk in the Public Procurement Cycle https://www.economie.gouv.fr/files/files/directions_services/dae/doc/Guide_Risque_Corruption-English.pdf

This guide details measures to prevent corruption in public procurement, focusing on the fight against extortion, fraud and related rules. This practical guide to managing corruption risk in the public procurement cycle is a joint publication by the Direction des Achats de l'État (DAE) and the Agence Française Anti-corruption (AFA), developed with a working group of procurement practitioners.

- The Label RFAR that certifies procurers in terms of sustainable procurement and balanced relations with suppliers https://www.economie.gouv.fr/mediateur-des-entreprises/label-relations-fournisseurs-et-achats-responsables

More broadly, not only focused on the Public Procurement, in France there are other regulations that aim to prevent fraud, bribery or corruption:

- Loi n° 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique / The Transparency, Anti-Corruption and Economic Modernisation Act 2016-1691 of December 9th, 2016
- Objective of this Law is to fight against corruption with the creation of the AFA.
- It introduces an obligation to prevent corruption for company managers and legal entities and set up the status of whistleblower: https://www.legifrance.gouv.fr/loda/id/JORFTEXT000033558528
- Recommendations from the AFA, to help public and private legal entities prevent and detect corruption, influence peddling, misappropriation of public funds and favouritism https://www.agence-francaise-anticorruption.gouv.fr/files/files/Recommandations%20AFA.pdf
- Rules on conflicts of interest and internal ethics regulations within procurement organisations

Internal and compliance control

Most common practices and tools for internal and compliance control

Used by Public procurers

In accordance with the French Public Procurement Code, there are rigorous procedures to ensure transparency and fairness:

- Creation of internal contract committees: implementation of internal controls from sourcing to contract execution; quality control of quotations to ensure the accuracy and consistency of information
- Setting up documents on conflicts of interest: signatures of certificates stating that there is no conflict of interest is signed by those who are involved in preparing and awarding the contract

Used by Private procurers

- Anticorruption Act – Loi Sapin 2
- Recommandations from the AFA
- Use of the digital platform called Provigis
- Compliance training

Data accessibility

Most common tools for accessing to Procurement data, used by Public Procurers

- *Système d'information Achats Pour des Hôpitaux aux achats Responsables, called SEMAPHORE*[33]
- The objective of this information system project, launched in 2022 by the DGOS, is to improve procurement performance and to increase the efficiency of the supply chain within healthcare facilities. SEMAPHORE optimises the contract production process and improve the coordination and management of all the players involved.
- *Plateforme de dématérialisation des procédures de marché de l'Etat, called PLACE*[34]
- This electronic government procurement procedures platform enables companies to consult and submit their offer to consultations issued by all public procurement organisations in France (central and decentralised government departments, government public establishments and bodies, independent public authorities, independent administrative authorities, public interest groups, etc.)

Internal and compliance control

Most common practices and tools for internal and compliance control

Used by Public procurers

In accordance with the French Public Procurement Code, there are rigorous procedures to ensure transparency and fairness:

- Creation of internal contract committees: implementation of internal controls from sourcing to contract execution; quality control of quotations to ensure the accuracy and consistency of information
- Setting up documents on conflicts of interest: signatures of certificates stating that there is no conflict of interest is signed by those who are involved in preparing and awarding the contract

Used by Private procurers

- Anticorruption Act – Loi Sapin 2
- Recommandations from the AFA
- Use of the digital platform called Provigis
- Compliance training

Data accessibility

Most common tools for accessing to Procurement data, used by Public Procurers

- *Système d'information Achats Pour des Hôpitaux aux achats Responsables, called SEMAPHORE*[33]

The objective of this information system project, launched in 2022 by the DGOS, is to improve procurement performance and to increase the efficiency of the supply chain within healthcare facilities. SEMAPHORE optimises the contract production process and improve the coordination and management of all the players involved.

- *Plateforme de dématérialisation des procédures de marché de l'Etat, called PLACE*[34]

This electronic government procurement procedures platform enables companies to consult and submit their offer to consultations issued by all public procurement organisations in France (central and decentralised government departments, government public establishments and bodies, independent public authorities, independent administrative authorities, public interest groups, etc.)

Other tools that are used by procurers to access Procurement data

- SIHA Software: (Système d'Information Achat de l'Hôpital) is a Hospital Purchasing Information System. The SIHA tool facilitates the organisation and management of purchasing and logistics functions within GHT, thereby supporting the performance of the GHT purchasing function. The SIHA solution provides a consolidated view of purchasing and supplies for all the establishments in the GHT. It can be used to define and quantify the GHT's overall requirements to prepare pooled contracts and purchases from Regional Purchasing Groups or National Purchasing Centres.
- Software Cpage https://www.cpage.fr/ - operating system, economic and financial management
- • Software Marco https://www.agysoft.fr/marcoweb - digitisation of the procurement life cycle
- Software Magh2 https://www.mipih.fr/Magh2 - Economic and Financial Management, Procurement, Supply and Logistics for Healthcare Institutions
- Software Elap (MEDIANE) https://www.mediane.tm.fr/ - entry of all data relating to the public contract, duration, supplier, amounts, type, procedure, etc.
- Software Ninox - Contract monitoring information system
- IBEXA - Modular digital experience platform

[33] *For more information on SEMAPHORE: https://sante.gouv.fr/professionnels/gerer-un-etablissement-de-sante-medico-social/performance-des-etablissements-de-sante/phare-11061/les-chantiers-operationnels/article/le-systeme-d-information-achat*

[34] *For more information on PLACE: https://ecole.marches-publics.gouv.fr/entreprise*

Supplier relations

Most common practices, standards and tools used in terms of Supplier relations

- *Development of active listening to suppliers (in relation to RFAR Label)*

Regular meetings with suppliers, during the sourcing phase, during the execution phase and in cases of legal disputes; Conducting supplier surveys.

- *Contract performance monitoring*

Implementation of regular monitoring with steering and monitoring indicators, to ensure that suppliers maintain an optimum level of quality to meet all the requirements, and conduction of regular supplier evaluations.
Examples of contract performance monitoring tools, using dedicated softwares: Excel, Maximilien public procurement platform, Ninox, Elap (formerly Mediane); Marco; Cpage; MAgh2 etc.

- *Mediation*

Appointment of an internal person as referral for mediation with suppliers
Examples of mediation tools: Excel tracking; messaging platforms; contact forms; proposed meetings with the mediator.

Used by Private procurers

- RFAR Label certifications; CSR and sustainable procurement barometer in healthcare
- Application of best practices regarding the supplier relations, form the Code of Ethics

Other practices and tools in terms of Supplier Relations

- Definition of a balanced supplier relations and procurement policy, as part of the development of the SPASER within healthcare facilities
- Signature of the RFAR Chart and obtention of the Label
- Training for procurers and procurers' managers, on sustainable procurement and balanced supplier relations, to raise awareness among procurers in this topic
- Use of software Okavoe, to manage the supplier's relationship by activity monitoring and mapping https://www.okaveo.com/
- Use of an online tool called Pappers to check suppliers' financial data https://www.pappers.fr/

Procurement cycle in France

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public Perspective

Channels used by public procurers to analyse the market readiness & for suppliers sourcing

- Web search: list of companies, publications and online specialised press such as https://achat-logistique.info/ (owned by Resah) and https://www.achatpublic.com/
- Professional networks and trade show visits: LinkedIn; Networks of procurers; Study sessions; Attendance to congress and national and international events such as SantExpo; Journées Achats Logistique; MedIn Techs; Medicen Day; BIG from BpiFrance; CHU HealthTech Connexion Day; AI for Health etc.
- Supplier databases of procurement organisations : historical suppliers, formers candidates, contact forms on websites

- SILEX https://silex-app.com/logiciel-gestion-achats/ : it is an IT tool to support sourcing and obtain relevant supplier information (turnover, location, label, CSR, etc.). It is a supplier database software that is exhaustive and certified compliant with current regulations (concerning mandatory supplier data). It's a purchasing solution that digitises the entire purchasing process, improving performance and strengthening the role of purchasing within the organisation.

Processes used by Public Procurers for market readiness analysis

- Most used: Benchmarking; Bilateral meetings and Strategic watch
- Less used: Open Market Consultation

Category of information collected by public procurers during sourcing

- *Informations on quality, volume and after-sales service*

Ability to meet requirements of quality and volume; Ability to support the deployment of solutions to end-users and After-sales service organisation

- *Informations on costs*

Costs breakdown; Clauses and relevant price variation

- *Informations on supply chains and potential risks*

Breakdown of the supply chain and associated risks; Breakdown of the subcontracting chain; Ability to meet deadlines for delivery; Risk analysis and frequency, management of potential supply chain disruptions

Allotment in Public Procurement

In France, the principle of allotment is mandatory, based on the Article L2113-10[35] of the Public Procurement Law.
By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in public procurement

All the legal clauses mentioned below are currently used in public procurement contracts - except for the decision to continue, which no longer exists in the Public Procurement Code. Indeed, the Article 118 of the Public Procurement Code (2006), which dealt with the decision to continue, has been revoked.

- Time and duration of the contract
- Division of contracts into lots (allotment principle)
- Options
- Contract amendments and review clauses (including price review clauses)

[35] *Legal article available online, on the French Public Procurement Law https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000037701019/LEGISCTA000037703510/*

- Renewal
- Penalties
- Industrial or commercial property
- Contract termination
- Deliveries / Logistics conditions
- Financial clauses

Sometimes there are other legal clauses such as:

- Clause relating to the supply disruption and performance, at the expense and risk of the contractor (given the risks of supply disruption), mostly medical device and drug contracts
- Clause relating to the protection of data and personal data as well as cybersecurity due to the challenges associated with the protection of health data
- Clause relating to the definition of the key terms used
- Clause relating to the scope of the contract
- Clause relating to the procedures for recording the performance of services

In France, there are standard contractual clauses, enacted by the Government, which any public purchaser may refer in its contracts ("CCAG[36]"). If the contract refers to a "CCAG", the CCAG becomes a contractual document between the buyer and the supplier. "CCAG" are almost automatically used in Public Procurement in Healthcare domain.
In addition, at the latest in 2026 ("Loi Climat et Résilience"), it will be mandatory to include in public procurement contracts clauses relating to environmental efficiency of the contract (low-carbon obligations or objectives to achieve, for example) and to social efficiency of the contract (part of the team dedicated to the performance of the contracts in situation of disability, for example). Such clauses won't be only incentive but coercive and may lead to financial sanctions if not respected during the contract.

Evaluation criteria in public procurement

Table with the recurring main awarding criteria, by category of health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE ONLY and PRICE	PRICE ONLY and PRICE	PRICE ONLY and PRICE	PRICE ONLY and PRICE	PRICE ONLY and PRICE	PRICE ONLY and PRICE

Apart from the technical and price criteria, some other categories of criteria are used by public procurers for the Evaluation criteria such as:

- Environmental criteria
- Social criteria
- Innovation criteria
- Measures taken by the supplier to avoid or limit shortages ("Sécurité d'Approvisionnement")
- Criteria measuring the impact on patients (value-based public procurement)

[36] *CCAG : Cahier des clauses administratives générales, in english General administrative terms and conditions*

Private Perspective

Processes used by Private Procurers for market readiness analysis

- Strategic Watch
- Benchmarking
- Open Market consultation
- Bilateral meetings

Category of information collected by Private procurers during sourcing

- Price
- Risk management
- Technical elements
- CSR
- Market vision
- Technology watch
- Ability to respond to calls for tender

Legal clauses in Private Procurement

- Time and duration of the contract
- Contract renewal
- Contract amendments and review clauses (including price review clauses)
- Decision to continue
- Penalties
- Industrial or commercial property
- Contract termination
- Financial clauses
- Delivery / Logistics conditions

Evaluation criteria in Private Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE/QUALITY RATIO, included sustainability criteria	PRICE/QUALITY RATIO, included sustainability criteria	PRICE/QUALITY RATIO, included sustainability criteria	PRICE/QUALITY RATIO, included sustainability criteria	PRICE/QUALITY RATIO, included sustainability criteria	PRICE/QUALITY RATIO, included sustainability criteria

As for the Public procurers, other criteria could be used such as Environmental criteria; Social criteria; Innovation criteria; Value-based criteria.

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

In France, a public contract duration is maximum 4 years for Frameworks Agreements.

Processes for monitoring the execution phase

Organisation of regular meetings between Procurers and Suppliers

- Scoping meetings with procurers and suppliers at the launching of the contracts
- Regular monitoring meetings between procurers and contract holders (suppliers) to monitor the contract running, to exchange information, to review progress and to intervene if necessary
- Annual reviews, discussions with end users, strategic suppliers and procurement departments
- For sensitive and/or high-value contracts, meetings may be much more frequent, especially at the start of execution phase, like several times a week
- Monitoring of legal disputes during execution phase of the contract
- Financial monitoring throughout the execution phase, for instance to track consumption

Tools for monitoring the execution phase

Use of dedicated tools to monitor the execution phase

- Templates of questionnaires to prepare and conduct the annual review meetings with contractors (suppliers)
- Use of ticketing tool for end-users to report any difficulties and problems with suppliers' products or services
- Questionnaire on performance assessment to evaluate overall performance at the end of the contract
- Conduction of satisfaction surveys to evaluate suppliers and the quality of contract performance
- Within the end-user organisation, appointment of a person as referral, who is responsible to report any malfunctions
- Certification ISO 9001 certification of the contract execution phase and contract evaluation

Use of IT tool for the execution phase

- Supplier area available on an online platform: to monitor the financial performance of contracts
- Ticketing tool: monitoring of tickets submitted by end-users throughout the contract execution phase
- Accounting and financial tools: data extraction from the Economic and Financial Management systems
- Excel Files: to collect contract monitoring information; to check deadlines of contracts; to manage the failed execution contracts
- Procurement data system softwares: Okaveo https://www.okaveo.com and Marco https://www.agysoft.fr/marcoweb

Processes for managing the contracts penalties

In general, public procurers follow the following process, step by step:
First, penalties are set out in the tender documents/contracts.
Then, and before application of penalties, the situation is generally assessed during an internal meeting: evaluation of responsibilities, consequences, alternative solutions to penalties, official correspondence, etc. Discussions are conducted to understand the reasons of the malfunctions and to implement corrective actions. If appropriate, mediation may be used before the application of sanctions.
Finally, penalties are applied in a last resort, when malfunctions are proven and if corrective actions are unsatisfactory or not applied. The application of penalties is managed by the organisation's procurement department and/or legal department, with the legal team of the supplier concerned.

Examples of penalties that applied procurers to suppliers:

Notice of default; Penalty for late performance; Performance of the service at the risk and expense of the contractor; Termination of the contract.

Tools for managing the contracts penalties

Apart from postal mails and a mail tracking tools, no dedicated penalty management tools have been mentioned.

Private perspective

Processes of monitoring the execution phase

- Realisation of controls at the end-user place/department where products or/and services are used
- Organisation of regular meetings with procurers and end-users, enabling end-users to report any difficulties, problems or malfunctions encountered

Tools for monitoring the execution phase

- Microsoft Excel
- CRM – Customer Relationship Management

Processes for managing the contracts penalties

- Management of penalties directly with suppliers
- Application of penalties described in contracts

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

Not all the procurement organisations that took part of this Study have been able to put in place processes to evaluate the performance measures and the effectiveness of the procurement system. Indeed, it requires a team enough dedicated human resources and the necessary associated skills.

But when it is implemented, it helps the procurement organisation to optimise its procurement system.

In relation to the evaluation of performance measures and the effectiveness of the procurement system, there are often common indicators used by procurement organisations, such as for instance:

- Number of questions asked by candidates during the publication phase of the Call for tender
- Number of responses submitted to calls for tenders
- Number of Calls for tender closed due to a lack of bids or non-compliant bids; number of lots declared closed or unsuccessful
- Number of appeals
- Number of malfunctions reported by users
- Measurement of cost/time of the human resources in charge of the awards of contracts
- Measurement of procurement gains (implementation of the PAAT) and setting up of dashboards

Procurement performance is usually assessed at each step of the procurement cycle:

- Step 1) Expression of needs – this phase enables procurers to understand and describe their needs in functional terms. During this step, an inventory of needs is carried out either using inventory forms or any specific software, such as Okaveo.
- Step 2) Sourcing – this phase analyses whether suppliers are likely to meet the procurer's expressed needs and whether the economic operators are correctly being targeted. During this step, procurers can set up and write their procurement strategy, including the sourcing carried out and a SWOT analysis of suppliers. This document explains and summarizes the procurement strategy conducted by the procurers, enabling the sourcing to be traced (if needed for an audit) and providing the procurer with a previous preparatory work when the contract is renewed or the procurer changes. This step is also the right time to assess the market trends, regarding innovation, technological developments, any new user practices, etc.
- Step 3) Launching of the Public procurement contract – this phase allows procurers

to assess about the level of the comprehensibility of the technical specs from suppliers. Measurement indicators:

- Number of candidates that have submitted their bids
- Number of questions asked by economic operators in total during publication
- Percentage of compliant procedures

- Step 4) Bids analysis – this phase demonstrates the level of understanding of the specifications, by identifying the number of unsuitable bids. Measurement indicators:
  - Number of appeals to the administrative court. Generally, appeals are due to a malfunction in the bids analysis
  - Number of inappropriate bids, or bids that do not meet the requirement. Generally, it is due to a bad description of the requirement in the technical documents provided to the candidates

- Step 5) Negotiations – it is the phase that allows to integrate negotiations where appropriate
- Step 6) Contracts – it is the notification phase with assessment of economic performance. During this phase, procurers carry out annual contracts' reviews with the main suppliers by procurement area, to develop and improve the active listening to suppliers
- Step 7) Contract execution – this phase enables CSR performance to be assessed. During this phase, procurers use a form to report problems encountered and/or malfunctions identified in relation to the performance of a contract. Therefore, the correct use of this form makes it possible to quickly obtain a summary of the problems encountered on a given contract, to provide constructive feedback to the supplier and to implement corrective actions.

Tools of evaluation of the performance and effectiveness measures

Tools for financial management and for monitoring the financial performance with awarded suppliers (contractors) i.e : IBEXA, XRP

Tools for monitoring contract programming, steering and controlling procurement management, for example by introducing steering indicators, such as monitoring:

- CSR considerations by contract
- Number of innovation contracts
- Rate of use of procurement nomenclatures
- Periodic management dashboard (Excel) etc

Monitoring and steering objectives of the Procurement performance

The 2 recurring general objectives followed by public procurers are:

- Performance in terms of processes and practices
- Economic performance

When indicators are specifically defined by Public Procurers in terms of Procurement performance, these are generally split into 4 categories:

- *Indicators for monitoring and steering overall procurement activity*
  Mainly through dashboards, that list: Number of procedures; Number of amendments notified; Number of contracts; Number of suppliers who are contracts holders; Number of end-users; Mapping and volume of procurement; Monitoring of expenditure by procurement route; Rate of use of CPB; Rate of use of mediation etc

- *Indicators for performance monitoring (Procurement gains, CSR, innovation)*
  Mainly through dashboards, that list: Rate of contracts with CSR considerations; Rate of SMEs holding contracts; Monitoring of payment deadlines; Procurement gains declared in year N; % of gains achieved (yearly objective and by procurement area), etc.

- *Indicator for mapping and monitoring non-contractual expenditure by healthcare institutions (share of procurement made outside of already established contract by the procurement organisation)*

- *Indicator for monitoring the economic dependency rate of suppliers (who are contracts holders)*

Risk management tools

- Risk mapping by procurement area, to list all the specific risks that apply to each procurement area, along the procurement cycle
- CSR risk mapping by type of procurement (furniture, biology, etc.)
- Quality approach, through the implementation of internal controls for the procurement and legal departments, with ISO 9001 certification for example, Management and steering of the quality process using software such as BluKango https://www.bluekango.com/fr/

Accountability mechanisms and tools

Various accountability tools are often used by public procurers, particularly for the following categories of mechanisms:

- *Tools for control mechanisms*
  Through the validation of the PAAT and the État Prévisionnel des Recettes et des Dépenses (EPRD).

- *Tools for penalties and complaints management*
  - Use of dashboards to monitor legal disputes and litigation and to monitor mediation procedures
  - Use of a form to report problems identified by the procurement team during the contract performance monitoring
  - Use of a ticketing tool to record all questions, remarks and complaints from end-users
  - Use of a dedicated email address to alert users of any identified ethical risks

- *Tools for internal and external controls*
  Implementation of internal control processes in the legal and procurement departments for monitoring the management of procurement projects (planning).

Private perspective

Processes of evaluation of the performance and effectiveness measures

- Organisation of procurement steering committees to evaluate the procurement performance at all stages of the procurement cycle
- By measuring the end-user satisfaction about the products/service procured

Tools for evaluation of the performance and effectiveness measures

- Conduction of surveys and contracts review meetings
- Definition of performance indicators with the creation of a dedicated team to monitor performance indicators
- RFAR Label certification

Monitoring and steering objectives of the Procurement performance

These 8 general objectives are generally the most important ones for procurers, and may be weighted differently:

- Economic performance
- Environmental and social performance
- Supplier performance (promoting access for SMEs)
- Logistics and supply chain
- Service quality performance (innovation)
- Performance in terms of processes and practices
- HR performance
- Purchasing performance and innovative purchasing

Key practices of procurement performance in France

Workforce professionalisation

Public perspective

Assessment tools for procurers

- Carrying out annual assessments with procurers to identify their potential individual or collective training needs
- Submitting questionnaires to procurers to target their training needs

Training tools for procurers

There is a lack of resources and expertise in terms of healthcare procurement, therefore it is essential to dedicate budget to train the procurement teams. To guarantee the standards of professionalism required for procurers, and to achieve effective procurement management, it is important to continually develop the technical skills of the professionals involved in the procurement process, through different tools, such as:

- Recommendation of appointment of a methodology consultant in each GHT – based on the methodology guide for the Procurement function within GHT, developed by the DGOS
- Setting up onboarding programmes for new procurers, with training modules, to ensure a common knowledge base among staff
- Getting the support of public procurement legal experts to ensure that the rules of the public procurement code are properly applied and raising awareness of the main rules of the Public Procurement Code among procurers, for those who are coming from the private sector
- Setting up specific internal and external training courses for procurers to acquire technical skills and cross-disciplinary skills and new: process, methods, toolboxes, familiarisation with tools relating to public procurement, training courses on sustainable procurement, management, personal development skills, IT tools etc
- Programming in-house regular webinars on legal issues to update procurers about new regulations in public procurement
- Organisation of events giving procurers the opportunity to take part in working groups, attend seminars and conferences, and share experiences

Private perspective

Tools used for the workforce professionalisation

- Training tools: Regular in-house and external training for buyers
- Events participation, such as professional seminars or conferences

Diagnostic of performance

Main processes used for the diagnostic of performance

Streamlining costs	Time to respond	Other
No formalised processes neither tools, but sometimes cost rationalisation is monitored (not systematically) and calculated by the buyer and/or procurement management controller. This may be reported in the PAAT.	No formalisation of processes neither tools outside the regulatory deadlines set out in the French Public Procurement Code.	Internal tracking and monitoring of procurement cycle performance using dashboards and selected indicators.

Supplier performance

Public perspective

Main processes used about the supplier performance

- Implementation of annual supplier reviews carried out by procurers with main suppliers or strategic suppliers
- Implementation of a supplier evaluation system with performance quality monitoring sheets, performance quality evaluation questionnaires completed by users and/or satisfaction questionnaires

Main tools used about the supplier performance

- Use of a specialised supplier mapping software, providing clear visibility of the number of suppliers, the geographical distribution of suppliers and the type of company, such as Okaveo https://www.okaveo.com
- Use of online tools such as Microsoft Forms or Google Forms for satisfaction surveys
- Use of a dedicated internal financial management tool for financial monitoring

Private perspective

Main processes used about the supplier performance

- Organisation of regular meetings with end-users and suppliers
- Setting up negotiation processes with suppliers

Main tools used about the supplier performance

- Conduction of satisfaction surveys to end-users about suppliers quality
- Conduction of mediation meetings with suppliers, if needed
- Management of claims
- Microsoft Power BI data visualization
- Software for project management and CRM such as Monday https://monday.com/

Procurement routes

Public perspective

Main procurement routes

Central Purchasing Bodies (CPB)	Group of Healthcare facilities
It is recommended to procure through CPB in France. Indeed, CPB are considered as a working tool for buyers. Depending on the need identified, the procurer chooses the most appropriate option: · Launching a local procedure (contract launched by the healthcare facility) · Procuring through CPB (mutualisation of procurement contracts) Joint purchasing through CPBs is recommended for all types of products and services, if the offer is proposed by the CPB. **Reasons why procuring through CPB is recommended:** · Overall procurement performance: economic performance, sustainability, supplier relations, etc. For instance, CPB promote a better economic performance and more precise relevance of the offer (response to needs, weight of the CPB vs. suppliers) · Overall mutualisation: procuring through CPB enable the healthcare facilities to mutualise their ressources, expertise and shared experiences. · Easy-access and time savings: less time spent drafting specifications and, as a result, procurers are less overburdened with complex tasks linked to managing the legal aspects of public procurement · Reduction of legal risks for the healthcare organisation · Optimisation of costs and economy of scale: procuring through CPB allows healthcare organisations to benefit from better prices at a national level thanks to the large volume of purchases	**Reasons why Public Procurers do procure through Group of Healthcare facilities:** · Mutualisation of procurement and economic performance: in France, GHT have been set up to mutualise supporting functions, including procurement. That way, 1 main healthcare facility manages the procurement of the other facilities that are part of the same GHT, by legal obligation · Time savings for procurers: since there is only 1 joint procedure, instead of several local procedures · Feedback from experience shared with other healthcare facilities

Nota bene:There is no hospital procurement carried out directly by the Regions, but rather via Groupements de Coopération Sanitaire (GCS), which are Regional Health Cooperation Groups, as part of a regional dynamic and enable efforts and costs to be mutualised.

Innovative procurement approaches

Public perspective

When innovative approaches are adopted in Public Procurement in Healthcare, we can observe the following common habits among procurers:

Sourcing of innovative solutions

- Launch of a specific sourcing programme for suppliers of innovative solutions
- Development of dedicated tools and processes for innovation sourcing: forms, supplier meetings and demonstration of innovative solutions
- Constitution of a dedicated innovation unit, attached to the procurement team, to better support procurers in identifying, evaluating, procuring and disseminating innovative solutions
- Development of a network/ecosystem of partners specialising in innovation in healthcare: cluster, national agency, living lab, healthcare facilities innovation department, etc.
- Participation to events dedicated to innovative solutions on the health sector, such as SantExpo, MedInTechs, France Biotech events (Trophées de la e-santé; Healhtech connexion day), Medicen Day, BIG from BpiFrance, AI for Health, etc
- Organisation of events to promote the innovative solutions of companies awarded with public contracts (webinars, conferences, newsletters, catalogues, B2B meetings etc.).

Use of public procurement code procedures for innovative purchasing and other practices

- Use of Dynamic Purchasing System procedure
- Use of the Innovative Purchasing French Decree no. 2021-1634 of December 13th, 2021, on innovative procurement. This Decree[37], as a French specificity, allows procurers to award innovative works, supply or service contracts worth less than €100,000 excluding VAT, without prior advertising or competitive tendering
- Development of internal procurement practices to promote the procurement of innovative solutions: Allotment; Innovation criterion; Technical Response Framework with an innovation section; Functional description of the requirement; scoring scale giving more importance to technique/innovation rather than price; Creation of a Guide for SME and startup to support them submitting bids to public call for tenders; Extending the duration of the consultation to give companies more time to respond (particularly start-ups and SMEs); Direct collaboration with innovative suppliers

Deployment of incentives to promote the signature of contracts for innovative solutions

- Setting up a guaranteed pre-order mechanism to ensure a minimum order quantity for the company (in the case of a procurement done by a CPB)
- Sharing the financial risk between the healthcare facility and a funding body, by benefiting from an external funding for the pilot phase to enable the healthcare facility to test the innovative solution before its final and definitive procurement
- Implementing the buy-resell model, offered by some CPB like Resah for instance. This model reduces the delay of payment to the company (30 days maximum) and therefore secures the treasury of the company

Value-Based procurement

- Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among public procurers:

[37] *Decree n° 2021-1634 du 13 décembre 2021 relatif aux achats innovants et portant diverses autres dispositions en matière de commande publique is available online* https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000044487851

Main processes of implementation	Main reasons of non- application	Main outcomes
Needs analysis process; "Full cost" approaches in calls for tender; Definition of the Patient Reported Outcome Measures (PROMS) and Patient Reported Experience Measures (PREMS) collection process; **Main VBP tools** Guidebook dedicated to the new VBP approach, such as the ne untitled Understanding value-based procurement - a new approach to purchasing, developed from Resah and available online in English https://www.euriphi.eu/wp-content/uploads/resah-editions-guide-value-based-procurement-eng.pdf ; Documentary resources available on the website of the Value-Based Procurement Community of Practice (VBP CoP) https://www.vbpcommunity.eu/ ; Digital tools for data collection, for instance PromTime https://www.promtime.org/en/home/;	Lack or difficulty in implementing measurement tools or/and data collection tools for VBP; Lack of technical capacity and human resources and need for greater maturity among procurement team; For some healthcare facilities, VBP approach is not a priority in the roadmap	For some healthcare facilities, the VBP calls for tender have been launched very recently, so they are extracting the lessons learned before repeating the experience; Development of tools dedicated for the VBP: collection tools for PROMS and PREMS Observation of improvements in working conditions and patient care

Private perspective

When innovative approaches are adopted in Private Procurement in Healthcare, we can observe the following common habits among procurers:

- Creation of a dedicated innovative procurement unit
- Constant business intelligence of innovative solutions / benchmarks

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Public procurers:

Main standards of reference	Main processes implemented
Standards resulting from the application of legislative obligations at national level in procurement strategies: **SPASER** it is part of a sustainable procurement policy that aims to ensure that public procurement contracts are sustainable, economically, environmentally and socially **PNAD 2021-2025:** roadmap that sets out the ambitions and objectives of public procurement in terms of sustainable development **Other standards of reference:** International level : 17 Sustainable Development Goals of the United Nations European level: Standards of the European REACH regulation (medical devices and pharmaceutical products) National level : Governmental Sustainable Procurement Guide (DAE)	Creation of a dedicated procurement team for Environmental and Social Performance Creation of a dedicated **Sustainable Hospital Procurer's portal** that offers a complete package of services dedicated to sustainable procurement for health facilities, such as the Portal of the Sustainable Hospital Procurer from Resah **Roadmap setting up and deployment of a sustainable procurement policy:** · Publication of a CSR policy; · Publication of a Logistics Policy; · Regional Sustainable Procurement Days; · Ethics chart **Adapting the Calls for tender:** · Inclusion of a questionnaire on the company's commitments to sustainable procurement in the CRT (technical response framework) · Introduction of a sustainable development criterion; · Introduction of social inclusion clauses

Monitoring tools for Sustainable Procurement	Training tools for Sustainable Procurement
RFAR certification: the only official Governmental label recognising the compliance of its practices with the international standard ISO 20 400 "sustainable procurement – guidelines" **Creation of a Social and Environmental Risk Matrix to help procurers address environmental and social issues in their calls for tenders:** the risk analysis is crucial to the ISO 20400 and 26000 standards on sustainable purchasing and CSR. This tool can be used to map risks (and opportunities) of each procurement area/sector, to determine which stages of a product have the greatest CSR impact and require the greatest vigilance from the procurer. **Sustainable dashboard setting up with indicators**	**Implementation of dedicated training courses for procurers on sustainable procurement topics with certified training organisations:** process, waste management, water treatment etc. **Publication of Guides** to provide means and solutions that will make the transformation possible for the public buyer. These guides provide tips and good practices in terms of sustainable procurement . For instance, Resah has published a range of useful Guides available online on several topics to support Hospital procurers.

Private perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Private procurers:

Main standards of reference	Main monitoring processes followed	Monitoring tools for Sustainable Procurement	Training tools for Sustainable Procurement
CSR barometer Integrating the notion of sustainable development into Calls for tender	Use of a specialist assessment laboratory	Evaluation of suppliers Evaluation of products/ services	Training on sustainable procurement Sustainable procurement and risk mapping

Security of supply

Public perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Public procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
Logistics and stock management: Setting up logistics platforms on different scales; Larger stocks; Optimised stock management and weekly monitoring of supplies; New requirements concerning suppliers' production capacities for manufactured products and remote storage facilities. **Procurement contracts strategies:** Multi-award framework agreements for "critical" products/services; and Requirement for transparency in the event of default by the successful tenderer and for an alternative solution in the event of shortage. **Increased awareness of risks among procurers and sharing of best practices,** particularly about drugs, through dedicated working groups; Internal control procedures to identify and control the risk of product shortage.	**«Plan Blanc»** each healthcare facility has its own crisis plan, known as "Plan blanc", it immediately mobilises the resources of all kinds at its disposal in the event of an influx of patients, or to deal with an exceptional health situation. **Buffer stock: reduction the risk of stock shortages** The main advantage of the buffer stock is that it acts as a safety stage against stock shortages. In the event of unforeseen fluctuations in demand or delays in deliveries from suppliers, a buffer stock means that supply can continue without interruption.	Categories of healthcare products with strategic stocks: · Drugs · Medical devices · PPE such as masks

Private perspective

On the Security of supply management in the Healthcare sector, we observe the following implementation of main shortage prevention techniques among Private procurers:

- Use of the Hospistock digital platform https://www.mapui.fr/hospistock/ to manage and communicate in real time on stock levels and shortages
- Direct relations and regular communication with suppliers
- System of alert management

Digitalisation

Public perspective

Regarding the digitalisation of Public Procurement in the Healthcare sector, we observe the following common habits among procurers:

Tools for digitising the procurement life cycle

- Integral procurement information system: for all procurement activities, from defining requirements, through sourcing, publication, analysis and notification of a contract, including all procurement and payment activities
- MARCO https://www.agysoft.fr/ ; OKAVEO https://www.okaveo.com/ ; NINOX for Procurement contracting / procurement management / procurement monitoring
- E-EPICURE, for needs identification and calls for tender analysis https://www.pharmatic.fr/acheteurs-hospitaliers/eepicure

Administrative tools for e-procurement:

- Maximilien: Online platform for publication of Calls for tender and public contracts https://www.maximilien.fr/
- PLACE: Online platform for publication of Calls for tender and public contracts https://www.marches-publics.gouv.fr/entreprise
- CHORUS: Invoicing tool for public procurement https://portail.chorus-pro.gouv.fr/aife_csm

Logistical tools for procurement:

- Copilote: Inventory management, product logistics
- Hospitalis: Supply chain, supplier exchange portal

Internal IT tools for procurement data management:

- Microsoft Power BI, Microsoft Excel, Microsoft Teams
- SEMAPHORE: Procurement Information System for Sustainable Procurement Hospitals
- Cpage : Electronic Document Management, Financial Management

I*T tools for supplier sourcing:*

- Nukema: to simplify supplier sourcing https://sourcing.nukema.com/
- HOSPITALIS: portal for exchanges with suppliers

IT tools for supporting procurement procedures:

- Maximilien, PLACE: Online platforms for publication of Calls for tender and public contracts
- MARCO is a software that digitizes the procurement lifecycle, from needs analysis to the execution of the contracts, including drafting tender documents, sending out notifications, analysing bids and managing the process
- eEpicure is a software that manages the consultations from the definition of the requirements and the quantification, until the awarding phase

Other IT Tools:

- Web page www.achatspublics.com: service provider dedicated to public procurers
- Microsoft Sharepoint : Electronic document management and internal archiving

Private perspective

Regarding the digitalisation of Private Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools:

- EDI Electronic data interchange
- E-catalogues of CPB

Supplier's perceptions on both Public & Private procurement in France

Procurement information accessibility

Public perspective

Tools & methods used for call for Public tenders monitoring

Monitoring tools and setting up alerts for Calls for tender

- WANAO and DOUBLETRADE: use of public procurement monitoring platforms developed by specialist service providers https://wanao.com/ and https://www.doubletrade.com/ These platforms work with keywords corresponding to suppliers' areas of interest and enable them to be alerted in good time to publications of invitations to tender.
- BOAMP, JOUE and legal notices : official websites for publication of public tender, at national and European levels
- Websites for public procurement notifications : PLACE, Maximilien, Marchés online, e-marchespublics.com, achatpublic.com, achat-hopital.com...

Organisation and in-house monitoring

- Monitoring the end of public contracts, to anticipate as far as possible, the next publication
- Implementation of a retroplanning system to ensure a better preparation
- Dedicated team per geographical area to ensure optimal monitoring
- Communication: direct exchanges with current/historical customers

Accessibility of Public procurement information:

In general, here is the information that suppliers consider to be missing, or incomplete, as far as public procurers are concerned:

Key contact details and organisation chart updated

- General contact details and names: e-mail address valid for the duration of the contract
- Detailed contact details for all contacts, as there are sometimes several people to deal with
- Homologation of calls for tender names and facility names

Procurement strategy

- Calls for tender schedule and retroplanning with clear deadlines
- Visibility of the criteria on which suppliers are evaluated
- Greater visibility of regional procurement groups

Results of the Calls for tender

- Detailed results of the consultations with the amount of the lots awarded
- Transparency in unit price notifications

Private perspective

Tools & methods used for call for Private tenders monitoring

No tools have been identified, it is all about a direct contact between private procurers and suppliers.

The identification of private procurers seems to be more complicated than for the public ones, it is necessary to build commercial relations beforehand with Private Procurement groups. To do so, many suppliers develop a close relationship with private procurers and have account managers appointed for each one. Once a commercial relationship has been established, suppliers and private procurers organize regular meetings to discuss and to define/redefine the tender calendar.

Since there is no obligation of official publication for private tender (unlike the public ones) some private procurers reach out companies with the aim of building a long-term relationship. Indeed, sometimes private procurers send to suppliers the Calls for tender by email to inform them. Also, the publication process for private tender is not standardized neither centralized as for public tenders.

Accessibility of Private procurement information:

In general, here is the information considered missing or incomplete by suppliers, as far as private procurers are concerned:

- Procurement strategy at national and local level and how private procurers operate between local and national levels
- Estimation of volumes and potential competitors and projects
- Lack of clarity on private procurement groups

Transparency and ethic

Public perspective

Positive feedback	Negative feedback
Compliance with the French Public Procurement Code and other commitments from public procurers: Confidentiality compliance and impartiality; Compliance with the French legislation "Sapin II" and the MedTech's Code of Ethical Business Practices;	**Some public procurement procedures appear to be less "transparent" to suppliers:** Negotiated contract instead of public consultations; restricted procedure such as negotiated contract without competition Sometimes, suppliers face the end-users' reluctance to change brands for a new one

Private perspective

Positive feedback	Negative feedback
Trustful business relations built with fulfilled contracts with private procurers	**Lack of transparency in some areas:** There are no common rules set, it depends on each procurer and the procurement volume that each supplier represents. The negotiation is based on a private contract and the terms of competitors' contracts are not published. The referencing criteria are not declared and might be not the same for all suppliers.

Relationships quality with procurers

Public perspective

Positive feedback	Negative feedback
Organisation of sourcing meetings, beforehand tender publication: Suppliers have the possibility to meet the public procurers during sourcing meetings. These sourcing meetings allow suppliers to organise themselves to meet the procurer's needs as closely as possible.	**Lack of time during sourcing meetings:** Sourcing meetings are not always held and, in this case, supplier may have to amend the contract. The time allocated for these sourcing meetings as part of contract preparation is often far too short to cover all the issues (technical, financial and innovation).
Good and regular relations between suppliers and public procurers: Regular communication with contracts coordinators from procurers to organise meetings and sourcing meetings. **Dedicated contacts within the procurement organisati**	**Public procurers are rarely available for meetings with non-awarded companies after the tender notification.**

Private perspective

Positive feedback	Negative feedback
Partner business relationships with a commitment to follow-up on both sides: Organisation of regular business review meetings with procurers. Availability of procurers, good communication on collaboration projects at short, mid and long term. Constructive discussions on continuous improvement topics (supply chain, CSR, etc.).	**Private procurers are often looking for lower prices, the most attractive prices, but sometimes to the detriment of the quality of the product or service.**

Needs and expectations

Public perspective

Positive feedback	Negative feedback
Public procurers are generally clear about their technical requirements thanks to the sourcing meetings: Accuracy in their tender documents such as the unit prices list and catalogue of requirements. Organisation of sourcing meetings before the tender's publication, during these meetings, suppliers get a clear description of the technical specifications and needs from procurers. Use of software by healthcare facilities that make possible a quantification of needs.	**Sometimes, quantifications are not precise but only estimative which result a challenge for suppliers:** Quantifications mentioned by public procures are not contractual and they do not necessarily reflect the reality, which means that manufacturers cannot necessarily base their sales forecasts (and therefore their supplies and production) on these quantities. It could have a gap between quantifications tendered and actual ones consume, this lack of adjustment may conduct to many questions asked on the platform by suppliers. Sometimes, procurers reuse old wording (from previous tenders) without considering the updated needs of users.
	Scoring system and the outcomes of the call for tenders Details of the scoring are not always accurate, particularly the scoring method. Sometimes, results of tenders are far too late to allow the manufacturer to review its manufacturing and/or supply forecasts, which could lead to disruptions. Sometimes there is a lack of communication between users and procurers. Also, a lack of specific or technical skills from procurers can lead to misunderstandings and specifications with unrealistic or incomplete requirements.

Private perspective

Positive feedback	Negative feedback
Private procurers needs are usually well expressed in the specifications, but it is not always the case among all private procurers: Sourcing meetings beforehand publication of tenders are useful for both parts. In general, technical specs are accurate and well described. Good communication of user expectations from private procurers.	**Priority seems to be given to prices than user's needs.** Private procurers are more likely focused on price (supplier's reference) than on user's needs. User's needs are rarely expressed, and price quotations are generally requested based on a reference or its equivalent. Sometimes, there is a lack of a detailed description of the needs. Sometimes, quantifications announced by private procurers are not realistic, it is only an estimation, this lack of precision could have an impact on business forecasts for the suppliers.

Sustainability requirements

Public perspective

Positive feedback	Negative feedback
Better anticipation of CSR aspects from companies When companies have already put in place CSR tools and a CSR policy, there is an alignment between the public procurer's criteria and the supplier's proposal. Indeed, sourcing meetings represent an opportunity for companies and procurers to discuss and align their CSR requirements.	**Complex integration of CSR criteria into calls for tender and difficulties faced by suppliers in terms of CSR criteria** Sometimes procurers demand on CSR requirements are not necessarily adapted to companies or are out of step with the market. To solve this issue, it would be appropriate to develop a dedicated tool for rating the CSR aspects of suppliers for calls for tender. Suppliers are looking for more transparency with the implementation of a sustainability scoring to compare the products of different suppliers, based on objective criteria and considering all aspects of sustainability. CSR questionnaires included in tender documentation are usually tedious to distinguish a CSR policy from one company to another. In addition, they can be time-consuming for suppliers and are sometimes weighted too lightly, it means that CSR criteria are under-rated. The weighting of CSR criteria in calls for tender is often around 5%, and therefore has too little impact in the whole tender. Sometimes there is a lack of consistency in CSR criteria between several CSR questionnaires. Sometimes, existing gap between CSR requirements to suppliers and several delivery terms, that may lead to a proliferation of deliveries. Public procurers are increasingly demanding for product lifecycle analysis (CSR), however, the product lifecycle analysis is often a costly and complicated process for companies. It is also difficult to calculate the carbon footprint per lot.

Private perspective

Positive feedback	Negative feedback
Requests from private procurers are generally open and based on sustainability capacity companies	**Supplier's sustainability is not valued enough among private procurers** In terms of sustainable requirements, it seems that there is a delay on the private sector compared to the public sector, which seems to be more advanced. Sustainable criteria are very often low weighted, compared to price criteria. Lack of a transparent grid of the level of expectation on sustainable requirements; Sustainable criteria and CSR questionnaires are not homogeneous among all suppliers/ all tenders
	Need for private procurers to develop more the sustainable requirements in tenders Need for more general sustainable criteria, at a macro level, likewise the European label Ecovadis for instance. Need for more co-construction of technical specifications, including a monitoring of performance criteria.

Innovation promotion

Public perspective

Positive feedback	Negative feedback
The advantage of sourcing meetings During the sourcing meetings held by procurers prior to the tender publication, companies could showcase all their innovative products and services. Indeed, these sourcing meetings give the possibility to the procurer to clearly define his need in terms of innovative products/services.	**The complex integration of innovative criteria in calls for tender and difficulties faced by suppliers in terms of innovation criteria** Some procurers seem reluctant to promote innovation in their calls for tender. Value-based procurement (VBP) tenders are not frequently launched. It is difficult for suppliers to promote the value of their solutions and therefore to promote innovation, but the VBP calls for tender should be able to remedy this. Possible mismatch between specifications that are sometimes too restrictive and suppliers' product innovations. Sometimes companies are unable to offer additional ranges that include product innovations because of the nature of the specifications. If the buyer's specifications are too restrictive, the supplier is forced to focus on meeting the need, with few margins to include its innovation. To better differentiate between innovative aspects of a solution, with incentives that would result in bonuses depending on the innovative nature of the solution. When there are imprecise or unknon quantifications in tender, it is difficult for suppliers to introduce innovations.

Private perspective

Positive feedback	Negative feedback
Openness and flexibility of private procurers for innovative solutions: Companies can introduce their innovation during the sourcing meetings, before the publication of the tender. The contractual flexibility of private procurers makes it easy to associate innovative services and/or products. Indeed, suppliers have generally the option of adding their innovations during the contract.	**Innovation requirements go after price requirements:** Innovation criteria are not applied homogeneously by procurers and generally they do not prevail over other criteria, such as the price criteria. Indeed, the financial factor too often takes advantage over the value of the solution. Negotiations are mainly based on prices and discounts, rather than on the level of innovation of the solution. Private procurers mainly ask for certifications or labels that concern the company but not the solution.

Barriers identified

Public procurement

Large disparity of procurement processes among public procurers

- Existing disparity among public procurers (such as CPB) in terms of operating processes, communication and reporting tools
- Complexity of the administrative processes used by public procurers which forces suppliers to appoint specific human resources for managing calls for tender, which lead to increase the workload and reduce company's profitability
- Sometimes the lack of human resources within public procurement organisations makes communication and execution even more complex

Administrative burden, workload and complexity of procedures

- About the tender schedule: in general, deadlines to submit a bid is very short, in addition, there is always many documents to be submitted, which is time-consuming for companies. Indeed, submitting an offer often requires a lot of commitment and coordination from companies
- The administrative complexity and the huge investment of time required to submit an offer is even more important for small businesses
- Procurement procedures are considered complex, even though when the procurer need is clear and easy to be met by a supplier

Lack of precision on certain aspects of calls for tender

- Companies need a better understanding of the reasons why their lots are not selected, with more accurate explanation from procurers. Not-awarded companies would like to have the possibility to have an official and constructive feedback from public procurers
- A better framework for the application of costs and risks when it comes to supply chain shortages and a clear definition of cases of force majeure
- A better framework for the application of price increase during the execution of a contract, in case of inflation (raw materials, logistics costs, energy, etc.)
- Quantifications are not contractual, which represents a strong difficulty for companies to do accurate volume estimation
- Need for a full-cost approach from public procurers and considering the solution's patient/institutional benefits

Private procurement

- Predominance of price requirements, such as attractive prices for the major players. Indeed, the economic performance and the profitability seem to be the priority for the private procurers. They usually negotiate lower prices, which could lead the supplier to financial difficulties
- Large suppliers are often favoured, compared to smaller ones, because they can offer a large product portfolio, with a wide range of commercial products
- Procurement processes among private procurers are not the same, which is an additional difficulty for suppliers and time-consuming
- Observation of an existing gap between the industry practices and the procurers demands, for instance in the medical biology sector
- Lack of alignment between procurement departments and end-users, depending of the level coverage of the procurer

Success stories

Public procurement

Collaboration with public CPB help suppliers to increase their market share

- Observation of a correlation between supplier working with CPB and the consequent growth of supplier's market share within healthcare facilities
- A significant proportion of supplier sales are generated by CPB, indeed, many suppliers are present and work with the main CPB
- The awarding of public contracts by CPB, or regional procurement groups, gives more visibility to suppliers at a national level

Improvement of some practical aspects of contract management

- Introduction of supplier service criteria (market monitoring, training, logistics services) in addition to technical and economic criteria
- Interoperability of hospital contract management tools for procurers, particularly those used by pharmacists, use of online catalogue; integration of suppliers' bids transmitted in encrypted form

Private procurement

- Successful negotiations of prices increase with private procurers during inflation period
- Expansion of supplier's market share thanks to private procurement groups
- Business transformation of healthcare facilities through the introduction of innovative solutions proposed by suppliers as they become available
- Promotion of sustainable procurement through the development of refurbished solutions for procurers, instead of new equipment with maintenance service included

Covid-19 impacts and best practices in France

Main challenges faced during Covid-19 crisis

Public procurer perspective

Ensuring security of supply

During the Covid-19 crisis, public procurers faced supply chain shortages: masks were unobtainable, respirators were out of stock, and screening tests were delivered in very small quantities. The Covid-19 crisis has undermined the supply of some essential healthcare products and services, mostly those with production located in Asia, exposing healthcare systems to unprecedented situations. This crisis has accentuated the need to strengthen the resilience of critical supply in the healthcare sector.

Public procurers adapted to the emergency by doing flash procurement and dealing with fluctuating prices, which made it extremely difficult to maintain the best cost/quality ratio for products. Public procurers did everything to identify new suppliers, even if they had to renegotiate prices upwards.

The constant work, responsiveness and adaptability of hospital procurers ensured that care providers had the necessary tools they needed to face and overcome the health crisis on an unprecedented scale. It was a real challenge to guarantee supplies in sufficient quantity, of good quality, as quickly as possible, to avoid any form of shortage.

Formalising public procurement contr

Given the emergency of the supply situation, public procurers did not always can formalise their procurement contracts. In front of the risk of shortages, sometimes public procurers were not able to apply certain clauses of existing contracts (penalties, purchases on account, etc.) and found it difficult to maintain the same procurement conditions.

Private procurer perspective

Managing shortages and the consequent mental workload of healthcare professional

In general, the procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis, was for:

- Breathing apparatus
- Personal protective equipment (PPE)
- Funeral covers
- Hydro-alcoholic gel

Supplier perspective

Travel restrictions due to Covid-19 crisis and limited availability of professionals

- Adaptation of the company's internal organisation (remote / face-to-face) due to mandatory confinement and curfews. It was impossible to conduct product evaluation, even product trials, because of the very limited physical access to facilities (customer)
- Very few face-to-face meetings with procurers have happened during the crisis, which added complexity while explaining the offer to the procurers, or while providing clinical guidance to the end-users. In fact, many contacts or meetings was held remotely
- Organisational difficulties such as lack of availability of Human Resources (Covid-19 cases) for companies and difficulty to maintain their activity. Indeed, it was hard to find availability among technician team for instance

The "almost impossible" challenge of suppliers to meet their contractual commitments with procurers

- Difficulty for suppliers to meet with procurers' contractual requirements, particularly in terms of logistics, volume and prices. It

was very difficult, and sometimes impossible, to maintain the expected delivery services and deadlines. In addition, suppliers were struggling in meeting with their volume commitment and sometimes they could not guarantee enough supplies and same prices
- Due to the exceptional health crisis, the market needs were much higher than the supply capacity of companies
- Suppliers were facing at the same time, regular shortages of products, inflation in production costs and raw materials, and failures of some subcontractors. Indeed, the supply of some critical products was very complicated during the crisis, due to the cessation of activities of some subcontractors

Need for a quick adaptation from both sides, procurers and suppliers due to Covid-19 crisis constraints

- At the beginning of the crisis, suppliers struggled when procurers refused to receive photos of samples, while travels and face-to-face meetings were extremely limited. Then, samples were sent to the head office of the organisation, but most of the time no professional was on-site (home office)
- Some contracts signatures were still requested by procurers to be on paper documents despite of the crisis, then it became possible to do it with an electronic signature
- Procurers made a lot of requests for contract extensions and new pricing conditions.
- During Covid-19 crisis, companies quickly adapted themselves to all changes in legislation, in a context of health crisis, with a lot of economic and political pressure.
- Suppliers have demonstrated a high level of reactivity when submitting their offer, even though volumes needed were higher than before. Suppliers rapidly installed and deployed the new solutions to the end-users, and provided maintenance when needed
- Companies conducted regular stocks monitoring and frequently checked their capacity to produce and deliver products/services to end-users
- It seems that individual public procurers were less organised than CPB for instance, during this crisis

New procurement practices due to Covid-19 crisis

Public procurer perspective

New practices aimed at guaranteeing security of supply throughout the procurement cycle

During the contracting phase, and more specifically during the analysis of tenders, greater importance is now being given to securing supplies and delivery times, to avoid supply disruptions for the most critical products, such as personal protective equipment (PPE). To deal with this, some public procurers have chosen to create stocks of so-called "critical" products. For example, **in some hospitals, the "Plan Blanc", which defines the crisis management procedures in a healthcare facility, has been updated to include an annual inventory of stocks of the most "critical" PPE.**

Among hospital procurers, there has been a general awareness of the fact that production sites for "critical" products, which are largely located in Asia, were subject to supply disruptions during the Covid-19 crisis. From now on, control of the supplier panel is key for all hospital public procurers, as is **the inclusion of additional logistical and environmental clauses to mitigate any supply difficulties.** For example, to limit as far as possible the procurement of manufactured products from Asia, public procurers can include an environmental clause relating to use of water, waste treatment, and things like that which are more likely to be implemented by European manufacturers than by other manufacturers who are not subject to the same environmental standards. Measuring the amount CO2 emitted during transport taking into consideration geographical location (the farer you are, the lower is the note) seems prohibited by European law.
In addition, many public procurement contracts for these "critical" products (but not only) are sometimes awarded on a "multi-award" basis, enabling several suppliers to cover the same procurer requirement. Multi-award contracts increase the diversification of supply sources (thanks to compulsory allotment, several companies can be awarded contracts), reduce the procurer's dependence on a single supplier and therefore reduce the risk of disruption. **"Cascading multi-award"** contracts may appear as a tool for guaranteeing security of supply but is also difficult to implement in hospitals for critical products such as medicine or some kinds of medical devices (need to change care protocol, to train medical staff with the new product, etc.).

Another mean to avoid shortages, is to use a **"geographical location clause"** (article L. 2112-4 of French Public Procurement Code). Such clause allows to impose, in public tenders, production capacities dedicated to the performance of the contract to be in European Union to take into consideration environmental or social matters or to ensure security of supply. Such clause is however subject to legal conditions so that it is more likely to be used at a national level than at a local level.

Prior to the contract execution phase, **public procurers carry out an in-depth analysis of the financial situation of suppliers, paying particular attention to their financial health.** Then, during the execution of the contract, the **approach to price increases by suppliers is managed in a different way, and price review clauses are now more appropriate.** In addition, **the process of active listening to suppliers is now more important than before Covid-19 crisis.** Overall, public procurers have greater control over price revisions, they have developed better order optimisation and order management, and some have considered setting up logistics platforms.
During the evaluation phase, the **need to assess suppliers' quality of service was identified as an essential step by public procurers.**

Private procurer perspective

Setting up an alert system to manage stocks of "critical" products and diversifying sources of supply

During the contract execution phase, due to the Covid-19 crisis, "critical" product ranges are now generally controlled with stock alerts, and are mainly procured with a multi-referencing system, which limits the risk of supply disruptions.

New policies implemented in the Healthcare procurement

Public procurer perspective

Development of the sovereign procurement policy through "sovereign" production

Launching of a sovereign procurement strategy through the creation of national procurement networks with local production.
For example, as part of a consortium, a national public CPB has set up a sovereign procurement project by developing a specific service in order to secure the supply of nitrile gloves to French healthcare facilities. This offer enables public and private not-for-profit health establishments subject to the public procurement code to obtain supplies of nitrile gloves manufactured in a French factory.
Useful link : https://www.resah.fr/le-resah-etait-present-lors-de-linauguration-de-lusine-francaise-de-gants-nitrile-situee-a-besse-sur-braye/

Encouraging local procurement, without derogating from the Public Procurement Code

It is possible to favour local suppliers, for example, by including social and environmental clauses, while complying with the Public Procurement Code.

This is set out in the Loi Industrie Verte (Green Industry Act), which aims to improve the Public Procurement Code to take greater account of environmental considerations, by giving greater preference to environmentally virtuous products. This law reinforces the need to consider the qualitative, environmental and social aspects of bids when awarding public contracts. As a result, the procurer may refer to binding requirements that are likely to be favourable to local businesses, when determining the technical specifications or performance conditions of the contract.
Useful link : https://www.economie.gouv.fr/actualites/que-contient-la-loi-industrie-verte#

Price revisions relating to price changes

Publication of the Circulaire Castex in March 2022 on the performance of public procurement contracts in a context of rising prices for certain raw materials.
Useful link, Circulaire Castex – French Prime Minister, March 2022 : https://www.economie.gouv.fr/files/files/directions_services/daj/marches_publics/conseil_acheteurs/Circulaire-30-mars2022.pdf?v=1650551616
Publication of the Circulaire Borne in September 2022, revoking the Circulaire Castex, on the performance of public procurement contracts in a context of rising prices for certain raw materials. This Circulaire reaffirms the requirement for government departments to award contracts at reviewable prices when these relate to services exposed to major economic hazards, and again commits them not to apply penalties when companies are prevented from meeting contractual deadlines due to shortages or price rises.
Useful link, Circular Borne – French Prime Minister, September 2022: https://www.fntp.fr/sites/default/files/content/publication/circulaire_borne_29-09-2022_-_modifications_des_prix.pdf

Best practices

Best Practices promoted by Public Procurers in response to the Covid-19 crisis		
Modification of price review clauses and reinforcement of variation clauses A price variation clause allows the price of "adjustable or reviewable price contracts" to be modified to take account of economic variations. According to the French Public Procurement Code, the safeguard clause allows the public procurer to terminate, without compensation, the unperformed part of the services when the revised price exceeds the planned safeguard. It can therefore terminate performance of the contract.	**Application of buy-on-account clauses in the event of default** To deal with the risk of shortages in hospital procurement, several procurement groups have used a "buy on account" clause: if the drug is out of stock, it is up to the supplier to provide the quantities requested, even if it pays more for them, by obtaining supplies from another supplier.	**Multi-award tenders and diversification of supply sources** Based on the French Public Procurement Code, framework agreements may be concluded with one or more holders. A multi-award-winning framework agreement is a contract concluded with several holders, which must necessarily give rise to a reopening of competition prior to the award of subsequent contracts. One way of diversifying sources of supply is through compulsory allotment. Allotment consists of dividing a public procurement contract into lots, thereby facilitating access to public procurement for SMEs and encouraging competition between companies. In this way, several companies can be awarded, for different lots.

Best Practices promoted by Suppliers in response to the Covid-19 crisis		
Organisational best practices Adaptation and organisation of the companies to the constraints due to the crisis such as home office, availability of bid managers. Lessons learned on crisis management, regarding the process, the team reactivity, streamlining activities, use of modern resources, KPIs, interest of public health over financial considerations.	**Digitalization of the procurement cycle, both on the supplier and procurers sides** Dematerialization of tenders, both for publication (procurers) and for submissions (suppliers). All tender documents are available online on official online platforms. Also, most companies have by now implemented a SharePoint where they can share/upload the tender documentation remotely (on the cloud).	**Suppliers improvements and change management** Integration of a new value chain and development of new solutions: digital solutions to provide support to health professionals, even if it is remotely; supply chain solutions in order to optimize the end-users' workload and process; mobile solutions in order to operate easily off-site. Anticipation of tensions, risk management with subcontractors, dual sourcing and relocation of certain production units, to avoid any further shortages of raw materials. Implementation of distribution policy to avoid product shortages and anti-waste policy within companies.

Conclusions

Future of the National Public Healthcare system in France

Notable changes and trends of the Healthcare system in France

Public procurer perspective

Transforming the organisation of the healthcare system through innovation

- Centralisation of the healthcare system and healthcare facilities
- Inclusion of innovation since the publication of the Segur law on health in 2021 and creation of the Agence de l'Innovation en Santé (AIS) in 2022 to steer implementation of the health section of the France 2030 national plan
- Change of the access methods to medical studies by abolishing the numerus clausus determining access to the 2nd year of the 1st cycle, and by allowing access to these studies from diversified routes
- Development of new therapeutic approaches through precision medicine (increasing use of biological medicines)
- Market launch of innovative molecules described as a “therapeutic revolution” in the field of cancer, with immunotherapy and gene therapies, or hepatitis C.
- Recent overhaul of the derogatory access system, giving patients faster access to innovative treatments
- Reimbursement policies for drugs and medical devices as a lever for innovation

Increase of the digital health

- Boost for e-health thanks to the implementation of a strong national strategy with the creation of a French digital health agency
- Increasing number of players in the digital health ecosystem
- Integration of digital health into the healthcare system: digitisation of the healthcare system and of the care pathway
- Deployment and improvement of telemedicine (teleconsultation and telemonitoring)
- Robotisation, massive presence of AI the healthcare sector

Rising healthcare needs and costs

- Trend to increasing healthcare expenditure and healthcare needs, mostly due to the ageing of the population and medical progress, which lead to a need for public authorities to limit growth in healthcare expenditure
- Emergence of public policies to promote a coherent healthcare pathway, from prevention to ageing well
- The increase of the ageing population is having an impact on the healthcare system and its funding, as well as on the range of healthcare services on offer. Indeed, diversification of funding for healthcare expenditure is necessary to cope with the deficit in the Assurance Maladie system
- Constant increase in hospital activity and rise in resources allocated to the health sector, but still below the needs to be met

Suppliers perspective

Centralisation and concentration of the healthcare system

- Massification of healthcare players and of the hospital sector
- Centralisation of healthcare system governance
- Launch of national health programmes, by disease

Innovation in healthcare and development of the digital health

- The National Plan called France 2030 highlights the ambition for France to become the leading European nation in innovation and sovereignty in healthcare
- Innovation in healthcare: increasing use of AI and Big Data; introduction of AI and IT resources in the majority of medical devices
- Healthcare digitalisation: integration and acceleration of digitalisation in the patient pathway; improvement of the efficiency of healthcare services; development of telemedicine, teleconsultation and personal diagnostic tools
- Digitalisation of health data: creation of a European Health Data Space (EHDS); easier access to French medical data with Health Data Hub with medical data enriched; creation of a network of Health Data Warehouses collecting and exploiting data from healthcare facilities

Optimisation of the healthcare system

- Decarbonisation of the healthcare system by integrating a greater CSR dimension into healthcare, encouraging more virtuous products
- Optimisation of healthcare networks
- Specialisation of healthcare providers
- Improvement of the efficiency of the patient pathway; more active participation of the patient in its care pathway
- Outsourcing of related healthcare services
- Development of off-site diagnostic solutions close to patients, instead of mass production on technical platforms
- Increase of the participative medicine and the precision medicine

Difficulties faced in the hospital sector

- High increase in healthcare needs (chronic and infectious diseases, ageing population) in a constrained economic context (budgetary constraints on health facilities and cost controls) and changes in funding
- Disparities in access to healthcare among French population: increase of medical deserts in some regions; discrepancies in the quality of patient care depending on the area; segmentation of healthcare provision in population areas
- Difficulty in recruiting healthcare professionals, in particular for hospitals
- Rapid changes in healthcare facilities and healthcare sector, sometimes resulting in a lack of stability

Future of the Healthcare procurement environment in France

Notable changes and trends of the Healthcare procurement environment in France

Public procurer perspective

Greater transparency in public procurement

- Evolution and professionalising the procurement function, from compliance with the law and regularity of procedures, to economic performance and greater autonomy for hospital procurers, to the mutualisation of the procurement function thanks to the GHT
- Better awareness of the impact of public procurement on society and the national economy
- Adaptation of the Public Procurement Code, simplification of public procurement regulations, and a higher transparency of procurement processes, ensuring better governance and greater accountability in the use of public funds
- Launching of new procurement procedures such as the Value-Based procurement

Securing supplies, mutualising and nationalising hospital procurement

- More efforts to support European sovereignty issues in facing supply tensions and disruptions (particularly for certain essential medicines)
- Strengthening sovereign procurement for some "critical" healthcare products
- Reflection by public procurers on the implementation of contractual arrangements to secure supplies, in particular adapting the order behaviour to improve supplier visibility of deliveries (a more precise quantification, commitments, timing, stock management, etc.)
- Logistic improvements of healthcare products, from both sides' suppliers and procurers, for instance by increasing the use of digitalisation and artificial intelligence (such as predictive intelligence for stock monitoring)
- Increasing mutualisation of hospital procurement at local and regional level: mutualisation of the hospital procurement function, through the creation, development and mergers of GHT, which demonstrates a greater regional focus
- Development of more regional groups of procurement: the GHT structure has been strengthened and extended to include other players, in particular local authorities.

Worsening supply difficulties

- Increasing dependence of healthcare facilities on the supply of healthcare products and, in some cases, observation of a lack of alignment at the European level
- Worsening drug shortages and more frequent stock-outs of essential drugs (anti-infectives, cardiovascular and nervous system drugs, anti-cancer drugs, etc.), putting public health at risk
- Increase in supply difficulties, both in hospitals and in pharmacies, leading to delays in patient care, longer hospitalisation or even re-hospitalisation, etc.

