Healthcare eProcurement Challenges for efficiency
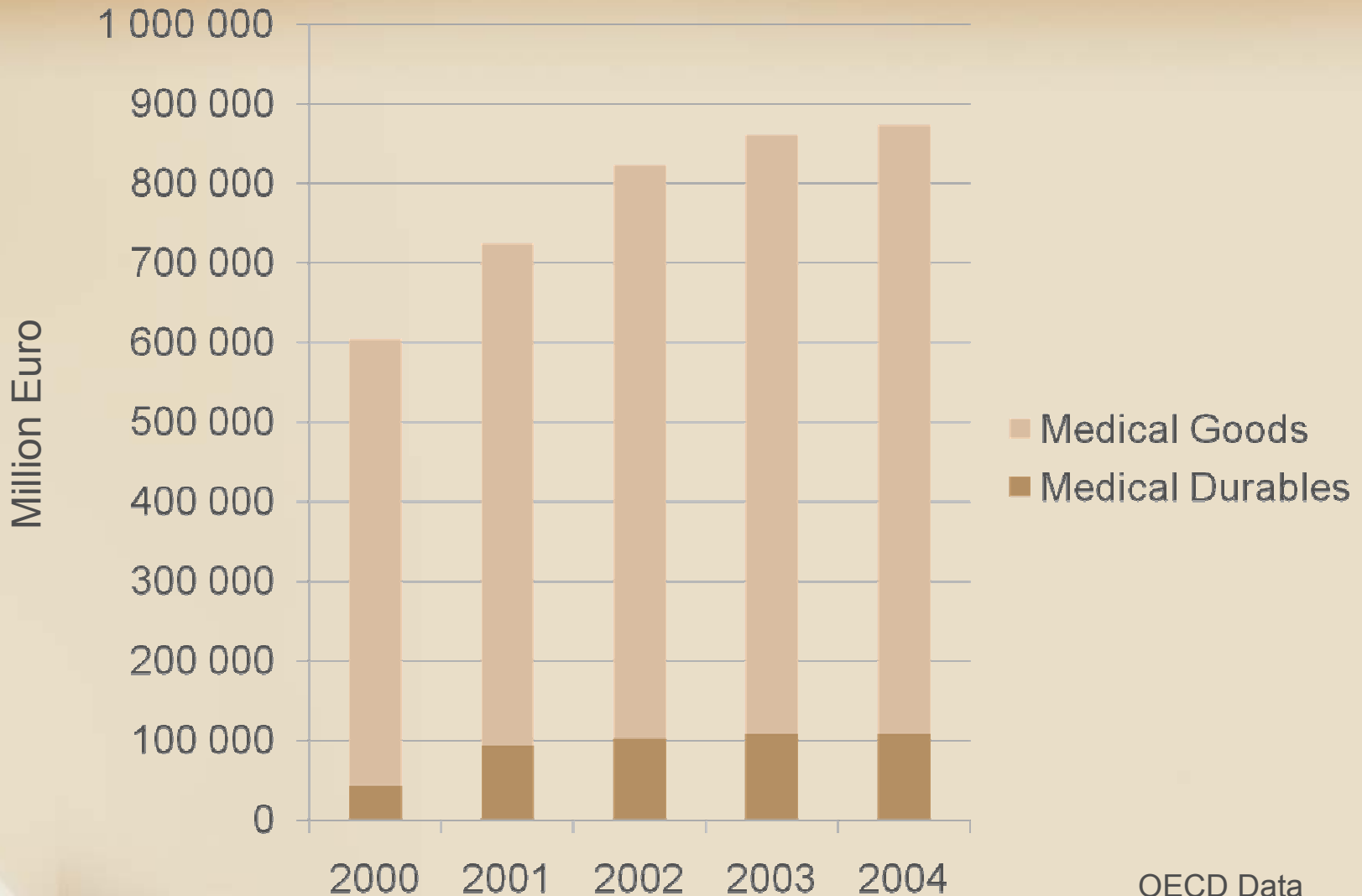
Kostis Kaggelides

