

Supply chain management and collaboration: cardiology device procurement

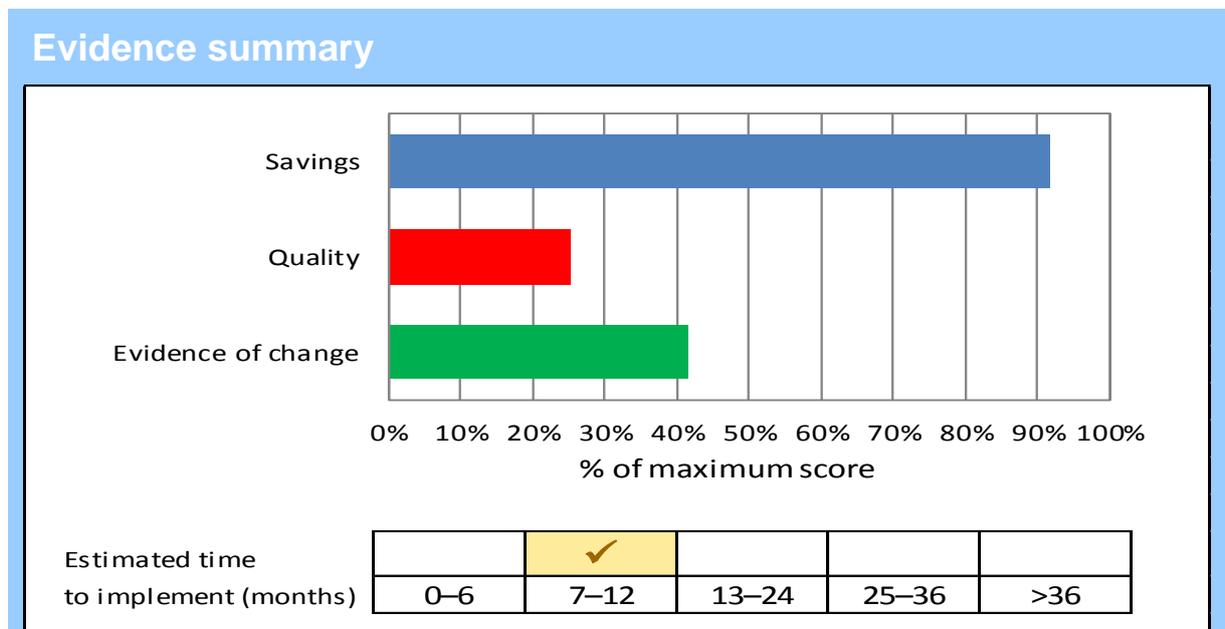
Provided by: Avon, Gloucestershire, Wiltshire and Somerset Cardiac & Stroke Network

Publication type: Quality and productivity example

Sharing good practice: What are 'Proven Quality and Productivity' case studies?

The NICE Quality and Productivity collection provides users with practical case studies that address the quality and productivity challenge in health and social care. All examples submitted are evaluated by NICE. This evaluation is based on the degree to which the initiative meets the NICE Quality and Productivity criteria: savings, quality, evidence and implementability. The first 3 criteria are given a score which are then combined to give an overall score. The assessment of the degree to which this particular case study meets the criteria is represented in the summary graphic below.

Proven Quality and Productivity examples are case studies that show evidence of implementation and can demonstrate efficiency savings and improvements in quality.



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Changes since the previous version

Published Quality and Productivity case studies are reviewed annually. One year after the case study has been published on the NICE Evidence search website, the submitter of the case study is contacted to ask if there is further information relevant to the case study, and the case study updated as required. Any changes to this case study are outlined in the table below.

Case study section	Update
Introduction	The case study was originally published in December 2010. The last review and update was carried out in 2013. One of the participating centres has left the collaborative procurement hub and is now working alone. Because of the work and effort taken with supplier relationships, it has been possible to absorb the impact of the volume changes incurred by the exit of that trust.
Savings	Net cash-releasing efficiency savings of £1.5 million for a population of 2.35 million are anticipated for the 2015/16 financial year. This equates to £64,000 per 100,000 population.
Quality	No change to this section.
Evidence	No change to this section.
Implementation	No change to this section.

Details of initiative

Purpose	To improve the efficiency of supply chain management and collaboration in the procurement of cardiac devices and consumables.
Description (including scope)	<p>This initiative helps organisations within a large geographical area (in this case the South West) to smooth price differentials while maintaining choice for clinicians and focusing strongly on quality. This case study describes a collaborative approach across 10 interested NHS acute trusts in the region for procuring cardiology products.</p> <p>In the past the process for procuring cardiology products within the South West was fragmented, resulting in a wide range of prices for similar products. It was important that any savings be achieved with full clinical engagement in the process and without compromising clinical choice. In February 2009, a partnership agreement was formalised between the Peninsula Purchasing and Supply Alliance (PPSA) and the Avon, Gloucestershire, Wiltshire and Somerset (AGWS) Cardiac and Stroke Network.</p> <p>Successful collaboration across the South West has provided opportunities to exploit volume leverage within the cardiology market and created pathways to start improving the service provision at each individual centre.</p> <p>The collaborative approach ensures aggregation, and economies of scale are combined with a once-only approach to the supplier market. Clinical engagement and support is critical to promote innovative and cost-effective solutions across the AGWS Cardiac and Stroke Network. A band 6 category buyer is needed to support this procurement work.</p> <p>Building on existing relationships and having effectively introduced contracting control across the network, the longer term aim of the strategy will be to focus on service line costing of each tariff in line with the wider Quality and Productivity agenda.</p>
Topic	Procurement, acute/urgent care and planned care.
Other information	No further information provided.