Increased importance of sustainable procurement applied to healthcare products and services

- New approach from public procurers towards suppliers, with the development of sustainable procurement and balanced suppliers' relations
- Higher consideration of CSR in public procurement: increasing and gradual integration of environmental and social criteria in calls for tender due to the application of national regulations; better consideration of environmental and societal issues during the contract award, the contract execution and the contract evaluation phases for healthcare products or services
- Reflection from public procurers on the needs of tools to be developed to better assess the CSR characteristics of products/services: for example, the carbon footprint of the manufacture of a healthcare product, in an objective and measurable way
- Consideration of new scoring methods that give precedence to the intrinsic technical value of the product (quality and safety of care)
- Digitalising public procurement and promoting innovation in public procurement
- Application of the Health Innovation Agency's roadmap via the increasing integration of innovation in public procurement by 2030: orientation of public procurement in the health sector towards more innovative practices and deployment of access for innovative solutions to public procurement in the healthcare sector by 2030

Digitalisation of public procurement and acceleration of it thanks to the use of AI, integration of AI into procurement processes

- Public calls for tender are used as a tool for public procurers to promote and to ease the access of innovative solutions in the healthcare sector, for example: in-depth sourcing, use of a functional expression of need, use of variants, use of an award criterion designed to take positive account of the innovative nature of the solution, medico-economic studies demonstrating the clinical interest of the solution and its financial sustainability/credibility, etc. with a view to improving the quality of care. That way, innovation is highlighted in public procurement, and public procurers are encouraging innovative players to propose their solutions to meet the needs
- Observation of a rise in telemedicine-related calls for tender, due to the growing focus on connected health / digital health
- Public procurers are increasingly developing the active listening to suppliers and building lasting partnerships, particularly for specific procurement such as innovative procurement
- Intensified collaborations between the public and private sectors, enabling greater efficiency and value for money in the delivery of high-quality healthcare services
- Development of healthy competition between healthcare service providers, stimulating innovation and quality of care

Private procurer perspective

- Mutualisation and regionalisation of healthcare procurement due to the healthcare cooperation groups called Groupements de Coopération Sanitaire (GCS)
- Development of European procurement sovereignty to manage and mitigate supply disruptions
- Optimisation of private procurement: launching of new initiatives to optimise procurement via commitment contracts; and cost optimisation with full-cost procurement approach and development of volume discounts
- Increased emphasis on CSR and sustainable procurement, development of the circular economy, recycling such as recovery of damaged or defective products and obsolete equipment

Suppliers perspective, on Public procurement

Complexification, outsource and mutualisation of public procurement

- Professionalisation of the procurement function: development of the hospital procurement function towards greater professionalisation, thanks to training implementation
- Trend to develop complex procurement processes such as Value-Based Procurement, where the procurers take into consideration the impact of the product/solution on the whole patient pathway (and not only technical specs and price) including care and follow-up. However, the implementation of the VBP involves a certain complexity about performance measurement
- Implementation of the PHARE programme with the creation and development of GHT which represents the main change in terms of hospital public procurement
- Concentration and consolidation of hospital procurement by regional and national operators and organisation of procurement groups (pharmacy group, clinics group and hospital laboratory groups)
- Trend to a gradual decrease of small public-sector players in favour of large players in hospital procurement. Outsourcing of hospital procurement, processing procurement of healthcare products and services in favour to CPB
- Mutualisation of procurement: the evolution of public procurement is characterised by a concentration of large procurement groups, as demonstrated by the development of contracts within CPB. There is an increased importance of procurement volumes carried out by CPB and greater responsibility for procurers in CPB for healthcare products and services (anticipation, creation of new contracts). Indeed, the volume of procurement generated by CPB is going to increase further.

Initiatives that impact suppliers to ensure the security of supply

- Multi-sourcing and switch to the multi-allotment contracts, to avoid the single referencing of supplier to secure the security of supply in the case of a supply disruption from the supplier contract holder. Indeed, framework agreements are more likely to be multi-awarded, than single-awarded
- Securing supplies as a selection criterion included in public procurement calls for tender: development of sovereign procurement to secure stocks of available healthcare products and integration of sovereign procurement procedures to support the French and European industrial ecosystem

Cost control policy and use of more innovative procurement practices

- Development of full-cost contracts (MEAT - Most economically advantageous tender process)
- Evolution of calls for tender's criteria less price-focused oriented, in favour of new, more qualitative and CSR criteria
- For some healthcare products (with few added value), lower prices due to the arrival of low-cost suppliers on the market with highly competitive prices
- Application of other procurement practices, less frequent, such as the Dynamic Purchasing System, procedures with negotiation; framework agreement; innovation procurement

Digitalisation of the public procurement processes

- Significant transition towards the digitalisation of procurement procedures, for healthcare products and services, such as use of e-catalogues for products and samples, online orders and e-invoices
- Development of digital solutions involving the development of mixed contracts (services/products) to improve patient care

Public procurers are looking for healthcare sustainable products and services

- The public sector is currently doing its ecological transition by moving towards sustainable procurement in the healthcare sector, indeed, CSR is becoming a hot topic, ho-

spitals and healthcare facilities are moving towards more sustainable and environmentally friendly procurement, giving preference to eco-friendly products and services and suppliers with low-carbon policy
- Promotion of suppliers with "triple performance" (economic, social & environmental) in the healthcare calls for tender, though the increasing of the weighting of environmental and social criteria in the selection process
- Life cycle analysis of the supplier product or service, is increasingly in demand from procurers: consideration of equipment leasing (with or without purchase option); possibility to procure reconditioned equipment with warranty into procurement policies, which could help to reduce carbon emissions from healthcare facilities

Suppliers perspective, on Private procurement

Concentration of private procurers

- Massification and hyper-concentration of private players in healthcare procurement, wishing to achieve economies of scale. There is a predominance and rapid growth of groups of private procurers (such as private CPB), leaving less space for independent private procurers
- Strategic procurement decisions seem to be made at national level most of the time, with a concentration of decision-making centres
- Professionalisation of the procurement function: upgrading and specialisation of certain players, creation and development of procurement departments within laboratories

Cost rationalisation in private procurement

- Private procurers are looking for cost rationalisation in procurement and inventory management by outsourcing these activities
- Development of outsourced procurement departments, as well as outsourcing of maintenance services for some private laboratories (which can lead to a loss of in-house skills and a greater dependence on external service platforms)
- Private procurers tend to look for efficiency and ease of use, favouring one single contact supplier, i.e. a generalist with large volumes, instead of several suppliers
- The importance of attractive prices: private procurers have greater concern for profitability in private healthcare procurement and they seem to prefer attractive prices for equipment, consumables and services, with more negotiations on prices and more rotation among suppliers' selection. Indeed, suppliers observe that the private procurers' budgets could be shrinking budgets.
- Some calls for tender from private procurers are issued on a European/international basis, which could lead to a strong competition between European and international suppliers.

The growing role of digital healthcare in private procurement

- Increased digitalisation and greater adoption of digital solutions (e-health) in private procurement (procurement of practice management software, telemedicine platforms, mobile health monitoring applications, etc.)
- Technological innovation: increasing interest in innovative technologies such as artificial intelligence, virtual reality, wearable health monitoring devices, etc. in calls for tender launched by private procurers

Increasing integration of CSR into private procurement

- Application of a CSR score for each supplier, private procurers are evaluating companies on their sustainable development programme

- Private procurers are looking for improving the carbon footprint of their procurement cycle, but sometimes it is difficult for them to identify suppliers committed with a demonstrated and proactive CSR policy approach
- The importance of the lifecycle of the healthcare products: private procurers are increasingly looking for solutions to recover equipment that has reached the end of its lifecycle or is no longer in use. Some small local and regional suppliers are structuring themselves to provide recycling solutions (reconditioned equipment, maintenance and repair services, etc.) to procurers.

Major lessons learned by Procurers in France

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in France

Challenge	Description
Ensuring secure supplies	The Covid-19 crisis has undermined hospital supplies of certain "critical" healthcare products and services, forcing hospital procurers to adapt to exceptional situations as a matter of urgency to avoid shortages: flash procurement; fluctuating prices; identification of new suppliers; renegotiation of contracts.
Managing shortages	Managing shortages of "critical" healthcare products mainly concerned PPE (gloves, masks, etc.), respiratory equipment, hydroalcoholic gel, body bags, etc.
Formalising public procurement contracts	Given the urgency of the situation and the scale of the shortages, hospital public procurers have sometimes found it difficult to formalise their contracts.
Dealing with travel restrictions due to Covid-19 crisis and limited availability of professionals	The confinements and curfews introduced during Covid-19 forced suppliers and procurers to adapt to compensate for the restrictions on travel, by setting up a new way of organising work (remote meetings, digitisation of activities, home office, etc).
Meeting the contractual commitments (suppliers)	Suppliers encountered numerous logistical difficulties during the Covid-19 crisis, and were unable to meet all their contractual requirements towards the procurers: insufficient volume, inflation in costs, rising prices, staff shortages, delivery times, stock shortages, subcontractor failures, shortages of raw materials, etc.
Adapting constantly due to Covid-19 crisis constraints	Suppliers and procurers alike have had to adapt constantly to the consequences of Covid-19 in the world of hospital procurement: rapid changes in legislation, economic pressure, political situations, health emergencies, reorganisation of working methods, renegotiation of pricing conditions, urgent need for healthcare products and services, etc.

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in France

New procurement practices	Description
Stocks creation of "critical" products and setting up stock monitoring alerts	Greater emphasis for securing supplies and delivery times, leading to the creation of stocks of "critical" products and the introduction of stock management alert systems.
Annual inventory of "critical" products	Inclusion of annual stock inventories for some "critical" products in the Plan Blanc of certain healthcare facilities.
Control of a panel of local suppliers	Inclusion of additional logistical and environmental clauses in calls to tender to avoid potential supply difficulties with suppliers who are too far away geographically.
Diversification of supply sources: multi-referencing	The diversification of supply sources reduces the procurer's dependence on a single supplier and therefore reduces the risk of disruption. Cascading multi-award ensures security of supply, particularly for "critical" products.
Detailed financial analysis of suppliers	In-depth analysis of suppliers' financial situation to ensure they are in good financial health before entering into a contract.
Adaptation of price review clauses	New approach to supplier price increases and adaptation of price review clauses.
Active listening to suppliers and supplier evaluation	Development of the active supplier listening, which is becoming increasingly important, and regular use of supplier service quality assessments.

New procurement policies	Description
Sovereign procurement policy through "sovereign" production	Implementation of a strategy for sovereign procurement, through the creation of national procurement channels with production relocated in France. For example, nitrile gloves produced in France, to secure supplies for French healthcare facilities.
Social and environmental clauses favourable to local suppliers	Inclusion of social and environmental clauses obliging suppliers to comply with new requirements in terms of technical specifications or contract performance conditions, likely to be favourable to local businesses.
Price revisions and supporting documents relating to price changes	Publication of the Circulaire Borne (September 2022) repealing the Circulaire Castex (March 2022), on the performance of public procurement contracts in a context of rising prices for certain raw materials.

Summary of best practices in France

Best Practice promoted by Procurers in response to the Covid-19 crisis	**Best Practices promoted by Suppliers** in response to the Covid-19 crisis
Modification of price review clauses and reinforcement of safeguard clauses	Quick adaptability of companies in terms of work reorganisation (remote work, team reactivity, optimisation of resources, definition of KPI, etc)
Application of buy-and-hold clauses in the event of default	Suppliers improvements in terms of crisis and risk management: better anticipation regarding the supply chain; relocation of production
Diversification of supply sources, using multi-contractors	Change management within companies and development of new solutions
Digitalisation of the procurement cycle, both on Procurers' and Suppliers' sides	

Glossary

- CHU : Centre Hospitalier Universitaire (University Hospital Centre)
- CH : Centre Hospitalier (Hospital Center)
- PHARE : Performance Hospitalière pour des Achats Responsables (National programme for Hospital Performance for Sustainable Procurement)
- PAAT : Plan d'Action Achat de Territoire (Regional Procurement Action Plan)
- GHT : Groupement Hospitalier de Territoires (Regional Hospital Group)
- ARS : Agence Régionale de Santé (Regional Health Agency)
- DGOS : Direction Générale de l'Offre de Soins (General Directorate of the Healthcare Offer)
- CPOM : Contrats Pluriannuels d'Objectifs et de Moyens (Multiannual Objectives and Means Contracts)
- OECP : Observatoire Economique de la Commande Publique (Economic Observatory for Public Procurement)
- Mon espace santé (My Healthcare Space)
- Assurance Maladie (Health Insurance)
- SUN-ES : Ségur Usage Numérique en Établissements de Santé (Ségur Act - Digital use in Healthcare Facilities)
- DNS : Délégation au Numérique en Santé (Digital Health Delegation)
- PNAD : Plan National pour des Achats Durables (National Plan for Sustainable Procurement)
- SPASER : Schéma de Promotion des Achats publics Socialement et Ecologiquement Responsables (Scheme for the Promotion of Socially and Ecologically Sustainable Public Procurement)
- AGEC : Anti-Gaspillage pour une Economie Circulaire (Anti-waste for a Circular Economy)
- MDE : Médiateur des entreprises (Company Ombudsman)
- CNA : Conseil National des Achats (National Procurement Council)
- RFAR : Relations Fournisseurs et Achats Responsables (Sustainabel Procurement and Supplier Relations)
- GCS : Groupements de Coopération Sanitaire (Healthcare Cooperation Groups)
- DAE : Direction des Achats de l'État (State Procurement Department)
- AFA : Agence Française Anti-corruption (French Anti-Corruption Agency)
- SEMAPHORE : Système d'information Achats Pour des Hôpitaux aux achats Responsables (Procurement Information System for Sustainable Procurement Hospitals)
- PLACE : Plateforme de dématérialisation des procédures de marché de l'Etat (Platform for Dematerialising State Procurement Procedures)
- EPRD : État Prévisionnel des Recettes et des Dépenses (Estimated Statement of Revenue and Expenditure)
- AIS: Agence de l'innovation en santé (Health Innovation Agency)
- CPB : Central Purchasing Body
- PPE : Personal protective equipment
- CSR: Corporate Social Responsability

Sources of the ID Card

- **Matrix**
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

PROCURE

ID CARD

GREECE

EKAPY
as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Disclaimer

National Centralized Health Procurement Authority (N.C.H.P.A.-EKAPY) is located at Greece. The purpose of the organization is to ensure the implementation of centralized services in the field of health.

The main objective is the coordination and implementation of centralized procurement, receipt, storage and distribution of products, materials and health services, the monitoring and control of material consumption in the field of public health services, the centralized strategic and operational planning of the financial and logistical cycle of procurement, receipt, storage and distribution of materials, products and services of the health system, etc. In addition, NCHPA has the responsibility for the execution or implementation of projects for the improvement of all health services in the framework of the implementation of co-financed programmes from the European Union or the European Economic Area, from international programmes and from the National Development Programme, as well as national programmes, as well as the support of the Ministry of Health and its supervised bodies for the execution of projects as the executive arm of implementation.

EKAPY has the role of the country leader node for ProCure. The ProCure study has been realised within the framework, conditions and rules of the EU project. The conclusions reflect the opinion of the interviewees, not that of EKAPY. Keep in mind that EKAPY as a contracting authority has also answered the questionnaire. But the most repetitive and impactful answers have been selected.

Country Node composition

Profiles of organisations involved in the Study

Greece Country Node counted on the active participation of 32 organisations in total, distributed as follows: 20 Contracting Authorities, Public procurers subject to the EU Procurement Directive 2014/24; 1 Procurer (private), not subject to the EU Directive, 1 Healthcare Institution and finally a group of 10 Suppliers.

1 Healthcare Institution	20 Contracting Authorities	1 other Procurer (private)	10 Suppliers

Country Leader:

National Centralized Health Procurement Authority (N.C.H.P.A.-EKAPY)[38] is located at Greece. The purpose of the organization is to ensure the implementation of centralized services in the field of health. The main objective is the coordination and implementation of centralized procurement, receipt, storage and distribution of products, materials and health services, the monitoring and control of material consumption in the field of public health services, the centralized strategic and operational planning of the financial and logistical cycle of procurement, etc.

[38] https://ekapy.gov.gr/

Introduction of the ID Card Scope definition : Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.

In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[39], split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[39] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Administration and health data in Greece

Administrative environment in Greece

- Legal form of the State: Unitary State
- Administrative model that applies to the Healthcare System: both Centralised and Decentralised Health System

Health data in Greece

There is a national health database in Greece. Health data collection and data management are generally carried out by the Greek Ministry of Health.

The organisations in charge of health data collection and health data management in Greece are the following:

- Greek Ministry of Health https://www.moh.gov.gr/
- National database on health in Greece: the "BI-FORMS" application is hosted on the central portal of 'BI-Health' https://portal.bi.moh.gov.gr
- National organisation for the provision of healthcare services called NOPHS-ΕΟΠΥΥ https://www.eopyy.gov.gr/
- National Organisation of Medicines called NOM-EOF
- https://www.eof.gr/web/guest;jsessionid=e168d1d01f4387239785b806f3e7
- National Public Health Organisation called NPHO-EODY https://eody.gov.gr/
- National Centralised Health Procurement Authority called NCHPA-EKAPY https://ekapy.gov.gr/

Categories of health data collected:

- For Hospitals and Primary Health Care Units – PNHN (PEDY) (Primary National Health Network)
  - Financial reporting (budgets, purchases, breakdown by department, expenses, etc,)
- Ministry of Economy and Finance
  - General Accounting Office of the State (payroll expenditure, employees, revenues, etc.)
- Operational Reporting (outpatient, nursing traffic recording, surgeries, hospitalisations, medical staff,etc.)
- Primary Health Care Service Providing Structures Hospital Movement
  - This module consists of recording data on the traffic in the PHC unit's clinics and other data related to the operation of the unit such as laboratory tests, vaccines, various operations, chronic case management, home visits, traffic by insurance fund and some basic financial data. In addition, the traffic in the Regional Clinics belonging to the PHC Unit is also recorded.
- Personnel recording section in the Primary Health Care Units of the Primary National Health Network:
  - This module consists of recording data on the Staff in the PNHN (PEDY) (Primary National Health Network)

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The **National Public Healthcare System and stakeholders mapping**, which describe the organization of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The **Healthcare Procurement Environment and stakeholders mapping**, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The **Procurement practices in the Healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, the **main conclusions** close the ID card by highlighting the notable changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National Public Healthcare System and stakeholders mapping in Greece

Healthcare management

All the health organisations mentioned in the table below are either bodies governed by public law or private law and under the supervision of the Greek Ministry of Health.

Categories of organisations	Names of organisations	Description
Government organisations and agencies at central level	Ministry of Health	The Ministry of Health has as its mission the defence, protection and promotion of the health of the population, through the planning and implementation of Public Health policies, the assurance of universal and equal access to the provision of qualitatively and quantitatively adequate health care services by the National Health System, as well as the regulation and supervision of private sector health care providers https://www.moh.gov.gr/
	National Organisation for Medicines - NOM - EOF	The mission of the National Organisation for Medicines is to protect public health in relation to the circulation in Greece: · Pharmaceutical products for human and veterinary use · Human and veterinary medicinal products and human and human health products · Foodstuffs for specialised nutrition and food supplements · Biocides · Medical devices, food supplements and food supplements for animal nutrition and food supplements · Cosmetics Within this mission, the National Organisation for Medicines in full transparency and in cooperation with the European Union: · Evaluates and approves new safe and effective products · Post-authorisation monitors the quality, safety and effectiveness of products during their circulation in the country · Controls the production, clinical studies and circulation of the products in the Greek market to ensure the rules of good manufacturing, laboratory and clinical practice and to apply the legislation · Informs health scientists, the competent bodies and the public with objective and useful information about pharmaceutical products (for human and veterinary use) and other products with a view to their rational use and an objective assessment of their pharmaco-economic dimension. · Develops and promotes medical and pharmaceutical research https://www.eof.gr/web/guest
	National Centralized Health Procurement Authority NCHPA - EKAPY	The purpose of the NCHPA is none other than to ensure the implementation of centralized services in the field of health. The main objective is the coordination and implementation of centralised procurement, receipt, storage and distribution of products, materials and health services, the monitoring and control of material consumption in the field of public health services, the centralised strategic and operational planning of the financial and logistical cycle of procurement, receipt, storage and distribution of materials, products and services of the health system, etc. In addition, the HCAPY has the responsibility for the execution or implementation of projects for the improvement of all health services

		in the framework of the implementation of co-financed programmes from the European Union or the European Economic Area, from international programmes and from the National Development Programme, as well as national programmes, as well as the support of the Ministry of Health and its supervised bodies for the execution of projects as the executive arm of implementation https://ekapy.gov.gr/
Government organisations and agencies at sub-national level	Regional Health Authorities - RHS - YPE	Organisations in charge of the planning, coordination, supervision and control within the boundaries of the Health District concerned, of the operation of all Health Service Providers They submit to the Ministry of Health recommendations, measures and proposals aimed at providing efficient health services to the population of their Region They monitor the implementation by the Ministry of Health of the policy developed by the Ministry of Health https://www.1dype.gov.gr/ https://www.2dype.gov.gr/ https://www.3ype.gr/ https://www.4ype.gr/ https://www.dypethessaly.gr/ https://www.dypede.gr/ https://www.hc-crete.gr/
Financing organisations (Social Health insurance, if applicable	National Organisation for Healthcare Services Provision - EOPYY	The National Organisation for the Provision of Health Services (EOPYY) is the country's main social insurance institution https://www.eopyy.gov.gr/

Healthcare representation

Categories of organisations	Names of organisations	Description
Players in charge of representation of the Healthcare Professional such as Federations, Professional associations, Councils, Unions, etc.	National group of Health Professionals	The Panhellenic Group of Health Professionals (P.O.E.Y.) was created by health professionals, hospital and private doctors of various specialties, dentists, molecular biologists, geneticists, psychologists, psychologists, social workers, pharmacists, nurses, nurses, ambulance rescuers, technologists, administrators, technicians, security guards, porters and patient transporters, ward assistants, cleaners and employees of all specialties working in hospitals, public and private, in the National Emergency Centre, in Health Centres, in Health Units, in Nursing Homes, from students and students of health professions and in general citizens supporters of our principles and goals from all over Greece, continental and island https://www.poey.gr/
	Panhellenic Federation of Public Hospital Employees	The Panhellenic Federation of Public Hospital Employees is a secondary trade union body with 250 members of primary labour unions of hospitals - welfare institutions - health centers - National Emergency Aid Center The P.F.P.H.E. is the trade union expression of the country's public health employees, welfare, mental health, primary health care and emergency pre-hospital care and the issues that concern them, either financial or institutional It decides on mobilisations (after meetings with the primary unions), formulates the framework of demands, organises general assemblies, implements the action programme https://www.poedhn.gr/
Players in charge of representation of the Healthcare Beneficiaries such as Associations of patients	Patients' Association of Greece	The Patients' Association of Greece is the third-tier non-profit association of patient associations and federations from all over Greece and the whole spectrum of therapeutic categories It was founded in May 2019 with the aim of defending the rights of health service recipients, their participation in the formulation and evaluation of policies affecting them and their contribution to the promotion of a sustainable and equitable health care system https://greekpatient.gr/
	Rare Patients Association of Greece (R.P.A.G.)	The Rare Patients Association of Greece (R.P.A.G.) is a non-profit association, based in Athens and covering the entire Greek territory, with 29 full members-associations, clubs and non-profit civil societies, representing patients with rare diseases throughout the country It is the official representative body of Greece abroad, member of the European Organization for Rare Diseases (EURORDIS) https://spanios.gr/

Players in charge of representation of the Healthcare Industry such as Industry Associations for pharmaceutical industry, wholesalers, medical devices	Panhellenic Association of the Pharmaceutical Industry	The Panhellenic Association of the Pharmaceutical Industry (PAPI) is the institutional body of the Greek pharmaceutical industries of the country, a large and dynamic sector of strategic importance for the national economy. Greek pharmaceutical companies develop know-how and produce mainly generic drugs (substantially similar branded generics), strictly applying the standards of quality assurance (QA) and good manufacturing practice (GMP) The Panhellenic Association of Pharmaceutical Industries was founded to contribute to the creation of normal operating conditions in the Greek pharmaceutical market and its development in the international environment. In this context, the PAPI seeks: · The advancement of pharmaceutical science for the benefit of the care of the citizen and the improvement of his/her daily quality of life · The full coverage of the Greek pharmaceutical market with drugs of excellent quality and reasonable cost · The healthy development of the pharmaceutical market · The existence of modern competitive Greek production units so that the Greek pharmaceutical market is not solely dependent on imported medicines https://www.pef.gr/
	Association of Medical & Biotechnological Products Enterprises (AMBPE)	The mission of the Association includes the following: · To study, protect and promote the moral, financial and professional interests of its members · To develop a spirit of solidarity among its members · To study and propose legal and financial measures to protect the profession · To represent the sector before public authorities · To represent the sector in national and international secondary organisations · To settle any disputes between members · To conduct a collective promotion of the sector · To develop the social and economic well-being of Greece through the transfer of high technology to the country and the application of new modern scientific methods of high social importance https://www.seiv.gr/

Healthcare offer

Outpatient

In Greece, **the main providers of Outpatient Care** are the following:

- **Health Centres (HC)**
- **Regional Medical Centres (RMC)**
- **Primary Health Care Service Teams (PHCST)**
- **Individual medical offices**
- **Diagnostic and treatment centers**

Inpatient

Main providers of Inpatient Care	Key figures
Public hospitals	Number of facilities: • **125 (2022)** • **125 (2023)** Hospital Bed Density: • **34 699 (2022)** • **34 399 (2023)** Source of Data: https://www.moh.gov.gr/articles/bihealth/stoixeia-noshleytikhs-kinhshs/11344-klines-noshleythentes-hmeres-noshleias-2022 https://www.moh.gov.gr/articles/bihealth/stoixeia-noshleytikhs-kinhshs/12238-klines-noshleythentes-hmeres-noshleias-2023
University Public Hospitals	7
Private for-profit hospitals	Number of facilities :182 Hospital Bed Density : 4696 Source of Data : https://www.moh.gov.gr/articles/citizen/xrhsima-thlefwna-amp-dieythynseis/80-katastash-idiwtikwn-klinikwn-ths-xwras
Rehabilitations center	1

Healthcare financing[40]

Main sources of Financing	Main organisations in charge of financing	Breakdown of financing	Short description
Tax Social Health Insurance Private Insurance / Voluntary Health Insurance Private Spending (Out-of-Pocket)	**Ministry of Economy and Finance**	Government Funding/ Ministry of Economy and Finance: **30,2%**	Ministry of Economy and Finance https://minfin.gov.gr/en/
	National Organisation for Healthcare Services Provision - EOPYY	NA	National Organisation for Healthcare Services Provision - EOPYY https://www.eopyy.gov.gr/
	EFKA national social insurance/security organization	EFKA national social insurance/security organization Funding: **31,7 %**	EFKA national social insurance/security organisation https://www.efka.gov.gr/el
	Patients (Houheholds out-of-pocket expenditures)		

[40] *Source of Statistical Data: Hellenic Statistical Authority https://www.statistics.gr/*

Healthcare procurement environment and stakeholders mapping in Greece

Public Policy objectives: description of the National programme in Greece

Main laws that govern public procurement

In Greece, the main law that governs Public Procurement is the National Law 4412/2016 "Public Contracts for Works, Supplies and Services" https://www.eaadhsy.gr/n4412/ embodied European directives 2014/24/EE and 2014/25/EE.

Legal framework of reference that applies for public procurement of healthcare products

In Greece, the legal framework applicable to the public procurement of healthcare products is both decentralised procurement (it means that Hospitals are buying by themselves) and centralised procurement (it means that procurement is done at a national or regional level).

Content of the national programme

Definition of the programme

In Greece, there are several national programmes that promote Healthcare procurement:

- National Action Plan for Public Health 2021-2025 https://www.moh.gov.gr/articles/health/domes-kai-draseis-gia-thn-ygeia/ethnika-sxedia-drashs/8776-ethniko-sxedio-drashs-gia-th-dhmosia-ygeia-2021-2025
- Strategy for the Central Procurement of Health Products and Services 2023 -2025 of National Centralized Health Procurement Authority (EKAPY) https://ekapy.gov.gr/stratigiki-kentrikwn-promitheiwn-etous-2023-2025/
- National Action Plan for the promotion of Green Public Procurement for the years 2021 to 2023-> No. 14900/4-2-2021 (Government Gazette B' 466/8-2-2021) https://gge.mindev.gov.gr/tomeas-dimosion-simvaseon/ethniko-sxedio-drasis-prasines-dimosies-simvaseis/
- Law 4412/2016 on Public Procurement https://www.eaadhsy.gr/n4412/

Topics of the programme and other related guidelines in Greece

- **Procurement performance**

National Action Plan for Public Health 2021-2025
The strategic planning of the health policy requires the simultaneous cooperation of all relevant institutions and bodies to improve public health, to prevent sources of risk to physical, mental and physical well-being, and to improve the quality of life, physical, mental and spiritual health, preventing human illness and improving the quality of life of citizens.

Strategy for the Central Procurement of Health Products and Services 2023 -2025
The National Centralized Health Procurement Authority (NCHA) undertakes, from January 2024, the procedures for the procurement of all pharmaceutical preparations for the needs of the hospitals of the National Health System (N.H.S.Y.), the General Hospital of Thessaloniki (G.N.TH.)

"PAPAGEORGIOU", as well as the Health Regions, excluding vaccines, serums, gases or other special categories of drugs, which are determined by the decision of the Minister of Health (centralised procurement).

Law 4412/2016: value-based procurement

- **Sovereign Procurement**

Law 4412/2016

- **Innovative Procurement**

Law 4412/2016 on Public Procurement

- **Sustainable Procurement (Environmental; Social and Economic)**

The 6 objectives of the National Action Plan for the promotion of Green Public Procurement (GPP) are:

1. Establishment and implementation of an elementary level of adoption of green criteria in public procurement of products, services and projects
2. Gradual increase of GPP during the next three years in certain sectors of goods, services and projects
3. Wider integration of life cycle cost estimation in public procurement
4. Dissemination of environmental and economic benefits of GPP
5. Raising awareness, building capacity and active participation of stakeholders (contracting authorities and economic operators) in GPP
6. Monitoring the achievement and updating the objectives

- **Digital Healthcare**

National Action Plan for Public Health 2021-2025

The strategic planning of the health policy requires the simultaneous cooperation of all relevant institutions and bodies to improve public health, to prevent sources of risk to physical, mental and physical well-being, and to improve the quality of life, physical, mental and spiritual health, preventing human illness and improving the quality of life of citizens.

- **Security of Supply (See next section “Focus on Security of Supply”)**

Law 4412/2016

Stakeholders mapping of the Healthcare procurement environment in Greece

Public perspective

Government Public Procurers	Territoriality level	Names of organisations	Figures
Government Public Procurers	National	Ministry of Health	1 player
National Central Public Purchasing Body	National	National centralized Health Procurement Authority	1 player
Regional / Local Public Purchasing Body	Regional	1. First Regional Health Authority 2. Second Regional Health Authority 3. Third Regional Health Authority 4. Second Regional Health Authority 5. Firth Regional Health Authority 6. Sixth Regional Health Authority 7. Seventh Regional Health Authority	7 players
University Hospitals	Local	1. University General Hospital of Heraklion 2. University General Hospital of Larissa 3. University General Hospital of Ioannina 4. University General Hospital of Patra 5. University General Hospital of Alexandroupoli 6. University General Hospital of Thessaloniki 7. University General Hospital of Attikon	7 players
Hospitals	Local	1. Heraklion General Hospital Venizeleio Panakeio 2. General Anti-Cancer Hospital of Piraeus Metaxa 3. General Hospital of Attica KAT Etc.	125 players
Other public procurers (non-hospital) such as nursing homes, rehab centres, elderly centres	Local	Hellenic Pasteur Institute OKANA-Agency against drugs EKA - National Rehabilitation Center Elderly centre of Athens	4 players

Procurement practices in the Healthcare sector and suppliers' perceptions in France

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by Public procurers

- Guidelines and standards
  - Code of Professional Conduct: it reflects the general principles that define the responsible behaviour and ethical rules that all employees are expected to follow, as well as Management's commitments to public
  - Compliance with existing legislation and jurisprudence in the preparation of public procurement in the field of Health
  - Procurement is carried out in accordance with the procedures and ethical guidelines of law 4412/2016
- Tools
  - Code of Ethics and Professional Conduct for Public Sector Employees, National Transparency Authority https://www.ypes.gr/wp-content/uploads/2022/07/Code_final-1.pdf
  - LAW 4412/2016 - Article 21 Confidentiality (Article 21 of Directive 2014/24/EU). By decision of the Minister of Infrastructure and Transport, guidelines and instructions shall be given to the contracting authorities and the application of the criteria of financial standing and technical and professional competence shall be specified, depending on the size, nature and specific characteristics of the subject of the contract, so that the principles of proportionality, transparency, equal treatment and non-discrimination
  - Article 109 Principles for the award of contracts (Article 76(2) of Directive 2014/24/EU). Contracting authorities may consider the need to ensure the quality, continuity, accessibility, affordability, availability and completeness of services, the specific needs of different categories of users, including disadvantaged and vulnerable groups, user participation and empowerment, and innovation. Contracting authorities may also provide that the choice of service provider shall be made based on the tender offering best value for money, considering quality and sustainability criteria for social services.
  - Article "Confidentiality and Personal Data" in supply and service contracts in compliance with Regulation EU/2016/2019 and Law 4624/2019 (Personal Data Protection Authority Law)

Less common practices, standards and tools

- Guidelines and standards

  In accordance with the general and specific provisions of the country's legislation, basic ethical principles are applied, such as:
  - Principle of Public Duty
  - Principle of Public Interest
  - Principle of Pursuit of Excellence
  - Principle of Honesty
  - Integrity
  - Principle of Public Duty
  - Principle of Independent Objectivity
  - Principle of the obligation to maintain confidentiality
  - Secrecy and accuracy of information
  - Principle of Data Protection
  - Principle of Equal Treatment of Suppliers and Non-Discrimination
  - Principle of Transparency
  - Principle of Responsibility of Action and Professionalism
  - Principle of proportionality
- Tools
  - Code of Administrative Procedure ratified by the first article of Law 2690/1999
  - Protection of the Individual from the Processing of Personal Data -Law 2472/1997
  - Disciplinary Law for Public Civil Servants and Civil Servants of NPAs - Law 4057/2012
  - Guide to Good Administrative Behaviour, Ministry of Administrative Reform and e-Government

Deontology training

Most common deontology training courses followed by public procurers

- General deontology training : rules for equal treatment between tenderers; Compliance with the general principles of auditing (audits/auditee) ; Transparency of Procedures ; Compliance with deadlines
- Training on the use of the integrated information system (IIS) HSPPA and training on the changes introduced in Law 4412/2016 by Law 4782/2021, training on financial control and materials management
- Training on the practical application of the procedures for conducting electronic tendering through e-tendering

Less common deontology training course:

- Attendance to workshops on data protection issues (DPO)

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by Public procurers

- Article 73 & 74 of Law 4412/2016 « Public Contracts for Works, Supplies and Services » (adaptation to Directives 2014/24/EU and 2014/25/EU) as amended and in force with Law 4782/2021
- Guideline 9 « Combating corruption in the processing of public tenders » (Article 2(2) (d) of Law 4013/2011), this guideline on combating corruption in the conduct of public tenders is issued https://www.eaadhsy.gr/index.php/category-articles-gia-tous-foreis/15-c-odigies/125-kateythynthria-odhgia-9
- Law 4915/2022 (Government Gazette 63 A/24.3.2022) on the national strategic plan to combat corruption

Less common regulations to prevent fraud, bribery or corruption followed by Public procurers

- According to the principle of mandatory publicity and transparency, tendering documents are posted on the websites of ΔΙΑΥΓΕΙΑ, ESIDIS, KIMDIS
- Conflict of interest letter to members of evaluation committees for electronic tenders, a declaration of responsibility to suppliers, criminal record of suppliers.
- ISO 37001 certificate on anti-bribery (necessary for the inclusion of suppliers in EKAPYs Health Suppliers Register)
- Submission of complaints through the National Transparency Authority https://aead.gr/submit-complaint

Internal and compliance control

Most common practices and tools for internal and compliance control

- Public Sector Internal Audit System, Law 4795/2021
- Contract with a private company following a competitive tender procedure in accordance with the applicable provisions for the provision of internal audit services. The company carried out regular audits in all departments of the organizations with submission of reports with the relevant findings. The departments are informed of the findings and corrective actions are proposed. A timetable is given for the implementation of corrective actions followed by a team check on the results (report)
- Establishment of an internal audit unit under Law 4795/2021 supervised by the Internal Audit Directorate

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- ERP of the contracting authority
- i.e. COSMOONE DATABASE, SAP, CTEAM, MEDIS etc
- Contracting authority's WEBSITE
- National Electronic Public Procurement System (NEPPS-ESIDIS)

Supplier relations

Most common practices, standards and tools used by Public procurers in terms of Supplier relations

- Public consultations
- ESIDIS contact, https://cerpp.eprocurement.gov.gr
- Contracting authority's website
- Email correspondence

Less common practice used by Public procurers in terms of Supplier relations

- iSUPPLIES application, https://isupplies.gr

Procurement cycle in Greece

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public Perspective

Channels used by public procurers to analyse the market readiness & for suppliers sourcing

- National System of Electronic Public Procurement (ESIDIS) https://nepps-search.eprocurement.gov.gr/actSearch/faces/active_search_main.jspx;jsessionid=gj__Akd_BeZRrSKQp39bIM8lestugx2j7rFsH2cY0b-SeOZ5clFEp!-1344394996 https://portal.eprocurement.gov.gr/webcenter/portal/TestPortal
- Central Electronic Register of Public Procurement (KIMDIS) https://cerpp.eprocurement.gov.gr/upgkimdis/unprotected/home.xhtml
- Transparency portal DIAVGEIA https://diavgeia.gov.gr/
- EU TED-SIMAP-enotices2- https://enotices2.ted.europa.eu/home
- Chambers https://acci.gr/
- Press https://www.naftemporiki.gr/

Processes used by Public Procurers for market readiness analysis

- Open Market consultation
- Bilateral meetings / pre-tender dialogue meetings
- Benchmarking
- Market research

Categories of information collected by Public Procurers during sourcing

- Price
- Technical elements
- Ability to respond to calls for tender

Sourcing Tools used by Public Procurers during sourcing

- Legislation n.4412/2016 (Government Gazette A'147/8.8.2016), n. 4782/2021 (OFFICIAL GAZETTE A-136/9.3.2021)
- National electronic public procurement system (ESIDIS) https://cerpp.eprocurement.gov.gr
- Central Electronic Registry of Public Contracts (CERPC-KIMDIS) https://cerpp.eprocurement.gov.gr/upgkimdis/unprotected
- Hellenic Single public procurement authority (EADISY) https://www.eaadhsy.gr
- DIAGEIA – Transparency https://diavgeia.gov.gr

Allotment in Public Procurement

- In Greece, the principle of allotment is optional.
- By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

- Delivery/ Logistic conditions
- Time and duration of contract
- Modifications of contracts & Review clauses (including price revision clauses
- Financial Clauses

Evaluation criteria in Public Procurement

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE ONLY					

Private Perspective

Channels used by Private Procurers to analyse the market readiness & for suppliers sourcing

- Online check
- Formatted databases

Category of information collected by Private Procurers during sourcing

- Price

Legal clauses in Private Procurement

- Time and duration of performance
- Termination
- Renewal
- Decision to continue
- Financial clause
- Delivery condition

Evaluation criteria in Private Procurement

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE / QUALITY RATIO					

Apart from the technical and price criteria, some other categories of criteria are used by Private procurers for the Evaluation criteria such as:

- Environmental criteria
- Social criteria
- Innovation
- Criteria measuring patient impact (Value Based Procurement)
- Security of supply

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

- Average contract duration in Greece is 1 year

Processes of monitoring the execution phase

- Contract Monitoring and receiving Committees under Article 221 of Law 4412/2016
- Through an information system
- Through the deliveries

Tools for monitoring the execution phase

- Information System
- Monitoring and receiving committees
- Audit & monitoring supervisor

Processes for managing the contracts penalties

- The sanctions are derived from the legal framework for public contracts article 203 of Law 4412/16 and are the following:
- The economic operator, who is declared ineligible for the award, award or contract, shall be subject to the following cumulative penalties, by decision of the awarding body, following the opinion of the competent body, which shall invite the interested party to provide explanations:
  1. total forfeiture of the participation security or performance guarantee, as appropriate,
  2. the immediate recovery of the advance payment made to the contractor who has been unsuccessful, either from the amount to which he is entitled to receive, either by deposit of the amount by the contractor himself or by forfeiture of the advance payment guarantee.
  3. charging to the contracting authority the difference resulting from the award of the contract, where the contracting authority supplies the goods not duly supplied by the economic operator who has been unsuccessful, by awarding the unperformed part of the contract to the next economic operator in the order of precedence which took part in the procedure for the award of the contract.

  In addition, the contractor may be provisionally excluded from all supply or service contracts of the entities falling within the scope of this Law in accordance with the specific provisions of Article 74 on the exclusion of economic operators from public contracts.
- Forfeiture of guarantee and financial clauses
- The sanctions procedures are described in detail both in the relevant announcement of the tender process and in the corresponding contract. The procedures expressly comply with the provisions of the applicable national and EU legislation

Tools for managing the contracts penalties

- As described in the law 4412/2016:
- Forfeiture of guarantee and financial clauses, exclusion of economic operators from public contracts
- etc.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

- A continuous and comparative analysis of tendering procedures by year is applied and all the above indicators are monitored through weekly reports
- Business intelligence reports through the e-platform such as cosmo-ONE https://www.cosmo-one.gr/en/
- Internal Audit

Tools of evaluation of the performance and effectiveness measures

- E-platform such as cosmo-ONE https://www.cosmo-one.gr/en/
- Monitoring and steering objectives of the Procurement performance
- Most common general objectives followed by Public Procurers in terms of Procurement performance are:
- Economic performance
- Logistics and Supply chain
- Process and practice performance
- Service quality performance (Innovation)
- Environmental and social performance

Risk management tools

- National Law 4412/2016
- An external partner has been assigned to edit the relevant risk study

Accountability mechanisms and tools

- Oversights mechanisms (electronic contract monitoring system)
- Internal and external controls
- Sanction system

Private perspective

Monitoring and steering objectives of the Procurement performance

Most general objectives followed by Private Procurers in terms of Procurement performance are:

- Economic performance
- Environmental and social performance
- H/R Performance
- Purchasing performance and innovative purchasing
- Service quality performance (innovation)

Key practices of procurement performance in Greece

Workforce professionalisation

Public perspective

The most recurring tools used by Public Procurers to maintain and/or to improve the specialisation of the Procurement Workforce are:

- Training through seminars on public procurement at the National Centre for Public Administration and Authority
- https://www.ekdd.gr
- Certification of the Procurement department officials
- Group meetings to study the relevant legislation

Diagnostic of performance

Public perspective

Streamlining costs	
Processes	*Tool*
1. The procedure followed is to control the supply prices of various items at central level in relation to the supply of these items by the Hospitals 2. This is followed by a comparative analysis of price achievement both over the years and other contracts through KIMDIS 3. Market Research, Comparative Evaluation with prices of recent contracts, Health Price Observatory, Internet 4. Through tendering procedures in accordance with the legislation on procurement	• KIMDIS • ERP • Warehouse management system • Health price observatory

Time to respond		Other
Processes	*Tool*	*Processes*
Through the procedures kept by the central warehouse Communication with suppliers Rapid delivery of products By monitoring and improving the time of completion of tendering procedures Explicit reference to the relevant declaration and the corresponding contract of the hospital's time requirements versus the supplier/ contractor Time limits for delivery of the goods and penalty clauses are set in the declarations and contracts	Electronic contract monitoring system	From the checks on supplies and services carried out by the special monitoring committees as defined by Article 221 of Law No. 4412/2016 Patient satisfaction questionnaire Quality of materials delivery time of materials Provision of risk management consultancy services by the internal audit unit of the health district, risk management and proper implementation of the program Timely completion of the tender procedures

Private perspective

Time to respond	
Processes	*Tool*
The criterion of acceptance/rejection after testing is used	

Supplier performance

Public perspective

Tools for supplier performance:

- Reports by the monitoring committees
- Quality of materials - delivery of goods
- EKAPY.net hospital connectivity platform https://apps.ekapy.gov.gr/
- Platform e-promitheas, about procurement that are not conducted through n.e.p.p.s - ESIDIS (market research) https://ippokratio.gr/e-promitheas-gia-enimerosi-promithefton/ The platform e-promitheas is an integrated information supplier's system:
  - Presentation of supplier's documents
  - Presentation of supplier's money orders
  - Market research of hospital in progress

Private perspective

Process:

Through the ISO process 4 criteria have been established, which are:

1. service
2. product quality
3. price satisfaction
4. order delivery

An excellent score is obtained with a 5 for each process, a score higher than 3 is acceptable.

Procurement routes

Public perspective

In Greece, it is mandatory to procure through CPB. The laws of reference are the National Law 4412/2016 and Law 4865/2021.

The National Centralized Health Procurement Authority (NCHPA-EKAPY) operates as the National Central Purchasing Authority (NCPA) in accordance with article 41 par. 1c of Law No. 4412/2016 (A' 147), for public contracts for the supply of health care, pharmaceutical goods and related services.

The purposes of the E.K.A.P.Y., according to Art. 1 of Law 4865/2021, related to the system of public health procurement are related to:

- the monitoring of the procurement procedure for the supply of health products and services,
- the conduct and award of tendering procedures,
- the monitoring of the execution of contracts
- the supply of the entities of Article 7, of Law 48656521 4865/2021
- the organizational, scientific and advisory support of all supervised entities of the Ministry of Health on issues related to procurement, the unified procurement policy of the Ministry of Health
- the conduct of tenders for the projects of the Recovery Fund undertaken by the NCHPA etc

Central Purchasing Bodies (CPB)		Regions
Benefits from procuring through CPB	*Categories of healthcare products and services*	*Cases when Procurement is done through Regions*
Contracting authorities are bound by the legislative framework to buy from the framework agreements of NCHPA-EKAPY Cost reduction due to common supplies with common technical specifications Achieving better prices through economies of scale	Contracting authorities are obliged, when a centralised procurement process is completed to procure from the centralised entity (NCHPA-EKAPY) for the materials included in that procurement The 3 main categories are: 1. Medicines 2. Materials for the interventional radiology unit 3. Cotton (Government Gazette 2307/v. B/10-04-2023)	In cases of framework agreement executive contracts, supplies are made through healthcare regions Due to centralised tenders conducted by the region Based on the region's strategic plans, tenders are conducted for supplies mainly for sanitary equipment

Innovative procurement approaches

Public perspective

When innovative approaches are adopted in Public Procurement in Healthcare, we observe the following common habits among procurers:

- There is a strong interest in innovative products and methods. This is reflected in the technical specifications of the items to be procured, which are drawn up by the technical specification committees
- Due to the nature of some hospitals (mainly University Hospitals) there is a strong interest in innovative products and methods. This is reflected in the technical specifications of the items to be procured, which are drawn up by the technical specification committees

Regarding the value-based procurement (VBP) in the Healthcare sector, it is non applicated among Public procurers in Greece, mainly due to the following reasons:

- There is neither the expertise on staff nor the right tools to implement them
- There is a limited available budget because innovative procurement is more expensive
- There was no planning to include new innovative procurements
- No need has arisen

Sustainable procurement approaches

Public perspective

Main standards of reference	Main processes implemented	Main monitoring processes followed	Training tools for Sustainable Procurement
Law 4412/2016 (Government Gazette A' 147/08-08-2016) Public Procurement of Works, Supplies and Services (adaptation to Directives 2014/24/EU and 2014/25/EU) National Plan for Green Procurement European specifications for specific health products with green criteria	Expected as a condition in the technical specifications Specific ISO	Internal control Monitoring and Delivery committees	Training seminars EKDDA - National Centre of Public Administration and Local Government https://www.ekdd.gr/ National Centre of Public Administration and Local Government Attendance of a seminar by the EKDDA on Green Public Procurement: Principles and framework of application

Security of supply

Public perspective

On the Security of supply management in the Healthcare sector in Greece, we observe the following common habits among public procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Categories of healthcare products and services with strategic stocks
About the supply of medicines, there is relevant legislation concerning the storage of medicines, (the period of maintaining a relevant stock of medicines) in hospital pharmacies to address any shortages Monitoring of the stocks in the Central Warehouse through an electronic information system There is a concerted effort to forecast needs over a long period of time Regular control of the safety stock by counting the materials (in the Central Warehouse) with the help of the warehouse management system	There is a defined safety stock in the information system [(i.e. a strategic stock of PPE items shall be maintained, safety stock for drugs (emergency stock)] A contingency plan is compulsorily implemented by the warehouse management programme Meeting emergency increased needs through direct awards Regular inventories and early supplies Set safety limits and ensure timely supply	Pharmaceuticals CPV 33690000-3 Protective and safety clothing (PSC) Food Disposables CPV 33140000-3

Digitalisation

Public perspective

Regarding the digitalisation of Public Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools & IT tools for supporting procurement procedures	IT tools for supplier sourcing
• **Online Portal for National Electronic Public Procurement System (N.E.P.P.S-ESIDIS)** https://portal.eprocurement.gov.gr/webcenter/portal N.E.P.P.S.- ESIDIS, means the Integrated Information System, which includes all the necessary elements for the planning and award of public contracts and contracts, with the use and application of Information and Communication Technologies (ICT) (article 2 par.1 para.32 of Law 4412/2016). The term "N.E.P.P.S. users" means the contracting authorities/authorities and economic operators using N.E.P.P.S. In Greece, the electronic public procurement process is supported by the National System for Electronic Public Procurement. This electronic procurement process aims at a better transparency, a better use of available financial resources, the reduction of costs and time, and the possibility of participation of more suppliers • **Central Electronic Public Procurement Register (CEPPR-KIMDIS)** https://portal.eprocurement.gov.gr/webcenter/portal/TestPortal Contracting authorities publish notices and calls for tender on the Central Electronic Public Procurement Register (KIMDIS). KIMDIS is an information system part of ESIDIS. The term "Central Electronic Public Procurement Register " means the information system, which is part of the ESI DI S and is intended to collect, process and publish data relating to public contracts above €2,500.00 and to contracts, according to Article 11 of Law No. In addition, the system is used to provide information on the procurement of goods and services in the field of public procurement, in accordance with Article 11 of Law 4013/2011 and Article 38 of Law No. 4412/2016 (cf. article 2 par. 1 pt. 34 of Law 4412/2016) • **iSupplies** https://isupplies.gr/?lang=en It is an e-Procurement platform All tendering procedures carried out under Article 118 of Law No. 4412/2016 are carried out on the i-supplies electronic tender platform, while for the respective tenders with a value of more than €30.000,00 through the ESIDIS tender platform • **Cosmo-ONE** https://www.cosmo-one.gr/en/ It is a platform that optimize the tender process	• **E-promitheas** https://ippokratio.gr/e-promitheas-gia-enimerosi-promithefton/ For procurement that are not conducted through n.e.p.p.s - ESIDIS (market research) The platform e-promitheas is an integrated information supplier's system: · Presentation of supplier's documents · Presentation of supplier's money orders · Market research of hospital in progress • **National Electronic Public Procurement System - ESIDIS** https://portal.eprocurement.gov.gr/webcenter/portal/TestPortal • **Central Electronic Public Procurement Register - KIMDIS** https://portal.eprocurement.gov.gr/webcenter/portal/TestPortal

Most common IT tools for procurement data management:
- SAP information system
- iSupplies
- Cosmo-ONE

Private perspective

Most common process and tools to source suppliers conducted by private procurer is:
- Market research conduction through desk research (company website, internet)
- Comparison of properties and prices
- First order with low quantity for testing
- If the testing product is satisfactory, larger quantities are then ordered

Supplier's perceptions on both Public & Private procurement in Greece

Procurement information accessibility

Public procurement

Most common tools & methods used for call for Public tenders monitoring
- Information on consumables tender through a platform called www.INFO-NEWS.gr/
- Most of the procured tenders are published through KIMDIS (which is the Central Electronic Register of Public Procurement) available on the national procurement portal https://portal.eprocurement.gov.gr/webcenter/portal/TestPortal
- E-procurement app iSuppliers could be used by companies to identify public tenders https://isupplies.gr/auth/login?lang=en
- cosmoONE - electronic procurement applications www.cosmo-one.gr

Accessibility of Public procurement information
The recurring categories of information that suppliers are lacking the most concerning public procurers are:
- Lack of local Published Data related to:
  - Annually performed clinical cases per disease segment
  - Clinical prevalence
  - Recurrence trends
  - Infection rates
- Open central source for all procurement bids in simplified format
- Lack of data regarding consumption of healthcare products
- Procurement Process
- Policy Regulation, main issue is not exactly the lack of information but
  - the lack of identified responsibilities of the persons or committees
  - the lack of legislative framework concerning the innovative technologies (new entrance technologies in the market in including their reimbursement)

Private procurement

Tools & methods used for call for Private tenders monitoring

- For some segment of the healthcare market, there are not calls for tenders in the private sector
- Some suppliers run private agreements, with a time frame of one to two years, which are renewed after negotiation process with the Purchasing Administrators of each Buying Group, just before the expiration date of each agreement. Monitoring of such agreements and/or upcoming calls is based on internal Key account management capabilities
- Some tools used by suppliers to monitor private tenders are:
  - iSupplies: eProcurement Platform https://isupplies.gr/?lang=en
  - cosmoONE – Electronic Procurement Applications https://www.cosmo-one.gr/
- Suppliers could also get information on tenders thanks to the communication and meetings organisation with the sales force team and key account managers

Accessibility of Private procurement information

Sometimes, there are 2 categories of information that suppliers are lacking the most concerning Private buyers:

- Volumes of sales in specific categories of medicines
- 7 key areas where information might be lacking, such as Market dynamics; Consumer behaviour; Product and service preferences; Regulatory environment; Competitive landscape; Technology adoption; Price sensitivity

Addressing these information gaps can empower stakeholders to tailor their offerings, enhance market competitiveness, and ultimately improve healthcare access and quality for private buyers in Greece:

Market Dynamics:	Insight into the size, growth rate, and segmentation of the private healthcare market in Greece
Consumer Behaviour:	Understanding the decision-making process of private healthcare buyers, including factors influencing their choices and satisfaction levels with existing services
Product and Service Preferences:	Identifying the specific healthcare services and products that private buyers in Greece prioritize and value the most
Regulatory Environment:	Knowledge of regulatory frameworks governing private healthcare provision in Greece, including licensing requirements, pricing regulations, and quality standards
Competitive Landscape:	Awareness of competitors operating in the private healthcare sector, their offerings, market share, and strategies
Technology Adoption:	Insight into the level of technology adoption among private healthcare buyers, including interest in telemedicine, digital health solutions, and online platforms
Price Sensitivity:	Understanding the price sensitivity of private healthcare buyers and their willingness to pay for premium services or additional benefits

Transparency and ethic

Public procurement

Positive feedback
Adherence to Laws, Regulations, and Industry Codes Public procurers consistently demonstrate ethical and transparent behaviour by strictly adhering to applicable laws, regulations, and industry codes of conduct. This includes following procurement procedures, respecting confidentiality, and avoiding conflicts of interest **Open and Accessible Information Sharing** Public procurers promote transparency by openly sharing information about procurement processes, criteria, and results. This includes providing clear and accessible information on their websites, responding to inquiries, and publishing procurement outcomes

Private procurement

Positive feedback	Negative feedback
All procurement transactions with private buyers are done in the most transparent way. **They provide the suppliers with all the required information that they are allowed to share with them, via official correspondence.** The suppliers interact with healthcare private buyers in compliance with existing legislative framework, codes of ethics, (i.e. SfEE member of EFPIA) and antibribery and anticorruption legislation.	It should be noted that the **lack of an established procurement pattern creates problem regarding the process stages.** While some individuals within these roles undoubtedly uphold **high standards of ethics and transparency in their dealings, it would be prudent to acknowledge the potential variability across the industry.** In many instances, healthcare procurement involves complex negotiations and considerations, which may introduce challenges in maintaining a consistently transparent and ethical approach. However, it is imperative for all parties involved to adhere to established guidelines and principles to ensure fair and equitable transactions. That said, it would be premature to make sweeping generalizations about the behaviour of healthcare private buyers and procurement staff without concrete evidence or data specific to individual interactions. Continuous monitoring, open communication channels, and adherence to regulatory frameworks are critical in fostering a culture of integrity within the procurement process.

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
In general, healthcare public buyers aim to establish respectful and balanced relationships with suppliers These relationships are built on principles of transparency, collaboration, and mutual benefit. However, the nature of each relationship may vary based on specific circumstances, such as the complexity of procurement processes, regulatory requirements, and market dynamics. While challenges may arise, fostering respectful and balanced relationships remains a priority for both parties, suppliers and procurers, ultimately contributing to the delivery of effective healthcare services **In general, there are always open discussion between suppliers and buyers** As there are several groups engaged as health public buyers in the Greek Country Node, it is important to differentiate by category: • if it concerns the hospital scientific committee, there are always open discussion of the technology's benefits • Hospital Supplies departments are always supportive to reply to questions regarding processes • Ministry of Health authorities are positive to answer questions, give directions and discuss issues that may exist	**As there is no specific budget from the healthcare public buyers, tenders are very limited and cannot cover all hospital needs in long term** Additionally, **there is no specific scheduling of purchasing and many of the hospitals raise ad hoc requests with limited volume and value to full fill the weekly or monthly needs** **All the medical companies need a lot of effort and available inventories to cover the lack of hospital's scheduling** (Limited budget, short term quotations Urgent requests) **Generally Public procurement aims only in price reductions** (minimum price) **and does not consider value**

Private procurement

Positive feedback
There is always a professional cooperation from procurers' side They notify their needs with emails; they are flexible regarding expiration date upon delivery **In assessing the relationship between healthcare private buyers and companies, it is imperative to approach the topic with a balanced perspective** While some interactions may indeed reflect a sense of mutual respect and equilibrium, it would be premature to generalize across the board without comprehensive data and case-by-case analysis. In general, companies prioritize professionalism and cooperation in all business dealings, striving to foster positive relationships with all stakeholders. However, drawing definitive conclusions without a thorough examination of specific instances may not fully capture the nuances inherent in these interactions. Hence, further research and dialogue may be necessary to provide a comprehensive understanding of the dynamics at play.

Needs and expectations

Public procurement

Positive feedback	Negative feedback
In the realm of healthcare procurement, ensuring that the **needs and expectations of public buyers are clearly articulated in Calls for Tender is pivotal for fostering effective supplier relationships** and meeting the demands of patients and healthcare providers	However, achieving clarity in the Calls for Tender documents can sometimes be a nuanced endeavour: **while some healthcare public buyers excel in precisely delineating their technical specifications and volume requirements, others may encounter challenges in striking the right balance** Factors such as evolving medical technologies, diverse patient populations, and budgetary constraints can influence the clarity of these calls

Private procurement

Positive feedback	Negative feedback
The technical specifications, requests and volume are generally defined in detail by private procurers Procurers keep extensive records of quality used and consumptions, to be very exact when they call for tender	**Very few healthcare private buyers express their needs through Calls for tender.** There are not calls for tenders in the private sector for specific suppliers, **there are only offers submission** The procurement of healthcare services involves multifaceted considerations, ranging from technical specifications to volume requirements. In this context, the clarity of expressions within tender documents becomes pivotal in facilitating a transparent and effective procurement process. **However, it is prudent to exercise restraint in drawing definitive conclusions regarding the adequacy of these expressions.** **The interpretation of clarity is subjective and can vary based on stakeholders' perspectives and experiences** The **complexity of healthcare demands nuanced approaches to procurement,** often necessitating a delicate balance between specificity and flexibility While recognizing the importance of clarity in expressing needs and expectations in healthcare tender calls, a definitive assessment would necessitate a thorough analysis of specific instances and stakeholder feedback Such an approach would enable a more nuanced understanding of the challenges and opportunities inherent in healthcare procurement processes

Sustainability requirements

Public procurement

Positive feedback
Specific requirements in 2 sub-categories are relevant and appropriate: · quality requirements · financial requirements and time duration In general, healthcare public buyers' sustainability requirements are indeed relevant and appropriate for companies. Sustainability reflects the increasing emphasis on ethical and environmentally conscious practices within the healthcare sector. **Meeting sustainability requirements can provide companies with a competitive advantage,** as it may open opportunities for collaboration with healthcare institutions that prioritize environmental sustainability in their procurement decisions. **Integrating sustainability could ease companies to reach their long-term goals of delivering innovative and responsible solutions that benefit both patients and the planet** Companies are integrating sustainable practices into their operations, such as reducing carbon emissions, minimizing waste generation, and sourcing ethically produced materials.

Private procurement

Positive feedback	Negative feedback
Requirements from procurers are more sustainable sensitive/oriented, such as: · Dose sensitive · Factory refurbished systems · Power consumption sensitivity · System upgrades to extend the life cycle of the system Generally sustainable requirements are limited to the quality standards and required certificates, as for example ISO / CE for specific health products	In considering the alignment between the needs and expectations of healthcare private buyers and the technical specifications outlined in their Calls for Tender, it's imperative to exercise caution and precision in the assessment. **While the surface might suggest that these needs are clearly articulated, a deeper examination reveals complexities that warrant scrutiny.** The nature of healthcare procurement entails multifaceted considerations, ranging from regulatory compliance to patient-centric outcomes. Therefore, **while the technical specifications and volume requirements outlined in Calls for Tender may attempt to encapsulate buyer needs, the extent to which they accurately reflect nuanced requirements is subject to interpretation.** Moreover, the dynamics between buyers and suppliers within the healthcare ecosystem introduce additional layers of complexity. **Oftentimes, the inherent power differentials and contractual constraints may influence the clarity and specificity of tender documents, potentially obscuring some buyer preferences.** While acknowledging the importance of transparency and precision in tender documentation, it remains essential to engage in ongoing dialogue and feedback mechanisms to ensure that the needs and expectations of healthcare private buyers are adequately understood and addressed. **Only through a collaborative and iterative process it will be possible to improve the efficacy and relevance of Calls for Tender in meeting with the diverse needs of stakeholders within the healthcare landscape.**

Innovation promotion

Public procurement

Positive feedback	Negative feedback
Partially allow for innovative products/ services on some occasion where the technical specifications and budget allows for	When it comes to Hospital tenders, innovative technologies might be included. **However, National Tenders are usually based on "old" technologies and even if an innovative technology is included it takes up to 5 years the evaluation of the tender to be completed.** Meanwhile new technologies and clinical data have been approved, so the previous innovative technologies are considered as old ones. **Since the main criterion for tender evaluation is "Lowest Price", innovative & differentiated products / services are excluded.**

Private procurement

Positive feedback	Negative feedback
Innovative technologies are faster penetrated/implemented in the private sector due less bureaucracy barriers. **While healthcare private buyers' calls for tender may potentially provide a platform to showcase innovative products or services within bid offers, it is imperative to approach this matter with caution and prudence.** These calls for tender typically prioritize factors such as cost-effectiveness, quality assurance, and compliance with regulatory standards. **While innovation is valued, it must align closely with the specific needs and requirements outlined in the tender documentation.** Therefore, while these opportunities may facilitate the promotion of innovative offerings, success ultimately hinges on the ability to demonstrate how such innovations address the precise demands of the procurement process.	Calls for tender means that the technical specifications have already been adopted and published. **The company either meets the specifications or does not. There is no room for changing the specifications or promoting special products** **Innovative technology cannot be easily used in Private sector, due to several reasons:** · Outdated local DRG system · Active observatory pricing list of medical supplies (price cut list) · Pricing threshold barrier implemented from Private Insurances

Barriers identified

Public procurement

- Bureaucracy
- Award Criteria are only based on price evaluation: therefore, there is a lack of access to the most benefit to the patient technology due to the lowest price criteria
- Sometimes public procurement estimation in quantity needs is not aligned to actual public health needs, due to the long-term process (difficulties in supply & production schedule)
- Costly procedure, many expenses in applying the constant regulatory changes in Public Procurement (fees for documentations, and bank expenses for guarantees)
- Delays in payments

Private procurement

Encompassing regulatory complexities
One prominent difficulty lies in the intricate regulatory landscape governing healthcare procurement, characterized by an amalgamation of national and EU directives. Navigating these regulations demands meticulous attention to detail and a comprehensive understanding of the legal framework.

Operational challenges
The procurement process itself can be intricate, involving numerous stakeholders and intricate contractual arrangements. This complexity often leads to delays in procurement cycles and challenges in ensuring transparency and accountability throughout the process.

Financial constraints
Financial constraints pose a significant barrier to effective private procurement in the healthcare sector. Limited budgets and competing priorities necessitate prudent allocation of resources, which may impede the adoption of innovative procurement practices or investment in state-of-the-art medical technologies.