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problem statement

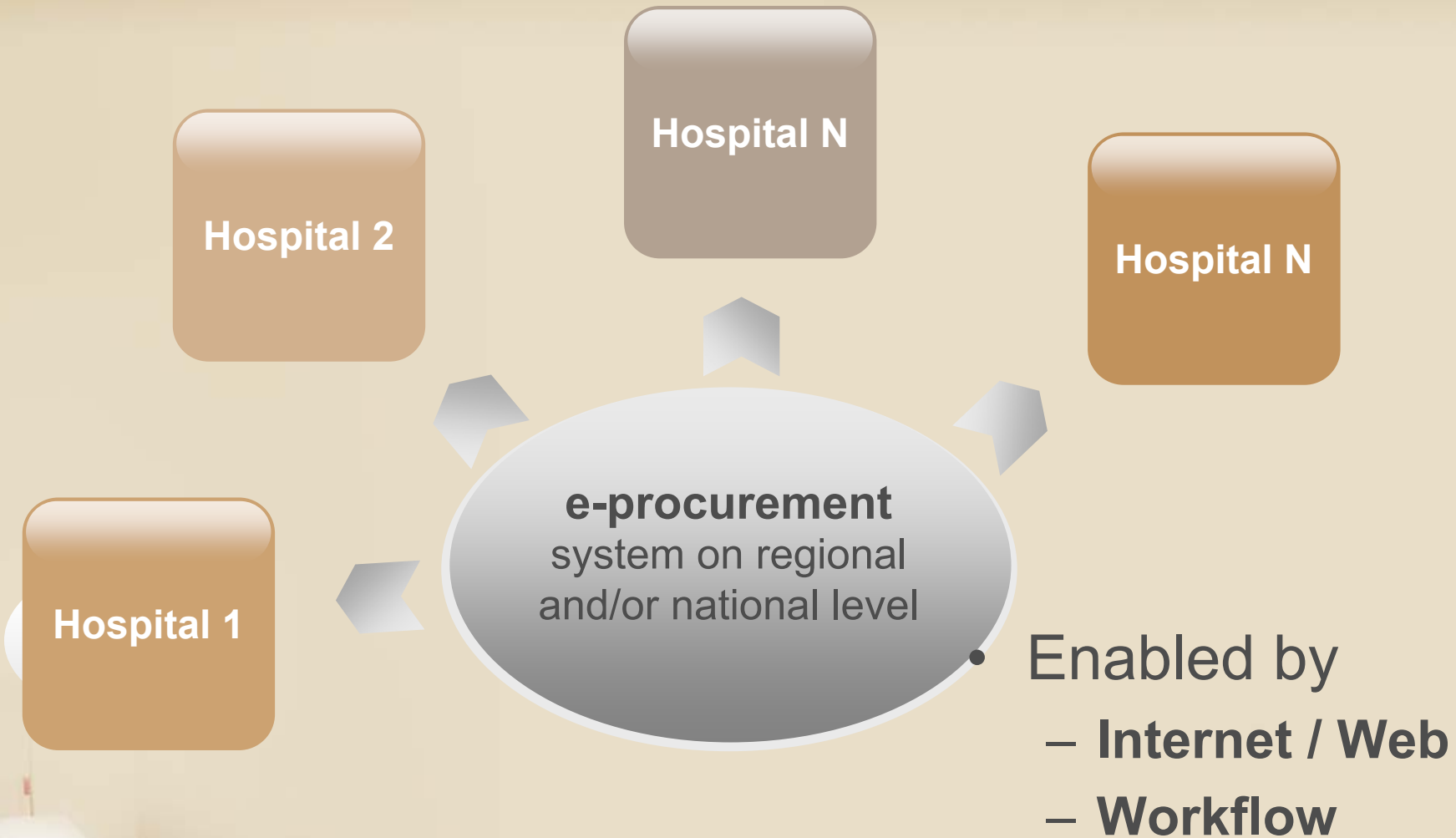- Increasing Healthcare expenditure
- Insurance Funds in trouble
- Low wage countries invade medical consumables with high risk products
- … but also complaints for efficiency and service

- Standards conformance in medical supplies
- Transparency and the public nature of healthcare

expenditure growing

- Medical Goods
- Medical Durables

OECD Data

e-procurement system

Hospital N

Hospital 2

Hospital N

Hospital 1

e-procurement
system on regional
and/or national level

- Enabled by
  - **Internet / Web**
  - **Workflow**

How are things improved ?