Savings delivered

Amount of savings delivered	Net cash-releasing efficiency savings of £1.5 million for a population of 2.35 million are anticipated for the 2015/16 financial year. This equates to £64,000 per 100,000 population.
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Type of saving	Real cash savings from a reduction in non-pay costs.
Any costs required to achieve the savings	An investment of £70,000 was required over an initial 2-year period 2008/9–2009/10. This investment funded a band 6 category buyer for 2 years to support this procurement work.
Programme budget	Problems of circulation
Supporting evidence	Between 2008 and 2015, the initiative has delivered recurring cash-releasing efficiency savings (through contract awards and annual price reviews) amounting to £4.3 million. Of these savings £3.4 million was from the pacemaker and ICDs contract and £0.9 million from the interventional cardiology contract. All the savings were achieved through reduced non-pay expenditure.

Quality outcomes delivered

Impact on quality of care or population health	Clinical quality is not affected because there is no change to the way patients are treated. The focus of this initiative is procurement. Patient quality of care could be enhanced if the initiative can provide access to improved technology at a similar or lower price.
Impact on patients, people who use services and/or population safety	There is no impact on patient safety because the way devices are purchased has no direct impact on patient treatment.
Impact on patients, people who use services, carers, public and/or population experience	Not anticipated to have any impact on patient and carer experience.
Supporting evidence	<p>Through this collaboration there has been strong clinical engagement in the procurement process. Because the volume of devices/consumables is large, it has been possible to retain a high level of clinical choice while reducing the difference in prices across the trusts in the collaboration.</p> <p>There are patterns of activity across a number of centres and these can be commercially exploited to benefit everyone.</p> <p>This collaborative approach helps to create relationships between local procurement groups and plans for future activity.</p> <p>Previously local clinicians and administrative staff negotiated and administered individual contracts. Using a single approach to the market on behalf of numerous trusts, the PPSA is able to free up administrative time locally for both clinical and procurement staff.</p>

Clinical time could be redirected to patient care and administrative time to other projects.

Evidence of effectiveness

Evidence base for case study	Informed by local opinion.
Evidence of deliverables from implementation	Example is across 1 Clinical Commissioning Group involving 10 acute trusts for pacemakers and implantable cardioverter defibrillators and 9 acute trusts for interventional cardiology. The partnership is between the PPSA and the AGWS Cardiac and Stroke Network.
Where implemented	NHS South West.
Degree to which the actual benefits matched assumptions	High (more than expected).
If initiative has been replicated how frequently/widely has it been replicated	The PPSA is planning to work with the other South West clinical networks to derive similar benefits in other disease areas.
Supporting evidence	The collaborative approach has enabled open, strong, clinically led procurement in cardiology. It has brought transparency and enhanced governance in device implementation. It has also helped to improve communication if there are any significant issues/problems.

Details of implementation

Implementation details	The project started as an AGWS Cardiac and Stroke Network trial with the PPSA. The trial's positive results led to a formal partnership and AGWS Cardiac and Stroke Network funding of a band 6 category buyer. The clinical work of the Network is steered by the Cardiac Clinical Reference Group, which makes clinical recommendations to the Board. The Clinical Reference Group also acts as a steering group for the project, while PPSA staff link with cardiologists across the region to ensure delivery.
Time taken to implement	The project took less than a year to implement.
Ease of implementation	The initiative was originally adopted by 12 out of 13 acute trusts across the South West Clinical Commissioning Group and the

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impact has been substantial.

The changes required involve support functions rather than clinical practice or major organisational change. Although multiple organisations are involved, the level of change within each organisation should be easy to implement.

The changes require building clinical relationships between organisations, which may already exist if a clinical network exists. This may take longer if such a network does not already exist.

Level of support and commitment

Likely to achieve good buy-in from key influencers.

Barriers to implementation

Two acute trusts out of 13 have now chosen to stay outside the arrangement because they felt they could achieve better savings by doing so. Both trusts are using our collaborative pricing to benchmark better pricing, but based on recent benchmarking neither trust has achieved savings greater than those available under the collaborative agreement, and in some cases have incurred costs on a product-by-product, device-by-device basis. It is expected that small local gains or losses would be overridden by wider gains.

Risks

The main risk was that organisations would be reluctant to change their normal purchasing arrangements and that vital clinical engagement would be lost. Good communication from the PPSA team and the support of the Cardiac Clinical Reference Group helped the initiative to work smoothly. There were also significant cost benefits, without affecting clinical choice, and the project was deliberately managed to enable this. The cost benefits could have been even greater but clinical support would have been lost.

Supporting evidence

No further information provided.

Further evidence

Dependencies

No information provided.

Contacts and resources

Contacts and resources

If you require any further information please email: [Quality and Productivity@nice.org.uk](mailto:Quality_and_Productivity@nice.org.uk) and we will forward your enquiry and contact details to the provider of this case study. Please quote reference 10/0023r in your email.

[SeQuent Please balloon catheter for in-stent coronary restenosis \(2010\) NICE medical technology guidance 1](#)

[Endovascular stent-grafts for the treatment of abdominal aortic](#)

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[aneurysms](#) (2009) NICE technology appraisal guidance 167

[Drug-eluting stents for the treatment of coronary artery disease](#)
(2008) NICE technology appraisal guidance 152

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