Quality assurance concerns
Concerns regarding vendor reliability and quality assurance present notable challenges. Ensuring the reliability of suppliers and the quality of procured goods and services is paramount to safeguarding patient safety and achieving optimal healthcare outcomes.

Pricing threshold barrier implemented from Private Insurances

Success stories

Public procurement

- Suppliers recognized as reliable
- Knowledgeable workforce, highly experienced and well-trained
- Specific certification ISO 45001, ISO 14001 & ISO 14064 (Health Safety and Environmental Criteria)
- Adoption of electronic billing B2G

Private procurement

- Suppliers have built over the years solid relations with many hospitals, based on their quality products and aftersales service
- Excellence in Key Account Management Process execution & justified long-term collaboration
- Electronic Billings, electronic quoting system
- Dedicated Tender Department to monitoring any issue of a Private procurement
- Implementation of a digital process, monitoring customer database/ pricing

Covid-19 impacts and best practices in Greece

Main challenges faced during Covid-19 crisis

Public perspective

- Issues in the supply chain, especially due to excessive demand of PPE
- Delays in the delivery of materials
- Volatility of market prices and excessive price increases
- Shortages of products

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Pharmaceutical products
- CPV 33600000
- Medical Consumables
- CPV 33140000
- Personal Protective Equipment such as gloves, masks, suits, goggles, etc
- CPV 35113400; CPV 18143000

Private perspective

Main challenge were the combination of the relative scarcity of some healthcare products and the increased price.

Supplier perspective

- During the Covid-19 crisis in Greece, suppliers in the healthcare bids offer encountered several challenges, including significant delays in issuing public tenders and disruptions in the global supply chain, resulting in shortages of critical medical equipment and supplies
- Increased demand for healthcare resources led to heightened competition among suppliers, increasing prices and impacting availability
- Navigating rapidly changing regulations and government procurement processes posed logistical hurdles for suppliers seeking to fulfil healthcare contracts (delaying in payment terms and delaying in invoicing consignment stock products)

New procurement practices due to Covid-19 crisis

Public procurement

Time reduction for procedures thanks to the digitalisation

All procedures have been minimised in terms of time as digital tools have been introduced to help Contracting Authorities and Economic Operators to respond immediately.

Implementation of specific regulations, guidelines and a broader digital transformation of the wider public sector

Central Supplies from EKAPY

New policies implemented in the Healthcare procurement

Public procurement

Flexible legislative solutions to speed up the procedures

Shift from pandemic-era emergency procurement laws to current standard procedures, requiring longer tender submission periods and publication on both national and European platforms

During the pandemic period, to speed up the procedures, a special legislative framework had been established based on which the procurement of the necessary materials and medical equipment was carried out (Legislative Content Acts). These legislative acts which provided for the emergency procurement of materials in derogation of all procurement provisions have been repealed after the covid period. During the contract award phase, today the agencies award contracts following publication of a relevant notice which complies with the prescribed publication thresholds where the closing date for submission is at least 35 days, compared to the covid period where the deadline for submission of tenders was set at a minimum. The tender notice is published on the electronic platform (ESIDIS) and the tender is conducted electronically. It is also compulsorily published on the European Public Procurement Platform.

Major reforms introduced by Law 4782/2021 to modernize and simplify public procurement procedures, including changes to contract award criteria, thresholds for data publication, tender evaluation processes, participation guarantees, and the responsibilities of procurement bodies.

With the law. 4782/2021 "Modernization, simplification and reform of the regulatory framework of public procurement, special procurement arrangements in the fields of defence and security and other provisions for development, infrastructure and health" (A' 36), extensive changes were made to the provisions of Law No. 4412/2016 (A' 147), some of which are listed below:

- It is stipulated that, in public procurement procedures for supplies or general services, if the award criterion is the most economically advantageous tender and is not determined solely based on price, the award shall be made to the tender with the highest technical tender score and, in the case of equivalent tenders, a lottery shall be held in

accordance with the specific provisions,
- Increased to more than two thousand five hundred (2,500) euros, from one thousand (1,000) euros, the amount of the estimated value of contracts for which data are collected, processed and published by the Central Electronic Register of Public Procurement (C.E.M.P.P.S.)
- It is redefined the procedure for
  - opening and evaluation of tenders and requests to participate in public procurement procedures for supplies and general services,
  - invitation to submit supporting documents,
  - award of contract –
- Contract award,
- The provisions on the provision of a "participation guarantee" by tenderers are completed, in the case of public procurement contracts conducted through the E.S.E.T.I.S., the failure to provide which leads to the rejection of the tender as inadmissible
- The bodies responsible for conducting public procurement procedures are redefined. The obligation of the contracting authorities to notify without delay to the E.A.A.D.I.SY
- Any disqualification of a contractor from a contract is introduced
- The possibility of postponing the contractual time of loading and delivery of materials is provided for, if there are reasons of force majeure or other particularly serious reasons that make it objectively impossible to execute the contract object in time
- The establishment of a collective body (committee) is not required for the acceptance of the object of a contract for the supply of goods and services with an estimated value equal to or less than the amount of the direct award of Article 118 of Law 4412/2016. (Articles 102-107)
- In the case of public contracts of minor importance, the award procedure may be dispensed with and payments of the expenditure concerned may be made by means of payment against a legal tax document
- The threshold for recourse to the direct award procedure for supply and general service contracts is adjusted [set at thirty thousand (30,000) euros from twenty thousand (20,000) euros in force]
- In the case of works and service contracts for social and other specific services, the corresponding threshold is set at EUR 60 000

Best practices

Best Practices promoted by Public Procurers in response to the Covid-19 crisis		
Centralisation of tendering procedures	Implementation of new technologies and specific protocols for managing similar crises	Maintaining strategic stock

Best Practices promoted by Suppliers in response to the Covid-19 crisis		
Adequate local stock	Installations performed by local customer service	Prepared tenders & bids to work remotely Remote communication (Skype / Teams / Zoom) with Purchasing Departments, as face to face interaction was forbidden

Conclusions

Future of the National Public Healthcare system in Greece

Notable changes and trends of the Healthcare system in Greece

Public perspective

Pressure on the Health national system: expenses, challenges and labour shortages

The healthcare system in Greece is a combination of established social insurance funded by taxation and an unusually high proportion of direct payments for a public system. A milestone change was the abolition of fragmented insurance funds and the creation of a single health service provider - a centralised fund - the National Organisation for the Provision of Health Services (NOPHS-EOPYY).
In terms of age expectancy, Greece has one of the highest values: in 2008 it was 80.3 years and in 2018 it reached 81.4 years.12 Public expenditure per capita for 2008 amounted to $1,653, while in 2016 it was reduced to only $1,340 per capita.13 Greece is a country that has been affected by the economic crisis as few others in the EU, a fact that is reflected in most health-related indicators
The ageing population, combined with the increase in chronic diseases and obesity, is putting pressure on health systems around the world, and causing the need for ever-increasing expenditure on health care.
Also, there is strong pressure to reduce costs, and, at the same time, it is estimated that by 2030, there will be a shortfall of 18 million health care workers. Also, we can notice the progressive privatisation of the public healthcare system.
Despite these conflicting pressures testing national healthcare systems, the evolution of other market sectors through technology is also creating increased expectations in the healthcare sector to deliver improved and personalised experiences to healthcare users.

Shift in healthcare towards remote, personalized care focused on prevention and education, enabled by wearable technology and data, leading to treatments tailored to individual patients and a transformation in the role of doctors

The need for health care services to be more remote or virtual, and less physically present, has already become visible, with the “centre” of care delivery beginning to move away from the hospital, where it is now, towards more friendly spaces (e.g. home, office).
But also, the care itself - still considered "sick care" rather than health care - is asked to focus more on education, prevention, but also on the personalisation of treatment. Familiarity with “smart devices” and the acceptance of the possibility of data from these devices being involved in health care will help in this direction and will transform the provision of health services with the increasing use of wearable (and not only wearable) sensors.
Based on the wealth of data that will be collected from sensors, and a range of technologies that are being developed, treatments that now apply, in many cases, to the total population of a disease will tend to be personalised, even genetically tailored, on the specific characteristics of each patient.
Consequently, the role of the doctor also seems to be gradually changing. From that of the traditional "authority", it will become that of the "guide", while it is estimated that at least a portion of the doctors of the future will evolve into medical engineers, trained in artificial intelligence, big data, robotics and other emerging technologies.

These trends are driving the need for accelerated adoption of digital technologies, automation and artificial intelligence

There is an increased digitalisation of the healthcare sector. The technology is ripe for this, although the adoption of new models of health care - models based on personalisation of prevention and treatment - requires a different approach to how we currently use technology in healthcare.

Private perspective

- Many changes have occurred in the health sector over the last 15 years due to the economic crisis, which translates into the inability of a significant part of the social population to access the health system
- Further withdrawal of the State from tertiary care
- Expansion of the involvement of the private sector

Suppliers perspective

Global Health changes and trends

- Collaboration with international organizations to address pandemics, infectious diseases, and global health emergencies
- Investments in vaccine research, epidemic preparedness, and health infrastructure development in low-income countries
- Recognition of the interconnectedness of global health systems and the importance of solidarity in tackling health crises
- Professionalisation of communication towards patients (websites, social media, etc.) to attract more patients by offering best treatment options at best outcomes with patients using the internet as the primary source of information
- Implementation of austerity measures due to economic crisis
- Reforms aimed at reducing public spending on healthcare
- Introduction of the National Health System (ESY) in 2011
- Increased pressure on public hospitals due to budget cuts
- Rise in healthcare expenditure by households as they turn to private healthcare services
- Struggles with healthcare system inefficiencies and long waiting times
- Emphasis on digitalisation and modernisation of healthcare infrastructure
- Expansion of primary healthcare services to improve accessibility
- Efforts to address brain drain among healthcare professionals through retention strategies
- Challenges in healthcare funding and resource allocation due to economic constraints

Ageing Population and Chronic Disease Management

- Growing prevalence of age-related diseases such as Alzheimer's and cardiovascular conditions
- Demand for innovative geriatric care models and integrated care pathways
- Focus on improving palliative and end-of-life care services to enhance quality of life for elderly patients

Regulatory and Policy Changes

- Stricter regulations governing data privacy and security to safeguard patient information
- Policies promoting interoperability and standardization of health IT systems to facilitate data exchange
- Government initiatives to address healthcare disparities and improve access to care for underserved populations

Healthcare Financing Reforms

Implementation of reforms to ensure sustainability of the healthcare system, potentially including changes to reimbursement models, insurance coverage, and public-private partnerships

Healthcare Infrastructure Development

Expansion and modernization of healthcare infrastructure, including hospitals, clinics, and medical facilities, to meet growing demand and improve accessibility

Workforce Development

Investments in healthcare workforce training and development to meet evolving needs, including specialized training in areas such as geriatrics, palliative care, and digital health

Collaborative Healthcare Ecosystem

Strengthening collaboration among healthcare stakeholders, including providers, payers, government agencies, and technology companies, to drive innovation and address complex healthcare challenges

Digital Transformation

- Increased adoption of digital health solutions such as telemedicine, wearable devices, and health apps
- Integration of electronic health records (EHRs) for improved data sharing and patient care coordination

Healthcare Innovation and Technology Integration

- Continued growth of the health tech sector with startups disrupting traditional healthcare delivery models
- Expansion of remote monitoring devices for chronic disease management and early intervention
- Increased use of technology in healthcare delivery, including telemedicine, AI-driven diagnostics, and wearable devices for remote patient monitoring
- Implementation of AI and machine learning for personalized medicine, diagnosis, and treatment
- Robotics and automation in surgical procedures for greater precision and faster recovery times

Integration of Data Analytics

Utilization of big data analytics and electronic health records to improve healthcare delivery, decision-making, and population health management

Shift towards Preventive Healthcare

- Emphasis on preventive measures and early intervention to reduce healthcare costs and improve outcomes, with initiatives promoting healthy lifestyles and regular screenings
- Emphasis on preventive care and lifestyle interventions to reduce the burden of chronic diseases
- Increased emphasis on preventive screenings, vaccinations, and health education programs
- Population health management strategies targeting lifestyle factors such as diet, exercise, and mental health.
- Incentives for employers and insurers to invest in wellness programs and employee well-being

Emphasis on Patient-centred Care

- Shift towards quality metrics and patient satisfaction as key performance indicators, with efforts to enhance patient experience and engagement throughout the healthcare journey
- Shift towards patient empowerment and involvement in healthcare decision-making

Development of precision medicine and personalised medicine

- Advancements in genomics, proteomics, and other -omics technologies enabling targeted therapies
- Tailored treatment approaches based on individual genetic profiles and biomarker analysis
- Development of companion diagnostics to optimize drug efficacy and minimize adverse effects
- Adoption of personalised medicine approaches, leveraging genetic testing and advanced analytics to tailor treatments to individual patients for better efficacy and reduced side effects
- Personalised treatment plans based on genetic, lifestyle, and environmental factors

Focus on Mental Health

Increased awareness and resources allocated to mental health services, recognizing the importance of addressing mental health issues alongside physical health concerns

Future of the Healthcare procurement environment in Greece

Notable changes and trends of the Healthcare procurement environment in Greece

Public perspective

Public procurement legislation framework

- Enactment of Law 4412/2016, this National Law embodied the European Directives 2014/24/EU, 2014/25/EU
- Establishment of Single Public Procurement Authority with the goal to improve the legislative framework for pre-litigation appeals

Centralisation of Procurement in the Healthcare sector

- One of the main trends is the centralisation of health procurement (goods and services) in terms of economies of scale and increasing the purchasing power of the CPBs
- The Law 4865/2021 established "National Centralized Health Procurement Authority" a body governed by private law that seems to confirm this trend, aiming at the full centralization of health procurement and services (medical devices, health, pharmaceutical goods and related services) in Greece
- This trend is a central axis for resolving the issues related to public procurement as it will achieve homogeneity in the procurement of medical devices, achieve lower prices, the continuous existence of contracts where the legality of the procedures will be achieved and with the final goal of safeguarding and promoting public health
- Centralisation of tendering procedures in the health sector with the establishment of National Centralized Health Procurement Authority (EKAPY)

Digitalisation, standardisation and harmonisation

- Launch of electronic tenders through the National System for the Electronic Management of Public Procurement (ESIDIS) and the Central Electronic Register of Public Procurement (KIMDIS)
- Development of an online platform for public procurement processes
- Reform of the Health Price Observatory and preparation of uniform technical specifications per product and service, unified codification of health products
- Unified electronic centralised system for monitoring the consumptions of all public health institutions and unified coding of services and supplies
- Assessment of potential risks through a system of audits of supplies and services
- In general, the main trend is a nomenclature and coding register, a register of technical specifications by item and a register of prices
- Establishment of a register of health suppliers with compliance with ISO 37001 standard for combating corruption

Innovation procurement and sustainable procurement

- There is a trend towards Green public procurement (National Action Plan for Green Public Procurement)
- Introduction of the innovation-sustainability contracts

- The implementation of innovative ideas while protecting the environment and sustainable development is a key objective in the implementation of public procurement procedures for health supplies and services.
- The implementation of green public procurement should be extended to many sectors and additional administrative tools and privileges should be granted to the contracting authorities that follow them.
- The trends and developments mentioned above are strategic objectives in the formulation of health policy, which should be accompanied by the consolidation of the public procurement system
    1. The implementation of certified users and members of public procurement committees,
    2. the single certificate for participation in the procedures of economic operators, the continuous training in innovative tendering procedures,
    3. the updating of the Price Observatory,
    4. the achievement of a Unified Product Coding,
    5. the interconnectivity of Information Systems at the level of either Health Regions or at NCHPAs,
    6. the full implementation of the Diagnosis Related Groups (DRGs) system,
    7. the application of the bar code to all products stored by health care providers and the accurate monitoring of imports and exports,
    8. the application of analytical accounting both in Primary Health Care
    9. and in the higher levels of Nursing Care are all areas that need to be addressed and optimised immediately

Supplier perspective (on Public procurement)

These are some insights and trends that may shape public healthcare procurement in Greece by 2030 that are based on existing trends and potential developments:

Healthcare spending and optimisation of healthcare procurement

- Healthcare spending in Greece was severely affected by the economic crisis, leading to a decrease of approximately 40% during the period 2009-2015
- While the economic situation has improved since then, monitoring healthcare spending and optimising procurement practices remain critical

Transparency, Quality and Safety Standards

- Focus on transparency and accountability: Efforts have been made to enhance transparency in procurement processes, including the publication of procurement data and increased stakeholder involvement
- Enhanced regulatory framework: Stricter regulations and oversight mechanisms were introduced to prevent corruption and ensure compliance with procurement laws
- Continued efforts to combat corruption and fraud in healthcare procurement through enhanced monitoring and enforcement mechanisms
- There has been a growing focus on quality and safety standards for medical products and services. Procurement now considers not only cost but also the safety and efficacy of healthcare supplies
- Compliance with EU regulations and international standards has become a priority
- Implementation of stricter regulations and guidelines to ensure transparency, accountability, and fairness in the procurement process

Centralised Procurement

- The Greek government has increasingly emphasized centralised procurement for healthcare supplies. Centralised purchasing helps consolidate demand, negotiate better prices, and ensure consistent quality. By 2030 the local activation of a full-scale model of centralised procurements is expected, in association with central warehouses & logistic / supply chain management
- By mutualising resources, hospitals and healthcare facilities can optimise their procurement practices

Digitalisation and e-Procurement

- Greece has made significant strides in adopting digital solutions for procurement processes. E-procurement platforms have streamlined purchasing, reduced paperwork, and improved transparency. By 2030 a full implementation of Public Sector Digitalisation is expected, such as interhospital connectivity & patient database
- The transition to electronic procurement will further enhance data quality / efficiency, allowing for better tracking of contracts, supplier performance, and cost management
- Increased emphasis on digitalisation and automation in procurement processes to streamline operations and improve efficiency (electronic tenders, electronic ordering, unification of product codes, electronic billing, AI)

Resilience, Adaptability and Strategic sourcing

- The world has experienced significant disruptions, including supply chain challenges and geopolitical tensions. Procurement leaders are shifting their focus from cost improvement alone to resiliency and assistance for businesses adapting to volatile market conditions
- In the context of public healthcare procurement, this means that organisations will need to build more robust supply chains, diversify suppliers, and be prepared for unexpected events (such as pandemics or natural disasters)
- Healthcare procurement has shifted from a transactional approach to strategic sourcing. This involves analysing supply chains, identifying critical items, and building long-term relationships with suppliers. Strategic sourcing aims to balance cost savings with quality and reliability.

Innovation procurement

- Greater collaboration and partnerships between public healthcare organisations and suppliers to enhance procurement effectiveness and drive innovation
- Opportunities lie in leveraging technology, collaborating with other EU countries, and adopting innovative procurement models
- Adoption of innovative procurement strategies such as strategic sourcing and value-based procurement to optimise resource allocation and achieve better outcomes
- Value-Based procurement:

1. Focus on outcomes and efficiency rather than volume of services provided
2. Pay-for-performance models incentivizing quality care and patient satisfaction
3. Collaboration between healthcare providers, payers, and pharmaceutical companies to optimize resource allocation and cost-effectiveness

Advances in AI and Machine Learning

- Integration of data analytics and predictive modelling to inform procurement decisions and optimise inventory management
- AI and machine learning technologies are rapidly advancing. These tools can extract deep insights from previously unstructured data
- In healthcare procurement, AI can enhance spend transparency, optimise purchasing decisions, and capitalise on movements in supply markets. For instance, predictive analytics can help anticipate demand for medical supplies and pharmaceuticals
- Emphasis on patient-centred procurement practices to ensure that healthcare services and products meet the needs and preferences of patients

Sustainability and Green Procurement

- Like many European countries, Greece is increasingly conscious of environmental impact. Sustainable procurement practices consider the lifecycle of products, environmental criteria, and social responsibility
- Growing focus on sustainability and environmental considerations in procurement decisions, including the procurement of eco-friendly products and services
- Hospitals are exploring eco-friendly alternatives, reducing waste, and promoting circular economy principles
- In healthcare procurement, this could mean sourcing sustainable medical equipment, reducing waste, and supporting eco-friendly practices

Demographic Shifts and Talent Competition

- Shrinking workforces and rising skill gaps are intensifying competition for digital ta-

lent. Procurement departments will need to attract and nurture candidates with analytical skills and data competence
- The ability to unlock value from agile ways of working and digital operating models will be crucial for healthcare procurement teams

Procurement workforce

- Increased investment in workforce development and capacity building to enhance procurement skills and capabilities within the public healthcare sector
- Expansion of procurement networks and platforms to facilitate information sharing, collaboration, and best practice exchange among healthcare organisations
- Procurement professionals in the healthcare sector should stay agile and adapt to the evolving landscape to ensure efficient and effective procurement processes by 2030

Despite progress, challenges remain. These include budget constraints, bureaucracy, and ensuring fair competition among suppliers. In summary, Greece's public healthcare procurement has evolved toward digitalisation, quality focus, and sustainability. However, continuous efforts are needed to address challenges and adapt to changing needs.

Supplier perspective (on Private procurement)

Since Private Sector will further evolve by 2030, the anticipated changes will be:

Increasing role of private procurement in the Healthcare sector

- Private Healthcare spending is expected to increase due patient's opting out from public sector
- Current Private Healthcare Sector Consolidation is expected to increase, which may lead monopolistic practices
- Increased involvement of private sector in healthcare provision, with private hospitals and clinics playing a significant role
- Shift towards more competitive tendering processes for procurement of healthcare services and supplies
- Introduction of mandatory health insurance contributions for all citizens, leading to increased demand for private healthcare services

Adoption of e-procurement

- Adoption of electronic procurement systems to enhance transparency and efficiency in procurement processes

Stricter regulations in private procurement

- Introduction of stricter regulations and quality standards for private healthcare providers to ensure patient safety and quality of care

Private / Public procurement partnerships

- Establishment of the National Organization for Healthcare Provision (EOPYY) to manage public health funds and contracts with private providers
- Efforts to improve coordination and integration between public and private healthcare sectors to optimise resource allocation and service delivery

Impact of the economic crisis on the procurement processess

- Implementation of austerity measures and healthcare reforms due to the economic crisis, impacting funding and procurement processes
- Emphasis on cost containment measures, including negotiation of lower prices for medical services and pharmaceuticals

Major lessons learned by Procurers in Greece

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Greece

Challenge	Description
Supply chain issues	Due to excessive demand of PPE and delays in the delivery of materials
Price instability	Volatility of market prices and excessive prices increases; High competition among suppliers
Scarcity / Shortages of products	For Personal Protective Equipment such as gloves, masks, suits, goggles; Pharmaceutical products and Medical Consumables. Disruptions in the global supply chain, resulting in shortages of critical medical equipment and supplies
Procurement procedures	Delays in issuing contacts and in payment to suppliers; Quick changes in procurement regulation and public procurement processes

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Greece

New practices	Description
Digital transformation	Time reduction for procedures thanks to the digitalisation; Implementation of time saving digital tools to help Contracting Authorities and Economic Operators with all procurement procedures
Centralisation of supplies	For instance, centralised procurement through EKAPY
Guidelines	Implementation of specific regulations and guidelines for the public sector to speed up the process

New policies	Description
Special legislative acts during Covid-19 *(Legislative Content Acts)*	Due to the emergency of the crisis situation, a flexible Legislation was designed, to speed up the procurement procedures during Covid-19 for necessary materials and medical equipment Implementation of time saving digital tools to help Contracting Authorities and Economic Operators with all procurement procedures
Major reforms introduced Law 4782/2021	Modernization, simplification and reform of the regulatory framework of public procurement, including changes to contract award criteria, thresholds for data publication, tender evaluation processes, participation guarantees, and the responsibilities of procurement bodies

Summary of best practices in Greece

Procurers
Centralisation of tendering procedures
Implementation of new technologies and specific protocols for managing similar crises
Maintaining strategic stock
Suppliers
Adequate local stock
Installations performed by local customer service
Prepared tenders & bids to work remotely Remote communication (Skype / Teams / Zoom) with Purchasing Departments, as face to face interaction was forbidden

Sources of the ID Card

- **Matrix**
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution
- **Other material: MedTech Europe report « Public Procurement of MedTech, a Tenders Electronic Daily (EU-TED) database analysis » - MedTech Europe and Vamstar July 2024**

PROCURE

ID CARD

HUNGARY

NNGYK
as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Node composition

Profiles of organisations involved in the Study

Hungary Country Node counted on the active participation of 9 organisations in total, distributed as follows: 3 Contracting Authorities, Public procurers subject to the EU Procurement Directive 2014/24; 1 Healthcare Institution and finally a group of 5 Suppliers.

1 Healthcare Institution	3 Contracting Authorities	5 Suppliers

Country Leader:

The National Centre for Public Health and Pharmacy (NCPHP)[41] functions as a central budgetary authority being a central agency under the direction of the Minister responsible for public health. NCPHP has national competence within its scope of activities.
To fulfil the public health goals, set out in the legislation, NCPHP performs managing, coordinating and supervising activities related to public health (especially environmental and settlement health, food and nutritional health, child and young health, radiohygiene and chemical safety), epidemiology, health development (health protection, health education, health promotion), and public health administration, as well as supervision of healthcare provision. Furthermore, based on delegated competence, NCPHP carries out tasks and duties relating to occupational health (workplace hygiene, occupational medicine), exercises and executes private law rights and duties in the field of occupational health. NCPHP is managed by the Chief Medical Officer (CMO). The CMO is involved in exercising powers granted to the Minister as professional manager over the government offices of the capital city and of the counties and the subregional (or district) offices acting in their public health function.

[41] https://www.nnk.gov.hu/

Introduction of the ID Card
Scope definition : Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.
In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[42], split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[42] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Administration and health data in Hungary

Administrative environment in Hungary

- Legal form of the State : **Unitary State**
- Administrative model that applies to the Healthcare System: **Mix of both system – centralised & decentralised**

Description of the Health system from an administrative point of view		
Outpatient Care	**Inpatient Care**	**Long Term or Social Care**
The purpose of the general outpatient care service is to provide medical care and diagnostics by a specialist. It also provides service occasionally or regularly for patients with chronic diseases whose condition does not require hospitalization Outpatient care is provided upon a referral issued by the patients' GP (or their regular treating physician) or upon the patients' request Outpatient services must be ensured close to the patients' place of residency or a reasonable distance from that, accessible by public transportation	Inpatient care is ensured in inpatient facilities (hospitals) and is provided upon the referral of the patient's GP, treating physician or another person who is entitled to issue a referral or upon the patient's request Patients with a social security coverage are entitled to inpatient medical carefree of charge if their medical condition requires inpatient care Depending on the type of the medical service, active and chronic inpatient medical service can be differentiated Active inpatient care: In many cases, the time the patient spends at inpatient care facilities (hospitals) with treatments, preventive services or rehabilitation is predictable and is of short duration The purpose of active inpatient care, in general, is to restore a normal health condition, or if that is not possible, stabilize the patient's condition, prevent the occurrence of complications, or observe the patient after certain interventions	Long-term care services are supplied within the healthcare and social service system. Long-term care services are based on social assistance and financed by the State budget. Both cash benefits and benefits in kind are provided. Long-term care services for the elderly: These services are provided according to the level of dependency Long-term care services for people with disabilities: The patient must suffer from disability or impairment or need assistance from another person Long-term care services for psychiatric patients and persons with addictions and long-term care services for homeless persons: Serious dependency level is required (the person must be unable to carry out activities of daily life sufficiently due to age), (mental) health condition

Health data in Greece

There is a national **Health database** in Hungary.
List of organisations in charge of Health data collection and health data management:

- KSH www.ksh.hu
- EESZT https://www.eeszt.gov.hu
- NEAK www.neak.gov.hu
- NISZ www.nisz.hu

Health data is centrally stored in 2 main data collections:

- **EESZT, EHSA** https://www.eeszt.gov.hu
- ELEKTRONIKUS EGÉSZSÉGÜGYI SZOLGÁLTATÁSI TÉR, Electronic Healthcare Service Area, EHSA

It is a communication interface using cloud-based technologies that connects healthcare providers (family doctor care and inpatient and outpatient services). Healthcare providers can access to the patient data, recent medical records, eReferrals and ePrescriptions. Health data are stored in a system of priority security level 5. As part of the developments planned soon, medical records and patient data from the past 5 years will be included in the system, so it will allow to provide a significantly more reliable diagnosis and more effective treatment.

- **National Health Insurance Fund of Hungary - NEAK https://www.neak.gov.hu/**

The NEAK plays a pivotal role in Hungary's healthcare system. Functioning as the administrator of the Health Insurance Fund, NEAK is primarily involved in financing and price support accounting

Other organisations in Hungary play a role in the health data storage, such as:

- **National Infocommunications Services Company - NISZ www.nisz.hu**

It is a state-owned company for public sector ICT services and data storage, including health data, based in Hungary, Budapest. It offers different kind of IT services to Hungarian government organizations. Besides, NISZ is a Governmental Certification Service Provider (Certification Authority), offering both qualified and non-qualified (advanced) electronic signature and time stamping services to government organizations and institutes.

- **Hungarian Central Statistical Office – KSH https://www.ksh.hu/**

One of the main objectives of the Hungarian Central Statistical Office as a professionally independent government office responsible for official statistics is the coordination of the Official Statistical Service's activity, publication of guidelines and recommendations relating to official statistical activities.

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The **National Public Healthcare System and stakeholders mapping**, which describe the organization of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The **Healthcare Procurement Environment and stakeholders mapping**, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The **Procurement practices in the Healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, the **main conclusions** close the ID card by highlighting the notables' changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National Public Healthcare System and stakeholders mapping in Hungary

Healthcare management

Categories of organisations	Names	Description	Hierarchical relations
Central government organizations and agencies (Ministry responsible for health; national public organisation, etc.)	Ministry of Interior (State Secretary of Health)	It is the Ministry responsible for the functioning of the national healthcare and welfare system in Hungary, the development of school education from nursery to university, the protection of the Hungarian cultural heritage, promotion of the interests of children and the young, and the realisation of government aims related to sport in Hungary. www.kormany.hu/belugyminiszterium	The Ministry is the central authority responsible for public health policies at national level All other health organizations operate under the coordination and regulation of the Ministry
	National Directorate General for Hospitals	National Directorate General for Hospitals, in Hungarian, Országos Kórházi Főigazgatóság, (OKFŐ) https://www.okfo.gov.hu/ was founded in 2020 to strengthen the Hungarian healthcare system and to enable the making of governmental strategic decisions. Since 2021, OKFŐ has been a successor of the former National Healthcare Service Providing Center (Állami Egészségügyi Ellátó Központ, ÁEEK) with extended authority. The head of OKFŐ is the national hospital director-general. OKFŐ's purpose and scope of activities: OKFŐ exercises maintenance and management power over the Hungarian hospitals, as well as over medical institutions maintained and owned by the state. OKFŐ is also responsible for the allocation of primary care praxis rights (GP and GP Pediatrician services, Dental services). The OKFŐ has the right to determine the economic management of medical institutions, the directives for appropriation management, and centrally organizes and controls the financial conditions of professional matters. Furthermore, OKFŐ exercises employer rights over the medical institution directors and employees. These rights are regulated by special legislation. The National Centre for Public Health and Pharmacy (in Hungarian: Nemzeti Népegészségügyi és Gyógyszerészeti Központ, NNGYK) NNGYK) is one of the main healthcare authorities of Hungary. The head of the NNGYK is the chief medical officer of Hungary.	

Categories of organisations	Names	Description	Hierarchical relations
Central government organizations and agencies (Ministry responsible for health; national public organisation, etc.)	National Centre for Public Health and Pharmacy	NNGYK's role is to coordinate public health, epidemiology, health promotion and development, health care management and coordination, and employee health nationwide. NNGYK also has a central role in the epidemiologic management of the Covid-19 pandemic. NNGYK's role is to coordinate public health, epidemiology, health promotion and development, health care management and coordination, and employee health nationwide. NNGYK also has a central role in the epidemiologic management of the Covid-19 pandemic. NNGYK's purpose and scope of activities: NNGYK monitors and evaluates public health status and epidemiologic situation in Hungary, with regards to the changes of the population's health conditions in relation to the social and environmental factors affecting health. NNGYK conducts research, performs epidemiological studies and impact assessment as well as risk calculation. NNGYK is responsible for the regional organization of primary care, health promotion and health development-related tasks (including organized screening programs) and ensures the citizen's equal access to these services. NNGYK is also in charge of the annual procurement of vaccines and participates in the organization and realization of other national public health-related programs. Furthermore, NNGYK operates the Institute of Genomic Medicine and Rare Disorders and the National Registry of Congenital Disorders. https://www.nnk.gov.hu/	The Ministry is the central authority responsible for public health policies at national level All other health organizations operate under the coordination and regulation of the Ministry

Healthcare representation

Categories of organisations	Names of organisations	Description
Players in charge of representation of the Healthcare Professional such as Federations, Professional associations, Councils, Unions, etc.	The Hungarian Medical Chamber, Magyar Orvosi Kamara	The Hungarian Medical Chamber was established in 1994 www.mok.hu Membership is voluntary for all physicians in Hungary. Tasks and responsibilities: · To represent the interests and prestige of medical doctors · To take part in contract discussions with insurance companies · To organise the obligatory CME, and to assure its quality · To cooperate with the civil organisations working in the field of health · Realisation of the resolutions of the General Assembly · Publication of medical information for members and the public · To keep the registry up to date · To supervise the fulfilment of the principles in the Code of Ethics · Medical education
	Association of Hungarian Health Visitors, MAVE	The MAVE - Hungarian health-visitor system's scope of activities includes preserving good health conditions, disease prevention and health promotion and development www.mave.hu Health-visitors perform their tasks on a specific frontier of healthcare, collaborating with other healthcare workers. Their activities are defined by legislations, specific protocols and directives.

Healthcare offer

Outpatient

OUTPATIENT CARE		
Main providers of Outpatient Care	**Breakdown of Outpatient Care**	**Regional or National specificities to be highlighted in terms of Outpatient Care**
General practitioner	50 %	Outpatient care in Hungary is provided through a network of GP service, diagnostic and treatment centres, nursing services
Outpatient facility and specialty facility	45 %	
Home-nursing care	5 %	

Inpatient

OUTPATIENT CARE	
Main providers of Inpatient Care	**Breakdown of Inpatient Care**
City and County Hospitals	90 %
University Hospitals	9 %
Specialty Hospitals Private Hospitals	1 %

Focus on public hospitals:

- More than 90% are public hospitals
- Number of facilities : 83
- Hospital bed density : 6,8 / 1000 persons

Pharmaceutical

PHARMACEUTICAL CARE
Pharmaceutical Expenditure in total per capita: *US Dollars, last year available* *OECD data* **2840**
Pharmaceutical spending, in total, as a share of GDP: *US Dollars* *2022, OECD data* **23 002**
Breakdown of Pharmaceutical Care providers: · Community pharmacy (facilities) **95 %** · Hospital pharmacy (facilities) **5 %**

Healthcare financing

Main sources of Financing	Main organisations in charge of financing	Description
National Health Insurance Fund	NEAK National Health Insurance Fund https://www.neak.gov.hu	Hungary has a tax-funded universal healthcare system, organized by the state-owned National Health Insurance Fund, called in Hungarian: Nemzeti Egészségbiztosítási Alapkezelő It is The National Health Insurance Funt (NEAK) administers Hungary's healthcare system. Payroll contributions, taxes, and co-pays on supplemental services are the primary funds of the NEAK. Payroll contributions are about 3% of an employee's income. Employers then cover an additional 15%

Healthcare procurement environment and stakeholders mapping in Hungary

Public Policy objectives in Hungary in terms of Procurement

Main Law that governs the Public Procurement

Act CXLIII of 2015 on Public Procurement, 2015. évi CXLIII. törvény a közbeszerzésekről; - https://net.jogtar.hu/jogszabaly?docid=a1500143.tv

Legal framework of reference that applies for public procurement of healthcare products

In Hungary, the legal framework applicable to the public procurement of healthcare products and services is a **mix of both centralised and decentralised**

Content of the national programme

In Hungary, there is **no programme that promotes the Healthcare Public Procurement**

Stakeholders mapping of the Healthcare procurement environment in Hungary

Public perspective

Categories of Public Procurers	Territoriality level	Names of organisations	Figures
Government Public Procurers	National	Védelmi Beszerzési Ügynökség Zártkörűen Működő Részvénytársaság http://www.vbuzrt.hu	8
		Digitális Kormányzati Ügynökség Zrt. https://dkuzrt.hu	
		Nemzeti Kommunikációs Hivatal, NKOH, https://nkoh.kormany.hu	
National Central Public Purchasing Body	National	Országos Kórházi Főigazgatóság, OKFŐ, https://okfo.gov.hu	NA
Central Purchasing Body	National	Nemzeti Népegészségügyi és Gyógyszerészeti Központ, NNGYK https://www.nnk.gov.hu	68
		National Food Chain Safety Office, NÉBIH, https://portal.nebih.gov.hu	
Hospitals	Local	South-Pest Central Hospital	15
University hospitals	Local	Klinikai Központ – Semmelweis Egyetem	NA

Nota bene: Hungarian legislation makes no distinction between government public procurers and national central purchasing bodies, which are grouped together under one name : central purchasing bodies.

Procurement practices in the Healthcare sector and suppliers' perceptions in Hungary

Deontology

Regulations

Most common regulations followed to prevent fraud, bribery or corruption used by Public procurers

- Act C of 2012 on the Criminal Code - A Büntető törvénykönyvről szóló 2012. évi C. törvény, https://net.jogtar.hu/jogszabaly?docid=a1200100.tv
- Planned or ad hoc audits by the internal auditor of the NNGYK in the Public Procurement and Procurement Department

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- Procurement and procurement data are stored on the organisation's server and are not publicly available. However, in accordance with national legislation, contracts with a net value of more than HUF 5 million are public and are available on the website of the organisation

Procurement cycle in Hungary

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public Perspective

Most common channels used by Public Procurers to analyse the market readiness & for suppliers sourcing

- Requests for (indicative) quotations from suppliers
- Scanning relevant websites

Processes used by Public Procurers for market readiness analysis

- Open Market Consultation

Categories of information collected by Public Procurers during sourcing

- Price
- Technical elements
- Ability to respond to Call for tender

Allotment in Public Procurement

In Hungary, the principle of allotment is mandatory.
By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Most frequently legal clauses used in Public Procurement

- Time and duration of contract
- Options
- Penalties
- Termination
- Financial Clauses
- Delivery/ Logistic conditions

Evaluation criteria in Public Procurement

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE ONLY Price is the main criterion, as quality compliance follows from compliance with the technical specifications.					

Nota bene: apart from the technical and price criteria, another criterion is used by public procurers for the Evaluation criteria: security of supply.

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

- Average contract duration in Hungary is 1 to 2 years

Process of monitoring the execution phase

- Based on the public procurement rules, in general the technical area is responsible for monitoring the performance of the contract, and if it detects non-contractual behaviour, the legal and procurement departments take appropriate actions.

Process for managing the contracts penalties

- If a supplier fails to fulfil its contractual obligations, that contract terminates

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

- Developed around solutions that are fit for purpose but support innovative workflows

Key practices of procurement performance in Hungary

Workforce professionalisation

Public perspective

In general, public procurers ensure the highest possible professional standards during the recruitment process and organise professional training for members of the procurement department.

Diagnostic of performance

Public perspective

- Streamlining costs: Rationalisation of the available budget by procurement is the responsibility of the finance and economic area

Procurement routes

Public perspective

Central Purchasing Bodies (CPB)	Other
In Hungary, it is not mandatory to procure through CPB. However, it depends on the procurement matter, whether it falls within the competence of the CPB or not. If the CPB has jurisdiction, but there is no framework agreement in force that can be implemented or the procedure is returned to the initiating organisation for a procurement under its own jurisdiction, the central purchasing body will not conduct the procedure.	Direct procurement and contracting with economic operators.

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among public procurers:

Main processes implemented	Main monitoring processes followed	Monitoring tools for Sustainable Procurement
The procurement process considers the life cycle of different goods and services	In general, procurement is assigned to the Public Procurement and Procurement department, the monitoring is conducted within the organisation up to the award of the contract	Tracking on the server and managing various spreadsheets

Security of supply

Public perspective

In general, maintaining a stock of certain products is a task for the asset management area

Supplier's perceptions on both Public & Private procurement in Hungary

Procurement information accessibility

Public procurement

Tools & methods used for monitoring call for Public tenders

- IT platforms where it is possible to map the new and running tenders, for example such as EKR (https://ekr.gov.hu/portal/kezdolap). Log in is necessary to access but then there is a lot of information available
- Elektronikus Közbeszerzési Rendszer (Electronic Public Procurement System) https://ekr.gov.hu/portal/kezdolap
- Közbeszerzési Értesítő (Public Procurement Bulletin) https://kozbeszerzes.hu/ertesito/
- Közbeszerzési Adatbázis (Public Procurement Database) https://kba.kozbeszerzes.hu/apex/f?p=103:35:2268375824018331

Accessibility of Public procurement information

- Information on how to make progressive tendering keeping the legal expectations
- Needs of the end users (quality, innovation but not only price)
- Suppliers are not aware of the government's vision regarding the centralisation of public hospital procurement

Transparency and ethic

Public procurement

Positive feedback
Suppliers and Procurers keep the rules in the communication and avoid cheating the system for short term benefits

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
In general, the relationship is respectful and balanced In case of technical questions, there is possibility to communicate and collaborate between suppliers and hospital procurers	With some centralised procurers, the situation might be complicated because of the lack of communication with suppliers

Private procurement

Positive feedback
High interest of private procurers for suppliers, by listening their products' arguments related to the total cost of treatment and its efficiency

Needs and expectations

Public procurement

Positive feedback	Negative feedback
The preliminary market information process allows the suppliers to be prepared for the upcoming tenders	It may vary depending on the centralised public procurer, sometimes with unclear technical specifications and/or unspecified product volumes

Private procurement

Positive feedback
Private procurers easily communicate with suppliers to present their needs

Sustainability requirements

Public procurement

Negative feedback
Lack of awareness, knowledge and openness for sustainability requirements in call for tender In general, it is very rare that sustainability requirements are applied by healthcare public buyers

Private procurement

Positive feedback
For the moment, private procurers have only made few steps about the Sustainable Procurement, however, is only the beginning stage

Innovation promotion

Public procurement

Positive feedback	Negative feedback
Sometimes, there is qualitative criteria, and procurers ask for samples in advance, but it is not frequent	Lowest price is usually the only/predominant selection criterion So, for the suppliers it is difficult to be competitive only with the price criteria (the cheapest price)

Private procurement

Positive feedback
Private procurers are listening to innovative suppliers, and they seem ready to try the innovative product to make assessment

Barriers identified

Public procurement

- Sometimes the centralised procurement process makes more difficult for end-users to get the best and most efficient product, because it is a regulated process with no margin. It seems that the legal process of centralised procurement is rigid and does not allow procurers to make extra steps for protecting the end users
- Suppliers observe a severe payment delay from public hospitals
- There is no value-based procurement approach from procurers
- The innovative medical technologies get to the Hungarian market with a significant delay

Private procurement

- Since the cost of maintenance of a hospital has increased a lot (wages increases and energy inflation), private procurers are still focusing on procuring at lowest prices
- In theory, quick and easy-access procurement process were finally hard to map and to prepare for suppliers
- Difficulty for suppliers in defining bidding prices due to the uncertainty of the supply chains, due to the fluctuation of the manufacturing and logistics costs and finally due to the volatility of the rate of the Hungarian currency

Success stories

Public procurement

- Procurement portal (online) have been developed and are getting used, so it eases the procurement process for all hospitals, they can purchase products easily by using this portal which is much more transparent
- Even if there is some delay for the Hungarian market entry of medical technology innovations, finally medical innovative products get to the market

Covid-19 impacts and best practices in Hungary

Main challenges faced during Covid-19 crisis

Public perspective

- Impredictive and unpreparedness
- Supply problems due to lack of frameworks
- Supply chain disruption, stock shortages from all suppliers

New procurement practices due to Covid-19 crisis

Public procurement

- Most of the time, now, meetings are conducted online, less face-to-face contact
- The interpretation of force majeure in contracts has changed
- The contracting process has been speeded up to ensure that products are delivered as quickly as possible
- The aim was to shorten the implementation phase, but this was not always successful due to factory shutdowns

Best practices

Best Practices promoted by Public Procurers in response to the Covid-19 crisis	
More flexible planning of framework quantities	Controlling for foreseeable contract changes

Best Practices promoted by Suppliers in response to the Covid-19 crisis	
Communication has been highly important: suppliers have been proactive with their partners and within their company with their teams, to be better prepared	Suppliers have advocated for an increased flexibility by public buyers regarding price increase claims of suppliers in existing public procurement contracts

Conclusions

Future of the National Public Healthcare system in Hungary

Notable changes and trends of the Healthcare system in Hungary

Public perspective

Main trends and evolution in the Healthcare sector

- Digitalisation
- Telemedicine
- AI

Main change over the last 15 years in the Healthcare sector

- Ageing Population
- Increasing Health Expenditure
- Hungary has fallen behind the Western development models
- Less and less money for the healthcare system compared to technological innovation

Suppliers perspective

Main trends and evolution in the Healthcare sector

- Hospital concentration: there is a centralisation of hospital structure by the creation of superhospitals in larger cities providing a full range of healthcare services and small-town hospitals providing only a limited number of services
- Scarcity of healthcare professionals, less healthcare professional staff and more vacancy
- Cost of treatment will be much higher, but less access for the services
- Use of AI and robotics

Notable changes over the last 15 years in the Healthcare sector

- Salary increase
- Efficiency dropping
- More burn out among professionals

Future of the Healthcare procurement environment in Hungary

Notable changes and trends of the Healthcare procurement environment in Hungary

Public perspective

Main trends and evolution in the Healthcare procurement environment

- In Hungary, centralised public procurement is expected to become increasingly common in the health sector
- At present, most of the products covered by centralised public procurement are not covered by framework agreements concluded by the central purchasing body, so that (public) procurement procedures can currently be carried out after lengthy authorisation procedures
- By 2030, it is expected that more framework agreements will be in place to speed up the implementation of certain procurements, as the central purchasing body's procedure will be a call-off procedure, rather than a market one
- Centralisation of procedures: it seems that range of products covered by centralised procurement will be extended so that the central purchasing body will be able to provide them at or below market prices to the various health care providers
- The specialisation of public procurement rules in the health sector, as general rules in the health sector are often difficult to apply, as the regulatory environment is not basically designed for this sector
- As the spectrum of healthcare products is expanding, more and more operators are entering the sector, typically as subsidiaries of a foreign company, and for a significant number of products they have an exclusive distribution agreement in the country
- The use of framework agreements and dynamic purchasing systems to manage the institution's large volume of procurement needs and its changing requirements
- Developing and pooling EU-level procurement, e.g. in the field of vaccines or preventive diagnostics

Notable change over the last 15 years in the Healthcare Public Procurement

- Inflation and the unchanged national threshold for public procurement, which does not follow inflation, have led to an increase in the number of procurement requests reaching the threshold

Supplier perspective (on Public procurement)

- In Hungary, the State is the dominant player on the market of healthcare products (More than 90% of hospitals are state-owned)
- Today, focus is still on the cheapest price of healthcare product / services
- It seems that it is the legal approach that drives the way not the needs of the hospitals
- More and more criteria are reflecting sustainability, with a holistic approach of total life cost, life cycle effectiveness, etc. it will be more aligned with the EU, not like today
- Increasing centralisation of hospital procurements by the government, i.e. more and more types of healthcare products used in public hospitals will be jointly procured by government bodies instead of the public hospitals themselves
- In parallel, there may be a trend for providing preference for domestic products in public procurements
- Development of good practice about considering sustainability, efficiency, value added services
- Digitalisation of the tendering process via increased use of e-procurement platforms and electronic catalogues

Supplier perspective (on Public procurement)

- More efficiency, green hospitals, sustainability and transparency
- Healthcare procurement moved from cheapest price approach for overall benefits of the offer approach

Major lessons learned by Procurers in Hungary

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Hungary

Impredictive and unpreparedness
Supply problems due to lack of frameworks
Supply chain disruption, stock shortages from all suppliers

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Hungary

Online meetings between procurers and suppliers instead of face to face
Legal interpretation of Force Majeur has been adjusted
Accelerated contracting process

Summary of best practices in Hungary

Procurers are more flexible in their planification of quantities
Procurers are better controlling the modifications of contracts
Better external and internal communication between all players: suppliers, the staff and procurers
Suppliers asked procurers for more flexibility for their price increase claims

Sources of the ID Card

- **Matrix**
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

PROCURE

ID CARD

ITALY

SCR PIEMONTE as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Node composition

Profiles of organisations involved in the Study

Italy Country Node counted on the active participation of 10 organisations in total, distributed as follows: 2 Contracting Authorities (SCR Piemonte spa and InnovaPuglia spa), Public procurers subject to the EU Procurement Directive 2014/24; 0 Procurers (private), not subject to the EU Directive, 2 Healthcare Institution (Azienda Zero Piemonte and Aress Puglia) and finally a group of 6 Suppliers (among which Essity, Monlycke and Confindustria Dispositivi Medici).

2 Healthcare Institutions	2 Contracting Authorities	0 other Procurers (private)	6 Suppliers

Country Leader:

SCR Piemonte[43] is the Central Purchasing Body of Regione Piemonte established in 2007, with the aim to contain public spending and to achieve a centralization of demand for goods and services by other public bodies – mainly in health sector - for the award of public contracts, with the effect of concentrating procurement procedures, thereby increasing the volumes put out to tender and reducing the costs and risks associated with the management of tendering procedures and, at the same time, ensuring increased specialisation in the management of e-procurement procedures.

SCR buys goods and services for 6 hospitals and 12 local health boards, and it covers around 500 public procurement bodies in both health care categories and standard categories; as an example, it awarded about 300 tenders for a total amount of nearly 7 million euro in the period 2020-2022, and it played a very important role in the procurement of Personal Protective Equipment necessary to deal with the emergency Covid-19 for the regional territory.

[43] https://www.scr.piemonte.it/

Introduction of the ID Card Scope definition: Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.
In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[44] , split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use *(except Imaging and Medical Consumables)*	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

Administration and health data in Italy

Administrative environment in Italy

Legal form of the State	Administrative model that applies to the Healthcare System	Description of the Health system from an administrative point of view		
		Inpatient Care	Outpatient Care	Long Term or Social Care
Unitary State	A mix of Centralised and decentralized Health System.	System is regulated at national level. Then it is organised at regional level for Inpatient care, Outpatient care and Long term and social Care.		

[44] *he source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Health data in Italy

There is national Health database in Italy.
Health data collection and management in Italy is carried out by Government Health Institutions and regional authorities. They gather a core set of health data and documents, which include patient identification and administrative details, medical reports, emergency room records, discharge summaries, a summarized health profile, pharmaceutical records, and documentation of consent or refusal for organ and tissue donation.

- Fascicolo Sanitario Elettronico (FSE) - Electronic Health Record
- Website link: https://www.fascicolosanitario.gov.it/

- Ministero della Salute - Italian Ministry
- https://www.dati.salute.gov.it/
- https://www.salute.gov.it/portale/moduliServizi/homeModuliServizi.jsp

- Istituto Nazionale di Statistica (ISTAT) - the Italian National Institute of Statistics
- https://www.istat.it/it/archivio/14562

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The National Public Healthcare System and stakeholders mapping, which describe the organization of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The Healthcare Procurement Environment and stakeholders mapping, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The Procurement practices in the Healthcare sector and suppliers' perceptions, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.
Finally, the main conclusions close the ID card by highlighting the notables' changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National Public Healthcare system and stakeholders mapping in Italy

Healthcare management

Categories of organisations	Names of organisations, per category	Description	Hierarchical relations, if any
Central government organizations and agencies (Ministry responsible for health; national public organizations, etc.).	Ministero della Salute - Ministry of Health	https://www.salute.gov.it/portale/home.html	AIFA, AGENAS and ISS give specific technical support to Ministry of Health.
	Agenzia Nazionale per i servizi sanitari regionali (AGENAS) - National Agency for Regional Health Services	https://www.agenas.gov.it/	
	Istituto Superiore della Sanità (ISS) - Higher Institute of Health	https://www.iss.it/	
Government organisations and agencies at sub-national level (Regional or Local Public organisations, etc).	Agenzia Italiana del Farmaco (AIFA) - Italian Agency for Pharma	https://www.aifa.gov.it/	
	Aziende Sanitarie Locali (ASL)	Local health companies throughout the territory. e.g. ASL Città di Torino https://www.aslcittaditorino.it/	

Healthcare representation

Categories of organisations	Names of organisations, per category	Description
Players in charge of representation of the Healthcare Professional such as Federations, Professional associations, Councils, Unions, etc.	Representation of Health Professionals' Unions (numerous by type of Health Professionals	Federazione Nazionale degli Ordini dei Medici Chirurghi e degli Odontoiatri (FNOMCEO) - National Federation of Orders of Surgeons and Dentists. https://portale.fnomceo.it
		Federazione degli Ordini dei Farmacisti Italiani (F.O.F.I.) - The Federation of Italian Pharmacists Orders. https://www.fofi.it/
		Federazione Nazionale degli Ordini delle Professioni Infermieristiche (FNOPI) - National Federation of Nursing Professions Orders. https://www.fnopi.it/
		Federazione Italiana di Aziende Sanitarie e Ospedaliere (FIASO) - Italian Federation of Health Authorities and Hospitals https://www.fiaso.it/
Players in charge of representation of the Healthcare Beneficiaries such as Associations of patients	Representation of healthcare beneficiaries (Patients' Associations and citizens' associations)	
Players in charge of representation of the Healthcare Industry such as Industry Associations for pharmaceutical industry, wholesalers, medical devices.	Representation of the Health Industry (Pharmaceutical Industry, hereinafter Medical Devices,etc.)	Confindustria Dispositivi Medici – Industry association. https://www.confindustriadm.it/

Healthcare offer

Outpatient

<table>
<tr><th colspan="3">OUTPATIENT CARE</th></tr>
<tr><th>Main providers of Outpatient Care</th><th>Breakdown of Outpatient Care, by provider (source: Agenas, 2021)</th><th>Regional or National specificities to be highlighted in terms of Outpatient Care</th></tr>
<tr><td rowspan="3">Human workers: general practitioners, specialists doctors, nurses, dentists, midwives, others health professionals</td><td>Nurses: 279837 (64%)</td><td rowspan="4">Italy performs well in certain areas such as avoidable hospital admissions and universal coverage, but it faces challenges like higher out-of-pocket spending and lower satisfaction with healthcare availability compared to OECD averages.

Healthcare Spending and Resources
• Per Capita Health Spending: Italy spends $4,291 per person on healthcare.
• Practicing Doctors: There are 4.1 practicing doctors per 1,000 people.
• Practicing Nurses: There are 6.2 practicing nurses per 1,000 people.

Primary Care
• Avoidable Hospital Admissions: Italy has 214 avoidable hospital admissions per 100,000 people, which is better than the OECD average of 463.

Safe Prescribing
• Antibiotic Prescription: Italy prescribes more antibiotics than the average in OECD countries.

Preventive Care
• Breast Cancer Screening: 56% of women in Italy are screened for breast cancer, which is comparable to the OECD average of 55%.

Healthcare Coverage and Satisfaction
• Universal Coverage: The entire population in Italy is covered for a core set of healthcare services.
• Satisfaction with Healthcare Availability: 55% of Italians are satisfied with the availability of quality healthcare, which is below the OECD average of 67%.

Financial Coverage and Out-of-Pocket Spending
• Mandatory Prepayment Coverage: 75% of healthcare spending in Italy is covered by mandatory prepayment (similar to the OECD average of 76%).
• Out-of-Pocket Spending: Out-of-pocket spending in Italy accounts for 22% of total health expenditure, which is higher than the OECD average of 18%.

Unmet Healthcare Needs
• Unmet Needs: 1.8% of the population in Italy reported unmet healthcare needs, which is lower than the OECD average of 2.3%.</td></tr>
<tr><td>General practitioners: 40250 doctors (9%)</td></tr>
<tr><td>Specialists: 108.387 doctors (5%)</td></tr>
<tr><td>Specialists: 108.387 doctors (5%)</td></tr>
<tr><td>Health care structures: Outpatients Clinics in Local Health Districts or in Hospitals; Community Houses (hub & spoke), Community hospitals, home health care services providers, laboratory analyses, physical and mental health rehab centers. Etc</td><td></td></tr>
</table>

Inpatient

INPATIENT CARE		
Main providers of Inpatient Care	**Breakdown of Inpatient Care, by provider**	**Regional or National specificities to be highlighted in terms of Inpatient Care**
Authorities Hospitals **Public Hospitals (with / without University Departments)** **Research Hospitals** **Hospice for terminal care** **Private non-for-profit Hospitals (350 acute care, 153 long stay278 rehab)** **Private for profit Hospitals**	Special inpatient care 31% Residential territorial medical care 27% Other territorial assistance 24% Semi-residential territorial medical care 11% Rehab assistance 4% Hospital care 3%	Italy's healthcare system is a mix of public and private hospitals, with significant challenges in economic sustainability, regional disparities, and nurse shortages. General Managers play a crucial role in managing healthcare services, with a focus on meeting essential care standards. Efforts are underway to promote integrated care and reduce waiting lists, but patient migration from South to North Italy highlights ongoing issues with perceived care quality. Financial constraints and regional autonomy add complexity to managing the system effectively. **Hospital Care** · Hospital Composition: Italy's hospital care is divided between 49% private and 51% public hospitals. **Economic Sustainability Challenges** · Economic Sustainability: The economic sustainability of healthcare is a major issue. One example is the "payback law," which recovers surplus sales of medical devices (2016-2019) from companies if expenditure ceilings are exceeded. However, many General Managers (GMs) fail to respect these expenditure limits. **Role of General Managers (GMs)** · Importance of GMs: General Managers of Public Healthcare Authorities are crucial in managing and delivering health services. They are selected through a national process that creates a registry, from which a triad of managers is defined. The final selection is made by regional political bodies. **Key Performance Indicators** · Apart from economic balance, GMs are measured on the Essential Levels of Care (LEA), which are legally established minimum health standards. There is a focus on expanding these LEAs to improve monitoring and health activity across public health authorities (hospitals, districts, prevention). **Integrated Care and Intermediate Care** · Integrated Care Challenge: There's an ongoing effort to promote integrated care, aiming to keep patients at home as long as possible. This requires organizational changes in delivering intermediate care (between home and hospital). The Law Reform of DM77 is a milestone, particularly for integrating new health professionals in social, health, and information roles, and managing local territorial assistance.

Main providers of Inpatient Care	Breakdown of Inpatient Care, by provider	Regional or National specificities to be highlighted in terms of Inpatient Care
Authorities Hospitals **Public Hospitals (with / without University Departments)** **Research Hospitals** **Hospice for terminal care** **Private non-for-profit Hospitals (350 acute care, 153 long stay278 rehab)** **Private for profit Hospitals**	Special inpatient care 31% Residential territorial medical care 27% Other territorial assistance 24% Semi-residential territorial medical care 11% Rehab assistance 4% Hospital care 3%	**Waiting Lists and Out-of-Pocket Expenditure** · Waiting List Management: A significant challenge is managing waiting lists, which currently push patients toward out-of-pocket expenditures in private hospitals, particularly for outpatient specialty consultations. **Regional Autonomy and Disparities** · Regional Care Models: While health management is centralized at the Ministry of Health, regions have the autonomy to organize their own care models with independent budgets. · Nurse Shortages: There is a shortage of nurses, especially in southern Italy. Financial constraints prevent hiring, exacerbating the issue. Italy has **4.1 practicing doctors per 1,000 people** (above the OECD average of 3.7) but only **6.2 practicing nurses per 1,000 people** (below the OECD average of 9.2). **Patient Migration** · South-to-North Migration: Patients from southern Italy often migrate to northern regions (e.g., Lombardia, Emilia Romagna, Veneto) seeking better quality care in both public and private (non-profit) hospitals. This migration results in economic transfers from southern to northern regions to pay for these services. **Future Challenges** · Future Focus Areas: Addressing waiting lists, nurse shortages, regional disparities, and improving economic sustainability will be key challenges in the future of Italy's healthcare system.

Focus on Private Non - for Profit Hospitals

- Number of facilities: 485 facilities.
- Hospital Bed Density: 45.531 beds in Private Hospitals not for Profit for entire Italy =0,15 beds /kmq accredited.

Focus on Private for Profit Hospitals

- Number of facilities: 63 not accredited.

Focus on Public Hospitals

- Number of facilities: 511.
- Hospital Bed Density: 179.938 total public beds , 1 bed each 1,7 Kmq.

Pharmaceutical

In Italy, pharmaceutical expenditure per capita was $748 in 2022, according to OECD data. In 2022, pharmaceutical spending represented 17,4 % of Health Spending (1,57 of Gross Domestic Product).

OUTPATIENT CARE		
Main providers of Pharmaceutical Care	**Breakdown of Pharmaceutical Care providers**	**Regional or National specificities to be highlighted in terms of Pharmaceutical Care**
Pharmacists professionals	40.000	The Italian pharmaceutical industry experienced notable growth in 2022 despite several challenges, such as supply chain disruptions and increasing raw material costs. • Industry Growth: The sector grew by 10%, with production reaching a value of €38 billion. Exports also surged by 44%, highlighting the industry's strong international presence. • Employment and Economic Contribution: The pharmaceutical industry in Italy contributes approximately 2% to the country's GDP, with a significant portion of this coming from exports. • Challenges from Rising Costs: The cost of producing generic drugs has risen sharply, primarily due to inflation, the ongoing effects of the Covid-19 pandemic, and the war in Ukraine. This situation has been described by the industry as "unsustainable," with potential negative impacts on patient access to medications. • Cost Increases: In 2022, the production costs for generic medicines increased by 21% compared to 2021, reaching approximately €937 million. Specific cost increases include a 26.5% rise in the cost of active ingredients and excipients, a 100% increase in transportation costs, and a staggering 300% rise in energy costs. • Price Regulation Issues: A significant issue in Italy is that prescription drug prices are among the lowest in Europe. This, combined with rising costs, has severely impacted profit margins and raised concerns about the sustainability of drug manufacturing. Additionally, regulations do not allow for price adjustments to account for inflation for drugs reimbursed by the National Health System, nor do they permit price renegotiation in public procurement processes. • Pricing Concerns: About 26% of equivalent drugs sold in Italian pharmacies are priced at €5 or less, which is unsustainable given the rising production costs.
Pharmacies (facilities)	20.000	
Pharmaceutical industry	66,500 people across 170 facilities	

Healthcare financing

Main sources of Financing	Main organisations in charge of financing	Breakdown of financing, by organisation	Short description	Specificities related to the National/ Regional Healthcare system funding
Tax Tickets from each Region paid by patients Insurance	Public TAXES (IRAP, IRPEF, etc): collection of taxes by the public state organisations	Mainly	Public Taxes (IRAP, IRPEF, etc): collection of taxes by the public state organisations.	There are huge problems of underfunding, linked to a problems of tax evasion and lack of payment of taxes
	Tickets paid directly to Public Hospitals	Partially	Tickets paid directly to Public Hospitals by several regional patients https://www.federfarma.it/Ticket-Regionali.aspx	
	Insurance Companies	Marginal	Insurance Companies on the territory https://www.milanofinanza.it/mercato-assicurativo/Malattia.htm	

Healthcare Procurement Environment and stakeholders mapping in Italy

Public policy objectives: description of the national programmes in Italy

Main laws that govern public procurement

In Italy, the law governing public procurement is called D. Lgs. 36/2023 is the new Italian Public Contracts Code ("Codice dei Contratti Pubblici").
Website: https://www.gazzettaufficiale.it/eli/id/2023/04/13/23A02179/sg

Legal framework of reference that applies for Public Procurement of Healthcare Products

In Italy, the legal framework for public procurement in the healthcare sector focuses mainly on centralised purchasing.

Content of the National and Regional programmes

Definition of the programmes

In Italy, there are some national and regional programmes that promote healthcare procurement:

- Consip S.p.A.
- Benchmark Prices Observatory
- PNRR-Salute - National Recovery and Resilience Plan - Health.
- PNRR-Salute - National Recovery and Resilience Plan - Health.
- Strategia Regionale di Specializzazione Intelligente (S3) - Smart Specialization Strategy (S3).
- Programma Pluriennale Strategico del Soggetto Aggregatore della Regione Puglia (PPSSA)- InnovaPuglia S.p.A. – anni 2023÷2025 - Multiannual Strategic programme of Apulia Region Aggregator- InnovaPuglia S.p.A.- years: 2023÷2025.