- Process Efficiency
  - **Exploit Group Buying**
  - **Better Needs Analysis**
  - **Decrease Maverick Buying**
  - **Centrally Managed Catalogues**
  - **Avoid risky products**
- Market Efficiency
  - **Transparent information introduces new players**
  - **Advanced winner determination mechanisms**
  - **Single European Electronic Market**

system description 1

Catalogues

Codification Multilingual

- GMDN & CPV
- Catalogue Governance

Demand Planning
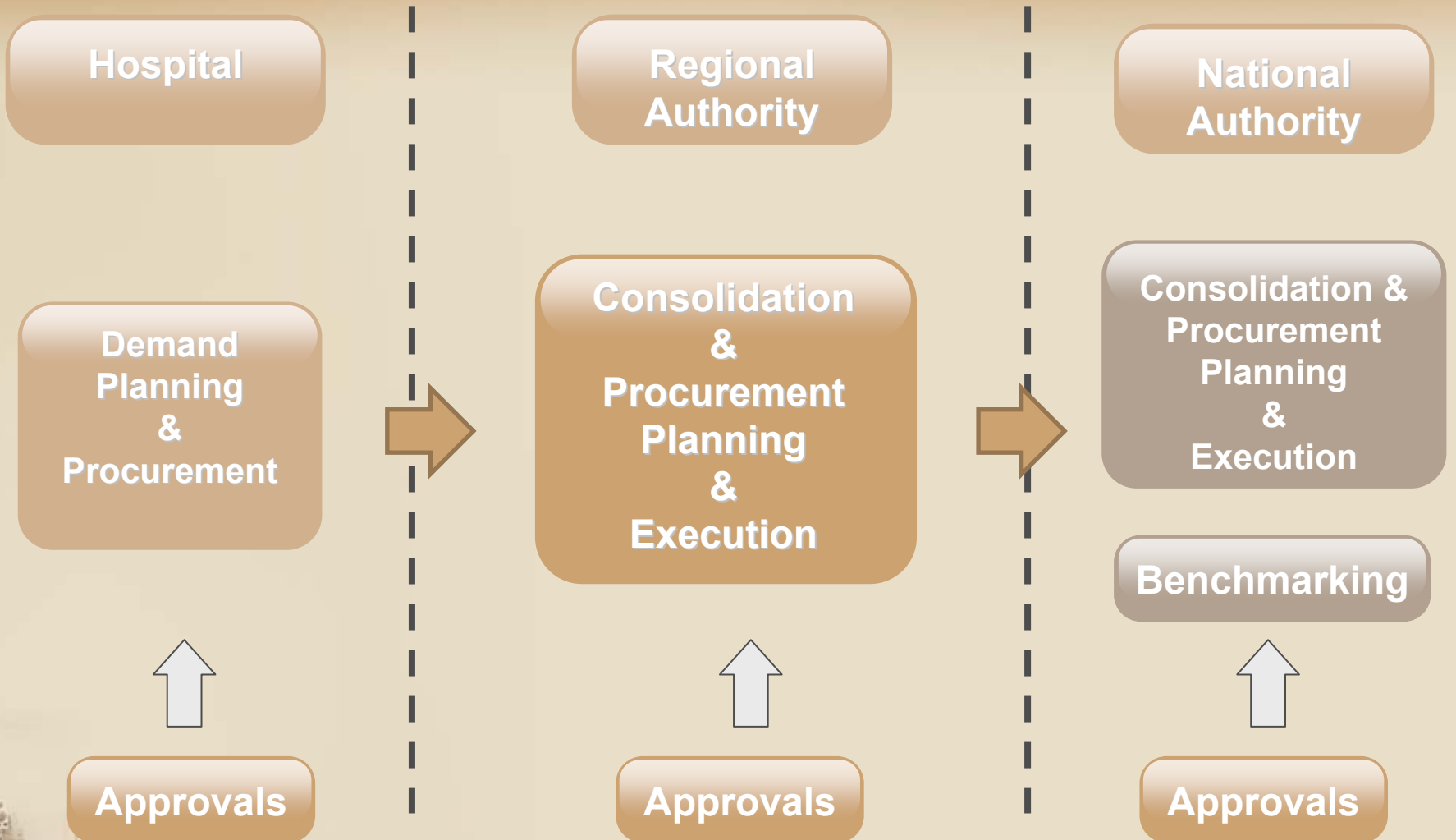
Workflow

- Usable
- web solution
- ERP interoperable

Tendering Auctioning

Paper compatible Electronic Auctions

Supplier Portal

Tender & Contracting Information

system description 2

Hospital		Regional Authority		National Authority
Demand Planning & Procurement	→	Consolidation & Procurement Planning & Execution	→	Consolidation & Procurement Planning & Execution
				Benchmarking
⬆		⬆		⬆
Approvals		Approvals		Approvals