Useful links:

- https://www.gazzettaufficiale.it/eli/id/2018/08/16/18A05421/sg
- https://www.gazzettaufficiale.it/eli/id/2016/02/09/16A00583/sg)
- https://www.pnrr.salute.gov.it/portale/pnrr-salute/homePNRRSalute.jsp
- https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&id=5834&area=PNRR-Salute&menu=missionesalute
- https://www.regione.puglia.it/web/competitivita-e-innovazione/strategia-regionale-di-specializzazione-intelligente-s
- https://www.innova.puglia.it/documents/10180/5636397/DEL_1620_2023.pdf/

Topics of the programmes and other related guidelines in Italy by topic

Procurement performance

There are no specific action plans about the analysis or guidelines of Performance of Public Procurement, although there are some early studies.
The Public Procurement Monitoring Body that formulates some interpretative lines is Autorità Nazionale anticorruzione (ANAC) - Autorità Nazionale anticorruzione (Website: https://www.anticorruzione.it/), with also anti-corruption functions. In particular in order to guarantee transparency in public administrations.
However, the new law on procurement (D-lgs 36/2023) provides for the possibility of a better selection of suppliers thanks to the recognition of the adherence of companies to the UNI EN ISO/EMAS /ECOLABEL systems, in the field of:

- Social accountability;
- Energy management systems;
- Information security management systems;
- Environmental management systems;
- Quality management systems;
- Management systems for occupational health and safety certification of the management system for gender equality;
- European union ecolabel;
- Registration to the community eco-management and audit scheme emas;
- Greenhouse gases - product climate footprint;
- Additional attestations issued on the basis of national rules already recorded by the existing legislation.

Innovative Procurement

National level

Since 2007, in Italy is opened the discussion about Precommercial Procurement (PCP) and Public Procurement of Innovation (PPI).

Available Procurement Instruments

- Competitive Procedure with Negotiation
- A procurement process where bidders submit initial offers, and the contracting authority negotiates terms with selected bidders before awarding the contract.
- Competitive Dialogue
- A process used for complex contracts where the contracting authority engages in dialogue with bidders to develop suitable solutions before inviting final tenders.
- Innovation Partnership
- A procedure aimed at developing and buying innovative solutions that are not yet available on the market through a partnership between the contracting authority and one or more partners.

Agenzia per l'Italia digitale (AgID) - Agency for Digital Italy is responsible for managing the Centre of Territorial Competence on Innovation Procurement, in line with the Framework Agreement for Digital Growth and Citizenship towards the EU 2020 objectives.
In the recent past, an intense debate has started among professionals regarding forms of public facilitation of Research & Development activities: From 2015 to 2018, AgID was the institutional partner of the MIUR (Ministry for University and Research) for the implementation of the pre-commercial procurement program aimed at satisfying the innovation needs of the public sector in the Convergence Regions, a program launched by the MIUR-MISE (Ministry for Economic Development) Interministerial Directorial Decree n°437 of 13 March 2013

Useful links:

- https://www.agid.gov.it/it/agenzia/appalti-innovativi/centro-competenza-territoriale
- https://appaltinnovativi.gov.it/
- https://fasi.eu/it/articoli/novita/16686-miur-agid-appalti-pre-commerciali-per-e-health-e-e-government.html
- https://www.agid.gov.it/sites/default/files/repository_files/presentazioni/elenco_30_manifestazioni_di_interesse.pdf

Regional level

- PPI Process

The S3 2030 (at a Regional level) promotes the PPI procedures in healthcare as a tool enabling the Public Administration to guide the market of products and services for the sector. In fact, the demand for technological solutions/services coming from the healthcare system can be met by the offer developed by industries and regional research, through experimentation initiatives allowed by the Innovation European Partnership (IP).

The Programma Pluriennale Strategico del Soggetto Aggregatore della Regione Puglia (PPSA) envisages scouting of the PPI procedures (Procurement of Innovative Solutions), with particular emphasis on:

- The "Innovation European Partnership (IP)", aiming at deepening methodologies for the determination of the innovation value in public contract;
- PPI procedures oriented to VBP (Value Base Procurement), as developed in different European countries.

As to the tools for implementing the PPI pro

cedures, according to the Procurement Code and European Commission Communications, the regional e-procurement platform has been realized, also planning the integration of systems supporting the role of the Procedure Responsible (DSS), including a methodology for the analysis of the innovation demand.

- Value-Based Procurement:

InnovaPuglia, as member of the "Value-Based Procurement Community of Practice (https://www.vbpcommunity.eu/), has the opportunity to share use cases and pilot projects concerning the VBP model application in healthcare, in Europe, as well as to participate in various national and European events focused on the topic.
There are also experiences of Public Value Based Procurement in Healthcare between 2017 and 2019 at ESTAR (Tuscany) related to purchases, in the first instance with 3 race simulations (orthopaedic prostheses and stroke), in the second instance applying the methodology to a real race (Matrices for hernia) with Net Monetary Benefit NMB criterion.

Sustainable Procurement (Environmental; Social and Economic)

National level

The updated procurement code emphasizes the importance of integrating environmental sustainability and social responsibility into public procurement practices. Environmental clauses require compliance with Criteri Ambientali Minimi (CAM) - Minimum Environmental Criteria to foster sustainability, while social clauses mandate specific requirements to promote fairness and stability in employment practices.

Environmental Clauses

1. Legislative Framework:
   - Code of Public Contracts (Legislative Decree No. 36/2023):
   - Requirement: Contracting authorities must incorporate environmental sustainability objectives into their projects and tenders.
   - Implementation: At a minimum, the project documentation and tender must include technical specifications and contractual clauses based on the minimum environmental criteria (Criteri Ambientali Minimi - CAM) adopted by the Minister for the Environment and Protection of Land and Sea.
   - Application: This requirement applies to all procurement, regardless of the contract amount.

2. Binding Nature:
   - Article 57, Paragraph 2:
   - Nature of CAM: The CAM are not merely programmatic; they are binding obligations for contracting entities.
   - Objective: Ensure compliance with environmental sustainability goals and contribute to the circular economy.

3. Legal Precedents:
   - Council of State (October 14, 2022): Green public procurement (GPP) is considered a segment of the circular economy.
   - Council of State (February 3, 2021): CAM provisions are immediate binding obligations, not just programmatic guidelines.

Social Clauses

1. Legislative Framework:
   - Code of Public Contracts (Legislative Decree No. 36/2023):
   - Social Clauses Article: Article 57 addresses social clauses in tendering processes, focusing on social responsibility aspects.

2. Requirements:
   - For Works and Services Contracts:
   - Equal Opportunities: Ensure equal opportunities for all generations, gender equality, and employment inclusion for people with disabilities or disadvantaged individuals.
   - Employment Stability: Promote job security for employees.
   - Collective Agreements: Adhere to national and territorial sectoral collective agreements.
   - Subcontractor Conditions: Apply the same contractual economic conditions to subcontractors to prevent irregular contract work.

Regional level

The S3 2030 (at a Regional level – InnovaPuglia) promotes new sustainable procurement models, for the provision of health technologies and products in line with an innovative healthcare model, complying with the criteria of environmental sustainability and circularity (for example production of customized products directly within hospitals, domiciliation of treatments with high-tech tools, ...).

Digital Healthcare

National level

The new procurement code summarizes the innovations with the definition of "National ecosystem of digital procurement(e-procurement)".

1. Integration and Interconnection with Digital Platforms:
   - Innovation: Public administrations are required to use digital procurement platforms, which will streamline the acquisition of resources needed for institutional activities.
   - Impact: This integration simplifies and

accelerates the procurement process, making it less costly and more effective. It ensures that all stages of procurement, from awarding contracts to managing them throughout their lifecycle, are handled digitally.
- Example: Certified Platforms: By January 1, 2024, all public administrations must use "certified" digital platforms if they do not have their own. This move aims to standardize and optimize procurement processes across all public entities.

2. Creation of a National Broker Platform for Healthcare Procurement:
   - Innovation: The Agency for Digital Italy (AgID) will provide a broker platform specifically for healthcare procurement through the National Agency for Health Services (AGENAS).
   - Impact: This platform will facilitate the acquisition of innovative technological solutions and support the digital transformation in healthcare. It is designed to improve procurement efficiency and support health services through advanced digital tools.
   - Example: Digital Health Framework Agreement: The framework agreement between AgID and AGENAS focuses on digital health innovation, including telemedicine and artificial intelligence systems. This collaboration will advance digital health services and streamline procurement in the healthcare sector.

3. Synergy for Innovation in Healthcare:
   - Innovation: The collaboration between AGENAS and AgID aims to systematize digital skills and acquire innovative technologies for healthcare.
   - Impact: This synergy supports the implementation of digital health solutions, helping to modernize healthcare services and improve the efficiency of health professionals and services.
   - Example: Next Generation EU (Pnrr) Program: This program's investments in healthcare digitalization align with the goals of the PNRR, focusing on enhancing digital health services and processes.

Regional level

S3 (at a Regional level – InnovaPuglia) promotes digitalization, underlining its transversal impact, because by encouraging cooperation between companies operating in different fields, it can foster wider innovation processes, with significant repercussions on the territory.
The topic of digital healthcare is also focused in the PNRR – Health, where the concrete objectives to be pursued are set, in terms of:
- Hospital digitization
- Strengthening of technological infrastructure and tools for data collection, processing, analysis and simulation
- Upgrading of the house as a first place of care and its digital model for the implementation of the adi
- Implementation of telemedicine on the territory.

Security of Supply (See next section "Focus on Security of Supply")

Security of supply in terms of anti-corruption is managed by ANAC (National Anti-Corruption Agency - https://www.anticorruzione.it/)
The Italian Anticorruption Authority (ANAC) was created with the aim of implementing article 6 of the United Nations Convention against Corruption (UNCAC). ANAC is an independent authority.
Law 190 of 2012 gave ANAC the responsibility:
- To draw up a preventive strategy against corruption;
- To supervise the anticorruption strategy of each public entity (through the adoption of Three Year Plans for integrity and transparency),
- To guarantee transparency in public administrations
- To guarantee the integrity of civil servants, and to disseminate a culture of integrity and legality.

The Authority pursues its goals through regulatory and supervisory activities, has an advisory function and some inspection and sanctioning powers.
In Italy, they read (RAPPORTO OASI 2021 - CERGAS UniBocconi) that the percentage of reporting info about corruption in Public Procurement is in average of 3% of the total number of tenders (with peaks of 22 % in several regions of south Italy): the health procurement is 25% of total public procurement.

Focus on Security of supply, from the Regional and National programmes

As mentioned earlier, Security of Supply is a key component of Italy's National and Regional Public Procurement Strategy. The strategy includes specific measures to ensure and manage the continuity and reliability of supply, especially concerning:

- **Implementation of shortage prevention techniques:**
  - Inventory planning: to acquire the necessary competences and to know the logics of market in such way to put into effect the necessary levers of purchase of a long period and to plan the supplies in order to tackle to future emergencies. With a view to implementing the principles of risk management and business continuity as well as cyber security, to ensure the resilience of the procurement function, it will be necessary foreach central health purchasing;
  - Cost Management : to guarantee a structured programming so as to be able to mitigate the volatility of the costs of the raw materials and the sanitary instrumentation and to guarantee the financial resilience of the sanitary system.

- **Implementation of contingency Plan for supply chain disruption (buffer stock):**
  - Piano nazionale di comunicazione del rischio pandemico- National pandemic risk communication plan
  - Useful link:
  - https://www.salute.gov.it/imgs/C_17_paginaAree_722_0_file.pdf
  - Piano strategic operativo di preparazione e risposta ad una pandemia da patogeni a trasmissione respiratoria a maggiore potenziale pandemico 2024-2028 - Strategic Operational Plan for Preparedness for and Response to a Pandemic from Respiratory Transmitted Pathogens with Greater Pandemic Potential 2024-2028.
  - Useful link:
  https://new.regione.vda.it/Media/Regione/2023-12-20/CSR%209%20-%20AR%20314.pdf
  - The National Strategic-Operational Plan for Preparedness and Response to a Flu Pandemic (PanFlu) 2021-2023 has planned to store a sufficient supply of DPI to ensure the needs in the care sector in the first 3-4 months of a pandemic influenza with reference to PPE, DM, and drugs potentially useful to face the effects of a pandemic (cortisone, antibiotics, oxygen therapy).

- **Creation of strategic stocks:**
  - Italy has set up strategic stocks for 4 categories of Healthcare products & services:
  - National stock of personal protective equipment (PPE);
  - Surgical masks;
  - Reagents and genotyping kits;
  - Storage and storage of vaccine doses for national needs.

Stakeholders mapping of the Healthcare procurement environment in Italy

Public perspective

There are 5 main categories of public procurers in Italy.

- National Central Purchasing Bodies & Government Public Procurers:
  In Italy, 1 structure is operating at national level as CPB for hospital procurement of healthcare products and services:
  - Concessionaria Servizi Informativi Pubblici (CONSIP SPA (MePa) - Public information service provider

- Regional Public Purchasing Bodies
  In Italy, there are 21 structures for hospital procurement at regional level, one Soggetti Aggregatori Regionali (S.A.R. (DL 66/2014) - Regional Aggregating Bodies, one per region:
  - SCR Piemonte spa
  - Innovapuglia spa
  - Intercenter

- Local Public Purchasing Bodies
  In Italy, there are 125 Enti di acquisto pubblici locali - Local Public Purchasing Bodies for hospital procurement.
  - ASL (Azienda Sanitaria Locale) Città Di Torino
  - ASL Alessandria
  - ASL Novara

- University Hospitals
  In Italy, 25 local hospital procurement structures exist within the University Hospital Centres including in the following ones:
  - Città della Salute e della Scienza (University Hospital)
  - Niguarda Milano (University Hospital)
  - Policlinico Sant'Orsola Bologna (University Hospital)

- Hospitals

In Italy, there are 1187 local hospital procurement structures within the Hospitals

Procurement practices in the healthcare sector and suppliers' perceptions in Italy

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by public procurers

- Guidelines and standards
  - The obligation for each person to whom the code of ethics is addressed to avoid any situation that could potentially lead to a conflict between the interests of the company and their personal interests;
  - The obligation to provide a declaration about the possible existence of situations of conflict of interest, at the time of recruitment or acceptance/subscription of the contract.

- Tools
  - oModello di Organizzazione, Gestione e Controllo ai sensi del Decreto Legislativo 8 giugno 2001, n. 231 (Model of Organiza-

tion, Management and Control pursuant to Legislative Decree 8 June 2001, n. 231)
- Codice Etico (Code of Ethics)
- Piano Triennale Di Prevenzione Della Corruzione E Della Trasparenza 2024-2026, (Three-Year Plan To Prevent Corruption And Transparency 2024-2026)

Deontology training

The major content of the training concerns the prevention of corruption, identifying a set of rules aimed at ensuring legality and transparency in public action.

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by Public procurers

There are regulations implemented in Italy to prevent fraud, bribery, and corruption in public procurement:
- Codice Etico Di Comportamento (Code Of Ethics of Conduct)
- Piano Triennale Di Prevenzione Della Corruzione E Della Trasparenza 2024-2026, (Three-Year Plan To Prevent Corruption And Transparency 2024-2026)
- Legge anticorruzione (Anticorruption law) L. 190/2012
- Decreto Trasparenza (Transparency decree) D.lgs 33/2013

Internal and compliance control

Most common practices and tools for internal and compliance control used by Public procurers

- Standards
  - Risk assessment of individual company structure on the basis of current legislation;
  - Verification and monitoring of the progress of the measures mentioned in the 'Three-Year Plan For The Prevention Of Corruption And Transparency 2024-2026', it is carried out annually.
- Tools
  - Modello di organizzazione, Gestione, Controllo (MOG) (Organisation, Management, Control Model);
  - Work table in Excel format with the list of measures to be checked and their implementation status, compiled every year.

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- SINTEL, a procurement platform, gives access to all the documents concerning the bid. However, access to the data concerning the execution of the contract is not available;

Other tools that are used by procurers to access Procurement data

- At Regional level: EmPULIA e-Procurement Platform aims to enhance public finance management and ensure transparency, regularity, and cost-effectiveness in the administration of public contracts. This platform, in compliance with national legislation, supports the rationalization of the procurement process for works, goods, and services across regional administrations and entities. Additionally, it allows public access to procurement data, ensuring transparency and accountability.

Supplier relations

Most common practices, standards and tools used by Public procurers in terms of Supplier relations

- Strategy and Standards
  - Since September 2023, a code of conduct, based on principles of transparency, has been adopted to regulate meetings with economic operators and trade associations;
  - Minimize contact with suppliers, especially during the tender development phase.
- Tools
  - A regulation based on general principles and specific measures to prevent corruption.

Procurement cycle in Italy

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channels used by Public Procurers to analyse the market readiness & for suppliers sourcing

- Platform
- www.contrattipubblici.org
- Medical technical boards

Processes used by Public Procurers for market readiness analysis

The 3 most common processes used:
- Strategic watch
- Benchmarking
- Open Market consultation

Category of information collected by Public Procurers during sourcing

The 3 most common categories of information collected by the public procurers are:
- Price
- Technical elements
- Market vision

Sourcing Tools used by Public Procurers during sourcing

- https://nextcloud.innova.puglia.it/

Allotment in Public Procurement

In Italy, the principle of allotment is mandatory. By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

The most frequently Legal Clauses used are:
- Division of contracts into lots (principle of allotment)
- Options
- Renewal
- Modifications of contracts & Review clauses (including price revision clauses)
- Penalties
- Termination
- Delivery/ Logistic conditions

Evaluation criteria in Private Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumable	Health Services	Protective equipment / protective gear
PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE ONLY

Apart from the technical and price criteria, some other categories of criteria are used by Public procurers for the Evaluation criteria such as:
- Environmental criteria
- Social criteria
- Innovation criteria

Execution phase: average contract §duration, monitoring and control, penalties of contract

Public perspective

Contract duration

In Italy, average contract duration is 3 years.

Processes of monitoring the execution phase

Ministerial Decree No. 49/2018 introduced the figure of the Director of the contract execution (DEC) for the Contract Execution phase with the task of ordering the start of the execution of the contract by carrying out an activity of control on the regular execution of the works in compliance with the times and costs according to the contractual prescriptions.

Tools for monitoring the execution phase

2 tools are implemented to monitor the execution phase:

- Email flow via excel tables;
- Monitoring of the erosion/ consumption of the framework agreement on the regional platform of e-procurement Empulia.

Processes for managing the contracts penalties

There is only the dispute with the company as process for managing the contracts penalties.

Tools for managing the contracts penalties

To manage the contracts penalties, Public procurers only used e-mails and certificated e-mails.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Monitoring and steering objectives of the Procurement performance

General objectives followed by Public Procurers in terms of Procurement performance are:

- Economic performance;
- Purchasing performance;
- Innovative procurement.

Key practices of Procurement performance in Italy

Workforce professionalisation

Public perspective

The most recurring tools used by Public Procurers to maintain and/or to improve the specialisation of the Procurement Workforce are:

- Participation in high specialised procurement trainers/corporate training program
- Ongoing training provided by National School of Administration SNA (https://sna.gov.it/)
  - https://www.pianoformazionerup.org/
- Corporate training plan, drawn up in collaboration with the Human Resource Office, issued within the first half of each year
  - https://formazione.innova.puglia.it/

Diagnostic of performance

Public perspective

Streamlining costs		Time to respond		Other	
Processes	*Tools*	*Processes*	*Tools*	*Processes*	*Tools*
Work Breakdown Structure Breakdown of the Procurement Cycle into sub-targets, activities and specific tasks as Preliminary market consultation & Identification of needs. Digitalisation of the Contract Lifecycle: Digitalisation is essential to simplify procedures and make them more transparent and efficient.	E-Procurement Platform Standard Documents	Regular meetings to perform the analysis of management processes and practices. Examine procurement processes, from planning to execution, to identify any inefficiencies or areas for improvement. This may include optimizing tender procedures, managing subcontractors and verifying compliance with regulations. Implementation of the Gantt, definition of activities and duration to plan the effort required, checklist for identification and classification of risks by delay.	Risk Matrix Internal meetings	Status of progress, quality monitoring of supply/service, verification of best and bad practices. Identification of the Person (R), Person (A) Consulted (C) Informed (I) that for the tender procedure are the RUP (Project Manager, the designer, the tender commission, the DEC (Execution Manager) and the Auditor/Collator. Involvement of experts of the individual products (Medical technical board) for the design of the tender and the identification of the technical specifications.	RACI Matrix

Supplier performance

Public perspective

- IT supplier sourcing tool – Albo fornitori (Supplier Register)
  - http://www.empulia.it/tno- a/empulia/Empulia/SitePages/Albo%20Fornitori.aspx

Procurement routes

Public perspective

In Italy, it is mandatory to procure through the CPB in accordance with Decreto del Presidente del Consiglio dei Ministri del 11 luglio 2018 and Prime Ministerial Decree of july11, 2018). It also mandatory do procure though Regions. However, Public Procurers do not purchase through healthcare groups because this type of establishment doesn't exist in Italy.

Innovative procurement approaches

Public perspective

When innovative approaches are adopted in Public Procurement in Healthcare, we observe that one of recurring innovative approaches adopted by reginal Public Procurers is the implementation of the innovative procedures and institution of a specific office on innovative procurement activities on the e-procurement Empulia platform.
Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among Public procurers:

Main processes of VBP implementation	Main outcomes of VBP applicated	Main VBP Tool
Introduction of penalties: Penalties will be applied for events related to the use of a device that has proved to be defective for safety reasons, which entails the patient's re-hospitalization for the replacement/ reimplantation of the defective device. Additionally, the supplier must provide a new device at no cost to replace the defective one. Introduction of innovative processes for the benefit of the territory and less probability of litigations	Introduction of evaluation criteria in the pacemaker and defibrillator tender: A risk-sharing program is aimed at reducing infection-related impacts associated with the post-implantation of the device, infectious risks, and inappropriate shocks, as well as preventing hospitalization for heart failure.	InnovaPuglia joined the Value-Based Procurement Community of Practice In 2021, having the opportunity to follow the developments of the VBP theme at national and European level. VBP CoP: https://www.vbpcommunity.eu/

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Public procurers:

Main standards of reference	Main processes implemented
Codice contratti pubblici d. lgs. 36/2023 - Public Contracts Code. Criteri ambientali minimi (CAM) - Minimum Environmental Criteria. Minimum wages indicated in the appropriate tables referred to in Article 41(13) of the "Public Contracts Code".	*Regional level:* Puglia Region with the support of Innovapuglia implemented a platform for the collection and use of material related to the legislation and its evolution, the pro-forma contracts, training and advice on the so-called "Green Purchasing".

Digitalisation

Public perspective

Regarding the digitalisation of Public Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools	Internal IT tools for procurement data management	IT tools for supplier sourcing	IT tools for supporting procurement procedures
Sintel Platform Empulia Paltform	TABLEAU - Data Analysis Software https://www.tableau.com/it-it	*Albo fornitori* (Supplier Register	Piattaforma Empulia Sintel Platform

Suppliers' perceptions on both public & private procurement in Italy

Procurement information accessibility

Public procurement

Tools & methods used for call for public tenders monitoring

3 main tools:

- Telemat: email received daily
  - Website: www.telemat.it
- Infoplus: email received daily
  - Website: www.infoplus.gare.it
- ROGA: email received daily
  - Website: www.rogaitalia.com

Accessibility of public procurement information

The accessibility of public procurement information remains a challenge, with varying levels of transparency and availability across regions and public administrations:

- Not all regions have a planned timeline of the incoming tenders.
- Not all public administrations provide the minimum level of information that should be made available.
- There are few opportunities for pre-tender meetings.

Private procurement

Tools & methods used for call for private tenders monitoring

- Private procurers do not publish tenders, they do not have the same legal obligations as public administrations. They normally request bids from companies when they are nearing the end of their existing contract and then compare the different proposals they have received, awarding the contract to the one that is most cost-effective and convincing.
- Private hospitals do not use tender to buy medical devices but direct negotiation (STD agreements).
- Commercial field force on territories.

Accessibility of private procurement information

The accessibility of private procurement information remains a challenge:

- Lack of information about the current provision: Insufficient data is available.
- General awareness of the private market: While there is a general understanding of the private market, additional planning insights can sometimes be valuable for project preparation.

Need for broader data access: Gaining broader access to data on savings and sustainability would be highly beneficial.

Transparency and ethic

Public procurement

Positive feedback
All communications and relationships take place formally, in a form codified by law and ethical regulations adopted by public administrations.

Private procurement

Positive feedback
• Relations are completely transparent and marked by mutual respect. Private clients in the healthcare field are professionals and act as such. • Responsibilities between parties are always ruled by agreement signed by both parties. • They are more flexible than public procurers

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
The public procurement sector in Italy is highly fragmented, with some entities able to establish respectful relationships and others not. During the tendering process, the fact that there is only one administrative manager to consult for queries and clarifications on the procedure.	Many public buyers are difficult for suppliers to access, making it challenging to transfer essential knowledge or share experiences. Companies possess expertise and could serve as partners or consultants for public buyers, but they are often viewed solely as suppliers rather than collaborative partners

Private procurement

Positive feedback
Purchasing always takes place in a balanced and fair manner. Annual deals are consistently closed each year with the biggest private buyers, always adhering to internal deadlines and policies. More direct discussion than with Public procurers.

Needs and expectations

Public procurement

Positive feedback	Negative feedback
The specifications are established by a technical commission made up of experts in the sector.	As for volumes they are frequently based upon historical data without analysis of needs and technology innovation. In some cases calls for tenders do not express the real evolution of the market, of clinician needs and industry development.

Private procurement

Positive feedback
The private client acts in agreement with the National Healthcare System through a kind of contract that defines the number of patients it can treat and the type of treatment it can perform. So, it knows exactly what its needs are in terms of technical features and volume. During the annual negotiations, both parties expressed clearly needs and expectations is a negotiation between private subjects.

Sustainability requirements

Public procurement

Positive feedback	Negative feedback
Over the last few years additional requirements have been requested, which contribute to the score of the technical evaluations and which are related to issues of sustainability of economic operators, both in environmental terms and from the point of view of equity and inclusion.	ASustainability requirements currently requested by public buyers are very limited to standard certifications and packaging criteria. This doesn't help to demonstrate the real differences and impact of companies' improvements and investments on sustainability goals. Public buyers require minimum environmental criteria but the additional criteria often are not significant and not checked by public buyers during the supply.

Private procurement

Positive feedback	Negative feedback
The sustainability requirements set by private buyers primarily focus on the economic aspects of the offer. A portfolio of products and services has been developed to meet these expectations. Proposals are crafted to integrate various products and services, providing sustainable solutions that address not just the purchase price of individual products but the overall management of the therapy.	Private buyers require minimum environmental criteria but the additional criteria often are not significant and not checked by public buyers during the supply. In this case, there appears to be greater interest in the topic due to the added value it offers to private buyers. Partnerships with companies committed to sustainability serve as a key differentiator for them.

Innovation promotion

Public procurement

Positive feedback	Negative feedback
During the technical dialogue with the administration, all the latest innovations and features can be presented. In some cases, it is also possible to leave the product or equipment on trial (free viewing) for a limited period of time. In this way, technicians and clinicians can directly evaluate the new features and their clinical impact on patient treatment.	Only in some cases (very few buyers and/or only bigger tenders), public buyers promote occasions to engage confrontation with companies and/or to promote innovation (as a pre-tender/consultation phase, prior to call for tenders). When it comes to call for tenders, only seldomly companies can promote or have their innovations rewarded. Sometimes Service and additional improvements are evaluated as part of the technical offer, as "innovative proposals". Not all public buyers demonstrate the same ability to incorporate technological and purchasing process innovation and this is due to the fragmentation: there are entities of excellence and entities that are not yet able to manage adequately the challenges that the medical device market needs to the public sector.

Private procurement

Positive feedback	Negative feedback
More focus on patients' needs and products quality. Private customers are open to innovations, especially when they concern management aspects and operational simplification in the management of equipment.	More focus on patients' needs and products quality. Private customers are open to innovations, especially when they concern management aspects and operational simplification in the management of equipment.

Barriers identified

Public procurement

Bureaucracy

- Tendering rules are often unclear as can be.
- Tender specifications are very complex.

Financial Challenges

- Delays in payment deadlines from the date invoices are issued.
- Resistance on the part of many public authorities to open discussions on revising the prices of existing contracts.

Procedure and Expertise

- Insufficient involvement of experts/end-users in drafting tender documents and evaluating bids.

Private procurement

Supply and Tendering Challenges

- Limited Awareness of Supply: Often, there is a lack of awareness about available supplies.
- Inconsistent Tender Announcements: Calls for tenders are not always published.

Financial Issues

- Extended Payment Delays: Payment times are often very long.
- High Price Sensitivity: The main challenge is the private sector's high sensitivity to price, with continuous requests for discounts and rebates, whether in cash or kind.
- Price Erosion by Lab Chains: Laboratory chains frequently engage in practices that lead to significant price erosion.

Success stories

Public procurement

- Multisupplier Framework Agreement without segmentation in the provision improvement in the structured dialogue between industry stakeholders and purchasing bodies which created a more responsive climate to the public private partnerships and improving in the endogenous information asymmetry.
- Starting approach on sustainability requirements.
- Sharing of plans for the next years by a few purchasers.
- Complex tenders winning demonstrate the good consideration for our technical projects.

Private procurement

- Solid Partnership Perception: Private customers view the company as a solid and reliable partner. The network of directly managed private dialysis clinics enhances the company's credibility, with experience and a willingness to share effective and efficient management solutions being highly valued.
- Innovation Amid Price Pressure: Despite significant pressure on pricing, the company successfully introduces new technologies, leveraging rebate mechanisms for advancements in areas such as robotics and cardiovascular disease technologies.
- Emerging Focus on Sustainability: There is a growing focus on meeting sustainability requirements, with initial steps being taken in this direction.
- VBHC Projects Initiated: Several projects related to Value-Based Health Care (VBHC) have been initiated, marking successful progress.
- Contracts with Major Lab Chains: The company is currently managing contracts with major laboratory chains.

Covid-19 impacts and best practices in Italy

Main challenges faced during Covid-19 crisis

Public perspective

Prevent Corruption Risks

The increased need for rapid resource deployment (e.g. supply of personal protective equipment, Covid-19 vaccines, and diagnostic tests) sometimes led to bypass standard procedures, with the consequence of higher corruption risks, especially in low- and middle-income countries.

Ensuring a resilient and efficient supply chain

The pandemic impacted on healthcare supply chains generating:

- Unpredictable supply levels and price hikes due to stores closed and situations uncertain.
- Delays and increased lead times in acquiring supplies.
- Shortages in products stocks of those distributors and retailers usually relying on international suppliers, due to closed borders in many countries.

Clear communication during health crises

The Lack of Clarity about healthcare needs impacted the distribution of medical supplies.

Data-driven decision-making

The usual approach to manage needs failed due to unpredictable demand and consequent price hike.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Pharmaceutical products
- Protective Clothes/Gear
- Personal Protective Equipment
- Essential Health Services
- Emergency Care
- Elective Surgeries
- Backlogs in Primary Care
- Purchases for Intensive and sub-intensive therapy

Supplier perspective

Increased Costs Post-Covid-19

The post-Covid-19 period saw significant increases in raw material, logistics, and energy costs, creating financial and operational challenges.

Maintaining Critical Services During Lockdowns

Despite the challenges of lockdowns, all essential services were kept operational, ensuring continuity even during the most critical moments.

Securing Scarce PPE

Efforts were made to obtain personal protective equipment (PPE), such as masks and gloves, which were in extremely short supply during the early stages of the pandemic

New procurement practices due to Covid-19 crisis

Public perspective

Simplified Procurement Process

The possibility of more simplified procurement procedures for higher amounts has been extended. Principle of result and trust.

Quality Control and Regulatory Compliance

Increased control over product quality and product certifications / Regulatory.

Contract Execution and Delivery

Contract Execution phase: specifications in supply tender documents include the "delivery at home" of supplies addressed to chronic patients, whereas before the Covid-19 crisis, supplies were delivered at health facilities: local pharmacies, local health units, hospitals.

New policies implemented in the Healthcare procurement

Public perspective

Procurement Process

- Completion of centralised emergency procurement.
- Italian procurement rules have approached economic criteria but rejected criteria for awarding the quality of the device.
- Value of regional procurement versus national procurement.
- Award logic with necessary price/quality criteria.
- Intensification and drafting of new protocols for infectious risk containment

National Production and Supply Chain

- Creation of national production realities (e.g., masks, gloves, safety glasses, face screens, and coveralls).

Risk Management

- Intensification and drafting of new protocols for infectious risk containment.

health units, hospitals.

Best practices

Table of Best Practices promoted by Public Procurers in response to the Covid-19 crisis:

Best Practices promoted by Public Procurers in response to the Covid-19 crisis		
Implementation of telemedicine solutions for home monitoring of patients during convalescence and acceleration of home delivery of medicines/therapies for patients suffering from chronic diseases.	Developing teams for analysis of procurement in emergencies of devices and services.	Re-managing the total number of public beds.

Table of Best Practices promoted by Suppliers in response to the Covid-19 crisis

Best Practices promoted by Suppliers in response to the Covid-19 crisis		
Digitalization.	Speed up processes.	Flexibility

Conclusions

Future of the National Public Healthcare system in Italy

Notable changes and trends of the Healthcare system in Italy

Public perspective

Main trends and evolution in the Healthcare sector

- The new Health procurement will have to be the result of a calibrated synthesis:
  - Notices;
  - Continuous scouting of the suppliers;
  - Competences always updated regarding the evolution of the scenario in order to place corrected questions to the market, also guaranteeing the innovation;
  - The sustainability;
  - OR innovability, i.e. a synergy between innovation that must *be oriented to the fundamental principles of sustainability (i.e. 17 Sustainable Development Goals of the 2030 UN Agenda).*
- Standardisation and harmonisation of:
  - Technical rules, in terms of quality needed as medical device standards etc.
  - Administrative rules (public tenders, EC thresholds) also in procurement
  - Value based procurement

Notable changes over the last 15 years in the Healthcare sector

- Some European health systems have significantly improved the quality of services, particularly in home care, social care, long-term care, and for the elderly. The role of the public state is crucial in this process.
- European health systems sometimes provide alternative models to the current Italian health system. However, changing the health model cannot ignore the social, economic, cultural, political, and legal context of the country.

Main trends and evolution in the Healthcare sector

- Centralized assessment system for health technologies and centralized procurement: Establish a centralized system for evaluating health technologies and managing procurement.
- Address sustainability, affordability, and equitable access: Tackle issues related to the growing demand for healthcare services, territorial disparities in access to care between countries, and the lack of skilled personnel due to insufficient focus on ongoing training of the healthcare workforce.
- Focus on prevention and proactive health management: Leverage technology, digital transformation, and artificial intelligence (AI) to emphasize prevention and proactive management of health.

Notable changes over the last 15 years in the Healthcare sector

- European Health Union (EHU) established by European Commission in response to the Covid-19 pandemic, to enhance EU resilience and public health.
- Research and Collaboration investments specifically addressed to healthcare, with particular attention to data sharing.
- Critical Medicines Alliance launched in 2024, to enhance strategic autonomy in the pharmaceutical sector.

Suppliers perspective

Main trends and evolution in the Healthcare sector

- Value-Based Procurement in the Healthcare sector: A value-based approach is essential to understand if the technology or solution provides is beneficial for all stakeholders. In addition, the health technology assessment is important, becoming part of this approach.
- National Health System is underfinanced.
- Inclusion of sustainability in the healthcare sector is crucial both for users and suppliers.

Notable changes over the last 15 years in the Healthcare sector

- There has been an increasingly marked tendency towards the centralization of purchasing not only in the healthcare public sector but also in the healthcare private sector which has organized itself into networks or consortia for the rationalization of supplies. The national and regional purchasing centres have made a notable contribution not only to the containment of spending in the healthcare sector but also to the rationalization of the solutions proposed without reducing, indeed often elevating, the quality of the proposals.
- Telemedicine and investments on the weaker patients to ensure continuity of care.
- Sustainability is mandatory for Healthcare. Countries that invested more in primary care, screenings etc, are facing less issues at Hospital level and outpatient services

Future of the Healthcare procurement environment in Italy

Notable changes and trends of the Healthcare procurement environment in Italy

Public perspective

Main trends and evolution in the Healthcare sector

- Trend towards homogenisation of purchasing processes procedures in Europe.
- Use of value-based procurement as a valuation tool.
- Simplification of tender process in administrative evaluation phase of Competitors companies (better clusterization models & categories).

Notable changes over the last 15 years in the Healthcare sector

- Growing trends in reduction of the number of companies for each tender object, also thanks to large use of framework agreements (accordi quadro) creating less competition and price standardization.
- Creating shared guidelines and quality standards.
- Digitalisation.

Main trends and evolution in the Healthcare Public Procurement

- Digitalisation and new purchasing tools.
- Cost reduction and redirect the purchasing process towards a value perspective (Value-Based Procurement).
- Creating shared guidelines and quality standards, market homogeneity.

Notable changes over the last 15 years in the Healthcare Public Procurement

The promotion of sustainable public procurement practices in accordance with national policies and priorities through the implementations of sustainable public procurement policies and action plan.

- In 2022, EFPIA publishes recommendations on medicine procurement across the EU to ensure that procurement practices across the EU are effective and sustainable, delivering high quality medicines for patients, in the right quantities and at the right time.
- A European strategy for data from February 2020 which envisages the establishment of a public procurement data space (ppds) that would cover both the EU dimension with EU datasets (such as tenders electronic daily ted) and the national ones.

Supplier perspective (on Public procurement)

Main trends and evolution in the Healthcare Public Procurement

- Procurement Centralization;
- Value based procurement;
- More influence of EU Legislation on EU Countries Legislation.

Notable changes over the last 15 years in the Healthcare Public Procurement

- The purchasing committee has changed the ratio by giving more weight to the value of the technology than the short-term costs;
- Grouping purchases;
- EU countries are checking and aligning among them with an innovative procurement approach.

Suppliers perspective (on Private procurement)

Main trends and evolution in the Healthcare Private Procurement

- Supplier diversity, circular economy, risk management;
- Creation of international purchasing groups;
- European private lab chain tenders across countries.

Notable changes over the last 15 years in the Healthcare Private Procurement

- Value-based procurement approach;
- More price sensitivity;
- Innovation linked to rebate structure.

Major lessons learned by Procurers in Italy

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Italy

Challenge	Description
Prevent Corruption Risks	The increased need for rapid resource deployment (e.g. supply of personal protective equipment, Covid-19 vaccines, and diagnostic tests) sometimes led to bypass standard procedures, with the consequence of higher corruption risks, especially in low- and middle-income countries.
Increased Costs Post-Covid-19	The post-Covid-19 period saw significant increases in raw material, logistics, and energy costs, creating financial and operational challenges.
Ensuring a resilient and efficient supply chain	The pandemic disrupted healthcare supply chains, leading to unpredictable supply levels and price increases as stores closed and uncertainty prevailed. This resulted in delays, extended lead times for acquiring supplies, and product shortages, especially for distributors and retailers dependent on international suppliers, due to widespread border closures.
Maintaining Critical Services During Lockdowns	Despite the challenges of lockdowns, all essential services were kept operational, ensuring continuity even during the most critical moments.
Clear communication during health crises	The lack of clarity about healthcare needs impacted the distribution of medical supplies.
Securing Scarce PPE	Efforts were made to obtain personal protective equipment (PPE), such as masks and gloves, which were in extremely short supply during the early stages of the pandemic.

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Italy

New practices	Description
Flexibility of Procurement Procedures	The possibility of more simplified procurement procedures for higher amounts has been extended.
Quality Control and Regulatory Compliance	Increased control over product quality and product certifications
Contract Execution and Delivery	Contract Execution phase: specifications in supply tender documents include the "delivery at home" of supplies addressed to chronic patients.

New policies	Description
Centralized procurement	The centralization of emergency procurement was completed, with Italian procurement rules focusing on economic criteria but neglecting device quality. There's an ongoing debate on the value of regional versus national procurement. The awarding process now emphasizes necessary price/quality criteria, and new protocols for infectious risk containment have been intensified and developed.
Risk Management	Intensification and drafting of new protocols for infectious risk containment.

Summary of best practices in Italy

Procurers	
Best practices	**Description**
Implementation of Telemedicine Solutions	Implementation of telemedicine solutions for home monitoring of patients during convalescence and acceleration of home delivery of medicines/therapies for patients suffering from chronic diseases.
Developing Teams for Emergency Procurement	Developing teams for analysis of procurement in emergencies of devices and services.
Re-managing the Total Number of Public Hospital Beds	/

Suppliers
Best practices
Digitalization
Speed-up processes
Flexibility

Sources of the ID Card

- Matrix
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

PROCURE

ID CARD

PORTUGAL

SPMS
as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Node composition

Profiles of organisations involved in the Study

Portugal Country Node counted on the active participation of *Servicos Partilhados do Ministerio de Saude* (SPMS), country leader and partner in the PROCURE project. This organization responded as a contracting authority as well as a healthcare institution because all public health entities are part of the National Health Service of Portugal.

2 Healthcare Institutions	2 Contracting Authorities	0 other Procurers (private)	6 Suppliers

Country Leader:

SPMS[45] is a public enterprise created in 2010, functioning under the guardianship of the Ministries of Health and Finance. Its aim is to provide shared services to organisations operating specifically around health, to "centralise, optimise and rationalise" the procurement of goods and services within the National Health Service (NHS).

[43] https://www.spms.min-saude.pt/

Introduction of the ID Card Scope definition: Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.
In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[44] , split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use *(except Imaging and Medical Consumables)*	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

Administration and health data in Portugal

Administrative environment in Portugal

<table>
<tr><th>Legal form of the State</th><th>Administrative model that applies to the Healthcare System</th><th colspan="3">Description of the Health system from an administrative point of view</th></tr>
<tr><td rowspan="2">Unitary State</td><td rowspan="2">Centralized Health System: by centralized health system, we understand that decision-making is made only by the Central State in the area of Health.</td><td>Inpatient Care</td><td>Outpatient Care</td><td>Long Term or Social Care</td></tr>
<tr><td colspan="3">Administrative Organisation:
Central government organisations and agencies (Ministry responsible for health; national public organisations, etc.) with intensive care units, emergency units, and other specialized facilities.
However, there are challenges related to overload and limited resources in certain regions.</td></tr>
</table>

[46] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Health data in Portugal

There is national Health database in Portugal.
Health data collection and data management is carried out by Public Agency for the Development of Information Systems and Public Procurement in Health (Serviços Partilhados do Ministério da Saúde - SPMS), National Directorate of Public Health (Direção-Geral da Saúde - DGS), Agency for Medicines and Medical Devices National Authority for Medicines and Health Products (INFARMED), State Laboratory, reference laboratory activity, health observation and epidemiological surveillance by National Institute of Health (INSA), Public Institute responsible for financing the Public Health system (ACSS), Medical Units and Hospitals and National Institute of Statistics (Instituto Nacional de Estatistica - INE).

1. Public Agency for the Development of Information Systems and Public Procurement in Health (SPMS)
   - Data Types Collected: All information regarding the citizen's electronic health record:
     - Allergies;
     - Vaccines;
     - Health records;
     - Laboratory tests;
     - Imaging exams;
     - Diagnostics;
     - Hospital discharge notes;
     - Administrative data of the citizen;
     - Patient summary;
     - Electronic prescription of medicines.

These data are used for planning and implementing health policies, resource allocation and monitoring of health system performance.

2. National Directorate of Public Health (DGS) and National Institute of Health (INSA)
   - Data Types Collected:
     - Detailed Epidemiological data: Incidence, prevalence, and trends of communicable and non-communicable diseases.
     - Vaccination Data: Vaccination rates for various diseases and age groups.
     - Data on Mortality and Morbidity: Numbers and causes of mortality and morbidity.
     - Surveillance Data: Data collected by public health surveillance systems for detecting and responding to disease outbreaks.
     - Genomic data.

DGS uses these data to monitor public health, to carry out epidemiological analyses and to provide recommendations for public health policies and interventions.

3. National Authority for Medicines and Health Products (INFARMED)
   - Data Types Collected:
     - All information regarding medicines, medical devices and cosmetics.
     - Information regarding supply capacity of suppliers.

INFARMED uses these data for pharmacovigilance and market regulation, information regarding the supply capacity of suppliers, and economic impact analysis and sustainability studies in the evaluation of medicines and new technologies.

4. Public Institute responsible for financing the Public Health system (ACSS)
   - Data Types Collected:
   - Demographic and Social Data: Population data, demographic structure, and socio-economic characteristics.
   - Hospitals and primary care units finance performance.
   - Hospitals and primary care units resources.
   - Risk evaluation for the population.

Usage: ACSS have contracts with hospitals and primary care units and they manage de resources of the Health Ministry.

5. National Institute of Statistics (INE)
   - Data Types Collected:
     - Demographic and Social Data: Population data, demographic structure, and socio-economic characteristics.
     - Data on Population Health: Information on self-reported health status, access to medical services, and health behaviours.
     - Data on Mortality and Morbidity: Retailed statistics on mortality and morbidity rates, including causes of death.

List of organisations in charge of Health data collection and health data management:

1. Serviços Partilhados do Ministério da Saúde (SPMS) - https://www.spms.min-saude.pt/
2. Autoridade Nacional do Medicamento e Produtos de Saúde (INFARMED) - https://www.infarmed.pt
3. Direção-Geral da Saúde (DGS) https://www.dgs.pt
4. Instituto Nacional de Saúde, Dr. Ricardo Jorge (INSA) https://www.insa.min-saude.pt
5. Administação Central do Sistema de Saúde (ACSS) - https://www.acss.min-saude.pt
6. Instituto Nacional de Estatistica (INE) - https://www.ine.pt

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The National Public Healthcare System and stakeholders mapping, which describe the organization of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The Healthcare Procurement Environment and stakeholders mapping, which describe the Public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The Procurement practices in the Healthcare sector and suppliers' perceptions, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, **the main conclusions** close the ID card by highlighting the notables changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National Public Healthcare system and stakeholders mapping in Portugal

Healthcare management

Categories of organisations	Names of organisations, per category	Description	Hierarchical relations, if any
Central government organizations and agencies (Ministry responsible for health; national public organizations, etc.).	Ministério da Saúde (MS) - Ministry of Health	Elaboration of national health policies, regulation and supervision of the health system in Portugal. https://www.portugal.gov.pt/en/gc21/ministries	The Ministry of Health is the central authority responsible for public health policies at national level. All other health organizations operate under the coordination and regulation of the Ministry of Health.
	Administração Central do Sistema de Saúde (ACSS) - Central Administration of the Health System	Managing the health resources system and collects data on medical services and associated costs. https://www.acss.min-saude.pt/	ACSS mission is to ensure the planning and management of the financial resources of the Ministry of Health and the NHS, the planning and of human resources and the network of facilities and equipment in the health area, as well as the contracting of the provision of care.
	Direção Executiva do Serviço Nacional de Saúde (DE-SNS) - National Health Service Executive Board	Implementation of public health policies at national and local level. https://www.sns.min-saude.pt/	DE-SNS mission to coordinate the care response of the NHS health units. It also coordinates the National Network of Integrated Continued Care and the National Network of Palliative Care, which allows for a more comprehensive monitoring of responses to users in the various life cycles.

Healthcare representation

Categories of organisations	Names of organisations, per category	Description
Players in charge of representation of the Healthcare Professional such as Federations, Professional associations, Councils, Unions, etc.	Portuguese Medical Association	Portuguese Medical Association is the professional organization representing doctors in Portugal, protecting and promoting their professional interests. Regulates medical activity and ensures compliance with ethical and deontological norms. https://ordemdosmedicos.pt/
	Order of Nurses of Portugal	Order of Nurses of Portugal is the professional organization representing Nurses in Portugal, protecting and promoting their professional interests. Regulates Nursing activity and ensures compliance with ethical and deontological norms. https://www.ordemenfermeiros.pt/
	Portuguese Pharmacists Association	Portuguese Pharmacists Association, the professional organization representing pharmacists in Portugal, protecting and promoting their professional interests. Regulates pharmacist activity and ensures compliance with ethical and deontological norms. https://www.ordemfarmaceuticos.pt/pt/
Players in charge of representation of the Healthcare Beneficiaries such as Associations of patients.	National Association for HIV (Abraço)	National Association for HIV's mission is to promote the quality of life of the infected person and contribute to the eradication of HIV/AIDS through: · Providing support for infected and HIV/AIDS-affected persons; · Research, (in)formation and prevention; · Fight against stigma and discrimination and advocacy of rights. https://abraco.pt/
	Federation of Rare Disease Associations (FEDRA)	FEDRA's mission is to promote a growing and standardized quality of services provided by SPMS's associates, aiming to defend and promote the rights of people with rare diseases, while representing the interests of patients. https://fedra.pt/
	Association of support for people with cancer (AAPC)	AAPC mission is to meet social shortages through personalized and qualified services, especially directed to cancer patients and their relatives, in articulation with competent utilities and other institutions. http://www.aapc.pt/home

Players in charge of representation of the Healthcare Industry such as Industry Associations for pharmaceutical industry, wholesalers, medical devices.	Portuguese Association of Pharmaceutical Industry (APIFARMA)	APIFARMA mission is to fomenting the innovation and development of therapies that respond to the treatment and prevention needs of new pathologies, as well as provide medicines that constitute an improvement for the health and quality of life of populations. https://apifarma.pt/
	Portuguese association of generic and biosimilar drugs (APOGEN)	APOGEN mission to disclose generic drug and biosimilar drug concepts, actively contributing to the development of this market segment in Portugal, making medicines more accessible, in a sustainable health system, allowing for more health care and new healthcare technologies to release. https://apogen.pt/inicio
	Portuguese Association of Medical Device Companies (APORMED)	APORMED representativeness of the common interests of companies that integrate the medical devices production and distribution sector. https://www.apormed.pt/

Healthcare offer

Outpatient

OUTPATIENT CARE		
Main providers of Outpatient Care	**Breakdown of Outpatient Care, by provider**	**Regional or National specificities to be highlighted in terms of Outpatient Care**
Local Health Units (integrate hospital care and primary care)	85%	Outpatient care is conducted by local health units, which are health care vertical structures, where hospital health care and primary health care (family physicians and family nurses) are integrated. These units are composed of hospitals with urgence and university hospitals, with 9 of the 39 local health units having university hospitals in their composition. The Ministry of Health coordinates and supervises these units, ensuring the implementation of health policies and compliance with quality standards. The biggest challenge currently facing the system is the digital integration of processes between primary and hospital care.
Oncology Hospitals	5%	
Private Hospitals	2%	
Private Clinics	1%	
Individual medical providers	1%	
Rehabilitation and Physiotherapy Centres	0,5%	
Mental Health Centres	0,5%	

Inpatient

INPATIENT CARE		
Main providers of Inpatient Care	**Breakdown of Inpatient Care, by provider**	**Regional or National specificities to be highlighted in terms of Inpatient Care**
Local Health Units	95%	The Ministry of Health coordinates and supervises these units, ensuring the implementation of health policies and compliance with quality standards.
Oncology Hospitals	1%	
Mental Health Centres	1%	
Private Hospitals	1%	

Focus on Non Private for Profit Hospitals

- Number of facilities: 21 facilities.
- Hospital Bed Density: 5000.

Focus on Private for Profit Hospitals

- Number of facilities: 131.
- Hospital Bed Density: 11.676.

Focus on Public Hospitals

- Number of facilities: 42.
- Hospital Bed Density: 23.926.

Pharmaceutical

In Portugal, pharmaceutical expenditure per capita was $625.5 (Current prices), $490.9 (Constant prices) in 2022, according to OECD data. In 2022, pharmaceutical spending represented 1.5% of GDP.
There are 18155 pharmacists professionals and 3157 pharmacies (facilities), non-hospital pharmacies with non-hospital pharmacies accounting for 99% of pharmaceutical care providers.[47]

[47] *Source: https://www.ordemfarmaceuticos.pt/pt/numeros/*

Healthcare financing

Main sources of Financing	Main organisations in charge of financing	Breakdown of financing, by organisation	Short description	Specificities related to the National/ Regional Healthcare system funding
Taxes Private insurance/ Voluntary Health Insurance Private expenses	Ministry of Finance (MF)	61%	The Portugal State Budget counts individualized Budget Programs per Governance area, and an annual budget is awarded for each of the areas. In this sense the area of Health containing in the State Budget, is intended to finance public entities that provide health care and/or are embedded in the Ministry of Health, and all of this comes from the Portuguese taxes.	The health status budget, is then managed by the health mini-target itself, through the organization called the Central Administration of the Health System, who contractualizes production in the public health units of a financing instrument called program contract.
	Private Health Insurers	9%	Private insurers offer complementary or additional health insurance policies that cover private medical services and settle the costs for their insured persons. They contribute to diversifying funding sources and increasing the accessibility of quality medical services.	
	Private expenses (out-of-pocket)	29%		
	Non-governmental Organizations and Foundations	1%	Non-governmental Organizations and Foundations provide financial, medical and logistical support for health projects and programs for vulnerable groups	

Healthcare Procurement Environment and stakeholders mapping in Portugal

Public policy objectives: description of the national programmes in Portugal

Main Law that governs Public Procurement

In Portugal, the law governing public procurement is called: *Decreto-Lei n.º 18/2008, de 29 de Janeiro* - Decree-Law no. 18/2008, of January 29. This law is connected to 34 other regulations:

- Portaria n.º 701-H/2008, de 29 de julho.
- Decreto-Lei n.º 200/2008, de 9 de outubro.
  - Lei n.º 19/2012, de 8 de maio.
- Portaria n.º 55/2013, de 7 de fevereiro.
- Portaria n.º 227/2014, de 6 de novembro.
- Diretiva n.º 2014/23/UE, do Parlamento Europeu e do Conselho, de 26 de fevereiro.
- Diretiva n.º 2014/24/UE, do Parlamento Europeu e do Conselho, de 26 de fevereiro.
- Diretiva n.º 2014/25/EU, do Parlamento Europeu e do Conselho, de 26 de fevereiro.
- Diretiva n.º 2014/55/EU, do Parlamento Europeu e do Conselho, de 16 de fevereiro.
- Lei n.º 96/2015, de 17 de agosto.
- Portaria n.º 406/2015, de 23 de novembro.
- Portaria n.º 111/2017 de 16 de março.
- Portaria n.º 371/2017, de 14 de dezembro.
- Portaria n.º 372/2017, de 14 de dezembro.
- Portaria n.º 57/2018, de 26 de fevereiro.
- Portaria n.º 72/2018, de 9 de março.
- Decreto-Lei n.º 72/2018, de 12 de setembro.
- Lei n.º 34/87, de 16 de julho.
- Decreto-Lei n.º 155/92, de 28 de julho.
- Decreto-Lei n. º171/94, de 24 de junho.
- Lei n.º 98/97, de 26 de agosto.
- Decreto-Lei n.º 166/98, de 25 de junho.
- Decreto-Lei n.º 191/99, de 5 de junho.
- Decreto-lei n.º 197/99, 8 de junho.
- Decreto-Lei n.º 26/2002, de 14 de fevereiro.
- Decreto-Lei n.º 131/2003, de 28 de junho.
- Lei n.º 82/2023, de 29 de dezembro.
- Decreto-Lei n.º 17/2024, de 29 de janeiro.
- Lei n.º 8/2012, de 21 de fevereiro.
- Decreto-Lei n.º 127/2012, de 21 de junho.
- Decreto-Lei n.º 133/2013, de 3 de outubro.
- Lei n.º 151/2015, de 11 de setembro.
- Decreto-Lei n.º 192/2015, de 11 de setembro.
- Lei n.º 82/2023, de 29 de dezembro.
- Decreto-Lei n.º 17/2024, de 29 de janeiro.

Legal framework of reference that applies for Public Procurement of Healthcare Products

In Portugal, the legal reference framework is both centralised and decentralised: public contracts can be awarded at national or regional level, but also at local level: hospitals can make their own purchases.

Content of the National and Regional programmes

Definition of the programmes

In Portugal, this is a national programme set out in the Ordinance n.° 111/2017 and Ordinance n.° 406/2015 which replaced Health Secretary Orientation n.° 1571-B/2016 and Ordinance n.° 55/2013.

Useful links:

https://diariodarepublica.pt/dr/detalhe/portaria/111-2017-106616121
https://diariodarepublica.pt/dr/detalhe/portaria/406-2015-71066565

This program includes a selection of themes. For each of them, you will find an example of how it has been implemented or translated into action:

- Procurement performance
  - Example: Hard Savings calculation.
    - Explanation here
- Innovative Procurement
  - Creation of an National Agency for Innovation.
    - Explanation here
- Sustainable Procurement (Environmental; Social and Economic)
  - Ecologic and sustainable public procurement strategy.
    - Details here
- Digital Healthcare
  - National Health Information Ecosystem Strategy 2020 - ENESIS 2020.
    - Details here
- Security of Supply (See next section "Focus on Security of Supply")
  - Disruption Notification Platform.
    - Explanation : here
  - List of Essential Drugs.
    - You can find the list here
  - Development and Maintenance of a recEU Stockpile (Project recUE - Stockpile) approved by the European Commission.
    - Details here
  - Creation of national strategic reserve of medical drugs and devices.
    - Details here

Focus on Security of supply, from the Regional and National programmes

As mentioned earlier, Security of Supply is a key component of Portugal's National Public Procurement Strategy. The strategy includes specific measures to ensure and manage the continuity and reliability of supply, especially concerning:

- Implementation of shortage prevention techniques: Lot Division forcing more than one supplier for the same contract object.
- Contingency Plan for supply chain disruption (buffer stock). The national legislation compels the providers to communicate in advance for breaks as well as making evidence that it has the capacity to refrain the national market with stocks for at least 3 months.
- Strategic stocks: existence of a national strategic reserve.

Stakeholders mapping of the Healthcare procurement environment in Portugal

Public perspective

There are 2 main categories of public procurers in Portugal: 1 National Central Purchasing Body: Serviços Partilhados do Ministério da Saúde as well as 53 Regional and Local Public Purchasing bodies named: *Unidade Local de Saúde* (ULS) – Local Health Unit.

Procurement practices in the healthcare sector and suppliers' perceptions in Portugal

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by public procurers

- Guidelines and standards
  - Ethics Code.
    - Useful link: here
  - Studying the guidelines and applying the legislation.
  - Compliance with legal regulations on public procurement.
- Tools
  - The organisation has sets of procedures and ethical standards contained in the Internal Rules.
  -

Less common practice, standard and tool used by Public procurers

- Guideline and Standard
  - Code of ethical and professional conduct of the contractual staff

Deontology training

Most common deontology training courses followed by Public procurers

All public procurers are trained to:

- Public Procurement Solutions and best practice models. From theory to practice
- Legislative news in public procurement - Expert Public Procurement.
- Vocational training courses.
- Internal Procurement Operational Procedures.

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by Public procurers

There are regulations implemented in Portugal to prevent fraud, bribery, and corruption in public procurement:

- Internal Operational Procedures.
- Corruption risk management plan and related infringement reports.
  - Plan: here
  - Report: here
- Manual of Resilience and Recovery Plan Risk Management.
  - Details: here
- Irregularity Communication Regulations.
  - Details: here
- Reporting Channel.
  - Details: here

Internal and compliance control

Most common practices and tools for internal and compliance control used by Public procurers

- Standards
  - Internal work procedures:
    - Rules for the direct purchase of goods, services or works.
    - Rules on the procurement of social services and other specific services.
  - Monitoring and complying with the internal Operational Procedure on procurement.
  - Internal control by appointed committees within the organization.

- Tools
  - Internal Operational Procedure on procurement.
  - Internal procedures: Rules for the direct purchase of goods, services or works.

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- Electronic Platform of Public Contracting
  - https://www.vortal.biz/vortalhealth/
- National Public Contract Platform
  - https://www.base.gov.pt/base4
- Service Health Service Transparency Portal
  - https://www.sns.gov.pt/transparencia/
- Health Electronic Catalog
  - https://www.catalogo.min-saude.pt/cec/publico/consulta.aspx
- Power BI and AI for report's

Supplier relations

Most common practices, standards and tools used by Public procurers in terms of Supplier relations

- Strategy and Standards
  - Compliance with the national law.
  - Compliance with marketing standards and permits in the Portuguese market in compliance with national law and authorization of INFARMED.
  - Semester-annual reports relating to medicine sales and medical devices.

- Tools
  - Electronic Platform of Public Contracting
    - https://www.vortal.biz/vortalhealth/
  - Health Electronic Catalog
    - https://www.catalogo.min-saude.pt/cec/publico/consulta.aspx

Procurement cycle in Portugal

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channels used by Public Procurers to analyse the market readiness & for suppliers sourcing

- Electronic Procurement Platform;
- Specialized Electronic platforms and Business consulting platforms;
- TED and Base Gov.

Processes used by Public Procurers for market readiness analysis

The 4 most common processes used are:
- Strategic observation and Business analytics;
- Benchmarking;
- Open Market Consultation;
- Bilateral meetings/ pre-tender dialogue meetings.

Category of information collected by Public Procurers during sourcing

The 6 most common categories of information collected by the public procurers are:
- Price;
- Risk Management;
- Technical elements;
- Tech Vig;
- Ability to respond to calls for tender;
- Market share.

Sourcing Tools used by Public Procurers during sourcing

The 2 most common recurring tools used by the public procurers are:
- Electronic Procurement Platform.
  - https://www.vortal.biz/pt-pt/vortal-health/
- The internal Business Intelligence (BI) system is connected to the national contracts portal and to the electronic catalog.

Allotment in Public Procurement

In Portugal, the principle of allotment is mandatory. By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

The most frequently Legal Clauses used are:
- Time and duration of contract;
- Division of contracts into lots (principle of allotment);
- Options;
- Modifications of contracts & review clauses;
- Penalties;
- Industrial or commercial property;
- Termination;
- Financial Clauses;
- Delivery/ Logistic conditions;
- Main obligations of the supplier;
- Main obligations of the buyer;
- Personal data processing clauses;
- Compliance with EU and national regulations for marketing products;
- Up-to-date tax and fiscal obligations;
- No debts to the state;
- Lack of convictions in courts;
- Possibility or impossibility of subcontracting;
- Resource capacity for contract execution.

Evaluation criteria in Public Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumable	Health Services	Protective equipment / protective gear
PRICE ONLY	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE ONLY	PRICE/ QUAL-ITY RATIO	PRICE/ QUALITY RATIO

Apart from the technical and price criteria, some other categories of criteria are used by Public procurers for the Evaluation criteria such as:

- Environmental criteria
- Social criteria
- Innovation criteria

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

Average contract duration in Portugal is 1 year.

Processes of monitoring the execution phase

An example of processes implemented to monitor the execution phase:

- The contract manager, in accordance with Portugal's Public Procurement Code, is appointed and is responsible for monitoring and executing the contract. A software system has been implemented to check whether the goods have been delivered in accordance with the order. In accordance with the procedures, via the local IT management application. If the order has not been fulfilled, an e-mail is sent to the economic operator.

Tools for monitoring the execution phase

- The software system implemented at office level (e.g.: Budget Manager) monitors whether goods have been delivered as ordered.
- Launch and follow up on contracts / orders via email, receipt notes.

Processes for managing the contracts penalties

- Penalties are enforced according to the terms of the contract. The penalty is contract termination. Contractual clauses providing for the payment of penalties are not applied. If a supplier fails to fulfill its contractual obligations, the contract will be terminated. In cases of particularly serious breaches, the supplier may also face a ban from participating in public tenders for up to 3 years..

Tools for managing the contracts penalties

- Supplier information, management decisions, E-invoicing.
- Contractual clauses and performance guarantee.
- The Buyer has the right to deduct from the contract price, as a penalty.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

- Degree of financial execution of contracts: measures payments already made and compares payments with the awarded value.
- Probability of having a contract awarded at the time of public tender launch.
- Utilization of centralized public procurement tools, such as framework agreements and dynamic purchasing systems, which streamline acquisition processes by reducing completion timelines. These systems enable pre-assessment of quality and advance standardization, ensuring faster and more efficient procurement.

Tools of evaluation of the performance and effectiveness measures

- Time to market assessment - measures the time it takes to complete an acquisition process.
- Savings - measures the difference between the base value of the procurement procedure and the awarded value, with the base value of the acquisition procedure representing the value that the purchasing entity would be willing to pay for the purchase.
- Past performance evaluation of the suppliers.

Monitoring and steering objectives of the Procurement performance

The 5 most monitoring and steering objectives followed by Public Procurers in terms of Procurement performance are:

- Savings;
- Value for money;
- Time to market;
- Risk reduction;
- Diversification.

The 5 main indicators defined by Public Procurers in terms of Procurement performance are:

- % of savings;
- Number of tenders;
- Financial volume of awards;
- Time to market;
- N° of tenders thar have a green light from the audit court. All tenders worth € 750,000 have to go to a pre check on the Portuguese Audit court.

Risk management tools

4 examples of risk management tools implemented:

- Kraljic Matrix: measures market risk through a matrix that identifies the number of suppliers that exist in the market and the contract volume;
- ABC + XYZ Analysis;
- Market consultation;
- Division into lots.

Accountability mechanisms and tools

4 examples of accountability mechanisms tools implemented:

- Power BI and AI reporting tool;
- Public Contracts Portal – BaseGo;
- National Health Service Transparency Portal;
- INFARMED Medicine Platform.

Key practices of Procurement performance in Portugal

Workforce professionalisation

Public perspective

In Portugal, professional training courses are regularly followed by Public Procurers to maintain and/or improve the specialisation of the Procurement Workforce.

- Postgraduate training in public procurement law and practice.
  - Details here
- Specialized training in procurement - "Public Procurement Excellence Program - BBg" based on the EU reference ProcurCompEU.
  - Details here
- Specialized training promoted by the training academy of the Shared Services of the Ministry of Health (SPMS).
  - Details here

Diagnostic of performance

Public perspective

Streamlining costs		Time to respond	
Processes	*Tools*	*Processes*	*Tools*
Measurement is made by the successful award rate and the volume of savings achieved.	% of savings. Savings on the process costs.	Time to market measurement in days.	BI connected to the e- procurement platform.

Supplier performance

Public perspective

Main processes for suppliers performance

- Organizations report failures in a specific module of the electronic catalog, and clarifications are requested from the supplier.
- Supply failures and ruptures are also mandatory reported to the National Medicines Authority – INFARMED platform.
- The contract manager is required to deliver periodic reports relating to the execution of the contract.

Main tools for suppliers performance

- Report in the electronic catalog (specific module);
- Report on the INFARMED platform.
- Contract execution report by the contract manager.

Procurement routes

Public perspective

In Portugal, it is mandatory to procure through the CPB in accordance with Ordinance No. 55/2013, of February 7th. There are some advantages to procure through the CPB:

- Procedural Savings.
- Economies of Scale.
- Concentration of knowledge

Innovative procurement approaches

Public perspective

When innovative approaches are adopted in Public Procurement in Healthcare, we observe two approaches:

- BI with AI for reporting and highlighting the main factors.
- Innovating Procurement for citizens.

Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among Public procurers:

Main processes of VBP implementation	Main reason of non VBP application	Main outcomes of VBP applicated	Main VBP Tool
The National Medicines Authority - INFARMED has a department for evaluating new technologies, whether medicines or medical devices, which is dedicated to evaluating the cost-effectiveness of new solutions in order to authorize their commercialization on the Portuguese market.	Ensuring the sustainability of the healthcare system.	Promoting better solutions for the patients.	INFARMED Platform Creation of the National Health Technology Assessment System (Decree-Law no. 97/2015)

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Public procurers:

Main standards of reference	Main processes implemented	Main monitoring processes followed	Monitoring tools for Sustainable Procurement	Training tools for Sustainable Procurement
Resolution of the Council of Ministers no. 13/2023 https://diariodarepublica.pt/dr/en/detail/resolution-of-the-council-of-ministers/5-2023-206399845 Portal of the Portuguese Environment Agency (ENCPE) https://encpe.apambiente.pt/	The process is referred and explained in the Resolution of the Council of Ministers no. 13/2023.	A decision is being implemented whereby three persons are designated on different budget articles to monitor the status of contracts and orders.	No tools.	Training courses.

Security of supply

Public perspective

WOn the Security of supply management in the Healthcare sector, we observe the following common habits among Public procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
In accordance with the established minimum stock, purchases are made on time so as to prevent interruption of activity. There is also a National Stock Pile Reserve.	Supplier Diversification Worldwide. Annual Procurement Plan and Annual Public Procurement Strategy. Software application - centralized monitoring platform that allows monitoring of Purchasing (contracts-orders). Accounting and Supply (Stock Management/Monitoring).	**Categories of healthcare products & services:** · Medication and Sanitary supplies; · Oxygen; · Reagents.

Digitalisation

Public perspective

Regarding the digitalisation of Public Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools	Internal IT tools for procurement data management	IT tools for supplier sourcing	IT tools for supporting procurement procedures	IT tools for supplier performance measures
Electronic Public Procurement Platform https://community.vortal.biz/sts/Login?SkinName=vortalhealth E- Catalog	Electronic Public Procurement Platform E- Catalog Power BI and AI	Electronic Public Procurement Platform E- Catalog	Support for Electronic Public Procurement Platform E- Catalog Power BI and AI	E- Catalog INFARMED Platform

Covid-19 impacts and best practices in Portugal

Main challenges faced during Covid-19 crisis

Public perspective

Institutions

- Supply Chain Disruptions: Difficulties in sourcing and delivering essential medical supplies.
- Increased Demand: Sudden spikes in demand for PPE, ventilators, and testing kits.
- Logistical Issues: Transportation restrictions and delays impacted timely delivery.
- Price Volatility: Rapid price increases for critical healthcare products.
- Quality Assurance: Ensuring the quality and authenticity of rapidly sourced supplies.
- Supplier Reliability: Identifying and vetting new suppliers quickly under pressure.
- Fraud Risk: Increased potential for fraud in the rush to procure supplies.

Contracting authorities

- Disruptions by domestic and European suppliers of personal protective supplies, medical devices and equipment, and medicines.
- Brutal increase in completely disproportionate prices, reflecting speculation and uncertainty in the future rather than difficulties in obtaining raw materials for manufacturing. Lack of stocks at suppliers.
- Quick learning from the point of view of international logistics, how to charter planes, cargo ships, freight trains and trucks, as well as learning about bureaucratic customs procedures.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

Institutions

- Risks regarding Personal Protection Equipment (PPE)
  - Growth of Application: Demand for masks, visors, combines and other personal protective equipment has grown exponentially, exceeding production and supply capacity.
  - Products Quality: The appearance on the market of low-quality or counterfeit products that did not meet the required safety standards.
  - Speculative Prices: Price increase and market speculation, which made it difficult to obtain EPP at reasonable prices.

- Risks regarding Ventilators and Intensive Care Equipment
  - Insufficiency of Stocks: Limited production and supply capacity of fans and equipment required in intensive care units (ICU).
  - Logistics Issues: Difficulties in the rapid transport and distribution of such equipment, in particular due to international restrictions.
  - Malfunctions and Maintenance: Problems related to the maintenance and repair of ATI equipment, due to overuse and lack of spare parts.

- Risks regarding Essential Medicines
  - Supply Intermittency: Supply chain disruptions for essential medicines, including antivirals and antibiotics.
  - High Speculation and Prices: Higher prices and speculation on essential medicines.

Contracting authorities

- Protection materials;
- Syringes and needles for vaccination;
- Sanitary supplies, medical consumables.

New procurement practices due to Covid-19 crisis

Public perspective

Institutions

- Flexibility of Procurement Procedures
  - During the pandemic period, emergency measures were introduced that allowed the administrative simplification of acquisition processes, from the pre-contractual and contractual phases, creating agility for all contracting entities, speeding up the acquisition process. The current law was temporarily changed in order to provide legal coverage to the processes.

- Worldwide Procurement
  - The pandemic encouraged public buyers to diversify and expand the market, which was previously done at local, national and European level, opening doors to other international markets. In other words, products before the pandemic were purchased through national or European companies, which are not always manufacturers, the pandemic brought a direct approach to manufacturers at an international level, as well as the use during that period of all diplomatic channels between Portugal and countries outside the European Union thus strengthening Fast Response Capabilities.

- Increase in centralized purchasing in order to compete in international markets, thus allowing us to gain scale from a demand point of view, thus attracting the attention of major manufacturers.
  - Centralized purchases are coordinated directly with health authorities and Local Health Units in a clear manner and to avoid conflicts with regard to the individual and collective role of each organization.

Contracting authorities

- Administrative simplification of the law to facilitate the acquisition process.
- Coordination of the network between different government entities, with the involvement of all administrative sectors, including the military.
- Use of international logistics platforms previously designed for other types of needs.

New policies implemented in the Healthcare procurement

Public perspective

Institutions

- Supplier Diversification Policy
  - Supplier Diversification: Implement a strategy to diversify supply sources.
  - Greater Opening to the Global Market: Promote increased access to international markets.
  - Enhanced Focus on Quality and Safety Stocks

Contracting Authorities

- Centralized Procurement and Risk Management Policy
  - Focus on centralized procurement.
  - Implementation of Business Intelligence (BI) to analyse purchase risk and monitor the various acquisition processes, as well as the use of artificial intelligence to support the preparation of analyzes and reports.
  - Division into lots, prohibiting an economic operator from winning more than one lot in strategic products.

Best practices

Institutions

Table of Best Practices promoted by Public Procurers in response to the Covid-19 crisis:

Practices promoted by Public Procurers in response to the Covid-19 crisis		
Centralized procurement allows for greater concentration of demand, thus achieving economies of scale effects. Centralized purchasing is normally conducted by more qualified and specialized professionals, with access to another level of inter-institutional and international collaboration.	The diversification of suppliers and procurement at a global level led to the discovery of other realities and other markets with the same, starting to internalize supply processes at a global level.	The creation of a national strategic reserve that began to operate in a network with central and local entities, made it possible to overcome supply gaps.

Contracting Authorities

Table of Best Practices promoted by Public Procurers in response to the Covid-19 crisis:

Best Practices promoted by Public Procurers in response to the Covid-19 crisis		
Use of centralized purchasing as well as the provision of more than 90 framework agreements and dynamic purchasing systems, thus enabling faster and more transparent acquisitions.	Lots division of strategic products	Implementation of BI and AI allowing more intuitive data visualization supporting risk management and the decision process

Conclusions

Future of the National Public Healthcare system in Portugal

Notable changes and trends of the Healthcare system in Portugal

Public perspective

Institutions

Main trends and evolution in the Healthcare sector

- Telemedicine Expansion: Telehealth services have grown significantly, offering remote consultations and monitoring, which improve access to care.
- AI and Machine Learning: AI is being used for diagnostics, predictive analytics, and personalized medicine, enhancing decision-making and patient outcomes.
- Value-Based Care: There is a shift from fee-for-service to value-based models, focusing on patient outcomes and cost efficiency.

Notable changes over the last 15 years in the Healthcare sector

- Digital Health Records: Transition from paper to electronic health records (EHRs) for improved data accessibility and patient management.
- Genomics and Personalized Medicine: Advances in genomics have led to more personalized and targeted therapies.
- Robotic and Minimally Invasive Surgery: Growth in robotic-assisted surgeries for precision and reduced recovery times.

Contracting authorities

Main trends and evolution in the Healthcare sector

- Centralized procurement.
- Digital Procurement Platforms: Adoption of online systems for more efficient and transparent procurement processes and AI and Data Analytics: Using AI and data analytics to improve decision-making and forecast demand accurately.
- Sustainability Efforts: Increased emphasis on reducing environmental impact through sustainable practices.

Notable changes over the last 15 years in the Healthcare sector

- Digitalization: Shift to electronic procurement systems for greater efficiency and transparency.
- Regulatory Compliance: Adapting to stricter regulations and standards in procurement processes.
- Transparency and Accountability: Greater focus on clear and accountable procurement practices.

Future of the Healthcare procurement environment in Portugal

Notable changes and trends of the Healthcare procurement environment in Portugal

Public perspective

Institutions

Main trends and evolution in the Healthcare Public Procurement sector

- Value-Based Purchasing: Focus on quality and patient outcomes rather than just cost.
- Sustainability: Emphasis on environmentally friendly and sustainable products.
- Supplier Diversity: Encouraging participation from diverse and small-scale suppliers.

Notable changes over the last 15 years in the Healthcare Public Procurement sector

- Digitalization: Shift to electronic procurement systems for efficiency and transparency.
- Collaborative Purchasing: More joint procurement initiatives to leverage economies of scale.
- Regulatory Compliance: Adapting to stricter regulations and standards.

Contracting Authorities

Main trends and evolution in the Healthcare Public Procurement sector

- AI and Data Analytics: Use of advanced technologies for better decision-making and forecasting.
- Collaborative Purchasing: More joint procurement initiatives to leverage economies of scale.
- Transparency and Accountability: Increasing openness in procurement processes.

Notable changes over the last 15 years in the Healthcare Public Procurement sector

- Digital Transformation: Adoption of electronic procurement systems for improved efficiency and transparency
- Regulatory Compliance: Adapting to evolving healthcare regulations and standards.
- Supplier Diversity: Inclusion of a wider range of suppliers, including small and minority-owned businesses.

Major lessons learned by Procurers in Portugal

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Portugal

Challenge	Description
Sudden Spikes in Demand	Unexpected surges in the need for personal protective equipment (PPE), ventilators, and testing kits, putting immense pressure on supply systems.
Supply Chain Disruptions	Difficulties in Sourcing and Delivering Essential Supplies: Challenges in obtaining and distributing critical medical supplies due to various disruptions in the supply chain.
Logistical Issues	Transportation Restrictions and Delays: Impact of restrictions and delays in transportation that affected the timely delivery of essential medical products. International Logistics Learning Curve: Rapid adaptation required to handle international logistics, including chartering planes, cargo ships, freight trains, and trucks, along with navigating complex customs procedures.
Price Volatility	Rapid Price Increases for critical healthcare products. Disproportionate Price Increases: Significant price increases that reflect market speculation and uncertainty more than actual production or supply difficulties, exacerbated by supplier stock shortages.
Quality Assurance	Ensuring Quality and Authenticity: The need to maintain the quality and authenticity of medical supplies sourced quickly under emergency conditions.
Supplier Reliability	Identifying and Vetting New Suppliers: The challenge of quickly finding and evaluating reliable suppliers under urgent conditions to ensure continued supply.
Fraud Risk	Increased Potential for Fraud: Greater risk of fraudulent activities during the rush to procure medical supplies, which could compromise the integrity of the supply chain.

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Portugal

New practices	Description
Flexibility of Procurement Procedures	During the pandemic, emergency measures were introduced to simplify acquisition processes, including both pre-contractual and contractual phases, enhancing agility for contracting entities. These changes aimed to accelerate the procurement process and ensure swift responses to urgent needs. Temporary adjustments to the law provided legal coverage for these expedited processes.
Expansion of Procurement Markets and Enhanced Response Capabilities During the Pandemic	The pandemic prompted public buyers to broaden their market scope beyond local, national, and European levels, leading to direct engagement with international manufacturers. This shift, combined with the use of diplomatic channels between Portugal and non-EU countries, enhanced fast response capabilities and expanded access to global markets. In addition, contracting authorities used international logistics platforms previously designed for other types of needs for the supply of urgent products.
Centralized procurement	Centralized purchases are coordinated directly with health authorities and Local Health Units in a clear manner and to avoid conflicts with regard to the individual and collective role of each organization.

New policies	Description
Supplier Diversification Policy	
Centralized Procurement and Risk Management Policy	Implementation of Business Intelligence (BI) to analyse purchase risk and monitor the various acquisition processes.

Summary of best practices in Portugal

Procurers
Best practices
Centralized purchasing allows for greater concentration of demand, thus achieving economies of scale effects. Centralized purchasing is normally conducted by more qualified and specialized professionals, with access to another level of inter-institutional and international collaboration.
The diversification of suppliers and procurement at a global level led to the discovery of other realities and other markets with the same, starting to internalize supply processes at a global level.
The creation of a national strategic reserve that began to operate in a network with central and local entities, made it possible to overcome supply gaps. Implementation of BI and AI allowing more intuitive data visualization supporting risk management and the decision process
Lots division of strategic products.

Sources of the ID Card

- Matrix
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution
- Other material: MedTech Europe report « Public Procurement of MedTech, a Tenders Electronic Daily (EU-TED) database analysis » - MedTech Europe and Vamstar July 2024

PROCURE

ID CARD

ROMANIA

SPITAL SPIRIDON IASI as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Disclaimer

The answers in this questionnaire represent a synthesis of the answers provided by the partners who have agreed to join Romania's Country Node and based on their specific experience and activities, to support the Observational Study by filling in the online questionnaires. The survey conducted in Romania does not provide an overview of the public procurement system in the healthcare system, but rather a particular view of the respondents, including the Country Leader, on the functioning and difficulties encountered during their activity within the Healthcare system.

Country Node composition

Profiles of organisations involved in the Study

Romania Country Node counted on the active participation of 19 organisations in total, distributed as follows:

2 Healthcare Institutions	2 Contracting Authorities	5 other Procurers (private)	7 Suppliers

The following organisations agreed to be mentioned in this observation study:

- Contracting authorities
  - Spitalul Clinic Județean de Urgență "Sf. Spiridon" Iași
  - Spitalul Municipal Vatra Dornei
  - Spitalul Județean de Urgență "Mavromati" Botoșani
  - Spitalul Clinic de Urgență "Prof. Dr. Nicolae Oblu" Iași

- Private procurers
  - Vital Medical Center Memory – Centru de dializa DMD Iasi
  - Arcadia Spitale și Centre Medicale Iași
  - Centrul Medical OMEGA Scan Bucuresti
  - RMN OMEGA Medical Scan Bucuresti

- Institutions
  - Oficiul Național pentru Achiziții Centralizate (O.N.A.C.) (national institution)
  - Direcția de Sănătate Publică Iași (regional institution)

- Suppliers
  - Zarys International Group S.R.L.
  - Mercator Medical
  - Novaintermed S.R.L.
  - Roche România
  - Tzmo România S.R.L.
  - Paul Hartmann S.R.L.

Country Leader:
Spitalul Clinic Județean de Urgență "Sf. Spiridon" Iași[48]

It is documented on January 1, 1757 and includes the activity of 29 clinical wards, the Emergency Care Unit (UPU - SMURD, which provides emergency medical care for critical patients throughout the Northeast region - polytrauma, burns, major medical-surgical emergencies, etc.), compartments for clinical and paraclinical examinations, the Integrated Specialty Outpatient Clinic and cabinets in all specialties corresponding to the clinical wards, to provide medical care to outpatients.
Continuous and day hospitalisation services are offered in almost all medical and surgical specialties: Anaesthesia-Intensive Care, Cardiology, General Surgery, Oral and Maxillofacial Surgery, Plastic and Reconstructive Microsurgery, Vascular Surgery, Bariatric Surgery, Dermatovenerology, Diabetes, Nutrition and Metabolic Diseases, Endocrinology, Gastroenterology, Internal Medicine, Occupational Medicine, Neurology, Ophthalmology, ENT, Orthopaedics-Traumatology, Haematology, Allergology.
Between "Sf. Spiridon" Emergency Clinical Hospital, Iasi and "Gr. T. Popa" University of Medicine and Pharmacy of Iasi there is a special collaborative relationship that has its roots in the history of medical life in Iasi.
With a sustained scientific activity, the Emergency Clinical Hospital "Sf. Spiridon", Iasi is a clinical base for the University of Medicine and Pharmacy, for university and postgraduate education, being a methodological centre for neighbouring regions.
The hospital is staffed by medical professionals with the highest professional training: doctors, teachers at the University of Medicine and Pharmacy "Gr. T. Popa" Iasi with integrated clinical activity and doctors from the Ministry of Health network, with national and international recognition of clinical activity, teaching and medical scientific research and with concerns for its continuous development.
It is not by chance that, in its more than 250 years of existence, "St. Spiridon" Emergency Clinical Hospital has been not only a constant provider of quality medical services, but also a pioneer in medicine, with outstanding national awards. Professionals at "Sf. Spiridon" performed the first lens implant in Romania, the first transparietohepatic cholangiography, the first percutaneous external drainage, the first laparoscopic ablation of an ovarian cyst, the first laparoscopic suturing of a perforated ulcer and the list could go on.
The "Sf. Spiridon" Emergency Clinical Hospital is - by tradition, for decades - a reliable landmark in the field of health not only for the people of Iasi, but for the entire population of Moldova. The beneficiaries of the emergency, preventive and curative healthcare services offered come from Iasi and neighbouring counties. Finally, among the beneficiaries of the services offered by the unit are medical students, as well as all the specialized medical staff who attend postgraduate training courses, continuing medical education courses.
The "St. Spiridon" Emergency Clinical Hospital has the material base, equipment and logistics necessary in any competitive medical unit.
After a quarter of a century of existence, the mission of the "Sf. Spiridon" Emergency Clinical Hospital remains the same.

[48] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Introduction of the ID Card Scope definition: Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.

In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[49] , split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use *(except Imaging and Medical Consumables)*	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[46] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Administration and health data in Romania

Administrative environment in Romania

Legal form of the State	Administrative model that applies to the Healthcare System	Description of the Health system from an administrative point of view		
		Inpatient Care	**Outpatient Care**	**Long Term or Social Care**
Unitary State	Decentralised health system: The health decision-making is done by local authorities under state supervision.	*Administrative Organisation:* • Ministry of Health is responsible for the elaboration of national health policies, strategic planning and allocation of funds for hospitals and other medical units. • Public Hospital: Most hospitals in Romania are public and are administered by the Ministry of Health or local authorities. These include county, municipal, city and specialty hospitals. • Private Hospitals: There is also a network of private hospitals that provide inpatient care services, usually for a fee or by private insurance. • Capacity: Public hospitals are equipped with intensive care units, emergency units, and other specialized facilities. However, there are challenges related to overload and limited resources in certain regions.	*Administrative Organisation:* • Individual Medical Cabinets: Specialists and family doctors work in individual medical practices, which are either independent or associated with medical centres. • Policlinics: Policlinics provide outpatient specialist services and are administered by the Ministry of Health or local authorities. Diagnostic and Treatment Centres: These centres offer specialised outpatient diagnostic and treatment services and are equipped with advanced technology for medical investigations. • Outpatient care includes consultations, diagnostics, specialty treatments, laboratory analysis and imaging investigations. • Accessibility: The outpatient care system is relatively well developed in urban areas, but there are difficulties in providing access to rural and remote areas.	*Administrative Organisation:* • General Directorate for Social Assistance and Child Protection (DGASPC): These are responsible for the administration of social and long-term care services, including elderly and disabled people. • Centre Care and Support: These are residential institutions that provide long-term care for people who cannot be cared for at home. • Home Care Services: Offered by public and private agencies, these services include home health and social care for people with special needs. • Medical Assistance Offer: Social and long-term care include the care of the elderly, those with chronic diseases and disabilities, as well as rehabilitation services and psychosocial support. • Quality and Capacity: There is a significant need for the development and improvement of long-term care services, particularly in terms of infrastructure capacity and quality.

Health data in Romania

There is national Health database in Romania.
Health data collection and data management is carried out by Ministry of Health, National Institute of Public Health (INSP), National Health Insurance House (CNAS), Public Health Directions (DSP), National Institute of Statistics (INS), The National Agency for Medicines and Medical Devices of Romania (ANMDMR), Medical Units and Hospitals.

1. Ministry of Health
   - Data Types Collected:
     - **Epidemiological data**: Incidence and prevalence of communicable and non-communicable diseases.
     - **Demographic data**: Information about age, gender, and other demographic characteristics of the population.
     - **Data on Health Services**: Use of medical services, capacity of hospitals, number of beds, medical staff.
     - **Public Health Data**: Information on vaccination campaigns, screening programmes, and other public health interventions.

These data are used for planning and implementing health policies, resource allocation and monitoring of health system performance.

2. National Institute of Public Health (INSP)
   - Data Types Collected:
     - **Detailed Epidemiological data**: Incidence, prevalence, and trends of communicable and non-communicable diseases.
     - **Vaccination Data**: Vaccination rates for various diseases and age groups.
     - **Data on Mortality and Morbidity:** Numbers and causes of mortality and morbidity.
     - **Surveillance Data**: Data collected by public health surveillance systems for detecting and responding to disease outbreaks.

INSP uses this data to monitor public health, to carry out epidemiological analyses and to provide recommendations for public health policies and interventions.

3. National Health Insurance House (CNAS)
   - Data Types Collected:
     - **Data on Medical Services**: Types and volumes of medical services provided, including consultations, treatments and hospitalizations.
     - **Data on Costs**: Costs associated with the provision of medical services and medicines.
     - **Data on Compensated Medicines**: Information on prescribed and compensated medicines.
     - **Data on Insurances**: Information about insured persons and their use of health services.

CNAS uses this data to manage the health insurance system, to monitor the efficiency of the use of public funds and to improve access to medical services.

4. Public Health Directions (DSP)
   - Data Types Collected:
     - **Local Epidemiological data**: Incidence and prevalence of diseases at county and local level.
     - **Dates on Public Health Campaigns**: Information on vaccination campaigns and other local public health interventions.
     - **Data on Water Quality and Hygiene**: Information on monitoring water quality and hygiene conditions in communities.
     - **Data on Health Inspections**: Results of health inspections in medical units and other institutions.

SPs use this data to monitor and respond to public health issues at local level, to coordinate public health interventions and to ensure compliance with health standards.

5. National Institute of Statistics (INS)
   - Data Types Collected:
     - **Demographic and Social Data**: Population data, demographic structure, and socio-economic characteristics.
     - **Data on Population Health**: Information on self-reported health status, access to medical services, and health behaviours.
     - **Data on Mortality and Morbidity**: Retailed statistics on mortality and morbidity rates, including causes of death.

In Romania, there are several national systems and databases that **collect and manage health information**. These systems are managed by various institutions and are interconnected to ensure effective data management and support informed public health decisions.

Here are the main national health databases in Romania:

Name of the database	Administered by	Description	Functionalities	Link
Unique Integrated Information System (SIUI)	National Health Insurance House (CNAS)	SIUI is the main information system used by CNAS to manage health insurance data. This database includes information about on insured people, healthcare providers, medical services provided and medicines compensated.	· Manages the contractual relations between CNAS and health care providers. · Monitors the use of public funds and the efficiency of medical services. · Allows real-time access to data for insured and health care providers.	http://www.cnas.ro/page/siui.html
National Vaccine Record Registry (RENV)	National Institute of Public Health (INSP)	RENV collects data on vaccinations carried out in Romania. This database includes information about the types of vaccines administered, vaccination data and the vaccinated population.	· Monitors vaccine coverage at national level. · Ensures vaccine traceability and stock monitoring. · Supports vaccination campaigns and national immunisation programmes.	http://www.insp.gov.ro/
Information System for Integrated Management of Health Services (SIMIS	Ministry of Health	SIMIS is a computer system that collects data on medical activity and resource management in hospitals and other healthcare facilities.	· Monitors the performance of medical units and the use of resources. · Facilitates reporting and data analysis to improve the quality of medical care. · Supports strategic and operational decisions in the management of the health system.	http://www.ms.ro/
Epidemiological Surveillance Platform (CORONA-Forms)	National Institute of Public Health (INSP)	CORONA-Forms is a platform developed in the context of Covid-19 pandemic for the collection and management of epidemiological data related to SARS-CoV-2 infections. This database includes data on confirmed cases, tests, quarantine and isolation, and Covid-19 vaccinations.	· Monitors in real time the evolution of the pandemic and the effectiveness of control measures. · Facilitates the rapid and accurate reporting of epidemiological data to health authorities.	http://www.insp.gov.ro/
National Registry of Hematopoietic Stem Cell Voluntary Donors (RNDVCSH)	National Institute of Transfusion Hematology (INHT)	RNDVCSH collects data on voluntary hematopoietic stem cell donors. The database includes information about donor HLA typing and their compatibility with patients seeking a donor.	· Supports the process of identifying compatible donors for stem cell transplantation. · Monitors and manages the activity of stem cell donation and transplantation in Romania. · Facilitates international collaboration for the identification of compatible donors.	

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The National Public Healthcare System and stakeholders mapping, which describe the organization of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The Healthcare Procurement Environment and stakeholders mapping, which describe the Public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The Procurement practices in the Healthcare sector and suppliers' perceptions, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, **the main conclusions** close the ID card by highlighting the notables changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

National Public Healthcare system and stakeholders mapping in Romania

Healthcare management

Categories of organisations	Names of organisations, per category	Description	Hierarchical relations, if any
Central government organizations and agencies (Ministry responsible for health; national public organizations, etc.).	Ministry of Health (MS)	Elaboration of national health policies, regulations and supervision of the health system in Romania. https://www.ms.ro/ro/	The Ministry of Health is the central authority responsible for public health policies at national level. All other health organizations operate under the coordination and regulation
	National Health Insurance House (CNAS)	Management of the health insurance system and collects data on medical services and associated costs. https://cnas.ro/	CNAS is an autonomous institution that manages the health insurance system, but operates under the supervision of the Ministry of Health.
	Public Health Directions (DSP)	Implementation of public health policies at county and local level and collect data on the health of the population. https://dspiasi.ro/	DSPs are subordinated to the Ministry of Health, and operate as its territorial structures. DPSs are responsible for the implementation of public health policies at county and local level.

Healthcare representation

Categories of organisations	Names of organisations, per category	Description
Players in charge of representation of the Healthcare Professional such as Federations, Professional associations, Councils, Unions, etc.	Romanian College of Physicians (CMR)	CMR is the professional organization representing doctors in Romania, protecting and promoting their professional interests. Regulates medical activity and ensures compliance with ethical and deontological norms. http://www.cmr.ro
	Order of General Nurses, Midwives and Nurses of Romania (OAMGMAMR)	OAMGMAMR represents and regulates the profession of nurse and midwife in Romania, promoting professional and deontological standards and ensuring the continuous training of members. Responsibilities: Granting of certificates of free practice, promotion of professional and deontological standards, organization of continuous training and professional development of members. https://www.oamr.ro/
Players in charge of representation of the Healthcare Beneficiaries such as Associations of patients.	National Association for the Protection of Patients (ANPP)	ANPP is an organization that advocates for the protection of patients' rights and the improvement of medical service quality. http://www.protectiapacientilor.ro/
	Coalition of Organizations of Chronic Diseases Patients in Romania (COPAC)	COPAC represents the interests of patients with chronic diseases, promoting their rights and needs in relations with authorities and health care providers. http://www.copac.ro/
Players in charge of representation of the Healthcare Industry such as Industry Associations for pharmaceutical industry, wholesalers, medical devices	The Romanian Association of Manufacturers of Non-Prescription Medicines, Dietary Supplements and Medical Devices (RASCI)	RASCI's mission is to generate a common approach at the level of the main entities in the industry, in order to increase public awareness of medical products, and the adoption and implementation of a favourable legislative framework. https://rasci.ro/
	Association of Manufacturers of Generic Medicines from Romania (APMGR)	APMGR is a non-governmental and independent organization created by a group of companies that produce high quality generic drug, and aims to actively contribute to improving access to pharmaceutical treatment for Romanian patients. https://apmgr.org/
	Medical Products Suppliers Association (AFPM)	AFPM is a non-governmental, professional, independent and apolitical non-governmental organization, and an active member of MEDTECH Europe, that aims to promote patient access to information and innovation, modern and effective medical technology and materials. https://afpm.ro/

Healthcare offer

Outpatient

OUTPATIENT CARE		
Main providers of Outpatient Care	**Breakdown of Outpatient Care, by provider**	**Regional or National specificities to be highlighted in terms of Outpatient Care**
Individual Medical Offices (Family and Specialist Physicians	50%	Outpatient care in Romania is provided through a network of individual medical practices, polyclinics, diagnostic and treatment centres, permanence centres, nursing home units, rehabilitation and physiotherapy centres, and mental health centres. The Ministry of Health coordinates and supervises these units, ensuring the implementation of health policies and compliance with quality standards. One of the biggest challenges for outpatient care in Romania is underfunding of the health system. Limited budgets affect the ability of suppliers to provide quality services and invest in modern equipment and technologies.
Health Centres and Policlinics	25 %	
Diagnostic and Treatment Centres	10 %	
Centres of Permanence	5 %	
Home Medical Assistance Units	5 %	
Rehabilitation and Physiotherapy Centres	3 %	
Mental Health Centres	2%	

Inpatient

INPATIENT CARE		
Main providers of Inpatient Care	**Breakdown of Inpatient Care, by provider**	**Regional or National specificities to be highlighted in terms of Inpatient Care**
Municipal and City Hospitals	31 %	The breakdown by category of hospital care providers in Romania shows that most of the facilities are public hospitals, which represent about 58% of the total units. Private hospitals make up about 31% of the total, offering a significant alternative to public services. Recovery and rehabilitation centres complement the hospital care network, accounting for 10% of the total facilities. Specialised institutions and centres of excellence represent a small percentage (0.6%) but play a crucial role in providing advanced care and complex treatments. This diversified structure provides access to a wide range of hospital medical services.
Private General Hospitals	20.50 %	
Specialty Hospitals	14.50 %	
Specialty Private Hospitals	10.50 %	
Rescue and Rehabilitation Centres	10 %	
Emergency County Hospitals	8.50 %	
University Clinical Hospitals	4 %	
Specialised Institutions and Centres of Excellence	0.60 %	

Focus on Non Private for Profit Hospitals

- Number of facilities: 3 - 5 facilities (0.6-1% of the approx. 484 hospital care facilities in Romania).
- Hospital Bed Density: 160.

Focus on Private for Profit Hospitals

- Number of facilities: 150.
- Hospital Bed Density: 6.577 (representing 5-6% of the total number of beds available at the national level).

Focus on Public Hospitals

- Number of facilities: 306.
- Hospital Bed Density: 101.642.

Pharmaceutical

In Romania, pharmaceutical expenditure per capita was $569.6 in the last available year, according to OECD data. In 2022, pharmaceutical spending represented 1.55% of GDP, amounting to $4.66 billion.

Healthcare financing

Main sources of Financing	Main organisations in charge of financing	Breakdown of financing, by organisation	Short description	Specificities related to the National/ Regional Healthcare system funding
Social Health Insurance Private Insurance/Voluntary Health Insurance Private Expenses	National Health Insurance House (CNAS)	CNAS: 75 %	CNAS administers FNUASS, which is the main source of funding for the healthcare system in Romania. The funds come from mandatory contributions from employers and employees, as well as from other sources such as the clawback fee. CNAS funds the medical services provided to insured persons, including primary, hospital care and compensated medicines. http://www.cnas.ro/	The healthcare system is dependent on public funding. Major issues and challenges: underfunding of the Health System, inefficiency of expenditure, lack of medical staff. Improvement Initiatives range from digitization of the Health System which will improve efficiency and transparency, reduce bureaucracy and facilitate quick access to medical information for patients and doctors. Also, significant investments in infrastructure have been announced.
	Ministry of Health (MS	MS: 20 %	The Ministry of Health coordinates and supervises the implementation of public health policies and manages the allocation of funds for various health programs. The Ministry funds national public health programmes, investments in medical infrastructure and other operational expenditure of the health system. http://www.ms.ro/	
	Ministry of Finance (MF)	State budget grants (subsidies) from the Finance Ministry (MF): 5 %	MF allocates grants to FNUASS to cover deficits and to additionally finance health programs. The grants are used to ensure the financial sustainability of the health system and to support the financing of specified health programmes. https://mfinante.gov.ro/	
	Private Health Insurers		Private insurers offer complementary or additional health insurance policies that cover private medical services and settle the costs for their insured persons. They contribute to diversifying funding sources and increasing the accessibility of quality medical services.	
	Non-governmental Organizations and Foundations		Non-governmental Organizations and Foundations provide financial, medical and logistical support for health projects and programs for vulnerable groups.	
	International Organizations and External Funders: World Bank, European Union			

Healthcare Procurement Environment and stakeholders mapping in Romania

Public policy objectives: description of the national programmes in Romania

Main Law that governs Public Procurement

In Romania, the law governing public procurement are called Law no 98/2016 on public procurement and Government Decision no 395/2016.

Legal framework of reference that applies for Public Procurement of Healthcare Products

In Romania, the legal framework applicable to the public procurement of healthcare products primarily supports decentralized procurement processes.

Content of the Public procurement system

Definition of the programmes

In Romania, there are some programmes that promote healthcare procurement:

- Good practice guide for the procurement of medical devices, developed by ANAP and AmCham;
- National Health Program;
- National Public Procurement Strategy;
- Electronic Public Procurement System (SEAP);
- Regional Operational Programme (POR);
- Public Procurement Guidelines (ANAP).

National programmes help to support in the implementation of National Electronic System for Public Procurement (SNAP) by strengthening the administrative capacity of ANAP and contracting authorities, code SIPOCA 625, and increase the administrative capacity of ANAP and public institutions responsible for the implementation of the National Public Procurement Strategy, SIPOCA code 45.

Offical links:

- ANAP:
  - https://anap.gov.ro/web/prezentare-sipoca-625/
  - https://anap.gov.ro/web/documente-utile/ghid/
  - https://anap.gov.ro/web/hotararea-de-guvern-nr-554-pentru-aprobarea-strategiei-nationale-in-domeniul-achizitiilor-publice-2023-2027/
  - https://anap.gov.ro/web/wp-content/uploads/2023/06/Ghid-de-bune-practici-pentru-achizitia-de-dispozitive-medicale.pdf
- Ministry of Health:
  - https://ms.ro/ro/minister/organizare/programe-na%C8%9Bionale-de-s%C4%83n%C4%83tate/
- Ministry of development, public works and administration:
  - https://www.mdlpa.ro/
- National Electronic System for Public Procurement
  - https://www.e-licitatie.ro/pub

Topics of the programme and other related guidelines in Romania, by topic

- **Procurement performance:**

There is an inclusion of Value-based procurement in these programmes. Value-based procurement considers not only the initial price,

but also the lifetime costs of the product/service, as well as the social and environmental impact. Contracting authorities are encouraged to include evaluation criteria reflecting the total value of the tender. For example, in the procurement of medical equipment, the maintenance costs and durability of equipment, as well as their environmental impact, are considered
Quantified Objectives: an example of a quantified objective is the commitment to integrate sustainability criteria into all public procurement procedures.
For example, the Ministry of Health has set specific targets for reducing the carbon footprint of purchased medical equipment
Legal Framework for managing procurement performance:
DECISION No 554 of 12 June 2023 for the approval of the National Public Procurement Strategy 2023-2027
Useful Link : https://anap.gov.ro/web/wp-content/uploads/2023/06/

- **Sovereign Procurement**

National Health Programmes include sovereign procurement of medicines, medical equipment and other products necessary for the prevention, diagnosis and treatment of diseases. Purchases are centralized and managed by the Ministry of Health, thus ensuring continuous supply and compliance with quality standards.
The National Public Procurement Strategy provides for specific measures for sovereign public procurement, including in the field of health, to ensure the efficient and transparent use of public funds.

- **Innovative Procurement**

POR funds health infrastructure projects include procurement of innovative equipment and technologies, contributing to the modernization and efficiency of medical services at regional level.
Regions receiving funding from the POR can procure cutting-edge technologies for hospitals and health centres, guaranteeing better quality services.
National Health Programme includes components dedicated to the procurement of state-of-the-art medical equipment and advanced technologies for diagnosis and treatment. The Ministry of Health identifies specific needs and launches tenders for the purchase of innovative solutions that improve the diagnostic and treatment capacity of medical units.

Legal Framework for managing innovative procurement:

- DECISION No 554 of 12 June 2023 for the approval of the National Public Procurement Strategy 2023-2027.
- NATIONAL STRATEGY IN PROCUREMENT 2023 – 2027.
  - A19. Stimulating innovation through public procurement by establishing a platform strategic dialogue with the private sector, including the creation of an online Solutions Catalogue.
  - A20. Establishment of a pilot governmental Innovation Broker Centre in assessing the feasibility of solutions proposed to be implemented through innovation procurement.
  - A21. Establishment of a Working Group to provide guidance and assistance to authorities/entities to carry out public procurement of innovation and to centralise information related to the implementation of innovation procurement.
  - A46. Develop and implement an annual communication plan to highlight public procurement, starting with conferences with economic operators and public authorities to highlight examples of good

practice, e.g. on social procurement, and innovative procurement, as well as engaging current procurement professionals.

Useful Link: https://anap.gov.ro/web/wp-content/uploads/2023/12/SNAP-2023-2027-oficial.pdf

- **Sustainable Procurement (Environmental, Social and Economic)**

The criteria for sustainable procurement in the National Health Programme include the following:

- Environmental: The program encourages the purchase of energy-efficient medical equipment and the use of environmentally friendly materials in hospitals.
- Social: The program supports purchases from social enterprises and the promotion of equal opportunities.
- Economic: Purchases are planned to ensure effective long-term costs and financial sustainability of the health system.
-

The National Public Procurement Strategy sustainable purchases include the following criteria:

- Environment: The strategy promotes the inclusion of environmental criteria in all procurement procedures, such as the use of recyclable products and the reduction of carbon emissions.
- Social: The strategy includes measures for integrating social aspects, such as working conditions and social inclusion, into the procurement criteria.
- Economic: Strategy encourages purchases that offer the best value for money, considering the costs throughout the life of the product.

- **Digital Healthcare**

National Health Programme promotes the use of digital technologies to improve access and quality of medical services. It includes the development of telemedicine platforms, the digitalization of medical records and the implementation of remote monitoring systems for patients. The Ministry of Health is working with technology providers to implement digital solutions in hospitals and clinics. These solutions are designed to reduce waiting time, improve diagnosis and ensure continuity of patient care.

Regional Operational Programme (POR) funds projects that include investments in the digital infrastructure, supporting the development and implementation of technological solutions in regional hospitals and health centres. Regional projects funded through POR include the digitisation of medical services, the deployment of electronic medical records and the development of mobile applications for patients.

- **Security of Supply (See next section "Focus on Security of Supply")**

National Public Procurement Strategy includes guidelines to ensure security of supply, focusing on diversification of supply sources and long-term contracts with reliable suppliers. Public procurement procedures include risk assessments and continuity plans to ensure that critical products and services are available on an ongoing basis, even in crisis situations.

Public Procurement Guides issued by ANAP suggests the ensuring of a strategic stock of medicines and medical equipment for at least 6 months of continuous use. The Ministry of Health regularly monitors stocks and adjusts supply plans according to needs.

Focus on Security of supply, from the Public procurement system

As mentioned earlier, Security of Supply is a key component of Romania's National Public Procurement Strategy. The strategy includes specific measures to ensure and manage the continuity and reliability of supply, especially concerning:

- **Implementation of shortage prevention techniques:**

The Ministry of Health works with manufacturers and distributors to maintain strategic stocks of medical products and to continuously monitor the situation of supply. The Ministry of Health uses stock monitoring systems to track the availability of essential products in real time and to take preventive measures in case of stock loss.
Public procurement procedures include risk assessments and continuity plans to ensure that critical products and services are available on an ongoing basis, even in crisis situations.
Through the SEAP, authorities can track stocks and supplies in real time, thus facilitating early identification of risks of shortages and taking preventive measures.

- **Implementation of contingency Plan for supply chain disruption (buffer stock):**

The National Health Programme includes Emergency Plans which plan specific measures to manage emergencies such as supply chain disruptions. These measures include the maintenance of buffer stocks and continuity plans for the supply of essential medical products.
Useful link: http://www.ms.ro/programul-national-de-sanatate

The National Public Procurement Strategy includes Emergency Plans: the strategy includes guidelines to ensure security of supply in emergency situations, such as maintaining strategic stocks and diversifying supply sources.
Useful link: http://anap.gov.ro/web/strategie-nationala-in-domeniul-achizitiilor-publice/

- **Creation of strategic stocks:**

Romania has set up strategic stocks for 6 CPV categories:

1. Pharmaceutical products CPV 33600000;
2. Medical equipment: imaging equipment for medical, dental and veterinary use. CPV 33110000;
3. Medical supplies CPV 33140000;
4. Protective clothing/protective equipment CPV 35113400; CPV 18143000;
5. Antivirals and Vaccines CPV 33651660 ; CPV 33651620;
6. Essential Medicines (for rapid distribution by DSPs to the population).

Stakeholders mapping of the Healthcare procurement environment in Romania

Public perspective

There are **6 main categories of public procurers including 5 categories of hospital public procurers and 1 category of other public procurers** in Romania.

- National Central Purchasing Bodies & Government Public Procurers:

In Romania, 2 structures are operating at national level as CPB for hospital procurement of healthcare products and services:

- National Office for Centralized Procurement (ONAC)
- Directorate for Patrimony and Procurement within Ministry of Health

- University Hospitals

In Romania, 32 local hospital procurement structures exist within the University Hospital Centres including in the following ones:

- Spitalul Universitar CF Witing Bucureşti
- Spitalul Universitar CF Cluj-Napoca
- Spitalul Universitar CF Craiova

- Hospitals

In Romania, there are 503 local hospital procurement structures within the Hospitals including in the following ones:

- Spitalul Clinic Judetean de Urgenta "Sf. Spiridon" Iasi
- Spitalul Municipal Vatra Dornei
- Spitalul Judetean de Urgenta MAVROMATI Botoșani

- Other public procurers (non-hospital) such as nursing homes, rehab centres, elderly centres

In Romania, there are some non-hospital public procurers:

- Căminul De Pensionari Sf. Cuvioasă Parascheva
- Căminul De Bătrâni Casa Sfântul Iosif
- Centru Rezidential Acasa

Private perspective

There are **6 main categories of of private procurers** in Romania.

- Private hospitals

In Romania, some local hospital procurement structures exist within the private hospitals including in the following ones:

- Arcadia Hospital Iasi
- Elytis Hospital Iasi
- Spitalul Sf Sava Iasi

- Other private providers (non-hospital) such as old people's homes, rehabilitation centres, centres for the elderly

In Romania, there are some non-hospital private providers:

- Căminul De Pensionari Sf. Cuvioasă Parascheva
- Căminul De Bătrâni Casa Sfântul Iosif
- Centru Rezidential Acasa
- Wholesalers

In Romania, there are some wholesalers:

- TZMO Romania
- MERCATOR Medical
- ZARYS International Group

Procurement practices in the healthcare sector and suppliers' perceptions in Romania

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by Public procurers

- Guidelines and standards
  - Compliance with the principles nominated in Law 98/2016 on public procurement;
  - Studying the guidelines and applying the legislation;
  - Compliance with legal regulations on public procurement.
- Tools
  - Code of ethical and professional conduct of the contractual staff of the Sf Spiridon;
  - Iasi County Clinical Emergency Hospital;
  - Organisations have sets of procedures and ethical standards contained in the Internal Rules.

Less common practice, standard and tool used by Public procurers

- Following the code of ethical and professional conduct of the contractual staff of the public hospital.

Most common guidelines, standards and tools used by Private procurers

- Guidelines and standards
  - Accepting only suppliers who do not break market rules;
  - Respecting the medical ethics enforced by law. Attention is paid to moral and human values, both to patients and colleagues;
  - Zero tolerance for corruption or violation of fundamental human rights.
- Tools
  - Checking each new supplier on all official and media channels;
  - Applying a specific due diligence internal procedure / regulation;
  - Using patient satisfaction forms.

Less common practices, standards and tools used by Private procurers

- Guidelines and standards
  - Applying internal order regulations regarding deontology
  - Using patient satisfaction forms
  - Enforcing Deontological agreements signed by employees
- Tool
  - Requesting ethical agreements signed by employees

Deontology training

Most common deontology training courses followed by Public procurers

Training on ethics for procurers is not provided within procurement organisations, but all public procurers are trained to:

- Public Procurement Solutions and best practice models. From theory to practice
- Legislative news in public procurement - Expert Public Procurement
- Vocational training courses
- Internal Procurement Operational Procedures

There is **no training courses proposed to private procurers**.

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by Public procurers

There are regulations implemented in Romania to prevent fraud, bribery, and corruption in public procurement:

- Internal Operational Procedures on procurement:
- Rules for the direct purchase of goods, services or works
- Rules on the procurement of social services and other specific services
- Reports of procurement contracts on the Ministry of Health platform
- The Anticorruption National Strategy 2021-2025
- Declaration on the Integrity Agenda
- Integrity Plan of the Institution
- SEAP (Electronic Public Procurement Service)

Internal and compliance control

Most common practices and tools for internal and compliance control used by Public procurers

- Standards
  - Internal work procedures:
    - Rules for the direct purchase of goods, services or works
    - Rules on the procurement of social services and other specific services
  - Monitoring and complying with the internal Operational Procedure on procurement
  - Internal control by appointed committees within the organization
  - Locally, the Sf Spiridon Iasi Clinical Emergency Hospital has put in place a strategic plan for the period 2024-2028 - general objective no. 5 - Internal Audit Service. In addition, some hospitals have implemented public audit.
- Tools
  - Internal Operational Procedure on procurement
  - Internal procedures:
    - Rules for the direct purchase of goods, services or works
    - Rules on the procurement of social services and other specific services
  - Strategic plan of the Sf Spiridon Iasi Clinical Emergency Hospital 2024-2028 - general object nr 5 - Internal audit department

Less common tool for internal and compliance control used by Public procurers

- Work Procedures

Most common practices and tools for internal and compliance control used by Private procurers

- Standards
  - Internal audit regarding administrative

sector
- Internal audit regarding medical sectors
- Regular checks that internal protocols are followed

- Tools
  - Internal order regulations
  - Company Manual
  - Specific internal procedure

Less common standard for internal and compliance control used by Private procurers

- Standard
  - Maintaining only the suppliers that have passed specific filters

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- SEAP (Electronic Public Procurement System)
- Internal System Database - (ex: budget manager)

Supplier relations

Most common practices, standards and tools used by Public procurers in terms of Supplier relations

- Strategy and Standards
  - Respecting the Code of Ethical and Professional Conduct of the contractual staff of the Sf Spiridon Iasi County Clinical Emergency Hospital
  - Compliance with the principles of the "Procedures" and "Regulations"

- Tools
  - Rules on the direct purchase of products, services or works.
  - Rules on the procurement of social services and other specific services
  - SEAP (Electronic Public Procurement System)
  - Contracts

Less practices and tools in terms of Supplier Relations

- Emails
- Phone calls

Procurement cycle in Romania

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channel used by Public Procurers to analyse the market readiness & for suppliers sourcing

- SEAP - Electronic Public Procurement System
  - https://www.e-licitatie.ro/pub

Processes used by Public Procurers for market readiness analysis

The 2 most common processes used are:
- Open Market consultation
- Bilateral meetings / pre-tender dialogue meetings

Category of information collected by Public procurers during sourcing

The 3 most common categories of information collected by the public procurers are:
- Price
- Technical elements
- Ability to respond to calls for tender

Sourcing Tools used by Public procurers during sourcing

The 3 most common recurring tools used by the public procurers are:
- Necessity reports
- Contracts
- Orders

Allotment in Public Procurement

In Romania, the principle of allotment is mandatory. By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

The most frequently Legal Clauses used are:
- Penalties
- Time and duration of contract
- Termination
- Financial Clauses
- Delivery/ Logistic conditions
- Renewal
- Modifications of contracts & Review clauses
- Division of contracts into lots (principle of allotment)
- Options
- Decision to proceed
- Industrial or commercial property
- Main obligations of the supplier
- Main obligations of the purchaser
- Personal data processing clauses

Evaluation criteria in Public Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumable	Health Services	Protective equipment / protective gear
PRICE ONLY	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE ONLY	PRICE ONLY	PRICE ONLY

Apart from the technical and price criteria, some other categories of criteria are used by Public procurers for the Evaluation criteria such as:

- Criteria measuring patient impact (Value Based Procurement)
- Social criteria
- Environmental criteria
- Innovation

Private perspective

Channels used by Private Procurers to analyse the market readiness & for suppliers sourcing

- Internet specialised/ dedicated websites & social networks
- Trade press and offers from suppliers
- Industry connections

Processes used by Private Procurers for market readiness analysis

The 3 most common processes used are:

- Open market consultation
- Benchmarking
- Bilateral meetings / pre-tender dialogue meetings

Category of information collected by Private Procurers during sourcing

The 3 most common categories of information collected by the private procurers are:

- Price
- Technical elements
- Ability to respond to calls for tender

Sourcing Tools used by Private procurers during sourcing

- Medical supplies and equipment are presented by suppliers according to the specifical medical necessities

Legal clauses in Private Procurement

The most frequently Legal Clauses used are:

- Sanctions
- Termination
- Financial clause
- Delivery/logistical conditions
- Contract time and duration
- Modifications of contracts & Review clauses (including price revision clauses)
- Time and duration of performance
- Renewal
- Decision to continue
- Industrial or commercial property
- Price
- The date on which the contract was signed by both parties is mentioned
- The term of payment of the invoices issued by the seller to the beneficiary is mentioned and from when the term of payment starts
- Details relating to delivery times and conditions
- Details relating to the quality of the products, their characteristics and the standards they must meet
- Annex of products with related purchase prices and validity of purchase prices

Evaluation criteria in Private Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharma-ceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumable	Health Services	Protective equipment / protective gear
PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUAL-ITY RATIO

Apart from the technical and price criteria, some other categories of criteria are used by Private procurers for the Evaluation criteria such as:

- Criteria Patient impact measurement criteria (Value-based procurement)
- Security of supply
- Innovation
- Environmental criteria
- Predictability of suppliers

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

In Romania, average public contract duration is 2 years.

Processes of monitoring the execution phase

3 processes are implemented to monitor the execution phase:

- Persons are designated to monitor and execute the contract. The software system implemented at office level (e.g.: Budget Manager) monitors whether goods have been delivered as ordered. If the order has not been fulfilled, an e-mail is sent to the economic operator. Their response is analysed by the person who prepared the necessity report, who then communicates to the procurement service if the response/explanation is not accepted (e.g. late delivery, lack of stock, etc.) to issue a new order.
- In accordance with the procedures, via the IT management application.
- Dedicated supply staff and software.

Tools for monitoring the execution phase

- The software system implemented at office level (e.g.: Budget Manager) monitors whether goods have been delivered as ordered.
- Launch and follow up on contracts / orders, email, receipt notes.

Processes for managing the contracts penalties

- Penalties are enforced according to the terms of the contract.
- If a penalty leads to contract termination, the clauses for payment of penalties are not applied.
- If a supplier fails to fulfill its contractual obligations, the contract is terminated.

Tools for managing the contracts penalties

- Supplier information, management decisions, invoicing
- Contractual clauses and performance guarantee
- The Purchaser has the right to deduct from the contract price, as a penalty (e.g.: 0.06% of the value of the undelivered products for each day of delay)

Private perspective

Processes of monitoring the execution phase

- Engaging in continuous dialogue with suppliers to respect the terms of contracts
- Electronic systems are in place to alert if the main terms of the contract are respected, such as prices, delivery times

Tools for monitoring the execution phase

- Electronic monitoring
- Designated employees check the delivery times and quality of the products supplied

Process for managing the contracts penalties

- Through the legal department

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability, supplier performance

Public perspective

Processes of evaluation of the performance and effectiveness measures

All the institutions that responded to the questionnaire were unable to implement processes for evaluating performance measures and the effectiveness of the procurement system. The performance and effectiveness measures of the procurement system are not assessed at the level of the institution.
When a system for evaluating performance measures and the effectiveness of the procurement system is established within the organization, it allows for the:

- Development of efficient procedures, in particular as regards the choice of selection and award criteria
- Reduction of direct purchases in favour of framework agreements and keeping within estimated budgets

Tools of evaluation of the performance and effectiveness measures

- Degree of Supplied Cases: Number of lawsuits won or lost, including the number of appeals.
-

Otherwise, the performance and effectiveness measures of the procurement system are not assessed at the institution level.

Risk management tools

- Risk Registry - public procurement department
- Market consultation
- Minimum stocks

Accountability mechanisms and tools

No tools and mechanisms are currently in place by public procurers.

Private perspective

Tools of evaluation of the performance and effectiveness measures

No tools of evaluation of the performance and effectiveness measures have been developed.

Monitoring and steering objectives of the Procurement performance

The 3 most monitoring and steering objectives followed by Private Procurers in terms of Procurement performance are:
- Economic performance
- Logistics
- Supply chain

The 4 main indicators defined by Private Procurers in terms of Procurement performance are:
- Indicators for procurement costs
- Indicators for procurement frequency
- Indicators for procurement terms and compliance
- Indicators for delivery and processing times for procurement orders and equipment purchases

Risk management tools

3 examples of risk management tools implemented:
- Weekly check of stock volume turnover and consumption
- Regular check of turnover and consumption
- Regular check of purchase costs

Accountability mechanisms and tools

Internal oversight mechanisms are one of the examples of accountability mechanisms and tools used in Romania.

Key practices of Procurement performance in Romania

Workforce professionalisation

Public perspective

In Romania, professional training courses are regularly followed by Public Procurers to maintain and/or improve the specialisation of the Procurement Workforce.
Three organisations offer this service:
- https://www.aprendis.ro/curs-expert-achizitii-publice/
- https://cursuri-functionari.ro/curs-expert-achizitii-publice-curs-on-line/
- https://www.cursurismart.ro/

Diagnostic of performance

Public perspective

Main processes used about the diagnostic of performance

Streamlining costs		Time to respond		Other	
Processes	*Tools*	*Processes*	*Tools*	*Processes*	*Tools*
There is an operational procedure at the level of the institution which provides for the drafting of necessity reports for different stages: · Emergency reports · Reports for the start of the procedure · Reports for the conclusion of subsequent contracts related to the Framework Agreement.	Each person in the procurement service monitors at the end of the year how many references have not been completed for various reasons.	By resolving the need for referrals and concluding contracts, depending on the requests, there may be subsequent contracts or direct procurement contracts. They are resolved as soon as possible - or according to discussions with the contract officers.	Operational procedures Market consultations	Control of existing stock in the warehouses and clinics.	Operational procedures Market consultations Centralized reports by contract managers

Supplier performance

Public perspective

Main processes for suppliers performance

- Verification of Contractual Compliance: Suppliers are evaluated to ensure they have met their contractual obligations. Documentation is required to validate this compliance
- Completion of Final Documentation: A concluding document must be prepared to summarize the assessment and findings
- InfoWorld - Budget Manager module - an internal IT tool for exchanging, sharing, consolidating and analysing procurement data

Private perspective

Main processes for suppliers performance

- Quality and Product Category Assessment: Evaluating the quality and categorization of the products supplied by the vendor.
- Monitoring of Pricing and Payment Terms: Tracking and analysing purchase prices and the terms of payment to ensure competitiveness and compliance.
- Response Time Monitoring: Observing and assessing the supplier's response time to the organization's requests.

Procurement routes

Public perspective

In Romania, it is mandatory to procure through the CPB in accordance with Emergency Government Ordinance No. 46 of May 31, 2018, on the establishment, organization, and functioning of the National Office for Centralized Procurement.
Joint procurement through CPBs is mandatory for products/consumables (sanitary and non-sanitary) and fuel.

Private perspective

Central Purchasing Bodies (CPB)	Group of Healthcare facilities	Regions
It is not mandatory to procure through the CPBs because there is no centralized procurement body dedicated to private procurers and even if there were, the procurement volume is too law to make it efficient.	Purchasing through groups of healthcare establishments is not adapted to the specific nature of the medical services provided.	There are no purchases through the Regions, or at least there is no awareness of its existence.

Innovative procurement approaches

Public perspective

When innovative approaches are adopted in Public Procurement in Healthcare, we observe a common habit among procurers for the acquisition of medical equipment.
Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among Public procurers:

Main processes of VBP implementation	Main reasons of non VBP application	Main VBP Tool
IImplementation of Value-based Procurement with external personnel.	PValue-based purchases are high-cost and do not fit into the hospital's budget. Value-based procedures have not been done because the entire documentation has to be a whole in which teams of healthcare specialists, healthcare providers, patient associations find a common vision of value throughout the patient care pathway. Still quite a large proportion of health professionals do not understand how important their role is in the drafting of the specifications and then in the evaluation process.	Procurement legislation.

Private perspective

When innovative approaches are adopted in Private Procurement in Healthcare, we observe common habits among procurers:

- Private procurers does all the necessary diligence to have the latest generation equipment.
- Private procurers ensures the equipment used is at high quality standards so as to offer the best medical services to the patients.

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Public procurers:

Main standards of reference	Main processes implemented	Main monitoring processes followed	Monitoring tools for Sustainable Procurement	Training tools for Sustainable Procurement
Law 448 / 2006 on the protection and promotion of the rights of persons with disabilities (SOCIAL STANDARD)	No processes	A decision is being implemented whereby three persons are designated on different budget articles to monitor the status of contracts and orders.	No tools.	Training courses.

Security of supply

Public perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Public procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
In accordance with the established minimum stock, purchases are made on time so as to prevent interruption of activity.)	Provision Of Clinical Wards With Medical And Health Materials. Each clinic is obliged to have a stock of 25% of the estimated stock for one month. Procedure for the development – Elaboration of an Annual Procurement Plan and Annual Public Procurement Strategy. Software application – Creation of a centralized monitoring platform that allows monitoring of Purchasing (contracts-orders) + Accounting and supply (stock management/ monitoring).	**Categories of healthcare products & services:** · Medication and Sanitary supplies · Oxygen · Reagents

Private perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Private procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption
After receiving information about possible shortages of certain products and depending on the internal needs the private procurer supply themselves.	Maintaining a buffer stock for general purpose products in the organization.

Digitalisation

Public perspective

Regarding the digitalisation of Public Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tools	Internal IT tools for procurement data management	IT tools for supplier sourcing	IT tools for supporting procurement procedures	IT tools for supplier performance measures
SEAP - Electronic Public Procurement System https://www.e-licitatie.ro/pub	InfoWorld application - centralized monitoring platform) - Budget Manager module - an internal IT tool for exchanging, sharing, consolidating and analysing procurement data SEAP - Electronic Public Procurement System d AI	SEAP - Electronic Public Procurement System InfoWorld - Budget Manager module - an internal IT tool for exchanging, sharing, consolidating and analysing procurement data	Support for invitations to tender procurement Bid submission/ receipt/ consolidation Bid analysis (matrix)	InfoWorld - Budget Manager module - an internal IT tool for exchanging, sharing, consolidating and analysing procurement data

Supplier's perceptions on both Public & Private procurement in Romania

Procurement information accessibility

Public procurement

Tools & methods used for call for Public tenders monitoring

- Tracking of the Electronic Public Procurement System (SEAP), e-licitatie.ro
- Websites of Contracting Authorities.
- Subscription to public tender.

Accessibility of Public procurement information

- A database of contracts concluded by contracting authorities, products/services and their values, contract periods, products actually purchased and undelivered.
- Data on specific purchases, cost efficiency and patient satisfaction, and details on the impact of public investment on the quality of care and affordability of services, and on how this public procurement influences the private healthcare market.
- Transparency in the desire to initiate a public procedure, no prior consultation of the market to obtain technical and financial information. After these open market consultations, comments made by tenderers are taken into account, so as not to restrict the participation of several bidders.

Private procurement

Tools & methods used for call for Private tenders monitoring

- Monitoring the national public auction platform
  Useful link: www.e-licitatie.ro (SEAP)
- Identifying opportunities and good collaboration with public procurers
- Presentation of procedures and request for quotation
-

Accessibility of Private procurement information

- Understanding the specific preferences of medical services' procurers, along with their health needs and expectations, can help tailor our offerings to meet their individual requirements and improve the patient experience.
- Test volumes and technical requirements for the tendering of a customised solution
- Number/type of continuous/day surgery/internships

Transparency and ethic

Public procurement

Positive feedback	Negative feedback
Public authorities comply with the minimum and mandatory requirements for tenders and negotiations according to the public procurement law, and with the preliminary steps of a public procurement - market consultations, requests for tender. The procurement staff allow suppliers to present products at seminars, and are open to learning about new developments in the medical market to improve medical practices.	In the case of direct purchases from SEAP through advertisements, after the submission of bids, bidders are not able to check from whom the purchase was made, which was the lowest price and how many bidders submitted bids. There is no transparency and no possibility to verify the criteria for the selection of the tenderer from whom the direct purchase will be made, because there is no obligation for the contracting authority to communicate the result of the selection of the tenders to the tenderers. The quality of professional training provided to staff in contracting authorities is often insufficient. At the same time, there are instances where the staff in contracting authorities is insufficient for the volume of work, leading to delays in the evaluation process of award procedures. This lack of professional training, professionalism and ethics can lead to inadequate professional conduct and abuses towards economic operators, superficial evaluation of tenders submitted in public procurement procedures, and the supply of poor quality medical products, which can affect the quality of medical care and patient welfare.

Private procurement

Positive feedback	Negative feedback
Private customers have every reason to act ethically and transparently when suppliers offer quality and safe products at the manufacturer's price. Transparency regarding the outcome of the tender, including the ranking of bidders, is essential.	The decision to purchase a product from another company is often not announced.

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
Staff in the procurement, public system departments provide with detailed and timely responses to the requests submitted – thus helping to improve the health system and patient satisfaction In the event of any queries, public authorities generally make efforts to address issues, particularly those related to compliance with contractual payment terms.	There are situations of disproportionality between an economic operator and the contracting authority. Some contracting authorities consider that they are in a superior position to the economic operators with which they collaborate, sometimes imposing abusive requirements in public procurement documents. Following the award of public procurement procedures, there is often a risk that some products will not be procured at all during the whole period of the framework agreement/contract. Suppliers often face challenges in estimating the quantity to be delivered during the period of a framework agreement. There are instances where the contracting authority specifies a delivery deadline when submitting the offer, but the estimated quantities are not adhered to in subsequent orders. This can result in suppliers either holding excess stock or experiencing delays in fulfilling orders, which can lead to missed deadlines and negatively impact the supplier's reputation.

Private procurement

Positive feedback
Usually private buyers are small entities (not networks) . Relations with them have always been respectful and balanced, under the conditions of compliance with the obligations of each of the parties, seller-buyer. Private health buyers establish respectful and balanced relationships with health care suppliers to ensure access to quality care and promote efficiency and transparency in private procurement. Effective collaboration between buyers and suppliers can help improve the quality of health care and patient satisfaction.

Needs and expectations

Public procurement

Positive feedback	Negative feedback
Requests for proposals (RFPs) clearly and concisely express the needs and expectations of public purchasers in the health sector.	The mismatch between the real needs of the public procurer and the requests for tenders expressed. The real need of a hospital is not always reflected in the quantity of products tendered, generating a faulty bid that may impact the business negatively and not meet the expectations of those involved in the procurement process. Situations where technical specifications for products are vaguely described, without specifying their intended use, can lead to the purchase of subpar products. This lack of detail in documentation increases the risk of acquiring inferior items, potentially raising the overall cost of medical care.

Private procurement

Positive feedback	Negative feedback
The volume and main technical characteristics of the desired medical devices are clearly communicated to the supplier's sales representative. Private customers clearly indicate the products and quantities they wish to purchase.	During the course of the tender additional requests may arise in order to obtain a more competitive offer.

Sustainability requirements

Public procurement

Positive feedback	Negative feedback
Tenders where there are requirements for reduced energy consumption, reduced water consumption/hour, reused tanks, waste water. Tenders where the sustainability requirements are referring to the materials from which the packaging is made (recycled and recyclable materials).	Sustainability requirements are used to exclude certain economic operators, for example the use of the supply chain criteria, to which is added the obligation to own a factory in the county of residence of the Contracting Authority. In the case of the medical devices, sustainability criteria are rarely included in the technical documentation.

Private procurement

Positive feedback	Negative feedback
Reducing carbon emissions. Efficient use of resources and the promotion of an ethical supply chain	Sustainable requirements have not been integrated into previous procedures, but there is a trend to introduce sustainability requirements (private companies intend to become Green Lab, EFLM certified).

Innovation promotion

Public procurement

Positive feedback	Negative feedback
Public authorities are increasingly receptive to innovative products. Suppliers are allowed to offer products with technical characteristics superior to those required by the contracting authorities.	Only (established/existing) products requested by healthcare professionals are put out to tender. However, today, suppliers promoting digital solutions often find that the public market is not sufficiently mature to adopt these solutions or to pay for the value they offer. Many digital products require ongoing upgrades through a paid subscription, which can be a barrier to acceptance and investment. Medical education, especially for innovative products, is done prior to the award of the tender procedure.

Private procurement

Positive feedback	Negative feedback
Private buyers are generally more receptive than public customers to new technologies, automation, digitalization. Promotions of innovative products are included in the requested offer and are carried out by the sales department.	In some situations the promotion of innovative products is met with reluctance and even refusal to communicate.

Barriers identified

Public procurement

Budgetary and Economic Constraints

- Small, insufficient budgets
- Estimated prices not updated to reflect current economic conditions
- Outdated technical descriptions
- Irregular purchasing patterns
- Lack of monthly quantitative predictability

Infrastructure and Digitalization Challenges

- Lack of an efficient IT architecture, the insufficiency of IT systems necessary to operationalize electronic public services, and the shortage of e-government specialists.
- Insufficiency of e-government specialists and human resources in the IT/procurement departments of institutions and public authorities, as well as the lack of funding for the adoption of advanced digital technologies accompanied by support and consulting.
- Low digital skills of the workforce and lack of digital skills specific to company management, especially with regards to SMEs.

Technical Specifications Issues

- Old and/or incorrect technical specifications - A problem encountered consists in the fact that some contracting authorities publish very old, unsuitable descriptions in the specifications, sometimes with inconsistencies.
- Reluctance on the part of public buyers to change specifications in tender documents, even if they are wrong.

Procurement Planning and Specification Ambiguities

- Ambig
- uity of the drafting of specifications, necessary volumes vs required volumes
- Faulty planning of the procurement procedure
- Lack of a competitive environment.

Private procurement

Complexity of Regulations

- Navigating complex regulations can be challenging, especially when they change frequently or are subject to varied interpretations.

Intense Competition

- The market can be very competitive, with many players offering similar or innovative services.
-

Access to Finance

- Getting the financing needed to invest in new technologies or expand services can be a challenge, this leads to acquiring poor quality products at low prices.

Patient Expectations

- Understanding and meeting patients' growing expectations for high quality and affordable medical services.

Technology in Change

- Keeping pace with the rapid evolution of medical technology and integrating it into existing practices.

Success stories

Public procurement

Strategic Partnerships and Service Quality

- Suppliers have established strong partnerships with public healthcare institutions, which have allowed them to collaborate effectively and provide customized solutions for their specific needs.
- Suppliers are providing quality services in line with contractual requirements, and by doing so, they are developing long-term partnerships based on trust and mutual respect.

Technology Innovation and Efficiency

- Suppliers have developed and implemented innovative technology solutions that have improved public procurement management. For example, suppliers introduced digital platforms for tendering and contract monitoring.
- Suppliers have optimized procurement processes, reducing waiting times and administrative costs, and by promoting transparency at all stages of procurement, they are ensuring a level playing field.

Pandemic Response

- Due to adequate provisions during the Covid-19 pandemic, one supplier managed to supply examination and surgical gloves at a reasonable price (very low compared to the market at that time).

Private procurement

Innovation

Introducing innovative products and services that improve the quality of health care. This can be achieved by openness to communicate and collaborate in the long term in the direction of promoting innovative solutions. This can be done by identifying the needs of private clients and providing a customized and innovative solution to meet current and future needs.

Operational Efficiency

Optimizing internal processes to increase efficiency and reduce costs.

Sustainable Partnerships

Establishing long-term relationships with customers, based on trust and quality services.

Customer Satisfaction

Obtaining high customer satisfaction scores, which indicates a good quality of the services offered. This is mostly achieved through recognition of the quality of the products and selling them at the manufacturer's price.

Market Growth

Expanding market presence and gaining new customers.

Covid-19 impacts and best practices in Romania

Main challenges faced during Covid-19 crisis

Public perspective

Lack of Information and Coordination coupled with Limited Response Ability

- The lack of clear and up-to-date information has hindered the procurement and coordination process between different levels of public administration and suppliers.
- The limited capacity of staff and infrastructure to respond quickly to rising demand and changing needs led to delays and difficulties in allocating resources where they were most needed.

The Sudden Increase in Demand that led to Supply and Logistics Issues

- The pandemic has led to a sharp and significant increase in demand for essential medical equipment such as masks, gloves, fans and personal protective equipment (PPE). This demand quickly exceeded the supply available on the global market. The lack of equipment has led to difficulties in protecting healthcare professionals and in effectively treating patients with Covid-19.
- International transport bottlenecks and restrictions have disrupted supply chains, causing delays in deliveries and complicating logistics management. These disruptions have led to delays in the arrival of essential equipment and challenges in maintaining necessary stock levels.

Price Growth and Speculation on the background of Rigid Regulations and Procedures

- Growing global demand has led to higher prices and speculation, making it difficult to get equipment at reasonable prices. The high costs put pressure on public budgets and limited the purchasing capacity of the required volumes of equipment.
- Traditional public procurement regulations and procedures have not been adapted to emergency situations, making rapid procurement more difficult. These regulations led to delays in the purchase and distribution of essential equipment.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Risks regarding Personal Protection Equipment (PPE):
  - Growth of Application: Demand for masks, gloves, visors, combines and other personal protective equipment has grown exponentially, exceeding production and supply capacity.
  - Products Quality: The appearance on the market of low-quality or counterfeit products that did not meet the required safety standards.
  - Speculative Prices: Price increase and market speculation, which made it difficult to obtain EPP at reasonable prices.
- Risks regarding Ventilators and Intensive Care Equipment
  - Insufficiency of Stocks: Limited production and supply capacity of fans and equipment required in intensive care units (ICU).
  - Logistics Issues: Difficulties in the rapid transport and distribution of such equipment, in particular due to international restrictions.
  - Malfunctions and Maintenance: Problems related to the maintenance and repair of ATI equipment, due to overuse and lack of spare parts.
- Risks regarding Essential Medicines and Vaccines

  - Supply Intermittency: Supply chain disruptions for essential medicines, including antivirals and antibiotics.
  - Limited Access to Vaccines: Difficulty obtaining and distributing vaccines in the early stages of the pandemic.
  - High Speculation and Prices: Higher prices and speculation on essential medicines and vaccines.
- Risks regarding Testing and Diagnostics Services
  - Limited Testing Capacity: Sufficiency of testing capacities, especially in the early stages of the pandemic.
  - Access to Testing Equipment: Difficulties in sourcing test kits and reagents required.
  - Logistics and Distribution: Logistics issues in the distribution of test equipment to all regions of the country.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- The lack of certain products (eg. protection materials: masks, disposable gowns, coveralls) on the market.
- The rapid rise of prices for all materials necessary for medical care - sanitary materials, disinfectants, consumables, protective materials, reagents.
- Lack of stocks at suppliers

Private perspective

- Enormous price increases of 500% to 1000%.
- Medical supplies for protection and general use were of questionable quality and, in some cases, not approved by the relevant authorities.
- The supply of medical supplies for protection and general use was very limited and offered at excessively high prices.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Masks
- Overalls
- Disinfectants

Supplier perspective

- The lack of raw material stocks (medical devices, medicines and protective equipment), logistical difficulties, supply, transport, affected the stocks of products, so that suppliers could not cope with the large quantities required (especially in the case of protective equipment).
- The increase of the prices of many of the most used necessary devices, increased transport costs, and supply delays which made it difficult to comply with contractual delivery deadlines.
- Request for offers at very short notice while there was no availability of landmarks/products in stock; this situation favoured the emergence of many suppliers "of opportunity" who delivered poor quality, non-compliant products to the market, and hospital units allowed these deliveries.

New procurement practices due to Covid-19 crisis

Public perspective

Flexibility of Procurement Procedures

During the Pandemic the purchase procedures were often rigid and bureaucratic, requiring long time to complete and numerous approvals. Post-pandemic regulations have been adjusted to allow for more flexible and fast procedures, especially in emergency situations. Direct procurement and simplified procedures have been widely used to respond quickly to critical needs.

- During the contracting phase, shorter contract periods of 2-3 years are established.
- In the execution phase of the contract, there is a possibility for price changes, provided they adhere to legal conditions.
- During the evaluation phase, there is flexibility in delivery times.
-

Example: Emergency Purchases. Introduction of regulations allowing direct procurement in case of sanitary emergency, thus reducing the response time and ensuring quick access to essential equipment and medicines.

Digitalization of Procurement Processes

During the Pandemic, many procurement procedures were still based on physical documents and manual processes, making them slow and susceptible to errors. Post-pandemic there is an accelerated digitalization of procurement processes, using electronic platforms to manage tenders and contracts. The Electronic Public Procurement System (SEAP) has become essential for the transparent and efficient conduct of procurement. For example SEAP enlarged its functionalities to include all stages of the procurement process, from the publication of tender notices to the electronic signing of contracts.

Strengthening Fast Response Capabilities

During the Pandemic fast response capabilities were limited and strategic stocks were not always sufficient. Post-pandemic: Mechanisms and procedures have been set up to ensure a rapid and effective response in the event of a crisis. Strategic stocks have been expanded and maintained at appropriate levels to respond quickly to emerging needs. As an example regulations were implemented requiring the maintenance of strategic stocks of medical equipment and essential medicines, with regular updating to prevent expiry.

Private perspective

Flexibility of Procurement Procedures

- Building up a buffer stock to ensure adequate supply in case of disruptions.
- Re-examining all partners that the private procurer was collaborating with and sorting them out based on performance and reliability.
- Proceeding without substantial changes to the existing processes or strategies.

New policies implemented in the Healthcare procurement

Public perspective

Legal changes

- Amendments and additions to Law 98 / 2016

Focus on centralized procurement

- The National Strategy For Public Procurement 2023 - 2027 envisages the use of centralised procurement as one of the areas of action with significant potential for increasing the efficiency of the investment programmes foreseen in the National Recovery And Resilience Plan.
- The recent experience of use of centralised procurement in the health sector (in the context of the challenges the Covid-19 pandemic and the measures taken to combat its spread) has validated the importance of this public procurement policy tool and demonstrated that centralised procurement can be a decisive factor leading to cost savings administrative costs and savings.
- Introduction of regulations allowing direct procurement in case of sanitary emergency, thus reducing the response time and ensuring quick access to essential equipment and medicines.

Best practices

Best Practices promoted by Public Procurers in response to the Covid-19 crisis			
Centralised and Coordinated Purchasing Health institutions have adopted centralised procurement practices to negotiate better prices and ensure a fair distribution of essential resources. Example: The Ministry of Health has centralised the procurement of personal protective equipment (PPE), fans and other essential medical equipment, thus allowing for high volume purchases at more competitive prices and equitable distribution to medical facilities across the country.	Implementation of Emergency Purchases Emergency procurement procedures have been simplified and accelerated to allow for rapid responses to urgent requests for equipment and medicines. Example: DSPs used direct procurement procedures to quickly obtain the necessary protective equipment and medicines to manage the health crisis. Avoiding 0 stock situations and reducing purchasing/supply times	Digitalization and Automation of Purchasing Processes Digitization of procurement processes has been accelerated to improve efficiency and transparency. Example: The Electronic Public Procurement System (SEAP) has been used for all stages of the procurement process, from the publication of tender notices to the electronic signing of contracts. This has enabled better monitoring and reporting in real time.	Improving relations with suppliers

Best Practices promoted by Suppliers in response to the Covid-19 crisis		
Maintaining a competitive price in the market, timely delivery of products offered and maintaining the quality of products and services, particularly with regard to personal protective equipment and medical devices.	Stock management for Covid-19 products and Covid-19 complementary products to serve as many patients as possible. Completing the Covid-19 portfolio with adjacent products in a short time. Supporting Covid-19 diagnostics with high performance medical equipment in covid centres, to reduce the time to release results to patients, and therefore their immediate treatment.	Sustainable practices have been promoted to respond to the long-term challenges of the pandemic, such as reducing waste and optimizing supply chains. These practices have helped to improve tender offers and adapt to the emerging needs of the global health crisis.

Conclusions

Future of the National Public Healthcare system in Romania

Notable changes and trends of the Healthcare system in Romania

Public perspective

Institutions

Main trends and evolution in the Healthcare sector

- Digitalization and Information Technology in Health:
  - The implementation of the Electronic Health File (DES), the advancement of telemedicine, and the integration of AI and Big Data are transforming the healthcare landscape by enhancing patient care and streamlining medical processes.
- Improving the Finance and Sustainability of the Health System:
  - Increasing the health budget and fostering public-private partnerships for the development of health infrastructure are essential steps to ensure the financial stability and long-term sustainability of the healthcare system.
- Infrastructure Investment and Hospital Modernization:
  - Ongoing renovation and enlargement projects, along with the construction of new hospitals, are crucial initiatives aimed at modernizing healthcare infrastructure and improving the quality of care.

Notable changes over the last 15 years in the Healthcare sector

- Public Health and Prevention:
  - The response to the Covid-19 pandemic and the implementation of prevention programs have been key areas of focus, aiming to improve public health outcomes and mitigate future health crises.
- Demographic Changes:
  - The ageing population presents significant challenges, requiring tailored healthcare solutions and policies to address the needs of older adults.
- Financing and Sustainability Reforms:
  - Increasing health expenditure and the development of public-private partnerships are crucial for ensuring the long-term sustainability and effectiveness of healthcare systems.

Contracting authorities

Main trends and evolution in the Healthcare sector

- Centralised procurement of sanitary materials and medical supplies for general use.
- Decentralised procurement of health supplies and medical consumables specific to each health unit.
- Digitisation and development of telemedicine.

Notable changes over the last 15 years in the Healthcare sector

- Digitisation and SEAP - Electronic Public Procurement System
  - The digitization of procurement processes through the SEAP (Electronic Public Procurement System) is enhancing efficiency and transparency in public procurement, making it easier for stakeholders to engage in the process.
- ANAP - National Authority for Public Procurement
  - The National Authority for Public Procurement (ANAP) provides valuable resources on its website, including a guide that publishes and updates documentation for various products and services, offers instructions on different legislative articles that are often interpreted differently in practice, hosts online meetings to debate proposed legislative articles, and operates a help desk platform to assist users in understanding legislative content.

Private perspective

Main trends and evolution in the Healthcare sector

- Collapse of the state system and takeover of services by the private system.
- Development of the Private Health system.
- More control from public and private institutions.

Notable changes over the last 15 years in the Healthcare sector

- High patient reliance on the private sector.
- Many patients directed to the private health sector.

Development of the private sector with timid and insufficient changes to legislation in this area.

Suppliers perspective

Main trends and evolution in the Healthcare sector

- Personalized Medicine: An increase in interest in personalized treatments based on patients' genetic profile and lifestyle.
- Wearable Technology: Extensive use of wearable devices for monitoring health and physical performance.
- Mental Health: Increased focus on mental health and improved access to associated services.
- The aim for cost efficiency, funding opportunities through European funds that offer the possibility to improve the medical system by equipping it with state-of-the-art equipment. The aim is to digitise the medical system according to European standards - electronic health data (EHR)

Focus on public health policies, digitization, increasing patient access to innovative technologies, focus on preventive medicine.

Notable changes over the last 15 years in the Healthcare sector

Life expectancy has increased, and digitisation and innovation have become priorities. However, there are still challenges related to funding, accessibility and healthcare infrastructure
Transition toward innovative technology, the need to manage a growing number of patients has led to the start of projects for new hospitals, the covid period being a wake-up call about the shortcomings of the medical system and the limited access of acute and chronic patients
Development of the private sector, online scheduling of consultations in state hospitals, access to externally funded projects (EU) many hospitals have been equipped with high performance equipment, digitization of public procurement procedures.

Future of the Healthcare procurement environment in Romania

Notable changes and trends of the Healthcare procurement environment in Romania

Public perspective

Main trends and evolution in the Healthcare Public Procurement sector

- Strengthening Crisis Response Capabilities.

The Covid-19 pandemic has highlighted the need for flexible and fast procurement systems. By 2030, greater emphasis will be put on strengthening crisis response capacities. This will include the development of legal and operational frameworks to enable rapid procurement in emergency situations, as well as the creation of strategic stocks of essential products.

- Centralization and Regionalization of Procurement.

Centralisation of procurement will continue to be a significant trend, to benefit from economies of scale and ensure stricter control over public spending. The National Agency for Public Procurement will play a crucial role in this. In parallel, regionalization of procurement will enable adaptation to the specific needs of different regions and facilitate cooperation between regional health institutions.

- Sustainability in Public Procurement.

An important trend will be the integration of sustainability principles in public procurement. This includes the adoption of ecological and social criteria in the selection of suppliers and products. Public procurement will have to comply with environmental standards and promote products and services that have a low impact on the environment. Procurement from social and local enterprises will also be encouraged to support regional economic development.

- Local/individual electronic procurement for medical products specific to each medical unit

Notable changes over the last 15 years in the Healthcare Public Procurement sector

- Digitalization of Procurement: one of the most notable changes was the digitalization of public procurement processes. The introduction of the SEAP platform (Electronic Public Procurement System) allowed the electronic management of procurement procedures, reducing bureaucracy and the time needed to conduct tenders. It has helped to increase transparency and reduce corruption risks by providing equal access to all potential suppliers to tender information.
- The Covid-19 pandemic has had a significant impact on the public healthcare procurement system. The health crisis has highlighted the need for flexible and rapid procurement procedures. During this period, the authorities implemented special measures for the rapid procurement of essential medical equipment and medicines, including through emergency procedures. This context has accelerated the adoption of more agile practices and highlighted the importance of strategic stocks.
- The integration of sustainability criteria in public procurement procedures. The authorities have begun to pay more attention to the environmental and social impact of the products and services purchased. This has been reflected in the promotion of green and social procurement, encouraging suppliers to adopt sustainable and responsible practices.
- Introduction of the dynamic purchasing system - a good initiative, but very cumbersome to apply in procedures with many lots and many participating economic operators.
- Additions and amendments have been

made to Law 98 / 2016, in line with the economic situation (e.g. change in procurement thresholds) and making the participation of all potential bidders more flexible.

- ANAP (the national authority for public procurement) has produced a guide presenting model documentation in several areas.

Private perspective

Main trends and evolution in the Healthcare Private Procurement

- 80% of the services will be provided by the major networks.
- The need for good healthcare services in a pleasant and clean environment is growing and in the next 5 years the number of patients using private healthcare services will increase exponentially.
- Finding in the market high-performance medical equipment that helps to accurately diagnose all categories of ailments.

Notable changes over the last 15 years in the Healthcare Private Procurement sector

- Patients turn to private hospitals/clinics in large numbers.
- Growth in quantity, quality and diversification. The sector is growing steadily and will soon become the main supplier.
- Emphasis is being placed on the environment in which medical activities are carried out, i.e. private medical units are more like leisure centres than classic medical units.

Supplier perspective (on Public procurement)

Main trends and evolution in the Healthcare Public Procurement sector

- The main trends and developments in healthcare procurement in Romania up to 2030 could include:
  - Digitalisation and technology: The implementation of digital technologies will continue to transform public procurement, facilitating faster and more transparent processes. Health systems will increasingly adopt telemedicine solutions and digital platforms to manage patient data.
  - Integration of services: Emphasis will be placed on integrating health services to provide seamless and coordinated care. This may include collaborations between different levels of care and specialisations, as well as public-private partnerships.
  - Focus on prevention: The trend to invest in prevention and wellness will increase, with the aim of reducing the incidence of chronic diseases and optimising long-term costs.
  - Personalisation of care: Personalisation of healthcare services will become more prevalent, with treatments and care programmes tailored to the individual needs of patients.
- Public procurement will take two forms: purchasing machines and then reagents for these machines or providing machines. The trend is shifting towards centralized tendering. New offices of international medical companies are opening, and there is a growing emphasis on automation and high-performance equipment. New financial evaluation factors are emerging, meaning the lowest price will no longer be the primary award criterion. Additionally, customers are increasingly purchasing integrated equipment with longer contract periods of 3-4 years.
- There is a national public procurement strategy that aims at: a transparent, more efficient, sustainability-oriented, innovation-oriented public procurement system, more easily accessible to all actors involved in the procurement process.. At the same time, the National Office for Centralized Procurement (ONAC) has been established, whose aim is to initiate centralized public procurement to ensure the me-

dical devices needs of interested hospital units. There is also interest from the public authorities involved in public procurement processes in amending and updating the legislation in this field.

Notable changes over the last 15 years in the Healthcare Public Procurement sector

Here is a synthesized version in three points, maintaining the original structure:

- Digitization and Process Efficiency:
  - Adoption of Digital Technologies: The use of electronic platforms, online auctions, and procurement management systems has become more prevalent, enhancing communication between suppliers and contracting authorities.
  - Legislation and Regulations: Changes in public procurement legislation have affected procedures, value thresholds, and evaluation criteria, impacting how healthcare procurement is conducted.
  - Increased Competition: Greater access to information has heightened competition among providers, leading contracting authorities to be more selective and focused on quality and efficiency.
- Public-Private Partnerships and Transparency:
  - Collaboration: Increased public-private partnerships aim to improve medical infrastructure and patient services.
  - Transparency and Anti-Corruption: Enhanced efforts to prevent corruption and ensure transparency through monitoring and auditing have been implemented.
  - Accessibility and Demographic Changes: Efforts to ensure equitable access to services have been made, with investments in rural areas and adjustments to meet the needs of an aging population and changing epidemiological profiles.
- Contracting Trends and Challenges:
  - Long-Term Framework Agreements: Contracting authorities are increasingly concluding framework agreements for longer periods (24, 36, 48 months), though rising material and transport costs pose challenges for maintaining prices.

Medical Simulation Equipment: There is a growing focus on purchasing medical simulation equipment to enhance medical staff competence through practical training.

Supplier perspective (on Private procurement)

Main trends and evolution in the Healthcare Private Procurement sector

- Growth and Quality in Private Sector:
  - Increased Private Entities: The number of private entities and their clients has significantly risen, leading to the purchase of high-quality medical supplies and the latest generation equipment, which enhances service quality.
- · rends in Healthcare Services:
  - Digitization: There is a growing use of digital technologies like telemedicine and mobile health applications to improve access to medical services.
  - Personalization and Integration: Trends include personalized treatments based on genetic data and lifestyle, and closer collaboration between medical sectors to offer integrated, patient-centric care.
  - Financial Sustainability: There is a heightened focus on the costs and financial sustainability of health systems, with exploration of new funding models.
- Private Sector Procurement Practices:
  - Independent Procurement Procedures: Private companies are increasingly using their own procurement methods, engaging major market players, and are not bound by public procurement laws.
  - Focus on Automation and Performance: The trend towards automation and high-performance equipment is evident, with private sector procurement often prioritizing factors beyond the lowest price and seeking greater operational efficiency.

Notable changes over the last 15 years in the Healthcare Private Procurement sector

- Financial and Market Expansion:
  - Financial Growth: The private medical services market in Romania doubled over five years, reaching €3.1 billion in 2020, representing 1.4% of the GDP. The market was estimated at around €3.4 billion in 2021.
  - Expansion of Services: There has been significant growth in the number of companies and turnover in the private medical sector. Turnover increased by 11% compared to 2019 and was 312% higher than in 2011.
  - Infrastructure Investments: Investments in the private health sector peaked at €513 million in 2019 but dropped to €450 million in 2020 due to the Covid-19 pandemic.
- Market Trends and Workforce:
  - Medical Subscriptions: The medical subscription market grew to €140 million in 2021, more than doubling since 2015. Most subscriptions are provided by employers as extra-salary benefits.
  - Increase in Employees: The number of employees in private medical services reached approximately 80,000 in 2021.
  - Emphasis on Prevention: The private sector has played a significant role in promoting preventive care, which is crucial for the health system's development.
- Procurement Practices in the Private Sector:
  - Price Sensitivity: The private market is highly focused on purchasing at the lowest possible prices, striving to balance quality with cost. Purchasing staff are incentivized to identify and procure the lowest-priced products.

Major lessons learned by Procurers in Romania

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Romania

Challenge	Description
Lack of Information and Coordination	The absence of clear and up-to-date information hindered coordination and procurement processes between various levels of public administration and suppliers, making it difficult to respond quickly to rising needs.
Limited Response Capacity	Insufficient infrastructure and staff capacity led to delays and difficulties in allocating essential resources promptly, hampering the ability to meet increasing demands.
Formalising public procurement contracts	Given the urgency of the situation and the scale of the shortages, hospital public procurers have sometimes found it difficult to formalise their contracts.
Sudden Increase in Demand	The pandemic caused a massive surge in demand for essential medical equipment, outstripping global supply and resulting in challenges in protecting healthcare workers and treating patients.
Supply Chain and Logistics Issues	Restrictions on international transport have disrupted supply chains, leading to delivery delays and complications in stock management.
Price Increases and Speculation	Growing global demand drove up prices and led to speculation, making it difficult to procure equipment at reasonable costs, putting pressure on public budgets.
Rigid Regulations and Procedures	Traditional public procurement regulations were not suited for emergencies, causing delays in the rapid procurement and distribution of essential equipment.
Risks Related to Healthcare Products	The crisis exposed several risks, including poor-quality products, stock shortages, speculative pricing, and logistical challenges affecting personal protective equipment, ventilators, essential medicines, vaccines, and testing services.
Supplier Perspective	Suppliers faced challenges due to raw material shortages, rising transport costs, and delivery delays, which sometimes led to the introduction of substandard products to the market.

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Romania

New practices	Description
Flexibility of Procurement Procedures	Post-pandemic regulations have been adjusted to allow for more flexible and fast procedures, especially in emergency situations. Direct procurement and simplified procedures have been widely used to respond quickly to critical needs.
Digitalization of Procurement Processes	The post-pandemic period has seen an accelerated digitisation of procurement processes, with the use of electronic platforms to manage calls for tender and contracts. The electronic public procurement system (SEAP) has become essential to ensure transparent and efficient procurement.
Strengthening Fast Response Capabilities	Strategic stocks and buffer stocks have been expanded and maintained at appropriate levels to respond quickly to emerging needs.
Re-evaluating and Streamlining Private Procurement Partnerships	Reviewing and reorganizing the partnerships that the private procurer was engaged with.

New policies	Description
Emergency Purchases	Introduction of regulations allowing direct procurement in case of sanitary emergency, thus reducing the response time and ensuring quick access to essential equipment and medicines.
Centralized procurement	The National Strategy for Public Procurement 2023-2027 envisions the use of centralized procurement as a key lever to enhance the efficiency of investment programs outlined in the National Recovery and Resilience Plan.
Maintain a certain level of strategic stocks	Regulations were implemented requiring the maintenance of strategic stocks of medical equipment and essential medicines, with regular updating to prevent expiry

Summary of best practices in Romania

Procurers	
Best practices	**Description**
Centralised procurement practices	Health institutions have adopted centralised procurement practices to negotiate better prices and ensure a fair distribution of essential resources.
Implementation of Emergency Purchases	Emergency procurement procedures have been streamlined to facilitate rapid responses to urgent needs. Direct procurement methods were employed to quickly acquire essential protective equipment and medicines, ensuring an effective management of the health crisis.
Digitalization and Automation of Purchasing Processes	The digitization of procurement processes has been accelerated to enhance efficiency and transparency. The Electronic Public Procurement System (SEAP) has been utilized throughout the procurement cycle
Avoiding Stock Shortages and Reducing Supply Times	Efforts have been made to prevent stock shortages and shorten purchasing and supply timelines.
Improving Supplier Relations	Enhanced relationships with suppliers have been fostered to ensure better collaboration and responsiveness.

Suppliers	
Best practices	**Description**
Competitive Pricing and Quality in PPE and Medical Devices	Maintaining a competitive price in the market, timely delivery of products offered and maintaining the quality of products and services, particularly with regard to personal protective equipment and medical devices.
Sustainable practices	Sustainable practices have been promoted to respond to the long-term challenges of the pandemic, such as reducing waste and optimizing supply chains. These practices have helped to improve tender offers and adapt to the emerging needs of the global health crisis.
Avoiding Stock Shortages and Reducing Supply Times	Stock management for Covid-19 products and Covid-19 complementary products.

Sources of the ID Card

- Matrix
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

PROCURE

ID CARD

SPAIN

SAS
as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Disclaimer

The Servicio Andaluz de Salud (SAS) has acted as the country leader for the ProCure project, which has been conducted under the framework and conditions of the European Union. It is important to clarify that the information contained in the ID cards does not represent the views or opinions of the SAS. Instead, the ID cards reflect the consensus information provided by the entities participating in the project that have completed the questionnaires.

Country Node composition

Profiles of organisations involved in the Study

Country Leader: Spain Country Node counted on the active participation of 12 organisations in total, distributed as follows: 5 Contracting Authorities (Servicio Andaluz de Salud; Servicio Navarro de Salud;Servicio Cántabro de Salud;Consorci de Salut i Social de Catalunya;Rioja Salud), Public procurers subject to the EU Procurement Directive 2014/24; 1 Procurer private (Hospital San Juan de Dios), not subject to the EU Directive, 0 Healthcare Institution and finally a group of 6 Suppliers (FENIN; BIOSIM; MöLNLYCKE HEALTHCARE SL; PHILIPS; ROCHE DIAGNOSTIC; NTT DATA).

Country Leader:

The **Andalusian Health Service** (SAS)[50] is a public agency responsible for healthcare provision in this area of Spain (Andalusia).
Its primary objective is to deliver high-quality public healthcare to the region's residents, ensuring it is accessible, meeting user satisfaction, and striving for efficiency and optimal resource utilisation.
SAS is not alone in Procure Project, the Foundation for Health Research Management in Seville (FISEVI)[51] and the Malaga Foundation for Research in Biomedicine and Health (FIMABIS)[52], which are non-profit organisations linked to the Andalusian Public Health System, have joined to this European project.
The mission of both entities is the integral management and promotion of R&D&I activities in the provinces of Malaga and Seville.

[50] https://www.sspa.juntadeandalucia.es/servicioandaluzdesalud/
[51] https://fisevi.com/
[52] https://fimabis.org/es/

Introduction of the ID Card Scope definition: Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.
In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[53] , split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use *(except Imaging and Medical Consumables)*	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[53] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:
The **National Public Healthcare System and stakeholders mapping**, which describe the organisation of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The **Healthcare Procurement Environment and stakeholders mapping**, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The **Procurement practices in the Healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, the **main conclusions** close the ID card by highlighting the notable changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

Healthcare Procurement Environment and stakeholders mapping in Spain

Public Policy objectives: description of the Regional and National programmes in Spain

Main Law that governs the Public Procurement

In Spain, the law governing public procurement is called Law 9/2017, of November 8, on Public Sector Contracts, which transposes into Spanish law the Directives 2014/23/EU and 2014/24/EU of the European Parliament and Council, of February 26, 2014.

Legal framework of reference that applies for Public Procurement of Healthcare Products

In Spain, the legal reference framework is both centralised and decentralised: public contracts can be awarded at national or regional level, but also at local level: hospitals can make their own purchases.

Content of the National and Regional programmes

Definition of the programme

Generally, at the national level, the Independent Office for Regulation and Supervision of Procurement (OIRESCON) has approved the National Public Procurement Strategy 2023-2026. Additionally, it should be noted that regional health organisations mostly approve an annual program contract as a tool that integrates annual objectives, framed within a medium-term strategic approach, with special consideration given to budget compliance, which is determined in chapters II and VI by administrative contracting.
Moreover, the regulations themselves and others of a transversal nature affect gender equality, the environment, or other social areas. At the regional level, some Autonomous Communities identify specific programs such as:

- FID Health Program: program to promote innovation from demand.
- Framework Plans and Strategies.
- Program Contract (SAS).
- Procurement Plans and their publications.
- Andalusia Digital Health Strategy 2024-2028.
- Catalan Health Service.
- AQUAS.

Official Links :

https://contrataciondelestado.es/b2b/noticias/ENCP.pdf
https://www.sanidad.gob.es/profesionales/innovacionSanitaria/compraPubInn.htm
https://web.sas.junta-andalucia.es/servicioandaluzdesalud/el-sas/planes-marco-y-estrategias
https://web.sas.junta-andalucia.es/servicioandaluzdesalud/el-sas/contrato-programa

Topics of the programme and other related guidelines in Spain, by topic

• Procurement performance

The objectives of the National Procurement Strategy (ENC) are:

- Combat corruption and irregularities in the application of public procurement legislation.
  - Improve the supervision of public procurement.
  - Improve the mechanisms for ex-ante and ex-post legality control of public contract and concession award procedures throughout the public sector.
- Increase the professionalism of public agents involved in procurement processes.
- Promote economic efficiency in the procurement of goods, services, and supplies for the public sector by stimulating demand aggregation and the appropriate use of award criteria.
- Generalise the use of electronic procurement in all phases of the procedure and establish a common data strategy in procurement.
- Use public procurement opportunities to support environmental, social, and innovation policies.
- Promote the participation of SMEs in the public procurement market.
- Promote a clear and stable regulatory framework to provide legal certainty in public procurement.

At the regional level, some contracting bodies specifically use tools that integrate the annual objectives of the Health Service, framed in the approach of a publicly managed healthcare system with professionals, based on health outcomes, and aimed at providing the best possible care to patients. They establish qualitative and quantitative objectives regarding the volume of procurement, quality, and efficiency; and strategies for managing public healthcare procurement.

• Sovereign Procurement

On one hand, there are Pharmacy Plans for special medication treatments authorised by the Ministry of Health, which serve as an example of sovereign public procurement.
On the other hand, there are Program Contracts for hospitals, districts, and healthcare management areas to achieve their set objectives. These contracts also involve the commitment of centres to meet citizens' health expectations with quality and safety criteria. The objectives established for these centres cover aspects related to economic perspective and resource management, healthcare services and citizen satisfaction, improving knowledge through training and research, and healthcare processes, with guidelines for organisation and management to ensure quality in care.

• Innovative Procuremen

One of the objectives is to promote innovative public procurement by including an electronic bidding tool in the Public Procurement Platform (PLACSP) and regional platforms, which will allow for the electronic execution of innovation partnership procedures and necessary regulatory developments, as well as analyse the impact of the new regulations on science, technology, and innovation.
The Demand-Led Innovation Promotion Program (FID) is an instrument of the Ministry of Science, Innovation, and Universities (MICIU) for promoting public procurement of innovation (PPI). It is funded by multi-regional ERDF funds and aims to foster innovation through the demand for innovative solutions by public administrations.
In 2014, collaboration began between the Ministry of Science, Innovation, and Universities (MICIU) and the Ministry of Health, Consumer Affairs, and Social Welfare (MSCBS). Under this collaboration, the MSCBS coordinates activities with the Health Departments of the Autonomous Communities and works with the MSCBS and the Carlos III Health Institute (ISCIII) on the development of the FID Health Program.

This collaboration was formalized through the Agreement for the Promotion of Public Procurement of Innovation in the National Health System (SNS) signed between MICIU and MSCBS in 2016.

- **Sustainable Procurement (Environmental; Social and Economic)**

One of the objectives is to deepen the use of strategic procurement, with the aim of providing contracting bodies with criteria supported by current public procurement regulations. Generally, all defined programs advocate for a form of public procurement that considers not only the best offer from an economic perspective, based merely on price, but also from social and environmental perspectives. Sustainable public procurement values products and services that are more environmentally friendly and that promote social inclusion, equal opportunities, and fair trade. In this regard, social, environmental, and economic criteria are considered in a cross-cutting manner.

o Digital Healthcare

This strategy will allow digital health services to improve and evolve, responding to the real needs of people and their context; It will facilitate decision-making by leveraging data and knowledge and enhance the digital capabilities of the organization, thereby promoting the modernization of healthcare services.

- **Security of Supply (See next section "Focus on Security of Supply")**

In general terms, they include guidelines for the implementation of monitoring systems by healthcare centres and professionals, notifications of incidents from both supplier companies and healthcare centres, etc.

Stakeholders mapping of the Healthcare procurement environment in Spain

Public perspective

There are **5 main categories of public procurers including categories of hospital public procurers** in Spain.

- **Government Public Procurers & National Central Purchasing Body:**

In Spain, 1 structure is operating at national level as CPB for hospital procurement of healthcare products and services:

- National Public Procurement Center: INGESA
- Andalusian Health Service
- Ministry of Health
- Navarre Health Service-O/ Cantabria Health Service

- **Regional /Local Public Purchasing Bodies**

In Spain, there are 17 regional public procurement bodies and 8 provincial purchasing scenters including:

- Andalusian Health Service (SAS)
- Navarrese Health Service-0
- Cantabrian Health Service
- Provincial Purchasing Centers of the Andalusian Health Service (SAS) and the SAS Emergency
- University Hospitals
- Primary Care Centers and Consorci de Salut i Social de Catalunya

- **Public and Private hospitals**

There are also 840 hospitals, both public and private.

- **Other public procurers (non-hospital) such as nursing homes, rehab centres, elderly centres**

In Spain, there are some non-hospitals public procurers including: Primary Care Areas, Mental Health Area.

Private perspective

There are **4 main categories of private procurers** in Spain.

- Central Private Purchasing Bodies
- Regional – Local Private Purchasing Bodies
- Alliance of private hospitals
- Private hospitals

Procurement practices in the healthcare sector and suppliers' perceptions in Spain

Deontology

Guidelines, standards, tools

Most common guidelines, standards and tools used by public procurers

- Guidelines
  - Anti-Fraud Measures Plan regarding the prevention, detection and correction of fraud, corruption, conflicts of interest and double financing.
  - Anti-Fraud Unit: Drives and coordinates the measures for prevention, detection, correction, and prosecution related to risks affecting the implementation of the MRR (Recovery and Resilience Facility) and the funds from the 2021-2027 financial framework, including risk assessment, vulnerability detection, and proposing actions.
  - DACI (Declaration of Absence of Conflict of Interest) is a responsible statement in which the signatory declares that they are not involved in any situation that could be considered a conflict of interest.

Less common practices, standards and tools used by public procurers

- Practice
  - Code of good practices in public procurement, which generally involve preventing conflicts of interest.

Most common guidelines, standards and tools used by Private procurers

- Guidelines
  - Integrity and responsibility.
  - Strict compliance with current legislation.
  - Transparency and truthfulness.
  - Zero tolerance and fight against corruption.
  - Confidentiality, privacy, and data protection.

- Tool
  - The Hospital San Juan de Dios in Zaragoza has a dedicated transparency portal that provides access to its governance, financial activities, and management policies. This includes details about the hospital's non-profit status, its collaboration with public healthcare services, and its ethical framework. Additionally, the portal contains a section for supplier information and complaints, ensuring accountability and open communication with the public. For more information: https://hsjdzaragoza.es/.

Deontology training

The training provided to private procurers includes:

- Ensuring that the staff is not only highly qualified but also aligned with the organisation's objectives, with a strong sense of vocation, integrity, commitment, and motivation, to develop their potential and meet society's expectations.
- Codifying principles and values provide focus, structure, and visibility, preventing inconsistency or uncertainty in actions, and ensuring that everyone is aware of them and understands their importance.
- Efficient use of funds allocated for construction projects, procurement of goods, and contracting of services, by requiring the prior definition of needs to be met, safeguarding free competition, and selecting the most economically advantageous offer.

Regulations

Most common regulations to prevent fraud, bribery or corruption followed by public procurers

At the national level, it is worth highlighting:

- Guidelines for strengthening mechanisms for the prevention, detection, and correction of fraud, corruption, and conflicts of interest, as referred to in Article 6 of Order HFP 1030/2021, of September 29, which establishes the management system for the Recovery, Transformation, and Resilience Plan. Useful link: https://www.igae.pap.hacienda.gob.es/sitios/igae/es-ES/CA-UACI/UACI/Documents/OrientacionesplanantifraudePRTR_SGFE_MHFP_enero2022.pdf.
- Guide for the application of anti-fraud measures in the execution of the recovery, transformation and resilience plan. Useful link: https://www.igae.pap.hacienda.gob.es/sitios/igae/es-ES/snca/Documents/20220224%20Gu%C3%ADa%20Medidas%20Antifraude.pdf
- The reports published by the Independent Office for Regulation and Supervision of Procurement (OIRESCON). Useful link: https://www.hacienda.gob.es/en-GB/Oirescon/Paginas/HomeOirescon.aspx
- National Securities Market Commission (CNMV)

At the regional level, specific examples include:

- Plan de medidas antifraude del Servicio Andaluz de Salud - Anti-Fraud Measures Plan of the Andalusian Health Service
- Link to the plan
- Oficina Antifrau - Anti-Fraud Office, the General Directorate of Public Procurement of Catalonia

Internal and compliance control

Most common practices and tools for internal and compliance control used by public procurers

- Standards:
  - The implementation of control mechanisms in public procurement to ensure the investment made complies with the applicable standards, the specific expenditure and the need, where appropriate, for its authorization.
- Tools:
  - Generally, in procurement funded by European funds, Management Plans are developed as planning and management documents for internal controls and their compliance.
  - Some regional organisations have programs where management and a certain level of internal control are implemented, such as:
    - "Sistema Integral de Gestión Logística" (SIGLO) of the Andalusian Health Service - Comprehensive Logistics Management System (SIGLO) of the Andalusian Health Service.

- The Ethical Code of the CSC - Ethical Code of CSC Useful Link: https://www.consorci.org/el-csc/responsabilitat-social/bon-govern/llistat-bon-govern/

Most common practices and tools for internal and compliance control used by Private procurers

- Standards:
  - Digitising and automating evaluations not only provides greater visibility and efficiency but also optimises the task of classifying and locating information, while simultaneously aiding in its traceability.
  - With improved evaluations and analysis, the likelihood of disruptions in the supply chain is significantly reduced, thereby minimising the risk of impacting the contracting company's operations. This enables the assurance of operational efficiency, while also supporting internal strengthening and the achievement of strategic objectives.
- A purchase authorization process that involves validating the supplier's identity, as well as their technical and economic capacity to fulfil the order according to the required conditions, along with other technical and legal aspects relevant to the sector in which we are operating.
- Tool: An internal control system is like a versatile tool that lays the foundation for long-term success by maintaining comprehensive oversight of processes across various areas. The areas where internal control plays a crucial role include:
  - Risk assessment;
  - Process control;
  - Financial control;
  - Compliance control;
  - Information and communication;
  - Monitoring.

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- Public sector contracting platform: https://contrataciondelestado.es/wps/portal/Plataforma
- Recruitment portal: https://portalcontratacion.navarra.es/es/home
- Portal de transparencia: https://gobiernoabierto.navarra.es/es/transparencia
- Internal database (ARMA) and the Public Procurement Platform for the processing of files and communication with bidders: https://contractaciopublica.cat/ca/perfils-contractant/detall/8885209?categoria=0

Other tools that are used by procurers to access Procurement data

- Contractor profile: https://www.ceh.junta-andalucia.es/haciendayadministracionpublica/apl/pdc_sirec/perfiles-licitaciones/detalle-perfil.jsf?perfilContratante=SYBS03&organismo=CSC

Most common tool used by Private Procurers for accessing to Procurement data

- They mostly use their organisation's intranet.

Supplier relations

Most common practices, standards and tools used by public procurers in terms of Supplier relations

- Strategy and Standards:
  - In some organisations, there are information and management system programs where contractual relationships with suppliers are managed at the operational level within the program. In organisations with their own code of conduct, there are generally sections related to supplier relations.

- Tools:
  - In some organisations, such as the Andalusian Health Service, there is a document titled "Certification of Not Being in a Situation of Incompatibility for Contracting". This document includes a declaration by the individual confirming that they are not involved in any situations outlined in Law 3/2005 of April 8, on Incompatibilities of Senior Officials of the Junta de Andalucía and Declaration of Activities, Assets, Interests, and Remunerations of Senior Officials and Other Public Positions, and Decree 176/2005 of July 26, which develops the aforementioned law.

    The individual also certifies that they do not hold more than ten percent participation as regulated by Article 5 of the aforementioned Law. Additionally, the legal entity, representing the company, certifies that none of the company's governing or administrative bodies includes a senior official covered by Article 2 of Law 3/2005 and Decree 176/2005, and that no such official holds more than ten percent participation as regulated by Article 5 of the Law.

Other practices and tools in terms of Supplier Relations

- In some organisations there are information and management systems programs where contractual relationships with suppliers are managed at an operational level within the program. In those organisations with their own code of conduct, there are generally sections addressing supplier relations.

- Tools:
  - In the Navarra Health Service (SNS), there is the Navarra Electronic Tender Platform (PLENA): https://portalcontratacion.navarra.es/es/quiero-presentar-una-oferta-electronica
  - In the Health and Social Care Consortium of Catalonia (CSC), its code of good practices document addresses topics such as the training sponsorship policy, travel sponsorship policy, etc. More information available here

Most common practices, standards and tools used by Private procurers in terms of Supplier relations

- Strategy and Standards:
  - Compatibility: This is the starting point for any integrated relationship. There are different levels of compatibility: corporate (compatibility between the two companies) and interpersonal (compatibility between the responsible teams).
  - Trust: Trust is the most critical factor in this relationship. Relationships, whether personal or business, must generate benefits for both parties. A win-win strategy is essential for a good relationship with the supplier.
  - Transparency: This factor provides the relationship with direction (where we want to go) and visibility (objectives, motivations, limitations, etc.).

- Tools:
  - NAVISION system
  - Annual Supplier survey relationship
  - Continuous evaluation system

Procurement cycle in Spain

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channels used by Public Procurers to analyse the market readiness & for suppliers sourcing

Generally, organisations have general information channels, such as Preliminary Market Consultations, competitive dialogues with suppliers, and bilateral meetings to determine the technical requirements for products/services. They also use the State Public Procurement Platform, among other tools.
In parallel, some organisations use specific information and management systems, such as:

- Comprehensive Local Management System (SIGLO) of the Andalusian Health Service.
- Contractor profile: https://www.ceh.junta-andalucia.es/haciendayadministracionpublica/apl/pdc_sirec/perfiles-licitaciones/detalle-perfil.jsf?Perfil-contratante=SYBS03&organismo=CSC

Processes used by Public Procurers for market readiness analysis

The 3 most common processes used are:

- Comparative Analysis/Evaluation.
- Bilateral meetings / pre-tender dialogue meetings.
- Open Market Consultation.

Category of information collected by Public Procurers during sourcing

The 4 most common categories of information collected by the public procurers are:

- Price.
- Technical elements.
- Market perspective.
- Technological monitoring and ability to respond to tenders.

Sourcing Tools used by Public Procurers during sourcing

At the national level, public procurers use:

- Public Sector Contracting Platform: https://contrataciondelestado.es/wps/portal/Plataforma

At the regional level, organisations have their specific tools:

- Navarra Procurement Portal and Navarra Electronic Tender Platform (PLENA)
- Comprehensive Logistics Management System (SIGLO) of the Andalusian Health Service
- Useful link: https://web.sas.junta-andalucia.es/servicioandaluzdesalud/proveedores/siglo-empresas
- Electronic Relations System in Contracting Matters (SiREC) of the Government of Andalusia:
- Useful link: https://sirecftdpriexp.chap.junta-andalucia.es/licitacion-electronica/index.action
- Internal database (ARMA).

Allotment in Public Procurement

- In Spain the principle of allotment is mandatory
- By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

- Contract Duration and Execution Period

The duration of the contract and the performance period, including partial deadlines and

the duration of extensions (renewal), if applicable.

- Division of Contracts into Lots

Whenever the nature or purpose of the contract allows, it should be divided into lots for independent execution.

- Contract Modifications and Review Clauses (including Price Review Clauses)

The contract may be modified during its term up to a maximum of twenty percent of the initial price, provided this has been expressly stated in the administrative specifications.

- Penalties/Sanctions

Penalties for defective performance, partial non-compliance, failure to meet environmental, social, or labour obligations, and non-compliance with special execution conditions.

- Termination

Grounds for contract termination.

- Delivery Conditions/Logistics

Delivery conditions and payment terms conditioned upon receipt approval; clauses should specify delivery deadlines, distinguishing between standard and urgent situations

Evaluation criteria in Public Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumables	Health Services	Protective equipment / protective gear
PRICE/QUALITY RATIO					

Apart from the technical and price criteria, some other categories of criteria are used by public procurers for the Evaluation criteria such as:

- Environmental criteria
- Social criteria
- Innovation
- Criteria that measure patient impact (value-based contracting)
- Security of supply
- Gender Equality Criteria
- Logistics and Traceability Criteria

Private perspective

Channels used by Private Procurers to analyse the market readiness & for suppliers sourcing

Public Procurement Data:
- PECON and BOA /E
- Social Media
- Media outlets
- Google Alerts

Processes used by Private Procurers for market readiness analysis

The 4 most common processes used are:
- Strategic Monitoring
- Open Market Consultation
- Bilateral Meetings
- OTIF: A supply chain metric that measures the percentage of orders delivered on time and in the correct quantity.

Category of information collected by Private procurers during sourcing

The 3 most common categories of information collected by the public procurers are:
- Audits
- Supplier Approval – Process and Product
- Maturity Validation

Sourcing Tools used by Private Procurers during sourcing

The 3 most common recurring tools used by the public procurers are:
- NAV Software Programs
- Our Own Procurement Policy
- OTIF

Legal clauses in Private Procuremen

- Contract Modifications
- Review Clauses
- Termination
- Intellectual and/or Commercial Property

In practice, it is quite common for entities to promote contract modifications, despite the exceptional nature mentioned in the specifications.

Evaluation criteria in Private Procurement

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- Environmental criteria
- Social criteria
- Innovation
- Criteria that measure patient impact (value-based contracting)
- Security of supply

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

In Spain, average public contract duration is 3- 5 years

Processes of monitoring the execution phase

- Evaluation of the operation and technical supervision service in provincial 061 services

The CES 061 will monitor and evaluate the provision of contracted services continuously and/or periodically through audits. The contractor is required to implement corrective actions necessary to address any issues or deviations revealed by the evaluation.
Additionally, the contractor must comply with quality, environmental, labour, and other requirements determined by CES 061 and submit to audits or accreditation processes affecting service provision.
A Provincial Monitoring Committee will be established, consisting of the CES 061 Service Director and/or their designated coordinator, and the contractor's Service Manager and, if applicable, room supervisors.
The committee's objectives include the monthly analysis of:

- Service management indicators and compliance levels. Quality of the provided service.
- Complaints related to the contractor's service.
- Development of phone-assisted CPR.
- Proper classification of demands.
- Monitoring of the training plan.
- Ongoing updating of operator training and other staff assigned to the service.
- Any other relevant aspects for the proper provision of contracted services.

Minutes will be kept at all meetings.
When required, the designated Service Manager will travel to any of the CCUEs and support bases, as well as to the CES 061 Central Office, for service coordination needs. Travel, subsistence, and accommodation costs will be borne by the contractor.
For the entire Provincial Services, the contractor must appoint a Project Manager upon contract formalisation. This person will oversee the Service Managers and serve as the direct contact with the CES 061 Medical Director or their delegate.
A Monitoring Committee will be established for service oversight.
The Monitoring Committee will address the following aspects:

- Adequacy of the number of operation positions in the coordination room according to demand curves.
- Compliance with established protocols for handling calls and managing issues based on demand type.
- Monitoring of service management indicators and compliance levels.
- Penalty calculation system based on quality and performance indices compliance.
- Monitoring of the Training Plan.
- Analysis of complaints received regarding professional conduct or procedural non-compliance.

Processes for managing the contracts penalties

The contract manager proposes penalties for delays, defective performance, etc., based on the provisions outlined in the contract documents and applicable regulations (Public Sector Contracts Law).
The imposition of penalties will be decided through a resolution from the contracting authority, and the procedure for this includes the following steps:

- Report from the Contract Manager: This report, which includes the proposed penalty

amount, is based on the provisions established in the contract documents and applicable regulations.
- Contractor's Hearing: The contractor will be given five (5) business days to present any objections or arguments they deem appropriate.
- Resolution of the Contracting Authority: The authority will issue a decision regarding the imposition of the penalty.
- Collection of Penalties: The penalty amounts will be collected by deducting them from the total or partial payment due to the contractor.

Private perspective

Processes of monitoring the execution phase

The most important factors to monitor in the primary performance of the contract include adherence to the agreed technical quality standards, compliance with special execution conditions, allocation of the material and personnel resources committed, and adherence to subcontracting regulations if applicable. If any issues arise, the authorities have tools at their disposal for handling non-compliance, such as imposing penalties or terminating the contract. These actions must be carried out in accordance with the established procedures.

Tools for monitoring the execution phase

- NAV program, which, along with the annual supplier evaluation, is employed to review management in each area of the hospital where it is implemented.

We have not managed any penalties in any contract.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

Through an objectives-based evaluation. For this evaluation, data tables are used, and there is no specific tool created for it.
This evaluation is performed by assessing the duration of tenders using two criteria: from the start agreement and from the announcement of the tender until the contract is formalised. Additionally, monthly evaluations are carried out on the percentage of purchases and annual evaluations on the fulfilment of Program Contracts, or through the implementation of indicators and application of ISO standards.
In the preparatory phase, the needs to be met are evaluated from a healthcare perspective. For this purpose, a report is requested from the proposing body. In this phase, the market is informally checked to determine the existence of bidders for the service to be contracted and the market prices, aiming to avoid deserted tenders.
During the tendering phase, criteria that can be evaluated through judgments of value are commonly used to assess the quality of the service offered by bidders.
During the contract execution, it is evaluated whether the service acquired meets the needs for which the contract was tender ed.

Tools of evaluation of the performance and effectiveness measures

In the Andalusian Health Service (SAS), there are several documents or tools used to evaluate the performance and effectiveness of the procurement system:

- The Programme Contract sets the lines and objectives to follow to ensure efficiency and effectiveness in management. It establishes the dynamics of the relationship between the Andalusian Health Service (SAS) and its centres. This document, signed with the SAS Management Directorate, outlines the objectives, activities, methodology, and resources available to the hospital to achieve its goals, which are the Promotion of Health and Healthcare.
- The Clinical Management Agreement (AGC) is a document signed by the management of each Management Unit and the Hospital Management Directorate. Clinical management units represent an organisational model that allows professionals to participate in managing the resources used in their own clinical practice.
- Process Management is a management system focused on pursuing continuous improvement to achieve optimal resource management and the delivery of efficient, equitable, and sustainable healthcare services oriented towards the citizen, considering the high variability and complexity of both healthcare and non-healthcare processes.

For monitoring and evaluating the objectives and indicators of the Programme Contract and Clinical Management Agreements, hospitals use the tool called SIREO (Information, Registration, and Evaluation System of Objectives).

Monitoring and steering objectives of the Procurement performance

General objectives followed by Public Procurers in terms of Procurement performance are:

- Economic performance and processing of a tender file
- Supplier performance (promote SME access)
- Logistics and supply chain
- Service quality performance (Innovation)
- RRHH performance
- Purchasing performance and innovative purchases

Main indicators defined by Public Procurers in terms of Procurement performance are:

- Compliance with contractors is evaluated regarding the quality of the products supplied by the contract manager and the execution deadlines outlined in the contract by the contract supervision unit. Annually, the economic volume of services that have been regularly contracted and those awarded directly (Minor Contracts) is assessed. There should be no contracting files in a state of extension due to public interest.

Risk management tools

In some organisations there are no specific tools to assess risk, while in others there are, this is the case of the Andalusian Health Service (SAS) that uses and carries out the Andalusian Health Service's anti-fraud measures plan:

- Anti-fraud measures plan of the Andalusian Health Service https://web.sas.junta-andalucia.es/servicioandaluzdesalud/el-sas/unidad-antifraude/plan-de-medidas-antifraude-del-servicio-andaluz-de-salud

On the other hand, in Public Procurement with European Funds, the procedures and regulations established by the EU are observed.

Accountability mechanisms and tools

There is not accountability mechanisms and tools in most organisations, but they do exist as:

- Control Mechanisms and Others:
  - Accountability (Court of Auditors);
  - Audit Systems, prior control;
  - Ongoing financial control, etc.

Private perspective

Processes of evaluation of the performance and effectiveness measures

In contract management and execution, it is essential to evaluate the actual performance of the procurement.
By implementing performance and effectiveness measures, organisations can build a robust, flexible supply chain capable of meeting healthcare demands. Supplier performance is a key factor for success, and investing time and resources to assess and enhance their efficiency is worthwhile. Working closely with suppliers helps create a resilient supply chain that fosters trust and long-lasting relationships.

Monitoring and steering objectives of the Procurement performance

The objective of the evaluation process is to select a reliable supplier that offers a good price-quality ratio and with whom a solid business relationship can be established. This relationship should allow both parties to gain benefits and achieve their objectives.
Main indicators defined by Private Procurers in terms of Procurement performance are:

- Quality of Products or Services Provided
- Compliance with Delivery Deadlines
- Communication and Customer Service
- Flexibility and Adaptability, including the ability to resolve issues
- Financial Health and Business Stability
- Collaboration to Implement Improvements

These values are weighted, resulting in a percentage score that can be adjusted each year.

Key practices of Procurement performance in Spain

Workforce professionalisation

Public perspective

In Spain, the specialisation of the Workforce is done in two times:

- During the recruiting process: preliminary measure, through Specific Personnel Selection Procedures.
- Once public procurers

Private perspective

In Spain, professional training courses are regularly followed by Private Procurers to maintain and/or improve the specialisation of the Procurement Workforce. Continuous training for procurement agents, who manage the contracting procedures, is key.
On one hand, the learning process never ends; on the other hand, adequate technical and human preparation enhances the awareness of providing the best service to citizens.

Diagnostic of performance

Public perspective

Streamlining costs		Time to respond		Other
Processes	*Tools*	*Processes*	*Tools*	*Processes*
There is no specific procedure in place to evaluate the individual costs of each acquisition beyond budget monitoring.	In 2009, the Andalusian Health Service (Servicio Andaluz de Salud - SAS) conducted a logistics cost study which determined that there was significant room for efficiency improvement in logistics management if the economic management units were aggregated at the provincial level. The conclusions of this study were documented in a report titled "Eficiencia de Escala en el Proceso Logístico Central" ("Economies of Scale in the Central Logistics Process"), which led to the creation of the current Provincial Purchasing Centers (CPCs), formerly known as logistics platforms.	As a general rule, the deadlines established in the Public Procurement legislation for each procedure will be respected.	They do not have specific tools for this specific case, except in the case of the Andalusian Health Service (SAS), which uses two tools: · SIGLO (Comprehensive Logistics Management System) as a corporate Management and Information system. · KANBAN as a Replenishment system through of a visual project management	Control of existing stock in the warehouses and clinics. In economic terms, the Bidding process creates a competitive equation for companies, resulting in lower prices in the Award phase compared to the initial Bid phase.

	These CPCs integrate the various phases of the comprehensive logistics process—procurement, storage, distribution, and invoicing—at the provincial level in Andalusia. This approach enhances the overall bargaining power to improve the price and general terms of goods and services acquisitions for the organisation. It also reduces administrative management costs, decreases variability in procurement, achieves economies of scale that allow for a reduction in inventory levels across various storage stages, and minimises obsolescence and expirations. Additionally, it standardises consumption criteria for items and optimises the contracting of distribution in terms of human resources, mechanical resources, and materials.		method; Additionally, in the case of the Health and Social Care Consortium of Catalonia (CSC), the efficiency and effectiveness of the procurement cycle are diagnosed through the analysis and evaluation of the indicators established in the internal database (ARMA).	

Private perspective

Streamlining costs	Other	
Processes	*Processes*	*Tools*
Purchases are analysed through cost-effectiveness analysis, which compares relative costs with results (effects). The cost-effectiveness ratio of a therapeutic or preventive intervention is the relationship between the cost of the intervention and a relevant measure of its effect. The cost refers to the resources spent on the intervention, typically measured in monetary terms. The measure of the effects depends on the specific intervention being considered.	· Effectiveness: identifying areas for improvement and developing plans to optimise it. · Diagnosis · Scope of the project and the limits of the purchasing process to evaluate information gathering · Identifying potential problems and opportunities to pinpoint areas of inefficiency or possible improvements · Evaluation of colleagues' performance with the new project · Evaluate supplier management (including product quality, service received, and expertise) · Identify potential waste or residues.	NAV Excel Data Processing Sheets for Project Support

Supplier performance

Public perspective

Main processes for supplier performance

In the PPT (Technical Specifications Document) and PCAP (Specific Administrative Terms and Conditions Document) of specific contracts, a series of performance indicators and penalties are established for non-compliance with services. These include monitoring aspects such as evaluating the delivery times of supplies, and the quality of the products or services provided.

Main tools for supplier performance

Supplier quality control as a process used to ensure that suppliers consistently deliver goods or services that meet the standards agreed upon in the contract specifications

Private perspective

Main processes and tools for supplier performance

Supplier performance is assessed by evaluating the quality of products or services provided, compliance with delivery deadlines, communication and customer service effectiveness, flexibility and adaptability in resolving issues, financial health and business stability, as well as their collaboration in implementing improvements.

Procurement routes

Public perspective

In Spain, it is not mandatory to procure through CPBs.

However, centralised purchasing involves achieving better prices and a more streamlined approach to acquisitions. Its execution is carried out in a decentralised manner to encourage procurement by personnel across the various centres managed by the organisation. Human resources are unified around public procurement. Negotiation procedures are employed to ensure that acquisitions are more advantageous from an economic standpoint.
For these main 3 categories of healthcare products & services procured through CPB is recommended:

- Sanitary and non-sanitary supplies
- Pharmaceutical products
- Individual Protection Equipment (PPE)

Table illustrates the 3 procurement routes available in Spain:

Processes	Group of Healthcare facilities	Regions
It is not mandatory to procure through the CPBs.	In general terms, different organisations typically do not purchase through groups of healthcare centres, with some exceptions. One notable exception is the Andalusian Health Service (SAS), which has been making such purchases since 2012 through a provincial purchasing management model, with the aim of: · Improving purchase prices and general conditions due to increased volume. · Enhancing purchase prices and general conditions by reducing the costs for the supplier associated with consolidating deliveries at a single point. · Promoting the modernization of warehouses and distribution mechanisms through the adoption of new technologies that improve quality and streamline logistical processes. · Reduction of immobilised resources due to decreased inventory levels. · Decrease in waste and expiration of goods. · Reduction in the number of administrative actions (number of files, orders, delivery notes, invoices, and payments), leading to the optimization of the required structure in the different centres. · Greater homogeneity of purchased products for the same purpose, necessitating agreement and consensus on consumption.	Public Procurers do procure through regions mainly to homogenise costs as well as to: · Reduce immobilised resources due to decreased inventory levels. · Minimise waste and expirations dates. · Reduce the number of administrative actions (files, orders, delivery notes, invoices, and payments) and consequently optimise the necessary structure across different centres. · Increase homogeneity of products acquired for the same purpose.

Private perspective

Central Purchasing Bodies (CPB)	Group of Healthcare facilities
It is not mandatory to procure through the CPBs. However, purchasing through a central purchasing organisation can offer lower prices by negotiating volume discounts with suppliers. It also fosters interaction among colleagues from different hospitals and encourages cooperation. For any range of medical and/or pharmaceutical products, mutual collaboration can enhance negotiating power with the supplier.	Purchasing through groups of healthcare establishments is done occasionally but proximity procurement is prioritised.

Innovative procurement approaches

Public perspective

When innovative approaches are adopted in Public Procurement in Healthcare, we observe the following common habits among procurers:

- For example, in the Andalusian Health Service (SAS), Public Procurement of Innovation (PPI) is an effective tool for leveraging the significant capacity of the Andalusian Public Health System (SSPA) and for promoting and generating the development of innovative solutions from the demand side through public procurement.
- To achieve this, several aspects must be considered throughout the public procurement cycle, including:
- Assessment of needs: Identifying and understanding the specific requirements and gaps.
- Market knowledge: Gaining insights into market capabilities and offerings.
- Definition of technical specifications: Clearly outlining the technical requirements and standards.
- Definition of bidding conditions: Setting clear and fair conditions for the procurement process.
- Evaluation of the most suitable procurement procedure: Choosing the most appropriate method for issuing the tender.

Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among public procurers:

Main processes of VBP implementation	Main outcomes of VPB applicated
Use of new technologies for clinical care of the public and patients specifically; innovative payment methods, etc.	Creation of a new environment that facilitates, improves, and optimises healthcare for our population, empowering the patient.

Private perspective

When innovative approaches are adopted in Private Procurement in Healthcare, we observe the following common habits among procurers:

- Closing the loop between research, innovation, and knowledge transfer is a priority for a reform agenda that aims to secure a prosperous future for Spanish society.

Regarding the value-based procurement (VBP) in the Healthcare sector, we observe the following common habits among Private procurers:

Main processes of VBP implementation	Main outcomes of VPB applicated
Use of new technologies for clinical care of the public and patients specifically; innovative payment methods, etc.	Creation of a new environment that facilitates, improves, and optimises healthcare for our population, empowering the patient.

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among public procurers:

Main standards of reference	Main processes implemented
In the Tender Documents, criteria for Sustainability, Environmental, or social factors are established for the Award of the Contract and are decisive. As tools or documents, for example, the Andalusian Health Service (SAS) uses: • The "Integrated Environmental Management System" as an initial instrument to implement environmental ethics within the Andalusian Health Service, incorporating procedures to continuously improve practices across all its dependent centres. Useful link: https://web.sas.junta-andalucia.es/servicioandaluzdesalud/el-sas/planes-marco-y-estrategias/sistema-integral-de-gestion-ambiental • The "Guide for the Incorporation of Social and Environmental Clauses in Public Sector Procurement by the Andalusian Government." Useful link: https://juntadeandalucia.es/temas/contratacion-publica/gestion/guia.html	In the Andalusian Health Service (SAS), the "Guide for the Incorporation of Social and Environmental Clauses in Public Sector Procurement by the Andalusian Government" is used. In other organisations, such as the Aragonese Health Service (SALUD), suppliers are generally required to have a low carbon footprint. For example, by limiting the number of kilometres they can travel for transportation, thereby prioritising proximity), as well as certain social policies (for example, gender equality). Additionally, the Consortium of Health and Social Care of Catalonia (CSC) has a document on responsible purchasing policies. Useful link: https://www.consorci.org/media/upload/arxius/Responsabilitat%20Social/Pol%C3%ADtica%20de%20compres%20responsables%20del%20CSC.pdf

Private perspective

Main processes implemented	Main monitoring processes followed
Processes are implemented through the Sustainable Development Goals (SDGs), United Nations Agenda 2030: Sustainable Development Goals (United Nations).	Vendor evaluation processes based on environmental criteria involve selecting suppliers who positively demonstrate the implementation of plans and measures for emission reduction or environmental improvement, and who align with Sustainable Development Goals (SDGs) criteria. Manage waste in accordance with current regulations. Please ensure to control the consumption of various resources (water, energy, paper, materials, etc.) during work performed at our facilities.

Security of supply

Public perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among public procurers:

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
In the event of a potential stockout at the supplying company, the organisation opts to stockpile sufficient products to prevent shortages. The possibility of purchasing based on clinical criteria is established, which facilitates buying from various suppliers. Framework Agreements are created with different contractors, and if the primary contractor does not have the product, it is purchased from the second-best rated supplier, and so on.	It is not a specific plan but rather a set of criteria for the procurement of essential supplies for the operation of the healthcare system	Protection and Safety Material (gloves, masks and gowns). Surgical implants and prostheses.

Private perspective

Main shortage prevention techniques implemented	Main contingency plans of supply chain disruption	Strategic Stocks
Control and Rationalization of Consumption: The implementation of inventory management systems based on data and trend analysis helps to predict and adjust demand, thereby ensuring adequate availability without generating unnecessary surpluses. In a context where hospital resources are becoming increasingly scarce, the efficient use of supplies becomes a crucial priority. Avoiding waste and shortages not only contributes to economic sustainability but also ensures high-quality patient care. Strategic supply planning is a fundamental aspect to prevent both waste and shortages. A careful analysis of needs and demands allows for the establishment of an optimal inventory, avoiding excessive accumulation or scarcity. Implementing inventory management systems based on data and trend analysis helps predict and adjust demand, thus ensuring adequate availability without generating unnecessary surpluses.	Safety and emergency stock.	Covid-19 protection sanitary materials, as well as high-turnover supplies for patients.

Digitalisation

Public perspective

Main e-procurement tools	Internal IT tools for procurement data management	IT tools for supplier sourcing	IT tools for supporting procurement procedures	Other IT tools
At the national level: Public sector contracting platform (PLACE) Useful link: https://contrataciondelestado.es/wps/portal/plataforma At the regional level, the different organisations have their own tools: · System of electronic relations in matters of contracting (SiREC) of the Government of Andalusia. · Useful link: https://sirecftdpriexp.chap.junta-andalucia.es/licitacion- electronica/index.action · Navarra contracting portal and Navarra electronic bidding platform (PLENA) · Contracting platform of the Generalitat of Catalonia and its own internal tool (ARMA) Useful link: https://contractaciopublica.cat/ca/perfils-contractant/detall/8885209?categoria=0	The Andalusian Health Service (SAS) has the program: SIGLO (Logistics Information and Management System). Useful link: https://web.sas.junta-andalucia.es/servicioandaluzdesalud/proveedores/siglo-empresas The Aragonese Health Service (SALUD) has implemented the economic-financial management system of the Aragonese Health Service, called SERPA. And the Navarrese Health Service (SNS): EDI system for some products and some suppliers.	The Andalusian Health Service (SAS) has the program: SIGLO (Logistics Information and Management System). Useful link: https://web.sas.junta-andalucia.es/servicioandaluzdesalud/proveedores/siglo-empresas The Aragonese Health Service (SALUD): through the different corporate tools of the Government of Navarra: SAP MM, PLENA, Contracting Portal, file management (Extr@). And the Cantabrian Health Service (SCS): uses a PR called SUN3	Support for tenders Presentation/ reception/consolidation of offers Generation of motivated decision notifications Offer Analysis.	Some organisations specifically use information and logistics management programs, such as the Andalusian Health Service (SAS) for the description and quantification of needs, budgeting, generation of contracting files, generation of the contract, reception and billing. Comprehensive Logistics Management System (SIGLO) of the Andalusian Health Service / Comprehensive Logistics Management System (SIGLO) of the Andalusian Health Service. Useful Link: https://web.sas.junta-andalucia.es/servicioandaluzdesalud/proveedores/siglo-empresas

Private perspective

Internal IT tools for procurement data management	IT tools for supplier sourcing	IT tools for supporting procurement procedures	IT tools for supplier performance measures
Proprietary Data Processing Tools NAV	Proprietary Data Processing Tools NAV	Proprietary Data Processing Tools NAV	Monitoring through t he NAV System NAVISION

Supplier's perceptions on both Public & Private procurement in Spain

Procurement information accessibility

Public procurement

Tools & methods used for call for Public tenders monitoring

- INFORBOE: https://www.inforboe.es/
- BOE (https://www.boe.es/)
- INGESA: https://ingesa.sanidad.gob.es/
- Electronic platforms of the Autonomous Communities, such as the Platform of the Public Contracting Service of Catalonia: https://contractaciopublica.cat/es/perfils-contractor/detall/204588?categoria=0
- Public Contracting Observatory: https://www.obcp.es/
- BOE Sanidata: https://www.sanidata.es/
- Acobur: https://www.acobur.es/login/
- Public Procurement Observatory: https://www.obcp.es/
- Public Sector Procurement Platform: https://contrataciondelestado.es/wps/portal/plataforma

Accessibility of Public procurement information

- Unification of the electronic Public Procurement Platforms to facilitate participation of the private healthcare sector in various tenders, as well as to monitor them. There is a need to access greater information about future tenders in order to plan the presentation of offers and their budget.

Private procurement

Tools & methods used for call for Private tenders monitoring

- Generally, requests for proposals or information about products are received in line with the technical descriptions provided in the documentation.
- It involves a dialogue between private actors.

Accessibility of Private procurement information

- Lack of transparency in both investment planning and information on the status of tender applications.

Transparency and ethic

Public procurement

Positive feedback
Public healthcare buyers and their staff typically act in an ethically impeccable manner and are governed by current public procurement regulations that dictate how they should proceed.

Private procurement

Positive feedback
Private healthcare buyers act ethically and transparently towards their company.

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
Transparency in Preliminary Market Consultations (PMC).	Lack of response to queries about the content of the Tender Documents within a reasonable timeframe.
Projects involving the industry, or its representatives are more comprehensive, specific, and neutral. It is very important to include industry representatives in the preparation of procurement scenarios to drastically reduce disputes and challenges that may arise from issuing non-consensual tender documents.	A sense of ownership over historical prices without a real possibility to commit to the value proposed or how to update prices.

Private procurement

Positive feedback
Relationships with private buyers in the health field are usually respectful and balanced, mainly because they are the first interested in obtaining proposals from suppliers that respond to their demands

Needs and expectations

Public procurement

Positive feedback	Negative feedback
In general, needs are well expressed in the contract's object and additional descriptions. However, in complex products, there are clear areas for improvement. For example, many numerical parameters are used in defining the products, which do not always add value to the functionality sought. Instead, these parameters objectify a decision criterion due to the technical limitations of the interlocutor in establishing more complex but precise parameters.	Bids do not reflect the real evolution of the market. The most used rationalization systems in Spain, such as Framework Agreements or Dynamic Purchasing Systems, often involve significant economic and operational risks for suppliers since the volume specified in the bid is not binding

Private procurement

Positive feedback
Private healthcare purchasers generally express their needs clearly in the technical descriptions of their proposals or in their requests for information. They openly discuss the price. They are predisposed to receive multiple proposals in the search for the best conditions for their company.

Sustainability requirements

Public procurement

Positive feedback	
In general, yes, environmental criteria are increasingly included in tender documents, but it is desirable for them to be objective, i.e., evaluated through approved environmental certificates and standards such as ISO 14001. The assessment of environmental impact is increasing in some specifications and evaluation criteria.	There is widespread uncertainty about what the term sustainability encompasses, what can be requested in tender documents, and whether these requirements can be exclusionary or not. Sustainability is a relatively new concept in public procedures, and entities are unsure of how to manage it.

Private procurement

Negative feedback
The concern about sustainability requirements from private buyers is relatively low. The public sector is leading the incorporation of sustainability and environmental criteria in healthcare procurement.

Innovation promotion

Public procurement

Positive feedback	Negative feedback
The Preliminary Market Consultations have become an opportunity to promote innovative offers for suppliers.	Having price as the decisive criterion in public procurement significantly hinders the integration of innovative proposals in bids. Within the volume of tenders, Public Procurement of Innovation represents a very small percentage compared to other purchases.

Private procurement

Positive feedback
Although the economic component continues to be decisive for the private sector, private buyers are incorporating criteria based on Innovation in their demands.

Barriers identified

Public procurement

- Price as the decisive factor in public tenders, to the detriment of quality and innovation.
- Lack of a clear and prompt response to inquiries about the tender documents.
- Very short deadlines for submitting complex proposals that require more preparation time.
- The limited space for providing required documentation on electronic platforms hinders its submission and limits the opportunities for proposals from suppliers.
- The number of tenders that allow the integration of innovative solutions is very limited.

Private procurement

- The price factor.
- Implementation of innovative projects.
- Commercial agreements linked to large purchase volumes.
- Access to Purchasing Centers where they have predefined approved suppliers.

Success stories

Public procurement

- Funding with European Funds for programs that promote the integration of innovation in healthcare.
- Digitalization as an enhancement of innovation in the acquisition processes for healthcare technology.
- Promotion of pre-commercial public procurement.
- Use of standards such as EDI (Electronic Data Interchange) for information exchange.
- Public-private partnership projects that integrate flexible innovation models and continuous technology updates.

Covid-19 impacts and best practices in Spain

Main challenges faced during Covid-19 crisis

Public perspective

The main challenges faced by Public Procurers include the high cost or shortage of supplies, especially personal protective equipment, the outsourcing of manufacturing medical materials, and the difficulty in maintaining service capacity in health-risk environments for professionals working for service-providing suppliers.

Procurement of healthcare products & services with the highest risk(s) identified during Covid-19 crisis

- Shortages of Personal Protective Equipment (PPE) for healthcare professionals and patients;
- Disinfectants;
- Antiseptics;
- Respirators;

Private perspective

One of the immediate lessons learned from this crisis is the need to implement significant changes in the healthcare system.

The Covid-19 crisis has highlighted the deficiencies within the healthcare system. These shortcomings have been mitigated and, in many cases, overcome thanks to the efforts and adaptability of healthcare professionals and the support of the population.

The self-organising capability of professionals, their ability to provide solutions, and their approach to the situation with autonomy, collaboration, and flexibility have been some of the most positive aspects to be leveraged from this crisis.
The Covid-19 health crisis has underscored the fact that a productive economy cannot exist without ensuring the uniform health of the population.

Supplier perspective

Primarily, the shortage of products due to the high demand caused by the health crisis. Supply chain failures caused by contradictory instructions from public administration.

Economic losses for private suppliers due to the high volume of product provisions demanded by the situation that ultimately did not materialise into public procurement.

New procurement practices due to Covid-19 crisis

Public perspective

In general terms, the situation has not changed significantly, but small preventive changes have been observed, such as the implementation of electronic contracting and an increase in the supervision and control of supplies to prevent shortages.

Private perspective

New procurement practices introduced due to the Covid-19 crisis include the adoption of a flexible organisational structure for decision-making, with Agile Procurement being a key model that emphasises this adaptability. There is also increased collaborative work between departments, referred to as stakeholder integration in Agile Procurement. Additionally, the perception of procurement is shifting, with a focus on recognizing it not just as a service area, but as a strategic partner for business and functional units.

New policies implemented in the Healthcare procurement

Public perspective

New policies implemented in Healthcare Procurement because of the Covid-19 crisis include the creation of regulations for emergency procurement, the establishment of strategic stockpiles of essential materials like personal protective equipment that can be activated in similar situations, and the extension of price review mechanisms.

Best practices

Best Practices promoted by Public Procurers in response to the Covid-19 crisis		
Strengthen healthcare capacities	Prepare to improve responses to global health threats and improve resilience	Prevention of new epidemic outbreaks through the strategic stockpiling of protection and safety products in large warehouses

Best Practices promoted by Private Procurers in response to the Covid-19 crisis	
With this crisis, many of these major suppliers have been overwhelmed and unable to supply even their preferred customers. As a result, many procurement departments have sought alternatives with smaller suppliers who, despite having less capacity, present lower operational risks and are, most importantly, closer geographically. These smaller suppliers are progressively becoming, in some cases, business partners. Although this may sometimes lead to a slight increase in cost base, it has been shown that this criterion is not the most critical in Covid-19 situations.	One of the lessons that every crisis brings is often efficiency and rationalisation. As a function positioned within company strategy and enabled by technology, it must be capable of detecting trends, adding value to the product life cycle, and ensuring business viability through, now more than ever, suppliers who are truly partners in the value chain.

Best Practices promoted by Suppliers in response to the Covid-19 crisis		
Improvements in the ability of companies to offer value-based products and enhance patient care.	Establishment of a permanent service chain and an equitable and ethical distribution of products.	Transparency in product pricing to limit potential abuses and transparency in delivery times.

Conclusions

Future of the National Public Healthcare system in Spain

Notable changes and trends of the Healthcare system in Spain

Public perspective

Main trends and evolution in the Healthcare sector

Most organisations are unaware of the trends and evolution of the healthcare sector in Europe, if they align with national trends, specifically:

- New digital technologies
- Health data management
- Increased consumption of healthcare resources
- Patient management autonomy
- Demographic profile of the European population

Notable changes over the last 15 years in the Healthcare sector

- The patient participates in decisions that affect their health
- Increase in the expense of exclusive medications and medical devices
- Obsolescence of machines, equipment and technology
- Lack of health professionals
- Implementation of digital services to streamline patient management

Private perspective

Main trends and evolution in the Healthcare sector

- One of the hallmarks of the private healthcare environment is its inherent capacity to foster innovation. From technological advancements to pioneering care models, private entities act as catalysts for changes that transcend the conventional boundaries of medicine
- Competition and the constant pursuit of excellence drive the implementation of efficient practices and the adoption of cutting-edge technologies

Notable changes over the last 15 years in the Healthcare sector

- Unfortunately, the diverse traditions of European countries have made it difficult, up until now, to compare different systems and learn from best practices. The insufficient provision of services, leading to long waiting lists even in cases of serious illnesses, and the lack of public funding to maintain sufficient investment in health systems are often key problems
- Public-private collaboration in healthcare, especially in the hospital sector, is an excellent way to improve sustainability. The recent global debate on health systems, including in Europe, has focused on the importance of healthcare outcomes in relation to costs

Suppliers' perspective

Main trends and evolution in the Healthcare sector

- Patient-centred strategy and health promotion
- Emphasis on preventive medicine supported by new technologies
- Digital transformation, clinical innovation and advancement of precision medicine
- Emphasis on sustainability, centralization and value

Notable changes over the last 15 years in the Healthcare sector

- Spain and the EU are undergoing the same transformative process. MedTech Europe and its members actively participate in a value-based procurement community of practice that includes Proactive support for value-based procurement
- Participation in international initiatives on innovative procurement and contracting mechanisms
- Active monitoring of trends in public procurement, such as sustainability, cross-border procurement, supply chain resilience, and stakeholder engagement in healthcare on these issues

Future of the Healthcare procurement environment in Spain

Notable changes and trends of the Healthcare procurement environment in Spain

Public perspective

Main trends and evolution in the Healthcare Public Procurement

- Improvement of the quality-price ratio in the contracting of supplies and services.
- Reduction of the risk of fraud and corruption.
- Increase in supplier competition in the market and support for common social objectives such as environmental protection, combating climate change, promoting innovation, employment, and social integration.

Private perspective

Main trends and evolution in the Healthcare Private Procurement

The private healthcare environment is not merely a complement but a strategic partner that plays a vital role in building a comprehensive and equitable healthcare system.
In terms of generating economic value, the private healthcare sector emerges as an essential engine for economic development.
Its contribution to the Gross Domestic Product (GDP) is reflected not only in highly significant quantifiable figures but also in the creation of an environment conducive to sustainable growth.

Notable changes over the last 15 years in the Healthcare Private Procurement

- The number of Spaniards with private health insurance has increased by 40% over the past decade, a trend that accelerated after the pandemic. Concerns about health and worries about the overcrowding of the public healthcare system are driving the growing demand for private healthcare in Spain.
- Currently, 12.42 million people in the country have private health insurance. In other words, one in four citizens pays for a policy to receive care in a private facility. 25.8% of Spaniards now have this type of coverage, compared to 19.9% in 2015. Over the past decade, the increase has been relentless. Since 2014, the number of citizens with private health insurance has risen from 9 million to the current 12.42 million.
- Contrary to what might be expected, the elderly are not the most numerous groups among private health insurance beneficiaries (20%).

Supplier's perspective (on public procurement)

Main trends and evolution in the Healthcare Public Procurement

- At the European level, there is a trend towards centralised procurement, although the existing lack of flexibility hinders its implementation.
- Integration of innovation through medical technology.
- Application of value-based criteria in public healthcare procurement, to the detriment of the price factor.

Notable changes over the last 15 years in the Healthcare Public Procurement

In general, various suppliers have not noticed significant changes. However, some observations include:

- Efficient public procurement prioritising the best price/quality ratio.
- The development of the value-based procurement framework through the Most Economically Advantageous Tender (MEAT), which provides contracting authorities with a flexible and practical tool to evaluate medical technologies and solutions and apply contract award criteria that take a holistic, value-based approach.
- Increased professionalisation of procurement and purchasing departments.

Supplier's perspective (on private procurement)

Main trends and evolution in the Healthcare Private Procurement

- There is disparity in the responses of the different providers. Regarding private healthcare contracting, no major changes are expected: Price will continue to be decisive in acquisitions.
- The concentration of private companies will determine the commercial strategy in the health sector.
- On the other hand, it is thought that the trend in Europe may be like the trend in Spain.

Notable changes over the last 15 years in the Healthcare Private Procurement

Although there is no unanimity in this regard, the changes have been mainly due to:

- The implementation of digitalization.
- Implementation of quality management systems.
- Completed by Technological Innovation in the Health Sector
-

Major lessons learned by Procurers in Spain

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Spain

Challenge	Description
High cost or shortage of supplies	Primarily related to personal protective equipment (PPE)
Outsourcing of medical materials	The reliance on external manufacturers for essential healthcare supplies
Service capacity issues in health-risk environments	Difficulties in maintaining services by professionals due to risks posed by the environment

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Spain

New practices	Description
Flexibility of Procurement Procedures	· Flexible Organisational Structure for Decision-Making · Increased Collaborative Work Between Areas · Breaking the Prejudice that Procurement is a Service Area
Digitalisation of the procurement processes	· Implementation of electronic contracting

New policies	Description
Emergency Purchases	· Introduction of regulations allowing direct procurement in case of sanitary emergency, thus reducing the response time and ensuring quick access to essential equipment and medicines
Maintain a certain level of strategic stocks	· Regulations were implemented requiring the maintenance of strategic stocks of medical equipment and essential medicines, with regular updating to prevent expiry

Summary of best practices in Spain

Procurers	
Best practices	**Description**
Strengthening Healthcare Capacities	Expand and fortify healthcare infrastructure to handle future crises
Improving Responses to Global Health Threats	Prepare and develop strategies to respond more effectively to global health threats. Focus on enhancing resilience in healthcare systems
Preventing New Epidemic Outbreaks	Implement strategic stockpiling of protective and safety products in large warehouses. Ensure sufficient supplies of personal protective equipment (PPE) and other necessary materials to prevent shortages in future outbreaks

Suppliers	
Best practices	**Description**
Sustainable and fair procurement practices	· Improvements in the ability of companies to offer value-based products and enhance patient care · Establishment of a permanent service chain and an equitable and ethical distribution of products · Transparency in product pricing to limit potential abuses and transparency in delivery times

Sources of the ID Card

- Matrix
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

PROCURE

ID CARD

SWEDEN

PURCH
as Country Leader

General Disclaimer

Representativeness bias

Due to this lack of respondents among all categories and in fine due to the incompleteness of Country Nodes, we figured out that a fair representativeness of the Healthcare procurement stakeholders among the 10 Member States (MS) was impossible. The questionnaires completed within the 10 MS allow us to gather some qualitative data, but in any case, they will not constitute a full picture of the Healthcare procurement landscape. This exercise is more about getting a "picture" of the situation at a determined time, with outputs only coming from healthcare organisations that are willing to share information and expertise.

Non-responsibility of Country Leaders in the ID Card's content

Due to this representativeness bias, we want to re-ensure that the final 10 ID card developed are not intended to express a unique and sole voice of healthcare organisations from a same MS. In any case the Country Leader cannot be held responsible of the content of the ID Card as the one and only voice representing all the Country's healthcare organisations.

Limitations for the comparative analysis

As a direct result of these previous bias and barriers, the comparative analysis of the Observational Study is limited. We do not pretend to conduct a full comparative analysis of the Healthcare system and the Healthcare procurement system among Europe (the 10 MS involved in PROCURE) but we do want to give an overview of the main similarities and the main differences, to better understand how the Healthcare procurement of product and services is conducted among these 10 MS as for today.

Country Node composition

Profiles of organisations involved in the Study

Sweden Country Node counted on the active participation of 15 organisations in total, distributed as follows: 2 Contracting Authorities, Public procurers subject to the EU Procurement Directive 2014/24; 3 Procurers (private), not subject to the EU Directive, no Healthcare Institution and finally a group of 10 Suppliers.

0 Healthcare Institutions	2 Contracting Authorities	5 other Procurers (private)	10 Suppliers

The following organisations agreed to be mentioned in this observation study:

- Contracting Authorities
  - 1 central purchasing body: Adda Inköpscentral AB
  - 1 regional authority responsible for the region's public healthcare: Region Sörmland
- Private Procurers
  - 1 is an international IVF clinic
  - 1 is a leading provider of assistant living and care, Team Olivia AB
  - 1 is a private hospital, Stiftelsen Carlanderska Sjukhuset.
- Suppliers, we can mention suppliers of medical equipment, and medical devices such as:
  - Mölnlycke Health Care AB
  - Essity AB
  - Swedish Medtech Service AB
  - Fresenius Medical Care Sverige
  - Medema Physio
  - Olympus Sverige AB
  - B. Braun Medical AB

Country Leader: Purch AB[54]

PURCH

Purch's objective is to create a better and more resource efficient healthcare system. To achieve this, we focus on cost reductions for healthcare providers by developing smart purchasing and supply chain management solutions. We aim to help healthcare providers by freeing up some valuable time to allow them to focus on improving the quality of healthcare for the patients.
Purch is a group purchasing organisation, specialising in private healthcare. We give healthcare providers the opportunity to strengthen their competitiveness through strategic and effective purchasing.

[54] https://purch.eu/

Introduction of the ID Card Scope definition: Health products and services, by CPV codes

The Common Procurement Vocabulary (CPV) code is an essential tool used in the procurement process and used in tenders from TED. It helps in the categorization and classification of products and services purchased by governments, public institutions, and organizations.

In this report, we only refer to Health products and services, and to make easier the classification, we have built categories of main Healthcare CPV codes[55] , split into 6 groups of CPV codes that gathers healthcare products and/or services, as follow:

CPV category name	CPV codes
Pharmaceutical products	CPV 33600000
Medical Equipment: Imaging equipment for medical, dental and veterinary use	CPV 33110000
Medical Equipment: Other medical equipment for medical use *(except Imaging and Medical Consumables)*	CPV 33120000; 33130000; 33150000; 33160000; 33170000; 33180000; 33190000
Medical Consumables	CPV 33140000
Health Services	CPV 85100000
Protective Clothes/Gear	CPV 35113400; CPV 18143000

[55] *The source used to refer to the CPV nomenclature is as follow: https://cpvcodes.eu/en/*

Presentation of the structure of the ID Card

In this paragraph, we briefly present the structure of the ID Card, made of the following parts:

The **National Public Healthcare System and stakeholders mapping**, which describe the organisation of the National Healthcare system and introduces the main players in charge of the Healthcare management, the Healthcare representation, the Healthcare Offer (outpatient, Inpatient and Pharmaceutical) and the Healthcare Financing.

The **Healthcare Procurement Environment and stakeholders mapping**, which describe the public policy objectives in terms of Healthcare Procurement and introduces the main players involved in the Public and Private Healthcare Procurement environment.

The **Procurement practices in the Healthcare sector and suppliers' perceptions**, which describe the main practices along the whole procurement cycle (deontology, contracting phase, execution phase and evaluation phase), it also includes a focus on key practices for procurement's performance and gathers suppliers' opinions on Public and Private procurement environment.

The Covid-19 impacts and best practices, which describe the challenges identified during Covid-19, the new procurement practices, the new procurement policies implemented by procurers due to Covid-19 crisis and the best practices from both procurers and suppliers.

Finally, the **main conclusions** close the ID card by highlighting the notable changes and future trends of both, the National Healthcare System and the Healthcare Procurement environment. A final summary of the ID card is dedicated to the major lessons learned by procurers and suppliers.

Healthcare Procurement Environment and stakeholders mapping in Sweden

Public policy objectives: description of the national programmes in Sweden

Main Law that governs Public Procurement

In Sweden, the law governing public procurement is called Lagen om offentlig upphandling and considered as the legal framework of reference that applies for Public Procurement of Healthcare Products

Content of the National programme

Definition of the programme

In Sweden, Healthcare Procurement is promoted through nation groups within regions and thanks to Regeringens Nationella upphandlingsstrateginthe - Government's National Procurement Strategy.

Official link is available here

Topics of the programme and other related guidelines in Sweden, by topic

The national procurement strategy includes 7 goals which are: Procurement performance, Sovereign Procurement, Innovative Procurement as well as Sustainable Procurement. All 3 sustainability aspects (Environmental; Social and Economic) are in the national procurement plan and describes opportunities and examples on how to work to reach each goal.

Stakeholders mapping of the Healthcare procurement environment Sweden

Public perspective

There are 6 main categories of public procurers in Sweden:

- National Central Public Purchasing Bodies.
- Government Public Procurers and the Regional Public Purchasing bodies as Adda Inköpscentral procure regionally.
- University Hospitals and hospitals procure at local level, for themselves.

Private perspective

There 4 main categories of private procurers in Sweden:

- The 5 Wholesalers which procure at the national level as well as the 2 National Central Purchasing bodies, the alliance of private hospitals and the regional-local private purchasing bodies.
- Private hospitals and other private procurers (non-hospital) such as nursing homes, rehab centres, elderly centres procure locally.

Procurement practices in the healthcare sector and suppliers' perceptions in Sweden

Deontology

Guidelines, standards, tools

The most common guideline used by public procurers in Sweden is to prevent corruption.

By contrast, the guideline most used by private procurers in Sweden is the implementation of a management system with guiding documents and revisions through tools such as quality and environmental management systems.

Deontology training

On one hand, Public procurers undergo a brief training aimed at informing staff about what is legal and what is not.

Private buyers, on the other hand, are learning to use the management system and need to be familiar with the reference documents.

Regulations

Most common regulation to prevent fraud, bribery or corruption followed by Public procurers

The members of Swedish MedTech have a shared regulation that should be followed.
Useful link:
https://www.swedishmedtech.se/dokument-och-rapporter?tag=Samverkan%20och%20etik

Internal and compliance control

Most common practice for internal and compliance control used by Public procurers

- Audit on social, sustainable, economic and fulfilment of contract.

Most common practices and tools for internal and compliance control used by Private procurers

- Practices:
  - People working with procurement can approve invoices.
  - Deviation reports that are used for supplier follow-up. This includes on-time delivery, number of flawless products, price, service and response rates on tenders.
- Tools:
  - Certified ISO 9001 Quality Management System.

Data accessibility

Most common tools used by Public Procurers for accessing to Procurement data

- Spenddata the tool "Spendency" from Onventis.
  Useful link: https://www.effso.se/om-oss/
- Mercell TendSign
  Useful link: https://upphandlingsverktyg.mercell.se/sv-se/tendsign

Most common tools used by Private Procurers for accessing to Procurement data

- Digital reading of supplier's invoices.
- Supplier invoice system and invoice interpretation system.
- Access to their invoices through Pyramid Business System.

Supplier relations

Most common standard used by Private procurers in terms of Supplier relations:

- Management system describes the processes for how suppliers should be treated.

Procurement cycle in Sweden

Contracting phase: market readiness/ sourcing, allotment, legal clauses, evaluation criteria

Public perspective

Channels used by Public Procurers to analyse the market readiness & for suppliers sourcing

- Procurement library in Mercell TendSign Swedish Medtech
  - https://www.medtechmagazine.se/literature

Processes used by Public Procurers for market readiness analysis

- Bilateral meetings / pre-tender dialogue meetings.
- Benchmarking.
- Open Market consultation.

Category of information collected by Public Procurers during sourcing

- Price.
- Technical elements.
- Risk Management.

Allotment in Public Procurement

In Sweden, the principle of allotment is recommended.
By principle of allotment, we understand the "division of contracts into lots", based on the definition included in Article 46 and Recitals 78 and 79 of the European Directive 2014/24/EU on Public Procurement.

Legal clauses in Public Procurement

- Time and duration of contract.
- Options.
- Renewal.
- Delivery/Logistic conditions.

Evaluation criteria in Public Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumable	Health Services	Protective equipment / protective gear
PRICE ONLY	PRICE/ QUALITY RATIO	/	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO

Apart from the technical and price criteria, some other categories of criteria are used by Public procurers for the Evaluation criteria such as:

- Environmental & Social criteria.
- Security of Supply

Private perspective

Channels used by Private Procurers to analyse the market readiness & for suppliers sourcing

- Sector meetings.
- Network, using benchmark data from Purch AB (GPO).
- Awarded public procurement contracts.

Processes used by Private Procurers for market readiness analysis

- Benchmarking.
- Bilateral meetings / pre-tender dialogue meetings.
- Strategic watch.

Category of information collected by Private Procurers during sourcing

- Price.
- Market vision.
- CSR

Sourcing Tools used by Private Procurers during sourcing

- General supplier requirements checklist.
- Requirements specification for products.

Legal clauses in Private Procurement

- Time and duration of performance.
- Renewal.
- Modifications of contracts & Review clauses (including price revision clauses).
- Termination.
- Delivery/ Logistic conditions.

Evaluation criteria in Private Procurement

Table with the recurring main awarding criteria, by category of Health products/services:

Pharmaceutical products	Medical Equipment: Imaging equipment for medical, dental and veterinary use	Medical Equipment: Other medical equipment for medical use (except Imaging and Medical Consumables)	Medical Consumable	Health Services	Protective equipment / protective gear
PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO	PRICE/ QUALITY RATIO

Apart from the technical and price criteria, some other categories of criteria are used by Private procurers for the Evaluation criteria such as:

- Environmental criteria.
- Social criteria.
- Innovation.
- Security of supply.

Execution phase: average contract duration, monitoring and control, penalties of contract

Public perspective

Contract duration

Average contract duration in Sweden is 4 years.

Processes of monitoring the execution phase

3 processes are implemented to monitor the execution phase:

- Structured contract follow up of the most important contracts. Lower priority contracts are controlled of the customer alerts about deviations.
- Active management with follow up and audit.
- For the most important contracts a plan is setup for how follow up will be done.

Tools for monitoring the execution phase

- Microsoft Software such as Word and Excel.

Processes for managing the contracts penalties

- For the contracts with penalties there are a process on how handle it.
- If a penalty clause is included in a supplier agreement, the Strategic Buyer, in consultation with the principal, must have determined how and when a penalty can be triggered and how the administration/invoicing related to this should be handled. Note that a penalty invoice should always be handled separately and, if possible, reported in a special account for tracking and therefore cannot be offset against future supplier invoices.

Tools for managing the contracts penalties

- Small template on how to handle.

Private perspective

Processes of monitoring the execution phase

- 3 processes are implemented to monitor the execution phase:
- Deviation management.
- Feedback to customers, follow up on suppliers invoices and follow up meetings with the suppliers.
- Routines for contractual compliance (internal and by the supplier), ensuring correct prices, supplier follow-ups.

Tools for monitoring the execution phase

- Centuri.
- Internal documents: Review of current suppliers and Supplier criticality classification (Kraljic matrix)).

Processes for managing the contracts penalties

- Don't punish, try to solve the problem through dialogue.
- Penalties vary from contract to contract. Penalty charges are applied on a contract-by-contract basis.

Tools for managing the contracts penalties

- Guidance for procurement.

Evaluation phase: evaluation of the procurement performance, procurement performance objectives, risk management, accountability

Public perspective

Processes of evaluation of the performance and effectiveness measures

- KPIs: for the volume of e-commerce, the number of advertised procurements, the proportion of challenged procurements, savings enabled in SEK, etc.
- Efficiency is evaluated through a customer satisfaction index for procurement and category management.
- Compilation of statistics for the above-mentioned KPIs and procedures for systematic measurement of customer satisfaction.

Tools of evaluation of the performance and effectiveness measures

- Spendency - spend data tool.
- Proceedo - e-commerce system.
- Raindance - business system.
- Agresso - business system.
- Mercell Tendsign - procurement system.
- Excel.
- Stratsys - enterprise planning system.

Monitoring and steering objectives of the Procurement performance

Monitoring and steering objective of the Procurement performance is economic performance. Main indicators defined by Public Procurers in terms of Procurement performance are internal control plan and reporting in connection with the interim report and annual report.

Private perspective

Processes of evaluation of the performance and effectiveness measures

- Benchmarking of price, number of deviations, measurement of savings.
- Measurement of realised savings and other KPIs.

Tools of evaluation of the performance and effectiveness measures

- Excel.
- Internal documents based on our ISO 9001 QMS.

Monitoring and steering objectives of the Procurement performance

General objectives followed by Private Procurers in terms of Procurement performance are:

- Economic performance.
- Environmental and social performance.
- Supplier performance (promote the PME's access).
- Logistics and Supply chain.
- Process and practice performance.

Main indicators defined by Private Procurers in terms of Procurement performance are:

- Procurement related KPIs and goals are compared each month. This year's goal includes savings, cost management, fulfilment of contract and contribute to cashflow.

Risk management tools

3 examples of risk management tools implemented:

- Matrice with identified risks, grading based on possibility, consequences of risk management.
- Internal documents: Supplier Criticality Classification.

Accountability mechanisms and tools

- Supplier Devation reports.
- Supplier follow-ups.

Key practices of Procurement performance in Sweden

Workforce professionalisation

Public perspective

In Sweden, Public Procurers, to maintain and/or to improve the specialisation of the Procurement Workforce, use:

- Mercell TendSign is a procurement tool that ensures standardization in both the procurement and contract management processes.
- T Permit is an investment tool used to manage the purchasing aspect when investments are to be realized. Additionally, MS Excel is used to manage and monitor procurements.

Private perspective

In Sweden, Private Procurers, to maintain and/or to improve the specialisation of the Procurement Workforce, use Purch AB for healthcare procurement specialist support.

Diagnostic of performance

Public perspective

Main processes used about the diagnostic of performance

Streamlining costs		Time to respond		Other
Processes	*Tools*	*Processes*	*Tools*	*Processes*
Measurement of savings based on the difference between the old and new prices, the savings achieved through negotiation, or the comparison between the contract price and the market price.	Microsoft Software: Excel.	Respect of the statutory timeframes for advertising.	Mercell TendSign.	Efficiency is managed and measured through process control. Customer satisfaction index measurements.

Private perspective

Streamlining costs	Time to respond
Processes	*Processes*
Savings per procurement. Benchmarking, Current situation and needs analysis.	Supplier follow up process.

Supplier performance

Private perspective

Main processes for supplier performance

- Follow deviations from suppliers.
- Close dialogue with customers, users and first line of management that often have representatives in the project.
- Supplier Deviation reports Supplier follow-ups.

Main tools used about the supplier performance

- The organisation writes deviation reports when there's a supplier related problem.
- Internal documents based on our ISO 9001 QMS.

Procurement routes

Public perspective

In Sweden, it is not mandatory to procure though the CPB. There is a collaboration between five regions called "Varuförsörjningen". The purpose of this collaboration is to promote the regions' ability to leverage volume and resource advantages in procurement, warehousing, and distribution of consumables and other goods of a consumable nature.

Private perspective

In Sweden, it is recommend to procure though the CPB:

- Making the procurement process more effective and gives lower prices.
- Consumables are bought through GPO to take part of bigger volumes and better prices.

The main 3 categories of Healthcare products & services procured through CPB:

- Medical consumables.
- Medical consumables (CPV 33140000) and Safety equipment (CPV 35113400; CPV 18143000).
- Contract for cleaning, hygiene, office material and healthcare material.

Private Procurers do procure through Regions due to low price and good quality. However, they do not procure through regions because they can't use the region's contract.

Innovative procurement approaches

Public perspective

Regarding the value-based procurement (VBP) in the Healthcare sector, public procurers apply TCO in their procurements. However, it is primarily focused on the specific equipment and does not include the value of the patient's experiences or socio-economic effects, etc.

Private perspective

When innovative approaches are adopted in Private Procurement in Healthcare, we observe the following common habits among procurers:

- MS Power BI and AI-based software for assortment optimization and identifying similar articles.

Sustainable procurement approaches

Public perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Public procurers:

Main standards of reference	Main processes implemented	Main monitoring processes followed	Training tools for Sustainable Procurement
The regions code of conduct. Useful Link: https://www.xn--hllbarupphandling-8qb.se/services-4	Specific department dedicated to this. There is a nation-wide strategy.	There are working methods through the national office for supplier audits and specific focus categories.	Education is managed by experts of the area within the region.

Private perspective

When it comes to Sustainable Procurement in the Healthcare sector, we observe the following common habits among Private procurers:

Main standards of reference	Main processes implemented	Training tools for Sustainable Procurement
ISO14001 CSRD All suppliers should have a documented plan for sustainability.	A sustainability policy-strategy and code of conduct.	Education through external education company.

Security of supply

Public perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Public procurers:

Main contingency plan of supply chain disruption
The critical products used by the region have been identified, and measures have been taken to ensure preparedness.

Private perspective

On the Security of supply management in the Healthcare sector, we observe the following common habits among Private procurers:

Main shortage prevention technique implemented	Main contingency plan of supply chain disruption
Diverse suppliers, more alternatives for sensitive products	To some degree a warehouse of buffer stock.

Digitalisation

Public perspective

Regarding the digitalisation of Public Procurement in the Healthcare sector, we observe the following common habits among procurers:

Main e-procurement tool	Internal IT tool for procurement data management	IT tool for supporting procurement procedures
Mercell Tendsign	Spendency	Mercell Tendsign

Private perspective

Regarding the digitalisation of Private Procurement in the Healthcare sector, we observe the following common habits among procurers:

Internal IT tools for procurement data management	IT tools for supplier performance measures
Mapping of procurement data through invoices. MS Excel, Power BI, Power Automate, ChatGPT.	Power automate. MS Excel.

Supplier's perceptions on both Public & Private procurement in Sweden

Procurement information accessibility

Public procurement

Tools & methods used for call for Public tenders monitoring

- Names on the member of the experts group who are involved in evaluation of the products in the tenders.
- Lacking market dialogue before final tender specifications are published.
- Lack of information regarding size of previous tender agreements.

Private procurement

Tools & methods used for call for Private tenders monitoring

- The largest private healthcare providers goes through a consultant.
- Salesforce, the private side contacts the companies and contact persons often by mail.
- Mercell Opic
  Useful link: https://opic.com

Transparency and ethic

Public procurement & Private procurement

In general, the procurement departments act ethically.

Relationships quality with procurers

Public procurement

Positive feedback	Negative feedback
They act according to LOU (The law about public procurement).	The problem is the experts group who seldom wants new innovations. Of course, there are some people that have some favourites but we do not see that as a major issue.

Private procurement

Main contingency plan of supply chain disruption
Straight forward communication.

Needs and expectations

Public procurement

Positive feedback	Negative feedback
Sufficient. Technical specifications are well-known, whereas information regarding volume is very seldom accurate.	Too demanding sometimes.

Private procurement

Negative feedback
Mainly good, but sometimes they don't know what they are asking for, not even if it is okay according to standards.

Sustainability requirements

Public procurement

Positive feedback	Negative feedback
Following directive from EU.	Hard for global companies the follow new local requirements.

Private procurement

Positive feedback
Nothing out of the ordinary. ISO14001 is good enough as proof that we do follow rules and regulations when it comes to environment and sustainability.

Innovation promotion

Public procurement

Positive feedback
Contract terms enable trying new innovative products. They continuously request for information (RFI) and product displays where we get and opportunity to promote.

Private procurement

Positive feedback
Introduction of new innovations. More focused on price. Able to negotiate about terms for innovation. Often they ask for demo. If not, promote our products by sending information that answers all their questions. We are also promoting our products in various events, where we know our customers will visit.

Barriers identified

Public procurement

- The price spiral downwards.
- Unclear demands, poor interaction before tender announcement, we are not perceived as equal parties in the process.
- It´s hard do offer new systems to get into the market.
- Customers often have different requirements, which causes us as suppliers to try to change our products if possible, to fit the requirements. This is not always doable due to CE-markings and so on. The main barrier for us now is the fact that customer do spend money very carefully.

Private procurement

- Too small value.
- Not being the cheapest on the market.
- It is very price dependent.
- The main barrier right now is the fact that customers spend money very carefully.

Success stories

Public procurement

- Smaller regions and units have better procure due to shorter lead-times in the communication with users.
- The customer wants to use the systems they are used to. No changes. If they already are using your systems, it is easier to get selected repeatedly.
- We have built a Tender organisation, and a tender-mindset within the sales organisation. We have specialists, dedicated resources. And we work a lot in the pre-tender phase.
- We have a broad product range and are in front in many aspects as it comes to business knowledge and technical/digitalization development. Although we cannot relax because it takes constant work to keep up.

Private procurement

- Success towards larger private customers due to volume, synergy and business model Dedicated procurement at larger private customers. Possibility - training and influence procurement Bundle our offers.
- Close relationships with the local procurers.

Covid-19 impacts and best practices in Sweden

Main challenges faced during Covid-19 crisis

Public perspective

- Shortage of "good enough" products.
- It was challenging to question previous requirements/needs for a product to ensure delivery.

Procurement of healthcare products & services with the highest risk(s) identified during Covid -19 crisis

- Availability of nitrile gloves.
- Protective clothing.
- Needles.
- Face masks.
- Testing materials, and other items significantly increased in demand during the pandemic.

Private perspective

- Access to protective material and personnel for service of equipment.
- Long lead times

Procurement of healthcare products & services with the highest risk(s) identified during Covid -19 crisis

- Protective products, lab products related to PCR (pipette tips for example).
- Medical consumables (CPV 33140000) och Skyddskläder/utrustning (CPV 35113400; CPV 18143000).

Supplier perspective

- Unsecure access to products and logistical challenges combined with regions not having security stocks and just in time order processes.
- Desired volumes that were not available on the market.

New procurement practices due to Covid-19 crisis

Public perspective

- More focus on execution.
- Forecasting and monitoring of inventory levels have improved, primarily through closer dialogue with *Varuförsörjningen*.

Private perspective

- Suppliers are evaluated on ability to deliver.

Best practices

Table of Best Practices promoted by Suppliers in response to the Covid-19 crisis

Best Practices promoted by Suppliers in response to the Covid-19 crisis		
The Swedish Medtech organization organized weekly meetings with all suppliers of ICU equipment and all 21 Swedish region to organize and distribute the accessible equipment on a national level.	We explicitly communicated that stock building was prohibited and guarantied supply to all customers on a need to treat basis.	Communication with customers. Communication with competitors.

Conclusions

Future of the National Public Healthcare system in Sweden

Notable changes and trends of the Healthcare system in Swden

Public perspective

Main trends and evolution in the Healthcare sector

- Higher focus on sustainable products.
- Aging population.
- Increased supply-chain security.

Private perspective

Main trends and evolution in the Healthcare sector

- AI.
- Shared data.
- Sustainability.

Notable changes over the last 15 years in the Healthcare sector

- More sustainability.
- More dependent on consultants

Suppliers perspective

Main trends and evolution in the Healthcare sector

- Sustainability.
- Connectivity.
- Digitalization.

Notable changes over the last 15 years in the Healthcare sector

- More sustainability.

Future of the Healthcare procurement environment in Swden

Notable changes and trends of the Healthcare procurement environment in Sweden

Public perspective

Main trends and evolution in the Healthcare Public Procurement

- A need for sustainable products with approved functionality, with policy surrounding preparedness.
- Supply chain preparedness - secure supply chains and monitor the world.
- Aging population increases the need for healthcare.

Notable changes over the last 15 years in the Healthcare Public Procurement

- More focus on quality, sustainability and working environment.
- An increased competition within procuring institutions. Increased stock to be more prepared.

Private perspective

Main trends and evolution in the Healthcare Public Procurement

- AI.
- Sustainability.
- Data/digitalization.

Notable changes over the last 15 years in the Healthcare Public Procurement

- More decisions based on data.
- AI.
- Fewer private healthcare providers can benefit from regional supplier agreements.

Supplier perspective (on Public procurement)

Main trends and evolution in the Healthcare Public Procurement

- Sustainability.
- More regulations.

Notable changes over the last 15 years in the Healthcare Public Procurement

- More sustainability.
- Higher demand for short lead time of deliveries.

Supplier perspective (on Private procurement)

Main trends and evolution in the Healthcare Private Procurement

- Volume increase with aging population.
- More risk for suppliers.

Notable changes over the last 15 years in the Healthcare Private Procurement

- Higher demand for low prices

Major lessons learned by Procurers in Swesen

Summary of main challenges identified in Public/Private procurement of Healthcare products and services in Sweden

Challenge	Description
Supply Chain and Logistics Issues	Shortage of good products and long delivery times.
Access to certain products and services	Access to protective material and personnel for service of equipment.
Supplier perspective	• Unreliable access to products and logistical difficulties, exacerbated by regions lacking safety stock and relying on just-in-time ordering processes. • Desired quantities were unavailable in the market.

Summary of new procurement practices & new procurement policies implemented due to Covid-19 in Sweden

New practices	Description
Operational Efficiency	Increased emphasis on execution.
Inventory Management	Forecasting and inventory level monitoring have improved, mainly due to closer collaboration with Varuförsörjningen.
Supplier Performance Evaluation	Suppliers are evaluated based on their delivery capabilities

Summary of best practices in Sweden

Practices promoted by Suppliers in response to the Covid-19 crisis		
Nationwide Coordination: The Swedish Medtech organization held weekly meetings with ICU equipment suppliers and all 21 Swedish regions to manage and distribute available equipment nationally.	Supply Management: Stockpiling was prohibited, and supply was guaranteed to customers based on treatment needs.	Stakeholder Communication: Open communication was maintained with customers and competitors.

Sources of the ID Card

- Matrix
  - Questionnaires filled from Contracting Authorities
  - Questionnaires filled from Private Procurers
  - Questionnaires filled from Suppliers
  - Questionnaires filled from Institution

COMPARATIVE ANALYSIS

6

COMPARATIVE ANALYSIS

6.1 Introduction of the Comparative Analysis

The comparative analysis has been conducted through an analysis of the qualitative data collected in the 10 ID Cards and a synthesis of the main findings per Member State. As a reminder, this comparative analysis of the Observational Study has some limitations. A full comparative analysis of the Healthcare system and the Healthcare procurement system among the 10 Member States involved in PROCURE is impossible, due to the limitations in the data collection and representativeness. However, an overview of the main similarities and differences can be provided to better understand how procurement is done today in the healthcare sector in these countries.
First, the focus has been on key practices of procurers that are contributing to the performance of healthcare procurement with a general overview and a detailed analysis per country: Diagnostic of performance, Procurement routes, Innovative procurement approaches, Sustainable procurement approaches and Security of supply.

To give a full picture of the situation, views and opinions of some healthcare suppliers coming from the 10 Member States have been included, on determined topic related to procurement for healthcare products and services: Procurement information accessibility, Transparency and Ethics, Relationships quality with procurers, Needs and expectations, Sustainability requirements, Innovation promotion and the Main Barriers identified in procurement by suppliers.

Then, highlight of the analysis is on the Covid-19 and the 9 categories of best practices, which have resulted from this crisis, so the major lessons learned are extracted, both from procurers and suppliers among the 10 Member States giving an overview by category of “best practices”.

Finally, as per the conclusions of the comparative analysis, the focus is on the evolution and the European trends on the healthcare systems and the healthcare procurement environment among the countries involved in PROCURE.

6.2 Key Practices of Procurement Performance

6.2.1 Diagnostic of performance

It is important to remark that it seems that no formalised process exists for the streamlining costs within healthcare procurement organisations, however, we can observe that all procurers have implemented action plans to conduct a diagnostic of performance, such as:

- Budget plans; Budget monitoring; Monitoring of cost rationalisation
- Control of supply prices and comparative analysis of prices
- Measurement of savings: savings per procurement/procurement category; volume of savings achieved
- Contract monitoring table
- Successful award rate
- Needs assessment
- Diagnosis (products, suppliers, sales, contracts) and reports

Regarding the time to respond, in general, timeframes and deadlines are set up by the existing regulation for each procedure (statutory, laws, public procurement legislation). Sometimes, there are also other actions taken by procurers such as the elaboration of procurement planning (demand, budget), the regular tracking tables or the measurement in days of the time to market.

Apart from these actions dedicated to the diagnostic of performance of procurement, we have noticed that other actions could be conducted by procurers in Europe, such as:

- Control of existing stock
- Procurement manual & guidelines
- Use of internal dashboards and indicators to track and monitor the procurement cycle performance
- Management of efficiency done through process control

6.2.2 Procurement routes

Among the 10 European Member States studied, we noticed that several procurement routes are used in the Healthcare public procurement environment.

Procuring through Central Purchasing Bodies is mandatory or highly recommended in all Member States.

Summary table of procurement routes among the 10 Member States

	Central Purchasing Bodies			
Country	**Mandatory**	**Recommended Not mandatory**	**Benefits**	**Legal framework (if mandatory)**
Austria	X for Federal institutions and downstream departments	X for Regions, Municipalities	Efficiency gains Synergy possibilities Increase bargaining power	Bundesgesetz über die Errichtung einer Bundesbeschaffung Gesellschaft mit beschränkter Haftung (BB-GmbH -Gesetz
Belgium		X	Good value for money Large quantities Guarantee of quality and security of supply	Specificities that apply for pharmaceutical and medical materials
France		X	Overall procurement performance: economic performance, sustainability, supplier relations Mutualisation: ressources, expertise and shared experiences Easy-access and time savings Reduction of legal risks Optimisation of costs and economy of scale	
Grece	X		Cost reduction due to common supplies Economy of scale and better prices	National Law 4412/2016 Law 4865/2021
Hungary			X Depending on the procurement matter, it will be a competence of the CPB or not to launch tenders	
Italy	X			Decreto del Presidente del Consiglio dei Ministri del 11 luglio 2018 and Prime Ministerial Decree of july 11, 2018
Portugal	X		Procedural savings Economies of scale Concentration of knowledge and specialization	Ordinance No. 55/2013, of February 7th
Romania	X Mandatory for products/ consumables (sanitary and non-sanitary) and fuel			Emergency Government Ordinance No. 46 of May 31, 2018, on the establishment, organization, and functioning of the National Office for Centralized Procurement
Spain		X	Better prices A more streamlined approach to acquisitions	
Sweden		X	Making the procurement process more effective Bigger volumes and better prices	

	Other procurement Routes		
Country	**Group of Healthcare Facilities**	**Regions**	**Direct procurement (contracting with economic operators)**
Austria			X
Belgium			X
France	X It is the case with GHT, which allow the mutualisation of procurement and economic performance (time savings for procurers; feedback from experience shared with other healthcare facilities		X
Grece		X In the case of framework agreements, supplies of sanitary equipment can be made through health-care regions	
Hungary			X
Italy		X Mandatory	
Portugal			
Romania			
Spain		X In general, no healthcare procurement is done through groups of healthcare organisations, with some exception, as for instance the Andalusian Health Service (SAS), which have procured through a provincial purchasing management model	X
Sweden			X Existing collaboration between 5 swedish regions called "Varuförsörjningen" Purpose is to promote the regions' ability to leverage volume and resource advantages in procurement

6.2.3 Innovative procurement approaches

The fact that **innovation is necessary** in healthcare public procurement is widely shared by all Member States.
Most of the public procurers have already developed **strategies to integrate innovative approaches** in the healthcare procurement cycle. Indeed, the **3 main levers for procurers to purchase healthcare innovation** seem to be the following:

Main levers for procurers to purchase healthcare innovation

An adequate legal framework	The availability of a specialised workforce: *(human resources)*	Existing methodology tools
Use of public procurement code procedures for innovative purchasing and other practices Implementation of innovative procedures in the procurement legislation Deployment of incentives to promote the signature of contracts for innovative solutions	Creation of a dedicated team in charge of innovative procurement Training of a dedicated team for this specific innovative procurement Constitution of a transversal team and involvement of several healthcare players, such as healthcare providers, associations of patients, healthcare professionals and procurers	Sourcing of innovative solutions Use of tools with AI for reporting and highlighting the main factors Deployment of innovative procurement activities on e-procurement platform

However, we noticed that some **procurers** have **difficulties in the implementation of innovative procurement**, mainly due to:

- An unclear definition of the needs: it is essential to assess the needs, to identify, to understand the requirements and gaps and to clearly define the technical specifications
- A lack of market knowledge: it is crucial to know the market capabilities and market offerings
- A lack of a dedicated and specialised procurement team within the organisation
- A non-appropriate procurement procedure: it is essential to apply the most suitable procurement procedure to launch innovative tender

Despite of the efforts, the **innovative procurement still needs to be developed and improved among healthcare procurers**, particularly the recent **Value-Based Procurement (VBP) approach.**

Among the Member States, to **implement the value-based procurement**, procurers are facing **recurring challenges** such as:

- The implementation of measurement tools or/and data collection tools for VBP,
- The technical capacity of human resources,
- The lack of maturity among procurement team,
- The need of a multidisciplinary team made of providers, specialists, patients associations, procurers, etc.
- The cost of value-based procurement might be high and sometimes it does not correspond to the allocated budget,
- VBP is not considered as a priority in the roadmap of the healthcare facilities,
- Lack of engagement from health professionals in the drafting of the tender specifications and the evaluation process.

Indeed, Value-Based Procurement is **a recent approach rarely used by procurers**, however, when it is the case, we can observe the following **features among procurers**:

Main VBP features (process, tools and outcomes) among procurers, by MS

Country	VBP processes	VBP Tool	Outcomes
Austria			
Belgium	Application of the Total Cost of Ownership approach	Market analysis	Quality Equipments Products at competitive prices with reliable suppliers
France	Needs analysis Application of the Total Cost of Ownership approach Definition of the PROMS and the PREMS collection process	VBP Guidebook available online in English Documentary resources available Value-Based Procurement Community of Practice (VBP CoP) Digital tools for data collection	Since VBP calls for tender are quite recent, lessons learned from previous VBP experiences are still in progress Development of collection tools for PROMS and PREMS Improvements in working conditions and patient care
Grece			
Hungary			
Italy	Introduction of penalties, based on the evaluation of the cost-effectiveness of the solution on the patient service Introduction of innovative processes for the benefit of the territory and less probability of litigations	Joining the VBP Community of Practices (VBP CoP	Recent introduction of evaluation criteria (VBP) in specific tenders for risk sharing
Portugal	Evaluation of the technology conducted by the departement of the National Medicines Authority (INFARMED	Dedicated departement of the National Medicines Authority (INFARMED) in charge of the evaluation of cost-effectiveness of new technology/healthcare solution, prior to commercialization on the national market Creation of the National Health Technology Assessment System (Decree-Law no. 97/2015)	Promotion of better solutions for the patients
Romania	Implementation of Value-based Procurement with external personnel	Existing procurement legislation	n.a
Spain	Use of new technologies for clinical care of the public and patients specifically Introduction of innovative payment methods	Use of Public Procurement of Innovation (PPI	Leveraging the capacity of the organisation Promoting and generating the development of innovative solutions from the demand side through public procurement Creation of a new environment that facilitates, improves, and optimizes healthcare for the population, empowering the patient
Sweden	Application of the Total Cost of Ownership approach, primarly focused on the specific equipment	Use of AI-based software	Possibility to take a procurement decision based on the total cost over the whole-life of the solution, not only the initial procurement price

6.2.4 Sustainable procurement approaches

Among the Member States, it seems that most of the healthcare procurers are following standards of reference in terms of sustainability which demonstrate the high impact of the sustainability within the procurement cycle. These standards of reference could be international, European, national or even regional.
This is not an exhaustive list, but we can observe the **following main standards of reference**, mentioned by the healthcare organisations involved in the Observational Study:

Main standards of reference for Sustainable Procurement, by MS

Country	Main standards of reference in terms of Sustainable Procurement
Austria	· Legal framework: Federal Procurement Act
Belgium	· 17 Sustainable Development Goals of the United Nations · Criteria of the Corporate Sustainability Reporting Directive (CSRD) · Brussels Environment Commissions
France	· 17 Sustainable Development Goals of the United Nations · Standards of the European REACH regulation (for medical devices and pharmaceutical products) · Governmental Sustainable Procurement Guide (DAE) · SPASER - part of a national sustainable procurement policy · PNAD 2021-2025 - national roadmap · RFAR label certification - aligned with the international standard ISO 20 400 "sustainable procurement – guidelines"
Grece	· Law 4412/2016 (Government Gazette A' 147/08-08-2016) Public Procurement of Works, Supplies and Services (adaptation to Directives 2014/24/EU and 2014/25/EU) · National Plan for Green Procurement · European specifications for specific health products with green criteria
Hungary	n.a
Italy	· Codice contratti pubblici d. lgs. 36/2023 - Public Contracts Code · Criteri ambientali minimi (CAM) - Minimum Environmental Criteria · Minimum wages indicated in the appropriate tables referred to in Article 41(13) of the "Public Contracts Code"
Portugal	· Resolution of the Council of Ministers no. 13/2023 · Portal of the Portuguese Environment Agency (ENCPE)
Romania	· Law 448 / 2006 on the protection and promotion of the rights of persons with disabilities (SOCIAL STANDARD)
Spain	· 17 Sustainable Development Goals of the United Nations · "Integrated Environmental Management System" guidelines
Sweden	· Region's code of conduct · ISO 14001 · Corporate Sustainability Reporting Directive (CSRD) · Sustainability policy strategy

Apart from the main standards of reference, we can confirm that most of the Member States studied have implemented **Actions Plans** to fulfil the **sustainable procurement objectives** within the **healthcare sector**.
We observe that most of the Sustainable Procurement Actions plans mentioned by the healthcare procurement organisations, are reflected in the 3 following areas:

Main areas of implementation of Sustainable Procurement Actions Plans

Main levers for procurers to purchase healthcare innovation		
Workforce specialisation	**Methodology tools**	**Training courses**
Elaboration of an Ethic Chart within the procurement organisation Creation of a dedicated procurement team or department for Environmental and Social Performance, Specific within the organisation Specialisation of the procurement team on sustainable procurement topics Exchanges of best practices among procurers Conduction of supplier's audit and evaluation processes	Roadmap setting up and deployment of a sustainable procurement policy within the organisation, aligned with the national/international strategy Elaboration of a Social and Environmental Risk Matrix to help procurers addressing environmental and social issues in their calls for tenders Introduction of sustainable development criterion and social inclusion clauses in the call for tenders Creation of dedicated Sustainable Hospital Procurer's portal or Green Procurement platform that gather documentation resources, materials related to the legislation and its evolution, templates, training and advice on Sustainable procurement, for healthcare facilities Implementation of internal control and monitoring committees Creation and publication of Guides and Guidelines on Sustainable Procurement within healthcare facilities and Green Procurement, specifically to support procurers in achieving sustainable procurement	Public training and sustainability working group with hospital federations, public authorities and other healthcare stakeholders Implementation of training courses for procurers on sustainable procurement topics with certified training organisations: process, waste management, water treatment etc. Participation to seminars on Green Public Procurement Training provided by external companies, with experts of the area of sustainability Publication of Guides to provide means and solutions that will make the transformation possible for the public buyer. These guides provide tips and good practices in terms of sustainable procurement to support Healthcare procurers

6.2.5 Security of supply

Due to the Covid-19 sanitary crisis, **security of supply** has become a **key component of the Public Procurement Strategy** for most of the Member States studied. Procurement Strategy include specific measures to ensure and manage the continuity and reliability of supply in the healthcare environment.

In general, we can observe that **procurement techniques** are implemented to **prevent shortages** and that **contingency plans** are followed in case of **supply chain disruption.**

Stock Creation and Strategic Storage

All the members states agree on the importance of maintaining security stocks to prevent stockouts. The aim is to ensure that essential medical products are available even during a crisis.

- **Strategic Storage**: Belgium, France, Greece, Hungary, Portugal, Spain, and Sweden have measures in place to secure sufficient supply, including **national reserves, contracts with suppliers**, or **crisis-specific reserves**. For example, **Portugal** and **France** plan reserves that can last up to three months, a preventive measure that maintains a buffer stock in case of disruption.
- **Country-Specific Approaches: Austria**, for instance, focuses on warehouse sizes in hospitals designed to guarantee a three-month supply. This highlights the importance of storage capacity tailored to the specific needs of healthcare facilities.

Supply Chain Resilience

Diversifying sources of supply is a key measure to reduce vulnerability to stockouts, and several countries have adopted this strategy.

- **Diversification of Suppliers: Portugal, Romania,** and **Spain** adopt an approach of diversification to avoid heavy reliance on a single supplier. These countries have established **specific procedures** to find alternatives if a primary supplier fails.
- **Risk Management**: Countries like **France, Greece, Portugal,** and **Spain** use **electronic systems** and **centralized platforms** to monitor stock levels in real time and anticipate shortages. These systems allow for quick responses and coordination to avoid stockouts.

Emergency Measures and Contingency Plans

European countries also have **contingency plans** in place to manage stock crises, whether caused by exceptional health events or disruptions in the supply chain.

- **Contingency Plans**: Countries such as **France, Hungary**, and **Italy** have adopted **crisis-specific plans** that define actions to take during a shortage or health emergency. These plans include stock redistribution, prioritizing essential products, and coordinating with alternative suppliers.
- **Financial Approaches: Italy**, for example, places significant emphasis on **cost management** to ensure **sustainable financial planning** and counteract the volatility of raw material prices. This helps to maintain economic stability within the healthcare system, even amid unexpected price increases.

Conclusion

MS adopt diverse but complementary strategies to ensure the resilience of their healthcare supply chains. While most stress the importance of maintaining security stocks, many also implement advanced stock management systems, supplier diversification, and detailed emergency plans to manage crises. The differences between countries mainly lie in their **specific stock management methods, supplier diversification strategies,** and **financial policies** that ensure sustainable planning in the face of supply shortages. The approaches to **rational consumption** and **resource management** are also key innovations, helping to strengthen the sustainability of the system in future crises.

When **strategic stocks** are planned in the **healthcare procurement**, we notice that **the categories of healthcare products or services targeted** are mainly healthcare product categories assessed as critical to the institution and patient safety:

- Pharmaceuticals, Drugs, Vaccine doses
- Sanitary disposables and all high-turnover supplies for patients
- Protective and safety clothing (PSC); Personal Protective Equipment, such as masks, surgical masks, gloves, gowns and other protection and safety materials such as Covid-19 protection sanitary supply
- Medical devices, Surgical implants and prostheses
- Oxygen, Reagents
- Genotyping kits

Table of main shortages prevention techniques and examples of contingency plans, among the 10 Member States studied (if applicable)

Country	Shortages prevention techniques	Contingency Plans
Austria	For some hospitals (accident and rehab centers), the size of the warehouses must guarantee a supply security of 3 months	
Belgium	For some specific contracts, it is mandatory to hold strategic stocks on 1suppliers, in agreement with them	Buffer stock effective but limited in time depending on the product
	Contractual conditions/sanctions to suppliers	
France	Logistics and stock management: optimisation of the stock management, frequent monitoring, larger stocks and logistics platform on different scales	All healthcare facilities develop a crisis plan, known as "Plan blanc" to deal with an exceptional health situation
	Procurement contracts strategies such as multi-awarded framework agreements for "critical" products/services	Buffer stock to reduce the risk of stock shortages because it acts as a safety stage against stock shortages
	Requirement for transparency to suppliers in the event of default	
	Increased awareness of risks among procurers and sharing of best practices, particularly about drugs	
Grece	Regarding the supply of medicines, the legislation fixes a storage period of maintaining a relevant stock of medicines in the hospital pharmacy	There is a defined safety stock in the information system (for PPE items or for drugs) in case of emergency
	Monitoring of the stocks in warehouses through an electronic information system	Regular inventories and early supplies
	Regular control of the safety stock by counting the materials in the warehouse with the support of the warehouse management system	A contingency plan is compulsorily implemented by the warehouse management programme
Hungary	Maintaining a stock of healthcare products is the responsibility of the asset management area	
Italy	Inventory planning: to acquire the necessary competences and to know the logics of market in such way to put into effect the necessary levers of purchase of a long period and to plan the supplies to tackle to future emergencies	Piano nazionale di comunicazione del rischio pandemico National pandemic risk communication plan
	Cost Management: to guarantee a structured programming to be able to mitigate the volatility of the costs of the raw materials and the sanitary instrumentation and to guarantee the financial resilience of the sanitary system	Piano strategic operativo di preparazione e risposta ad una pandemia da patogeni a trasmissione respiratoria a maggiore potenziale pandemico 2024-2028 Strategic Operational Plan for Preparedness for and Response to a Pandemic from Respiratory Transmitted Pathogens with Greater Pandemic Potential 2024-202
		The National Strategic-Operational Plan for Preparedness and Response to a Flu Pandemic (PanFlu) 2021-2023 has planned to store a sufficient supply of DPI to ensure the needs in the care sector in the first 3-4 months of a pandemic influenza with reference to PPE, DM, and drugs potentially useful to face the effects of a pandemic (cortisone, antibiotics, oxygen therapy)

Portugal	Lot Division forcing more than one supplier for the same contract object	The national legislation compels the providers to communicate in advance for breaks as well as making evidence that it has the capacity to refrain the national market with stocks for at least 3 months
	Existing established minimum stock, to prevent interruption of activity	Centralized monitoring platform that allows monitoring of Purchasing
	Existing National Stockpile Reserve	Supplier Diversification Worldwide
		Annual Procurement Plan and Annual Public Procurement Strategy
		Accounting and Supply (Stock Management/Monitoring)
Romania	In accordance with the established minimum stock, purchases are made on time so as to prevent interruption of activity	Provision Of Clinical Wards With Medical And Health Materials: each clinic is obliged to have a stock of 25% of the estimated stock for 1 month
		Procedure for the development: elaboration of an Annual Procurement Plan and Annual Public Procurement Strategy
		Software application: creation of a centralized monitoring platform that allows monitoring of Purchasing (contracts-orders)
		Accounting and supply (stock management/monitoring)
		Maintaining a buffer stock for general purpose products in the organisation
Spain	In the event of a potential stockout from the supplier, the organisation opts to stockpile sufficient products to prevent shortages	Elaboration of a set of criteria for the procurement of essential supplies for the operation of the healthcare system
	Existing possibility of buying from various suppliers, based on clinical criteria	
	Framework Agreements are created with different contractors, and if the primary contractor does not have the product, it is purchased from the second-best rated supplier, and so on	Safety and emergency stock
	Control and Rationalization of Consumption: Implementation of inventory management systems based on data and trend analysis helps to predict and adjust demand, thereby ensuring adequate availability without generating unnecessary surpluses	
	Efficient use of supplies becomes a crucial priority: avoiding waste and shortages for a better economic sustainability and a higher-quality patient care. Indeed, strategic supply planning is a fundamental aspect to prevent both waste and shortages	
	A careful analysis of needs and demands allows for the establishment of an optimal inventory, avoiding excessive accumulation or scarcity	
Sweden	Diverse suppliers, more alternatives for sensitive products	Identification of critical products and implementation of action plans to ensure preparedness in case of emergency

When **strategic stocks** are planned in the **healthcare procurement**, we notice that the **categories of healthcare products or services targeted** are mainly healthcare product categories assessed as critical to the institution and patient safety:

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- Oxygen, Reagents
- Genotyping kits

6.3 Main supplier's perceptions on public and private procurement

6.3.1 Procurement information accessibility

Suppliers from the 10 Member States studied have pointed out sometimes the **lack of information provided by procurers**, which constitutes a **barrier** for them to access to specific procurement information. **Accessibility of procurement information** remains a **challenge for suppliers**, with varying **levels of transparency and availability** depending on the procurement organisation. In general, **the lack of accessibility of procurement information** is coming from **4 categories of information**:

- Communication with procurers
- Procurement needs, procurement data, procurement strategy
- Format of tenders and tools
- Identification of tenders, results of tenders and upcoming tenders

Synthesis of the main examples mentioned by suppliers across the 10 Member States

Communication with procurers	Procurement needs, procurement data, procurement strategy	Format of tenders & Tools	Identification of tenders, results of tenders & upcoming tenders
Sometimes, public administrations do not provide the minimum level of information required Lack of visibility for key contact details of procurers Lack of visibility of an updated organisation chart updated Need to get the names of the expert's group who are involved in the evaluation of the products in the tenders	Lack of information about the current provision, insufficient data is available Lack of information regarding size of previous tender agreements Lack of data on specific purchases, cost efficiency and patient satisfaction Broader data access needed on savings and sustainability would be highly beneficial	Better and easier overview of the public procurement processes on platforms A central source for all procurement bids in a simplified format is needed Need for an unification of the electronic Public Procurement Platforms to facilitate participation of the suppliers	Sometimes national associations of companies do not always have access to the content of tenders Lack of transparency in both investment planning and information on the status of tender applications Need for a centralised database of contracts concluded by contracting authorities, products/services and their values, contract periods, products actually purchased and undelivered
Sometimes, public administrations do not provide the minimum level of information required Lack of visibility for key contact details of procurers Lack of visibility of an updated organisation chart updated Need to get the names of the expert's group who are involved in the evaluation of the products in the tenders	Lack of information about the current provision, insufficient data is available Lack of information regarding size of previous tender agreements Lack of data on specific purchases, cost efficiency and patient satisfaction Broader data access needed on savings and sustainability would be highly beneficial	Better and easier overview of the public procurement processes on platforms A central source for all procurement bids in a simplified format is needed Need for an unification of the electronic Public Procurement Platforms to facilitate participation of the suppliers	Sometimes national associations of companies do not always have access to the content of tenders Lack of transparency in both investment planning and information on the status of tender applications Need for a centralised database of contracts concluded by contracting authorities, products/services and their values, contract periods, products actually purchased and undelivered
Lack of identified responsibilities of the persons or committees Suppliers might not be aware of the centralisation of public hospital procurement Not enough opportunities for pre-tender meetings Need for more market dialogues before final tender specifications are published Sometimes unclear procurement process	Accurate quantity structures are lacking, and enough lead-time to increase supply chain Lack of volume of sales Better understanding of the hospital needs in tendering is needed Better understanding of the strategic challenges of the hospitals is needed Better understanding of the specific preferences of medical services' procurers and expectations is needed Lack of end users' needs (quality, innovation and price) Lack of data regarding consumption of healthcare product Lack of local published data related to clinical data, test volumes and technical requirements	Lack of information on how to make progressive tendering keeping the legal expectations General awareness of the private market, an additional planning insight can sometimes be valuable for the supplier's project preparation Need for a more structured legislative framework concerning the innovative technologies	Need for a planned timeline of the incoming tenders Lack of timely information about upcoming tenders Need to access greater information about future tenders to plan the presentation of offers and their budget

6.3.2 Transparency and ethic

Across the 10 Member States studied, we have collected positive and negative feedback mentioned by suppliers in terms of transparency and ethic of the procurers, in the environment of the healthcare procurement.
We can confirm that most of the time transparency rules and ethics are well applied by procurers, public and private, in their relations with suppliers.

Compilation of the most relevant perceptions from suppliers in terms of transparency

Country	Positive feedback	Negative feedback
Austria	Very strict healthcare compliance law that supports the behaviour of buyers	Only possible to establish and maintain professional relations if the procurement staff is willing to communicate
	Processes have always been transparent	
Belgium	Buyers are open to discuss the processes and the needs of their company/service	
France	Compliance with the French Public Procurement Code and other commitments from public procurers	Some public procurement procedures appear to be less "transparent" to suppliers
	Trustful business relations built with fulfilled contracts with private procurers	
Greece	Open and Accessible Information Sharing	The lack of an established procurement pattern creates problem regarding the process stages
	Adherence to Laws, Regulations, and Industry Codes	
	All procurement transactions with buyers are done in the most transparent way	Variability across the procurement organisations in terms of standards of ethics and transparency
	Procurers generally provide the suppliers with all the required information that they are allowed to share with them, via official correspondence	
Hungary	Suppliers and Procurers keep the rules in the communication	
Italy	All communications and relationships take place formally, in a form codified by law and ethical regulations adopted by public administrations	
	Relations are completely transparent and marked by mutual respect between procurers and suppliers Responsibilities between parties are always ruled by agreement signed by both parties	
Portugal	n.a	
Romania	Procurement staff is open to meet with companies at events and is open to learning about new developments in the medical market to improve medical practices	Sometimes, the procurement staff is not enough well trained and overloaded (due to a lack of workforce) which conduct to delays in the evaluation process of award procedures
		In private contracts, the decision to purchase a product from another company is often not announced
Spain	Public buyers and their staff typically act in an ethically manner and are governed by current public procurement regulations that dictate how they should proceed	
	Transparency in Preliminary Market Consultations	
Sweden	In general, the procurement departments act ethically	

6.3.3 Relationships quality with procurers

Across the 10 Member States studied, we have collected **positive and negative feedback** mentioned by **suppliers** in terms of **relationships quality with procurers**, in the environment of the **healthcare procurement**.

It seems that **suppliers have not a unique perception on the relationship quality with procurers**. Indeed, we can observe a **multitude of behaviours that would define a good quality relationship from both sides**, such as:

- Communication,
- Cooperation,
- Openness,
- Commitment,
- Availability,
- Knowledge sharing,
- Transparency and mutual respect,
- Conduction of sourcing meetings,
- Compliance with deadlines, policies, and payment terms,
- Business relations,
- Easy procurement processes,
- Consideration,

Compilation of the most relevant perceptions from suppliers in terms of relationships quality

Country	Positive feedback	Negative feedback
Austria	In general, there is open communication during market exploration (pre-tendering), and fair approach on tender criteria (bidder questions and answering) during tender phase	Relationships are influenced by competition
Belgium	Knowledge sharing on market trends	
	Procurers generally shared openly their experience during healthcare seminars or congresses	
France	Organisation of sourcing meetings, beforehand tender publication	Lack of time for providers during sourcing meetings
	Good and regular relations between suppliers and public procurers	Public procurers are rarely available for meetings with non-awarded companies after the tender notification
	Partner business relationships with a commitment to follow-up on both sides	
Greece	In general, healthcare public buyers aim to establish respectful and balanced relationships with suppliers	When there is no specific budget from the healthcare public buyers, tenders are very limited and cannot cover all hospital needs on the long term
	In general, there are always open discussion between suppliers and buyers	When there is no specific scheduling of purchasing, many of the hospitals raise ad hoc requests with limited volume and value to full fill the weekly or monthly needs
	Professional cooperation from procurers' side	Medical companies need a lot of effort and available inventories to cover the lack of hospital's scheduling
		Most of the time public procurers are always looking for price reductions or/and minimum price, at the expense of the value of product/service

Hungary	In case of technical questions, suppliers have the possibility to communicate and collaborate with hospital's procurers High interest of private procurers for suppliers regarding arguments related to the total cost of treatment and its efficiency	Sometimes, the lack of communication with suppliers leads to complicated procurement processes
Italy	Since the Italian procurement sector is highly fragmented, some entities can establish respectful relationships but others not	
	When there is only one administrative manager to consult for queries and clarifications on the procedure, during the tendering process, it eases the relation with suppliers	Some public procurers are difficult for suppliers to access, making it challenging to transfer essential knowledge or share experiences
	Direct discussion with private procurers is common Compliance with deadlines and internal policies	Companies are often viewed solely as suppliers rather than collaborative partners with a valuable expertise
Portugal	n.a	
Romania	Procurement staff provide with detailed and timely responses to the requests submitted – thus helping to improve the health system and patient satisfaction	There might be some situations of disproportionality between economic operators and contracting authorities: sometimes contracting authorities consider that they are in a superior position to the economic operators with which they collaborate, and they impose abusive requirements in tenders
	In the case of queries, public authorities generally make efforts to address issues, particularly those related to compliance with contractual payment terms	Suppliers often face challenges in estimating the quantity to be delivered during the period of a framework agreement
	Private health buyers establish respectful and balanced relationships with health care suppliers to ensure access to quality care and promote efficiency and transparency	Sometimes estimated quantities are not met in the orders, which leads suppliers to an excessive stock or delays in fulfilling orders, then it results in missed deadlines and negatively impact the supplier's reputation
Spain	By involving the industry or its representatives in the preparation of procurement scenarios reduces disputes and challenges between suppliers and procurers	Lack of response to queries about the content of the Tender Documents within a reasonable timeframe
	Relationships with buyers in the health field are usually respectful and balanced	Difficulty for suppliers to update or modify prices when these ones are considered as "historical"
Sweden	Straight forward communication Public procurers act according to LOU (Public Procurement Act)	It could be hard to convince a group of experts in trying new solutions / innovations

6.3.4 Needs and expectations

Across the 10 Member States studied, we have collected positive and negative feedback mentioned by suppliers in terms of the needs and expectations, in the environment of the healthcare procurement.

It appears that for most of the suppliers the technical requirements and specifications are clear and well defined by procurers. Indeed, the public procurement regulation is also a guarantee to get a clear definition of technical needs. In general, the technical definition has been achieved thanks to a strong communication between suppliers and procurers, with preliminary market information provided and several sourcing meetings conducted.

However, we can notice that sometimes, suppliers are facing difficulties to have a clear understanding of procurer's needs due to several reasons, mainly:

- Estimation of quantities is not accurate and represents a challenge for suppliers, sometimes there is a mismatch between procurer's real needs and requests expressed in tenders, and the volume estimated in the tenders is generally not binding
- Priority seems to be still given to price instead of user's needs
- Scoring system could be unclear
- When it comes to complex or innovative solutions, needs might be unclear or lacking precision
- Lack of communication from procurers on the results of tenders and their outcomes

Compilation of the most relevant perceptions from suppliers in terms of needs and expectations

Country	Positive feedback	Negative feedback
Austria	Most of the tender material is very comprehensive Sometimes, private tenders are better than the regular tenders because they are more open for innovative solutions	Requirement should be changed, which usually says that only the price is primarily the decisive factor
Belgium	This depends on the degree of maturity of the procurement offices at hospitals and the nature of products / services they are tendering: · If low maturity, it is only about buying "products", translated in the inventory into product lines · If high maturiy, a shift towards total solutions and added value services is more feasible	
France	Public procurers are generally clear about their technical requirements thanks to the sourcing meetings	Sometimes, quantifications are not precise but only estimative which result a challenge for suppliers Scoring system and the outcomes of the call for tenders are not well defined / communicated In general, priority seems to be given to prices than user's needs
Greece	The technical specifications, requests and volume are generally defined in detail by private procurers	While some healthcare public buyers excel in precisely delineating their technical specifications and volume requirements, others may encounter challenges in striking the right balance

Hungary	The preliminary market information process allows the suppliers to be prepared for the upcoming tenders	It may vary, sometimes there are unclear technical specifications and/or unspecified product volumes
	Private procurers easily communicate with suppliers to present their needs	
Italy	Specifications are usually established by a technical commission made up of experts in the sector	As for volumes, procurers are frequently based upon historical data without analysis of needs and technology innovation
	During the annual negotiations, private procurers and suppliers expressed clearly needs and expectations is a negotiation between private subjects	In some cases, calls for tenders do not express the real evolution of the market, of clinician needs and industry development
Portugal		
Romania	In general, requests for proposals (RFPs) clearly and concisely express the needs and expectations of public purchasers in the health sector	There is a mismatch between the real needs of the public procurer and the requests for tenders expressed
	In private procurement, volume/quantities and main technical characteristics of the desired healthcare products are clearly communicated to the supplier's sales representative	The real need of a hospital is not always reflected in the quantity of products tendered, generating a faulty bid that may impact the business negatively
		Situations where technical specifications for products are vaguely described, without specifying their intended use, can lead to the purchase of low-quality products
		The lack of detailed documentation (technical specs) increases the risk of acquiring lower quality products and as a result, could increase the overall cost of medical care
Spain	In general, needs are well expressed in the contract's object and additional descriptions	When it comes to complex products, there are clear areas for improvement in the definition of needs and expectations (many numerical parameters are used in defining the products, which do not always add value to the functionality targeted)
	Private healthcare purchasers generally express their needs clearly in the technical descriptions and they are open to discuss about prices	The most used rationalization systems in Spain, such as Framework Agreements or Dynamic Purchasing Systems, often involve significant economic and operational risks for suppliers since the volume specified in the bid is not binding
	Private procurers are predisposed to receive multiple proposals in the search for the best conditions for their company	Sometimes bids do not reflect the real evolution of the market
Sweden	In general, technical specifications are well-known by suppliers	Lack of precision in what procurers are asking for
		Sometimes procurers are too demanding in their tenders' specs

6.3.5 Sustainability requirements

Across the 10 Member States studied, we have collected **positive and negative feedback** mentioned by **suppliers** in terms of **sustainability requirements**, in the environment of the healthcare procurement.

In general, even if it is still quite recent, **sustainability requirements are increasingly integrated into calls for tender**. It seems that **public procurers are slightly more advanced** than **private procurers** with sustainability requirements. However, for private procurers, sustainability requirements are mainly used as a **differentiating factor, to give a competitive advantage**. But for both categories of procurers, the **impact** is the same: the **sustainability requirements create value for companies**, for the hospitals and the whole society (patients, end users).
When sustainability requirements are integrated in tenders, they often refer to the following areas:

- Energy saving, green energy, reduction of consumption
- Recycling, Life cycle, recycled raw materials, packaging
- Reduction of carbon emissions, greener supply chain, transportation
- Standards certifications

The **challenge of sustainability requirements** seems to lie in the **complexity of its integration, definition and evaluation,** even if they are linked to the **international standards ISO 14001**. Sustainability requirements are still not always integrated by procurers, sometimes they are **not detailed or defined enough**. For some suppliers, this is mainly due to a **lack of awareness, knowledge and openness** for sustainability requirements, because it's still the beginning of sustainable procurement. When sustainability requirements are defined, for some suppliers they are **not valued enough**, and are mostly **limited to basic certifications or minimum sustainability requirements**.

Compilation of the most relevant perceptions from suppliers in terms of needs and expectations

Country	Positive feedback	Negative feedback
Austria		Lack of sustainability in the logistic process / supply chain
		Sometimes it seems that there is a knowledge gap of sustainability and relevant laws from procurers' side
Belgium	In general, procurers do ask for sustainability requirements in their tender (sustainability measurements set up by suppliers, green energy, ecological transportation)	Sometimes demands are not relevant and need to be further discussed
	Tenders are also a tool for procurers to support the sustainability within the hospital	
	Focus on sustainability builds a stronger business relations and improves the well-being for people with less impact on the planet, creating value for suppliers, procurers and end-users	
France	Better anticipation of CSR aspects from companies	Complex integration of CSR criteria in call for tender and difficulties faced by suppliers in terms of CSR criteria
	Requests from private procurers are generally open and based on sustainability capacity companies	seems that supplier's sustainability is not valued enough among private procurers. There is a need for private procurers to develop more the sustainable requirements in their contracts

Greece	Meeting sustainability requirements provide companies with a competitive advantage, as it may open opportunities for collaboration with healthcare institutions that prioritize environmental sustainability in their procurement decisions	Only through a collaborative and iterative process it will be possible to improve the efficacy and relevance of Calls for Tender in meeting with the diverse needs of stakeholders within the healthcare landscape
	Integrating sustainability in tenders ease suppliers to reach their long-term goals of delivering innovative and responsible solutions that benefit both patients and the planet	
	Today, requirements from procurers are more sustainable sensitive/ oriented, such as: dose sensitive - factory refurbished systems - power consumption sensitivity - system upgrades to extend the life cycle of the system	
Hungary	Today procurers have only made few steps about sustainable procurement, however, is only the beginning stage	In general, it is very rare that sustainability requirements are applied by healthcare public buyers
		Lack of awareness, knowledge and openness for sustainability requirements in call for tender
Italy	Over the last few years additional requirements have been requested, which contribute to the score of the technical evaluations, and which are related to issues of sustainability of economic operators, both in environmental terms and from the point of view of equity and inclusion	Sustainability requirements currently requested by public buyers are very limited to standard certifications and packaging criteria. This doesn't help to demonstrate the real differences and impact of companies' improvements and investments on sustainability goals
	Sustainability requirements set by private buyers primarily focus on the economic aspects of the offer	Public buyers require minimum environmental criteria, but the additional criteria often are not significant and not checked by public buyers during the supply
		It appears that private buyers have a stronger interest in sustainable procurement due to the added value it offers. Indeed, partnerships with companies committed to sustainability is as a key differentiator
Portugal	n.a	
Romania	There are categories of tenders that include sustainability requirements in terms of energy saving and recycling (reduced energy consumption, reduced water consumption/hour, reused tanks, wastewater, reduction of carbon emissions etc)	Sometimes, sustainability requirements are used to exclude certain economic operators, for example the use of the supply chain criteria, the factory location, etc.
	There are categories of tenders that include sustainability requirements in terms of raw materials for packaging (recycled and recyclable materials)	In the case of the medical devices, sustainability criteria are rarely included in the technical documentation
	Sustainability requirements allow an efficient use of resources and the promotion of an ethical supply chain	Sustainable requirements are not always integrated, but there is a trend to introduce sustainability requirements, and suppliers are getting certifications on sustainability
Spain	In general, environmental criteria are increasingly included in tender documents, but they need to be objective, evaluated through approved environmental certificates and standards such as ISO14001	Sustainability is still a new concept in public procedures, and sometimes procurement organisations are having difficulties in managing it
	The assessment of environmental impact is increasing in some specifications and evaluation criteria	Sustainability requirements need to better defined by procurers
	It seems that the public sector is leading the incorporation of sustainability and environmental criteria in healthcare procurement	It seems that sustainability requirements from private buyers are very rare
Sweden	Procurers are following directive from the EU in terms of sustainability	It is complicated for global companies to follow new local requirements
	ISO14001 demonstrates that rules and regulations are followed in terms of environment and sustainability	

6.3.6 Innovation promotion

Across the 10 Member States studied, we have collected **positive and negative feedback** mentioned by **suppliers** in terms of **innovation promotion**, in the environment of the **healthcare procurement**.

In general, **innovation** is getting **increasingly promoted among the healthcare procurement** environments. Indeed, **innovation** is a real **lever to improve the quality of life** of patients, to support the **healthcare professionals** and, in the end, to improve the **healthcare and well-being** among the whole population.

We can observe that **sourcing meetings, technical dialogues and market consultation phases** are key elements for suppliers to **promote** to procurers their **innovative solutions** within their offer. Also, procurers and suppliers frequently participate to **professional events** where **healthcare innovative technologies** are **showcased**. In addition, sometimes there is the possibility for procurers to receive **samples** and/or to get a **trial phase**, so they can use the innovative solution and evaluate by themselves the **clinical impact**. This could be a useful tool for suppliers to convince them to procure more innovation solutions.

The **public procurement of innovation** (PPI) is indeed an appropriate procurement **tool** to promote innovation in **public tenders**. However, it seems that private procurers are more **flexible and open to innovation** (management, automation, digitalisation) than public procurers, due to less administrative barrier.

But in general, it appears that **innovation demand** is still **too small** in the healthcare public procurement, indeed, PPI still represent a little percentage of public tender compared to other procedures. We notice that the **procurement of innovation is not homogeneous** among procurers due to a **fragmentation** and **reluctance** among some buyers. Also, for some procurers it is **difficult to integrate innovation criteria** because it could be **challenging to define and evaluate** them properly.

One of the biggest challenges faced by suppliers is that the procurers are mostly buying **existing products/services**, however, innovation often **goes faster than a procurement cycle.** Sometimes, the **rigidity** of public procurement processes might **not be compatible** with the integration of innovation in tenders. But **innovation is essential and needs to be valued** by procurers and must be aligned with their needs.

Finally, the **budget** could also represent a barrier to the innovation promotion in the healthcare procurement, indeed, there are a lot of innovative solutions that require an **economic investment** (paid subscriptions). It seems that **price requirement** is still a priority in relation to the **innovation requirements** and innovation is then left behind.

Compilation of the most relevant perceptions from suppliers in terms of innovation promotion

Country	Positive feedback	Negative feedback
Austria	Private tenders are sometimes better than the regular tenders because they are more open for innovative solutions/products	It is complicated to submit innovative solution in tenders because the demand is still too small
		In most tenders, only existing products are part of the game; no alternative offers are accepted and the entire "toolbox" of different types of tenders is not used yet
Belgium	The market consultation phase is crucial to explain the current or upcoming innovation and to match it to the needs and expectations of the customer	During the tender procedure, innovations should be valued
	In public tenders there are good opportunities for promoting companies' innovations	
	Suppliers continuously strive to create cutting-edge solutions, improving hygiene, health, and well-being, setting new standards	
	Suppliers participate to a lot on tender congresses, seminars and fairs in healthcare sector to explain and show innovative products with applications in the healthcare sector	

France	The advantage of sourcing meetings	The complex integration of innovative criteria in calls for tender and difficulties faced by suppliers in terms of innovation criteria
	Openness and flexibility of private procurers for innovative solutions	It seems that innovation requirements often go after price requirements
Greece	Sometimes, when the technical specifications and budget allow it, there is space for innovative products/ services	Innovation is valued by procurers, but it must be aligned with the specific needs and requirements outlined in the tender documentation
	It seems that innovative technologies are faster implemented in by private procurers due less bureaucracy barriers	National tenders are usually based on "old" technologies and even if an innovative technology is included it takes up to 5 years the evaluation of the tender to be completed
	When it comes to Hospital tenders, innovative technologies might be included	Since the main criterion for tender evaluation is generally the "Lowest Price", innovative and differentiated products / services are left behind
		There is no room for changing the specifications or promoting special products, then innovative technology cannot be easily promoted in private procurement
Hungary	Sometimes, there is qualitative criteria, and procurers ask for samples in advance, but it is not frequent	Lowest price is usually the only/predominant selection criterion
	Private procurers are listening to innovative suppliers, and they seem ready to try the innovative product to make assessment	For the suppliers it is difficult to be competitive only with the price criteria (cheapest price), while innovation could be an asset to differentiate
Italy	In some cases, it is also possible to leave the product or equipment on trial for a limited period this way, technicians and clinicians can directly evaluate the new features and their clinical impact on patient treatment	When it comes to call for tenders, only seldomly companies can promote or have their innovations rewarded
	Private customers are quite open to innovations, especially when innovations have an impact on management aspects and operational simplification in the management of equipment	Procurement environment is not homogeneous regarding innovation, indeed, not all public buyers demonstrate the same ability to incorporate technological and purchasing process innovation
Portugal	n.a	
Romania	Public authorities are increasingly receptive to innovative products	Only established or/and existing products requested by healthcare professionals are integrated in tenders
	Private buyers are generally more receptive than public buyers to new technologies, automation, digitalization	Suppliers promoting digital solutions often find that the public market is not sufficiently mature to adopt these solutions or to pay for the value they offer. Indeed, many digital products require a paid subscription, which could be a barrier for investment
		In some situations, the promotion of innovative products is received with reluctance and even refusal to communicate
Spain	Preliminary Market Consultations have become an opportunity to promote supplier's innovative offers to procurers	Since price is still a decisive criterion in public procurement, this does not favour the integration of innovative proposals in bids
	Although the economic criteria continue to be decisive for the private sector, private buyers are increasingly incorporating criteria based on innovation in their demands	Within the volume of tenders, Public Procurement of Innovation represents a very small percentage compared to other procedures of procurement
Sweden	Procurers are following directive from the EU in terms of innovation procurement	

6.3.7 Barriers identified

Across the 10 Member States studied, we have collected **barriers identified by suppliers** in the environment of the **healthcare procurement**.

To provide a synthesis, we have categorized these barriers into the **5 recurring topics highlighted by suppliers**, with their justifications.

Regulation, Bureaucracy and Administrative burden

Complexity, disparity, short deadlines

Still very price-oriented

Needs to give more weight to Sustainable and Innovation requirements

Procurement and Specification Ambiguities

Mostly lack of precision in tenders and non-accurate quantities estimation

Financial issues, Budgetary and Economic Constraints

Payments delays, Tight budgets, Price revision

Complex integration of innovation

Reluctance, Complexity and Budget contraints

Regulation, Bureaucracy and Administrative burden

- Complexity of Regulations: navigating complex regulations can be challenging, especially when they change frequently or are subject to varied interpretations. Sometimes, tendering rules are unclear and tender specifications are complex
- High bureaucratic efforts for suppliers, administrative burden, workload and complexity of procedures
- There is a large disparity of procurement processes - irregular purchasing patterns - among public procurers. In addition, procurement processes among private procurers are also different, which is an additional difficulty for suppliers and time-consuming
- In theory, quick and easy-access procurement process are finally hard to map and to prepare for suppliers
- Operational challenges: delays in procurement cycles and challenges in ensuring transparency and accountability throughout the process. Sometimes, decisions are not fully transparent
- Some suppliers noticed a lack of a clear and prompt response to inquiries about the tender documents
- Very short deadlines for submitting complex proposals that require more time preparation
- Sometimes the centralised procurement process makes more difficult for end-users to get the best and most efficient product, because it is a regulated process with no margin. In some countries, it seems that the legal process of centralised procurement is quite rigid.
- In terms of digitalization, sometimes the limited space for providing required documentation on electronic platforms hinders its submission and limits the opportunities for proposals from suppliers
- In some countries, the lack of an efficient IT architecture and IT advanced digital technologies, the lack of sufficient IT skills among procurers and suppliers, the lack of a well-structured e-procurement platforms, they represent a challenge

Price-oriented

- There is still a predominance of price requirements, such as attractive prices for the major players. In general, it seems that pricing is more relevant than quality and security
- Award criteria seem to be used too much price-oriented, only based on price evaluation, therefore, there is a lack of access to the most benefit to the patient technology due to the lowest price criteria. Indeed, if price is defined as the decisive factor in tenders, it is to

the detriment of quality and innovation
- Facing increasing costs of maintenance in hospitals, wages increases and energy inflation, procurers are mainly "price dependent" in their procurement activities. The main barrier for suppliers now is the fact that procurers do spend money "very carefully". Estimated prices not updated to reflect current economic conditions.
- High Price Sensitivity: private procurers are very sensitive to prices; they frequently do requests for discounts and rebates to suppliers
- Customers and end users often have different requirements, which force suppliers to change their products (where possible) to fit the requirements and this has a cost for suppliers

Procurement and Specification Ambiguities

- Lack of precision on certain aspect of calls for tender, when there are unclear requirements or unclear demands. This is sometimes due to a lack of interaction/communication before tender announcement, or a non-application of market explorations. Even sometimes, there is a lack of awareness about available supplies (limited awareness of supply)
- For some suppliers, there is an insufficient involvement of experts/end-users in drafting tender documents and evaluating bids
- Sometimes public procurement estimation in quantity needs is not aligned to actual public health needs, due to the long-term process (difficulties in supply & production schedule). Indeed, suppliers noticed an existing ambiguity in terms of volumes in tenders' specifications, « necessary volumes vs required volumes »
- Lack of monthly quantitative predictability

Financial issues, Budgetary and Economic Constraints

- Suppliers estimated that some procurers have too small and insufficient budgets
- Difficulty for suppliers in defining bidding prices due to the uncertainty of the supply chains, due to the fluctuation of the manufacturing and logistics costs, and due to any other price increase factors (inflation, crisis, currency volatility, etc.)
- Reluctance from some public procurers to open discussions on revising the prices of existing contracts
- Extended Payment Delays: payment times are often very long. There are delays in payment deadlines from the date invoices are issued, indeed, suppliers frequently observed payments delay from public hospitals
- Procurement procedures are generally costly; indeed, many expenses are due to suppliers in applying the constant regulatory changes in Public Procurement (fees for documentations, and bank expenses for guarantees)

Complex integration of innovation and business development

- Lack of a competitive environment: the change of dealers for healthcare products is complicated in some countries and it is hard to offer new systems to get into the market. In general, the establishment of commercial agreements are linked to large purchase volumes. Indeed, large suppliers are often favoured, compared to smaller ones, because they can offer a large product portfolio, with a wide range of commercial products.
- Need for cross-border businesses
- Financial constraints, limited budgets and competing priorities necessitate prudent allocation of resources, which may impede the adoption of innovative procurement practices or investment in state-of-the-art medical technologies
- There is very few value-based procurement approach from procurers and an overall lack of implementation of innovative projects
- The number of tenders that allow the integration of innovative solutions is very limited, it seems that there is an existing gap between the industry practices and the procurers demands
- Technology in Change: keeping pace with the rapid evolution of medical technology and integrating it into existing practices
- Sometimes, there is a lack of alignment between procurement departments and end-users' expectations. Patient's expectations: understanding and meeting patients' growing expectations for high quality and affordable medical services

6.4 COVID-19 and special procurement practices implemented

Because of the **Covid-19 crisis**, European healthcare procurers and suppliers were **obliged to adapt themselves constantly** to the healthcare situation, which was an **emergency**, with **severe economic, political and social constraints** and most of the time, **without knowing the outcomes.**

In these **extraordinary circumstances,** across the 10 Member States, both **healthcare procurers and suppliers** have demonstrated their **resilience** facing **challenges** and their **willingness to maintain and to guarantee the supply to the hospitals** and other healthcare facilities.
Procurers and suppliers have implemented **"best practices" to overcome the difficulties due to the Covid-19 crisis** and **to keep running the healthcare procurement system** in their respective countries.

Across the 10 Member States, we have observed the following "**best practices**" from procurers and/or suppliers, that we can categorize into **9 topics** [56].

Summary table of the main best practices, resulting from the Covid-19 crisis, by category

Procurement Optimisation Practices	• **Centralised procurement and centralisation of tendering procedures:** greater concentration of demand allow economies of scale effects. Centralised procurement is conducted by more specialised professionals, with access to another level of interinstitutional and international collaboration. Indeed, some Health institutions have adopted centralised procurement practices to negotiate better prices and ensure a fair distribution of essential resources • **Joint procurement**: Covid-19 crisis has been an enabling factor for the joint procurement, which is considered as a useful procurement tool for public procurers for some specific relevant products • **Diversification of supply sources**, using multi-contractors, conducted to the diversification of suppliers and procurement at a global level • **Use of established tools and existing distribution channels** to supply strategics healthcare products
Emergency procurement practices - **Emergency stock**	• **Speed-up procurement processes** • **Implementation of emergency procurement**: emergency procedures, such as direct procurement, have been employed to facilitate rapid responses to urgent needs and to quickly acquire strategics products such as a PPE and medicines • **Lots division of strategic products** • **Dedicated procurement teams for emergency procurement** of devices and services, in case of emergency • **Synergy and pooling of resources in crisis situations:** coordinated efforts of various stakeholders to combine resources and expertise, maximizing efficiency and impact during a crisis • **Stock management** for Covid-19 products and Covid-19 complementary products to **avoid stock shortages and maintaining strategic stock**: lots of efforts made from procurers and suppliers to prevent stock shortages and shorten procurement and supply timelines • **Creation of a national strategic reserve:** this national reserve, based on a network of central and local entities, allows procurers to overcome supply gaps • **Preventing new epidemic outbreaks by the implementation of strategic stockpiling** of protective and safety products in large warehouses, which could ensure sufficient supplies of PPE and other necessary materials to prevent shortages in future outbreaks
Prices - **Procurement Clauses**	• **Competitive prices** of products offered with the **same quality**, particularly regarding PPE and medical devices • **Procurers were better controlling the modifications of contracts**: **transparency** in product pricing to limit potential abuses and transparency in delivery times • **Modification of price review clauses**: suppliers asked procurers for more flexibility about price increase claims • **Reinforcement of safeguard clauses** • **Application of buy-and clauses in the event of default**

[56] *Please note that this is not an exhaustive list and that all these examples of best practices have not been implemented in all 10 Members States*

Risk management applied to healthcare procurement	• **Questioning**: continuous evaluation and rethinking of existing strategies, processes, and systems to adapt to evolving situations and improve responses during crises • **Implementation of new technologies and specific protocols for managing similar crises** • **Improving responses to global health threats**: prepare and develop strategies to respond more effectively to global health threats • **Strengthening healthcare capacities**: focus on enhancing resilience in healthcare systems • **Better anticipation for the supply chain** • **Relocation of production**
Flexibility of the procurement process	• **More flexible portfolio**: framework agreements/contracts were concluded for all essential products and services • **Flexible contract design options** · More flexibility from procurers in their **planification of quantities**
Digitalisation	• **Digitalisation of the procurement cycle and automation of procurement processes** to accelerate and to enhance efficiency and transparency • **Implementation of Artificial Intelligence** to support risk management and decision process • **Implementation of telemedicine solutions** for home monitoring of patients
Sustainability	• **Sustainable procurement practices have been promoted** to respond to the long-term challenges of the pandemic, such as reducing waste and optimizing supply chains • **Improvements in the ability of companies to offer value-based products** and enhance patient care • **Establishment of a permanent service chain** and an **equitable** and **ethical** distribution of products
Adaptability	• **Resilience and agility**: importance of **collaboration** in quickly recovering from setbacks (resilience) to rapidly **adapt** (agility) **to manage crisis situations** • **Quick adaptability of companies and procurers in terms of work reorganisation** (remote work, team reactivity, optimisation of resources, definition of Key Performance Indicators, etc) • **Change management** within companies and procurement departments, and development of new solutions for suppliers
Collaboration – Communication	· In general, **better external and internal communication between all players** (suppliers, staff and procurers) • **Stakeholder Communication**: open communication was maintained with procurers, suppliers and competitors • **Improvement of supplier relations**: relationships between procurers and suppliers have been fostered to ensure better collaboration and responsiveness • **Nationwide coordination between suppliers and public authorities to manage and distribute nationally** • **Collaboration between procurers and suppliers regarding stock discussions** during the contractualization phase • **Use of remote communication** (Skype / Teams / Zoom) since face-to-face meetings were forbidden

6.5. Procurement practices implemented by Buyers

To contribute to the performance of healthcare procurement, buyers of the ten MS have implemented several practices to address procurement challenges. If you would like to consult the more detailed analysis, it is explained in the first section of the Comparative Analysis: "**Key Practices of Procurement Performance**."

Here, we present a table summarizing the main practices implemented in the ten Member States as guidelines.

Streamlining supplier relations to conduct performance diagnostics	• Implementation of action plans, budgets, and monitoring tables • In accordance with existing regulations, elaboration of procurement planning (demand, budget, duration, time to respond)
Procurement routes: mutualization of purchases	• Procuring through Central Purchasing Bodies is mandatory or highly recommended in all ten Member States

Implementing sustainable procurement models	• Presence of reference terms
	• Elaboration of action plans through:
	  • Workforce specialization on sustainability topics
	  • Creating tools for managing social and environmental risks, integrating sustainable development criteria and social inclusion clauses in tenders, setting up a dedicated platform for healthcare buyers with resources and training
	  • Establishing monitoring committees and developing practical guides to support sustainable procurement in healthcare facilities
	  • Organizing training courses

Adopting digital procurement tools	• Some Member States use electronic systems and centralized platforms to monitor stock levels.
Elaborating innovative procurement approaches	• Development of innovative procurement approaches through a legal framework, methodology tools, and the availability of a specialized workforce.

Procurement strategies mostly include security of supplies measures	• Inclusion of specific measures to ensure and manage the continuity and reliability of supply in the healthcare environment to prevent shortages and guarantee the following contingency plans:
	  • Implementation of security stocks in 10 Member States
	  • Elaboration of advanced stock management systems
	  • Supplier diversification
	  •
	• Categories of healthcare products or services targeted specific measures
	  • Pharmaceuticals, Drugs, Vaccine doses
	  • Sanitary disposables and all high-turnover supplies for patients
	  • Protective and safety clothing (PSC); Personal Protective Equipment, such as masks, surgical masks, gloves, gowns and other protection and safety materials such as Covid-19 protection sanitary supply
	  • Medical devices, Surgical implants and prostheses
	  • Oxygen, Reagents
	  • Genotyping kits

6.6 Main conclusions of the Comparative Analysis

6.6.1 Evolution and trends in the Healthcare systems in Europe

As a conclusion, we can analyse the **evolution of the Healthcare system across Europe and extract the main trends. We have noticed 8 global trends that apply to the Healthcare system among the 10 Member States**, to a greater or lesser extent, depending on the country.

Summary table of the main trends in the Healthcare systems across Europe

Key Healthcare shifts	• **Value-Based Care**: there is a trend in healthcare to value-based models, focusing on patient outcomes and cost efficiency. **Importance of Healthcare outcomes in relation to costs** • Shift towards **preventive healthcare**: focus on prevention and proactive health management thanks to the use of new technologies, to the digital transformation and artificial intelligence, with an emphasis on **preventive medicine** • Development of **personalised medicine and patient-centred strategies**: emphasis on patient-centred Care, increasing interest in personalised treatments based on patients' genetic profile and lifestyle • **Genomics**: progress in genomics have led to more personalised and targeted therapies • **Patient management autonomy**: the patient participates in decisions that affect their health • The focus on **remote and personalised care** based on prevention and education is possible thanks to the use of **wearable technology and data**, leading to a transformation of the role of doctors • Increase of **precision medicine: the use of robotic and Minimally Invasive Surgery** is growing. Expansion in robotic-assisted surgeries for precision and reduced recovery times • Focus on **Mental Health**: increased focus on mental health and improved access to associated services • Some European health systems have significantly improved the quality of services, particularly in **home care**, **social care**, **long-term care and for the elderly**
Optimisation of the Healthcare system	• **Europe** takes care of the **health sector** through **projects** and **studies**. **European Health Union (EHU)** was established by the European Commission in response to the Covid-19 pandemic, to enhance EU resilience and public health • **A general centralisation and concentration** of the healthcare system • **Hospital concentration**, by the **creation of "super hospitals" in large cities** providing a full range of healthcare services • **Healthcare infrastructure development and Hospital modernization**: renovation, enlargement projects, construction to improve the quality of care
Private sector in the Healthcare system	• **Collaborative Healthcare ecosystem**: fostering public-private partnerships in healthcare • **Expansion of the involvement of the private sector** in the Healthcare system • **High capacity of the private healthcare environment to foster innovation**, from technological advancements to pioneering care models
Healthcare financing	• **General increase of health expenditure** • **Public Health System are globally underfinanced**: lack of public funding to maintain sufficient investment in health systems • **Aim for cost efficiency** in healthcare (Value-Based Care)
Data and digitalisation of the healthcare system	• **Digital Health Records** (electronic health records) improve the data accessibility and patient management, implementation of the Electronic Health File • **Development of Digital health and increase of the Digital technologies**: need for accelerated adoption of digital technologies, automation and artificial intelligence • **Use of new digital technologies**: Telemedicine and remote consultations/monitoring in expansion, Integration of Data Analytics, Integration of AI and Big Data, Connectivity • **Digital Transformation** of the healthcare landscape by enhancing patient care and streamlining medical processes. • **Health data management**: implementation of digital services to streamline patient management, Data sharing

Innovation within the healthcare system	• **Transition toward innovative technology and Clinical innovation**: increasing patient access to innovative technologies, adoption of cutting-edge technologies • **Transforming the organisation of the healthcare system through innovation**: Artificial Intelligence, Robotics, Machine Learning, Internet of medical things, cloud solutions, Automation • **Healthcare innovation through technology integration:** Artificial Intelligence is being used for diagnostics, predictive analytics, and personalized medicine, enhancing decision-making and patient outcomes • **Extensive use of healthcare wearable devices** for monitoring health and physical performance
Sustainability in the healthcare system	• **European Green deal: sustainability efforts** are made in the healthcare sector to reduce environmental impact through sustainable practices • **Improving the sustainability of the Healthcare System** by addressing issues related to the growing demand for healthcare services, territorial disparities in access to care between countries, and the lack of skilled healthcare workforce • **Hospital and other healthcare facilities have included sustainability** objectives in their roadmap • **Emphasis on sustainability**, with a higher focus on sustainable products in the Healthcare sector
Challenges of the healthcare system	• **Demographic profile of the European population**: because life expectancy has increased, the ageing population presents significant challenges, requiring tailored healthcare solutions and policies to address the needs of older adults • **This demographic change has an impact with an increasing need for healthcare services to this population** (Chronic Disease Management) • **Rising healthcare needs and costs in Europe: there is a general increase in the Healthcare expenses.** Cost of treatment, Insufficient provision of services, Increased consumption of healthcare resources and salary increase • **Labour shortages and workforce development: there is a lack of health professionals.** Europe is facing scarcity of healthcare professionals and more vacancy in the Healthcare sector • **Pressure on the Healthcare system due to Regulatory and Policy Changes** (reforms, public policies, etc.) • **Challenges related to accessibility and healthcare infrastructure.** There is still a part of the social population that struggle to access the health system

6.2.2 Evolution and trends in the Healthcare procurement environment in Europe

As a conclusion, we can analyse the **evolution of the Healthcare procurement environment across Europe and extract the main trends**. We have noticed **10 global trends that apply to the Healthcare procurement environment among the 10 Member States**, to a greater or lesser extent, depending on the country.

Summary table of the main trends in the Healthcare procurement environment across Europe

Key Healthcare procurement shifts	• The **healthcare sector** in Europe and the **healthcare procurement** have been **impacted by the economic crisis and the Covid-19 crisis**. • Almost all **European countries are following the same transformative process in the healthcare procurement environment**. Indeed, procurers are **developing new opportunities** in terms of **procurement strategies** such as using **Central Purchasing Bodies as procurement route**, promoting the **emergence of mutualisation dynamics** (by groups, regionalisation), and **increasing the professionalisation** of the healthcare procurement departments. • Due to the Covid-19 crisis and the **general increase of healthcare expenses** in many countries, the **European trend is toward an optimisation of the healthcare procurement**, with a **greater resilience**, a wider **adaptability** and better **strategic sourcing**. • The development of more **collaborative procurement** is a **strategy** for procurers to **optimise** their healthcare procurement (together with the centralisation and mutualisation of procurement), as procuring through **joint procurement initiatives** to leverage economies of scale, as **developing and pooling EU-level procurement** (vaccines or preventive diagnostics) and as **creating international procurement groups**. • Regarding the **Value-Based procurement trend**, it means that the healthcare procurement moved from the cheapest price approach for **overall benefits of the offer approach**, where the lowest price is no longer the priority. • Also, we can observe that there is a **trend towards the homogenisation of procurement processes procedures in Europe**. There is a **general increasing use of framework agreements**, creating less competition and price standardization. But the use of framework agreements allows **to speed up the implementation of certain procurements**. For instance, the use of framework agreements and **Dynamic Purchasing Systems** are useful to manage the institution's large volume of procurement needs and its changing requirements. • In addition, procurers are following the **trend towards the development of good practices about considering sustainability and efficiency**. The integration of **social and environmental criteria** in public tenders seem to **favour local suppliers**, providing preferences for **domestic products**, and **reducing the risk of supply chain disruption**. • **Public procurement procedures** are still considered **administratively complex by most of the suppliers** in many European countries, indeed, the **amount of administrative workload reduces the participation of small and medium-sized enterprises (SME)**. However, the **division into several lots of tenders** is a procurement tool that **promotes the access to public tenders for SMEs** and that nurtures the **competition** between businesses.
Centralisation and mutualisation of the Healthcare procurement	• At the European level, we observe a **trend towards centralised procurement and centralised tendering/procedures**. The centralisation of procurement is an **efficient instrument** for the healthcare sector **to face the eventual financial issues**. Indeed, the **centralised public procurement** is expected to become increasingly **common** and **used** in the healthcare sector. • In parallel to the ongoing **mutualisation of hospital procurement**, we notice a **professionalisation** in the healthcare centralised procurement. Specialised structures such as **Central Purchasing Bodies** for instance, are **supplying hospitals and healthcare facilities** with sanitary materials, medical devices, drugs, medical supplies in general and play a role in **securing supplies**. It seems that range of products covered by centralised procurement is going to be even more extended. • In many European countries there are **initiatives to mutualise the procurement into healthcare groups** such as the "koopkoeppel" in Flanders (Belgium) or the Healthcare Cooperation Group in France. This constitution of procurement groups also shows the **regionalisation of healthcare procurement**.
Supply chain management and strategic stocks	• **The Covid-19 pandemic** has had a **significant impact on the public healthcare procurement system**. The health crisis has highlighted the **need for flexible and rapid procurement procedures**. During this period, the authorities implemented **special measures** for the rapid procurement of essential medical equipment and medicines, including through **emergency procedures**. This context has accelerated the adoption of **more agile practices** and highlighted the importance of **strategic stocks**. Because of the Covid-19, we observe that many European countries have implemented **practices to increase the supply-chain security**, such as **strategic or emergency stocks**, or have even created a **national reserve**. • Today, within public healthcare procurement, the **supply chain process is much monitored** by procurers before the contracting phase, suppliers are **controlled** and must demonstrate their **supply chain preparedness**, to secure it and **to avoid any product shortages**. • Also, there is a starting development of **European procurement sovereignty to manage and mitigate supply disruptions**, sometimes through joint procurement initiatives or cross border initiatives. However, it seems that **supply difficulties are still present**, even worse, for some categories of products such as **drugs supply**.

Digitalisation of the procurement process	• The **digitalisation** of the public procurement processes **is a reality in Europe**, most of the countries studied have access to **online procurement portals**, which make much easier the **procurement process** for the stakeholders. There is a **shift** to **electronic procurement systems** for greater **efficiency** and **transparency**. • Also, the European portal called Tenders Electronic Daily (TED) is continuously publishing thousands of public procurement notices from the European countries, in a standardised and harmonised manner. There is also an ongoing procurement data European strategy called « Public Procurement Data Space (PPDS) » which would cover the EU datasets (such as tenders published on TED) and the national ones. • In addition to all **procurement platforms**, where **public tenders are published**, many **healthcare procurement players** (as contracting authorities) provide **valuable resources on their own websites**, including **Guides**, instructions, explanation on regulation, other useful documentation that could support any economic operator to submit an offer and to understand the procurement process. • By adopting electronic procurement systems, public procurers are doing their **digital transformation**. Indeed, in Europe there is a digitalisation of the tendering process via an increased use of **digital procurement platforms** and **electronic catalogues**. Contracting authorities are increasingly adopting the **use of digital technologies: electronic platforms, electronic catalogues, procurement management systems, AI and Data Analytics**. • These **digital tools** have become more prevalent, enhancing **communication between suppliers and contracting authorities**. The use of new technology such as **AI and Data Analytics**, are improving **decision-making** and forecast demand accurately. The increasing implementation of digital technologies will continue to transform public procurement, facilitating **faster and more transparent processes**.
Integration of sustainable procurement	• In Europe, there is an **increased emphasis on Corporate Social Responsibility and sustainable procurement** in the healthcare sector. Public and private procurers are looking for **healthcare sustainable products and services with approved functionality**, they are willing to develop the **circular economy**, to promote the **recycling** such as recovery of damaged or defective products and obsolete equipment. Indeed, there is a **European trend towards Green public procurement**. • At a country level, **sustainable public procurement practices** are promoted in accordance with **national policies** and **priorities** through the **implementation of sustainable public procurement policies and national or regional action plan**. • Today, more and more **criteria** used by public procurers in their **tenders** are **reflecting sustainability**, with a holistic approach of **total life cost** and **life cycle effectiveness**. The **integration of green** and **social criteria** in public procurement procedures encourage **suppliers to adopt sustainable and responsible practices**. Indeed, public procurers have begun to pay more attention to the **environmental** and **social impact** of the products and services purchased. However, the full **implementation of green public procurement needs to be extended**, and **additional administrative tools and support** are needed for both procurers and economic operators. • The **increasing integration of sustainable procurement** among the hospital procurement is bringing **more agility to procurers, modularity, resilience** and even promote the **local production** and the **short circuit distribution**.
Value-Based procurement and innovation procurement	• The **Value-Based Procurement** in the Healthcare sector is still **under-used across Europe**; however, it constitutes a **valuable tool**. • In Europe, we observe a **trend** towards the **improvement of the quality/price ratio in the contracting of healthcare supplies and services**. An **efficient public procurement** is defined by the prioritization of the **best quality/price ratio**. • Some public procurers are reflecting on the **cost reduction** and are willing **to redirect the procurement process towards a value perspective** (Value-Based Procurement). The application of value-based criteria in public healthcare procurement is to the detriment of the price factor, because the **focus is put on quality and patient outcomes** rather than just cost. • Indeed, this is **aligned with the development of the value-based procurement framework through the Most Economically Advantageous Tender** (MEAT), which provides contracting authorities with a **flexible and practical tool** to evaluate medical technologies and solutions and apply contract award criteria that take a holistic, value-based approach. • Apart from the Value-Based procurement, we can observe that procurers are **using more innovative procurement practices/tools**, by participating in **international initiatives** on innovative procurement (Public Procurement of Innovation). The initiative of the **Dynamic Purchasing System** is a good practice **to promote procurement of innovation, to integrate innovation through medical technology,** however, it is hard to apply in procedures when there are many lots and several economic operators. • Finally, when it comes to innovation in healthcare procurement, we generally notice that the **use of advanced technologies such as AI and Data Analytics** are supporting the **decision-making process and forecasting.**

Regulatory Compliance	• We observe that there is **more influence of the EU Legislation** on EU Countries Legislation. Most of the countries studied are **adapting their public procurement environment to a stricter regulation** and **standards** – or have already done it. For instance, this is the **standardisation** and the **harmonisation of main procurement technical** (quality standards) **and administrative rules** (public tenders, thresholds). It seems that there is a trend towards a **market homogeneity in Europe in public procurement,** which is structured by **shared guidelines** and **quality standards**. • In general, we observe that among the MS there is an **increasing openness in public procurement** and a **greater focus on clear and accountable procurement practices**, a greater relevance for auditing, better quality and safety standards and, as a result, a **greater transparency and accountability** and a **reduction of the risk of fraud and corruption**. Indeed, we observe a **European trend towards enhanced efforts to prevent corruption** and **ensure transparency** through monitoring and auditing the public procurement cycle. • However, sometimes it appears that it is **complicated for the procurement players to quickly adapt to the evolving regulatory environment** (and more if there is a crisis). In addition, it seems that general rules in the health sector are often difficult to apply, because the regulatory framework has not been designed for the healthcare sector. In any case, the **public procurement regulation is always evolving,** and it **impacts the procedures, thresholds and evaluation criteria,** etc. At the end, the **evolving healthcare regulation is always impacting how healthcare procurement is conducted.**
Involvement of private procurers	• It appears that the **role of private players in the European healthcare sector is growing,** it seems that the number of private players has risen, however, in some countries we observe a **concentration of private procurers i**n the healthcare sector. • **Healthcare private procurers** are looking for the **optimisation of procurement:** targeting a **cost optimisation with full-cost procurement approach**, promoting **volume discounts** and/or launching new initiatives via commitment contracts. However, we observe that in some European countries private procurers are still **price sensitive**. Sometimes the **private market** is still too focused on purchasing at the **lowest possible prices,** striving to balance quality with cost. Indeed, **cost rationalisation** in private procurement is important.
Suppliers & Market competitiveness in the Healthcare sector	• It seems that the **healthcare market is volatile and increasingly competitive**. There is a **wide range of supplier diversity** (including small and minority-owned businesses), which means that there is an active participation from diverse and **small-scale suppliers.** The **increased competition** could be explained by the **greater access to information** has heightened competition among providers, leading contracting authorities to be more selective and focused on quality and efficiency. This **higher supplier competition** is beneficial for supporting common **social objectives** such as **environmental** protection, promoting **innovation, employment**, and **social integration.** • Also, as the **spectrum of healthcare products is expanding,** more and more **economic operators** are entering the sector, which creates **more competitiveness.** In particular, the **digital healthcare sector** (with all the products and services ranges related to it) is **growing in Europe**. • Healthcare suppliers develop **business cooperations** with both **public and private procurers**, and they are willing to build a **strong coordination with healthcare providers.**
External factors with a high impact on the Healthcare procurement environment	• In time of crisis, it is **essential to strengthen the crisis response capacities** of procurers and suppliers. Indeed, the Covid-19 pandemic has highlighted the **need for more flexible and faster procurement systems.** Greater emphasis must be put on **strengthening crisis response capacities**, by developing legal and operational frameworks **to enable rapid procurement in emergency situations** and by **creating strategic stocks** of essential products. • The **European demography** shows that the **ageing population** is increasing, which will also **increase the need for healthcare**. Indeed, **volume of healthcare procurement** is expected to continue **increasing** together with the ageing population. • The **accessibility to the healthcare system and healthcare infrastructures is complicated to be guaranteed** in all countries, at a same level, indeed, there is a **disparity between urban and rural areas** in Europe. This lack of equality of access is also **impacting** how **healthcare procurement is conducted.** • On a broader perspective, **geopolitical and governmental instabilities**, the rising **cost of energy** and rising **cost of production** in Europe have also an **impact** on the healthcare procurement. These **external factors** might **reinforce the economic and budget constraints of public and private procurers in the healthcare sector**.

CONCLUSIONS

7

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7.1
Key results of the Observational Study

The "*Observational Study on European Healthcare & Public Procurement Environment*" is one of the main outcomes of the first phase of the PROCURE project and constitutes the baseline for the next project's activities, together with the development of the Digital Statistical Tool. The key findings of this Observational Study are useful to support and to identity the best procurement practices across Europe in the healthcare sector and to define the tailored recommendations per Member States.

The Observational Study is a final report, that combines the whole methodology process of the Study, the 10 Identity Cards (from the 10 Member States involved in PROCURE: Austria, Belgium, France, Greece, Hungary, Italy, Portugal, Romania, Spain and Sweden) and the Comparative Analysis. The essence of this Observational Study is indeed the material gathered from the 10 Member States thanks to the Country Nodes establishment, which enables to provide answers about the functioning of the healthcare systems and to better understand the public procurement practices and main barriers in the healthcare sector across Europe. As a results of this Observational Study, we have extracted general trends, that apply to the healthcare systems and the healthcare procurement environment among the Member States involved in the PROCURE project.

We have observed **common shifts** that are taking place in the European healthcare systems such as the optimisation and concentration of the healthcare system, the growing involvement of the private sector, the increasing digitalisation of the whole healthcare system (patient management autonomy, remote care, wearable technology and data) and therefore the changing role of healthcare providers and finally the slow but sure integration of innovation (value based care, preventive healthcare, personalised medicine, genomics, robotics) and sustainability in the healthcare system.

However, we also have observed **common challenges in Europe** that are known but they still need to be addressed such as the consequences of the ageing population, then the growing needs of healthcare services (home care, elderly care), the rising healthcare expenses, the unequal access to healthcare, the lack of healthcare professionals and, in the end, the pressure on the public healthcare systems due to evolving regulations and policy changes.

About the healthcare procurement environment, we also have noticed **common shifts** in Europe, such as the increasing mutualisation and optimisation of the healthcare procurement (total cost approaches and economy of scale), the improvement of the supply chain management (by monitoring and auditing) and the creation of strategic stocks of supplies, the progressing digitalisation of the procurement processes (procurement tools and procurement of digital health products and services), the gradual integration of sustainable procurement due to the increased awareness from procurers and suppliers, despite of the complexity of defining sustainable criteria, the growing use of innovation procurement despite of the still not enough developed value-based procurement habit, the higher level of regulatory compliance in procurement from stakeholders, the growing involvement of private players and the intensive market competitiveness between suppliers in the Healthcare sector.

With no surprise, the **procurement challenges** in the healthcare sector are the same in Europe. We highlight the needs to strengthen the crisis response capacities of procurers and suppliers to enable rapid procurement in emergency situations (in relation to the Covid-19 pandemic experience), the increasing ageing population, which is impacting the needs and volume of healthcare procurement and finally the geopolitical, political and economic instabilities (conflicts, social crisis, financial reforms, nationalism, inflation, etc.) that might reinforce the budget constraints of public and private procurers in the healthcare sector and that might limit collaborative initiatives between European procurers.

7.2 General conclusions

One of the **main methodology outcomes** of the Observational Study is the **Country Nodes set up** in each Member States participating in the PROCURE project, together with the development of the initial Matrix (then split into several standardised questionnaires) which covered the topics to be included in the Observational Study. Through Country Nodes, that constitutes a working group made of several organisations from one unique country and **led by a Country Leader involved in PROCURE**. It gathers all the healthcare organisations that have participated to the Observational Study by sharing their knowledge and perspectives. The **Matrix** – in fine the questionnaires – constituted the **main tool** that has been disseminated within those Country Nodes and has been used to collect the raw material from the different healthcare organisations, it means, from **contracting authorities, private procurers, healthcare institution and suppliers.**

As a results, **148 healthcare organisations** coming from the **10 Country Nodes** have participated to the PROCURE Observational Study, replying to the questionnaires: 65 were suppliers, 57 were contracting authorities (subject to the public procurement European directive), 17 were private procurers (not subject to the public procurement European directive) and 9 were healthcare institutions. Their answers consolidated were the substantive content for the elaboration of the **ID Cards** per Country Node and the comparative analysis of this Study.

However, it is important to note that **the Country Nodes were not uniform across the 10 Member States**, as each country—or even region—has its **own unique characteristics** within the healthcare sector. One of the **main challenges** faced by almost all Country Leaders was **encouraging healthcare institutions and private procurers to join the Country Node** and participate in the Observational Study by sharing their qualitative data. Additionally, many healthcare public procurers encountered **difficulties** in engaging with the Observational Study, often due to **time constraints or limited resources** available to complete the questionnaire.

The **10 Country Leaders** have been **highly engaged** during the development of **the Observational Study**, which has been defined by a continuous **collaborative work** between the PROCURE partners. The Country Leaders have worked together in an efficient way, despite of the tight schedule, the languages barriers and the difficulties in the qualitative data collection phase among the healthcare organisations.

Indeed, **Resah** as leader of the Observational **Study**, offered a **full guidance in the methodology process**, to support each Country Leader in their activities, from the Country Nodes establishment, the translation and dissemination of the questionnaires, the data collection through the online surveys, the data centralisation, the ID Card template and finally the proofread of the final versions of the ID Cards. During the data collection phase, several methods have been implemented by the Country Leaders to faster the process, such as webinars, focus group, working group or individual meetings. These collaborative methods have been very productive and have been time saving for all Country Leaders and participants.

The final consolidation of the qualitative data has been done by Resah and consisted in developing a **Comparative Analysis**, based on the content of the 10 ID Cards. It has been an intense work of **data consolidation and synthesis**, that allows highlighting the **key findings on the healthcare systems and on the healthcare public procurement practices across Europe**. To illustrate the essential information of each Member State, as simple as possible (considering the amount of information contained in each ID Card) Resah decided to design several tables of synthesis, country per country. In addition to those tables of synthesis, Resah elaborated an analysis showing the **main similarities and differences among the Member States**, mostly focusing on the key practices of procurement performance, the **mains suppliers' perceptions** on procurement, the Covid-19 and the resulting Best Practices. Finally, Resah extracted from the ID Cards the **main trends**

on the healthcare systems **and the main trends** on the healthcare procurement environment in Europe to build the conclusion of the Comparative Analysis.

The **Observational Study** represents in the end a **useful tool and a valuable outcome** for the next phases of the PROCURE project, which are the identification of key elements for successful public procurement practices in the healthcare sector, the elaboration of innovative public procurement strategies and the generation of tailored recommendations on public procurement in the healthcare sector across Europe. Indeed, this Observational Study as a **baseline of the PROCURE project** will help the organisations involved to **develop actions plans** that address key topics such as procurement practices, lessons learned from Covid-19 and sustainable procurement, while helping **to build a more resilient and efficient procurement process across Europe.**

The Observational Study on European Healthcare & Procurement Environment is a study elaborated and produced in the scope of the PROCURE European Project.

PROCURE, www.projectprocure.eu, is a EU Project supported and funded by the European Commission that brings together 23 partners from 10 EU countries, including public and private organisations (public buyers, central purchasing bodies, regional health agencies, alliance of private hospitals, suppliers, etc.) and other supporting organisations involved in healthcare public procurement, to undertake an assessment of public procurement practices to ensure they are managed effectively and efficiently.

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