take care of

- User Acceptance (web)
- Flexibility (no revolution overnight) (conventional compliance)
- Security and Trust (acceptance)
- Interoperability (technology)
- Cost of Ownership (footprint)
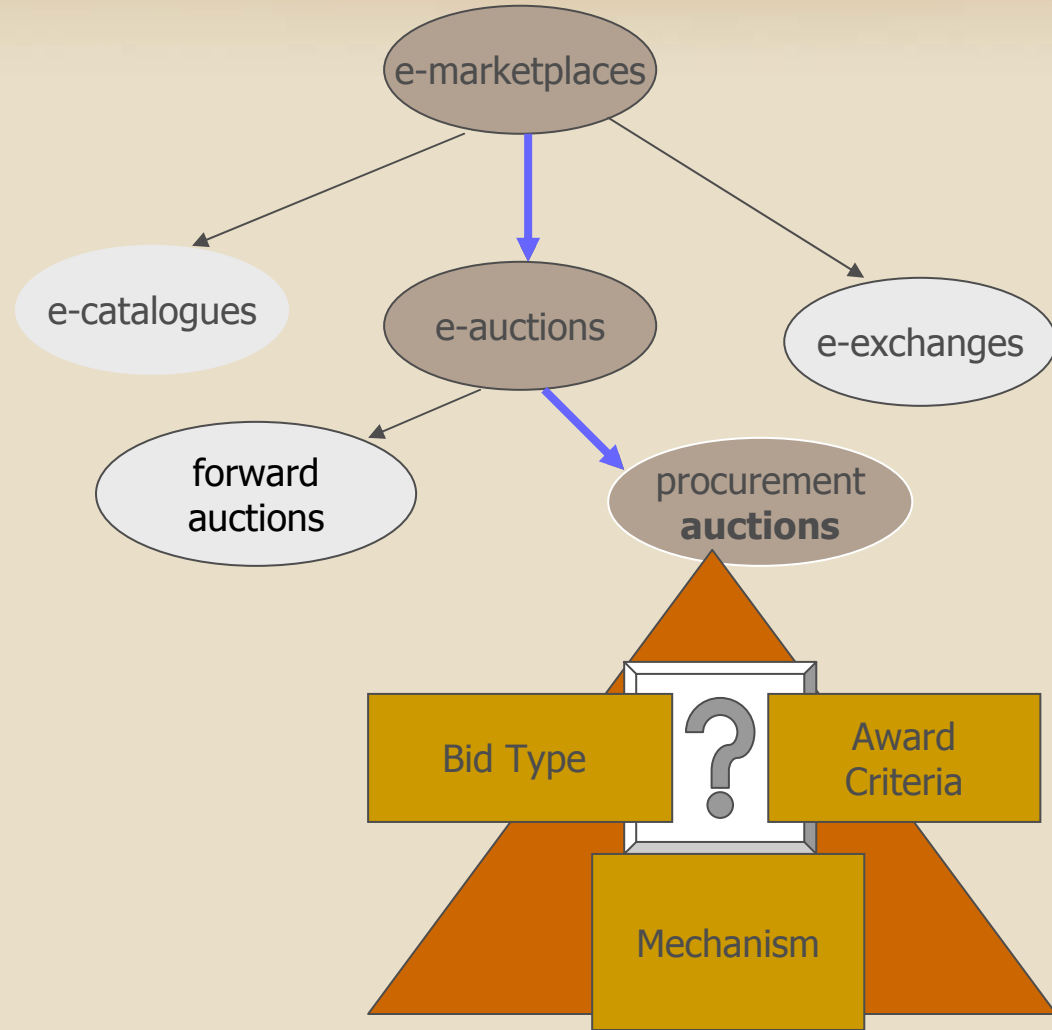- Process Improvement (change management & technology)
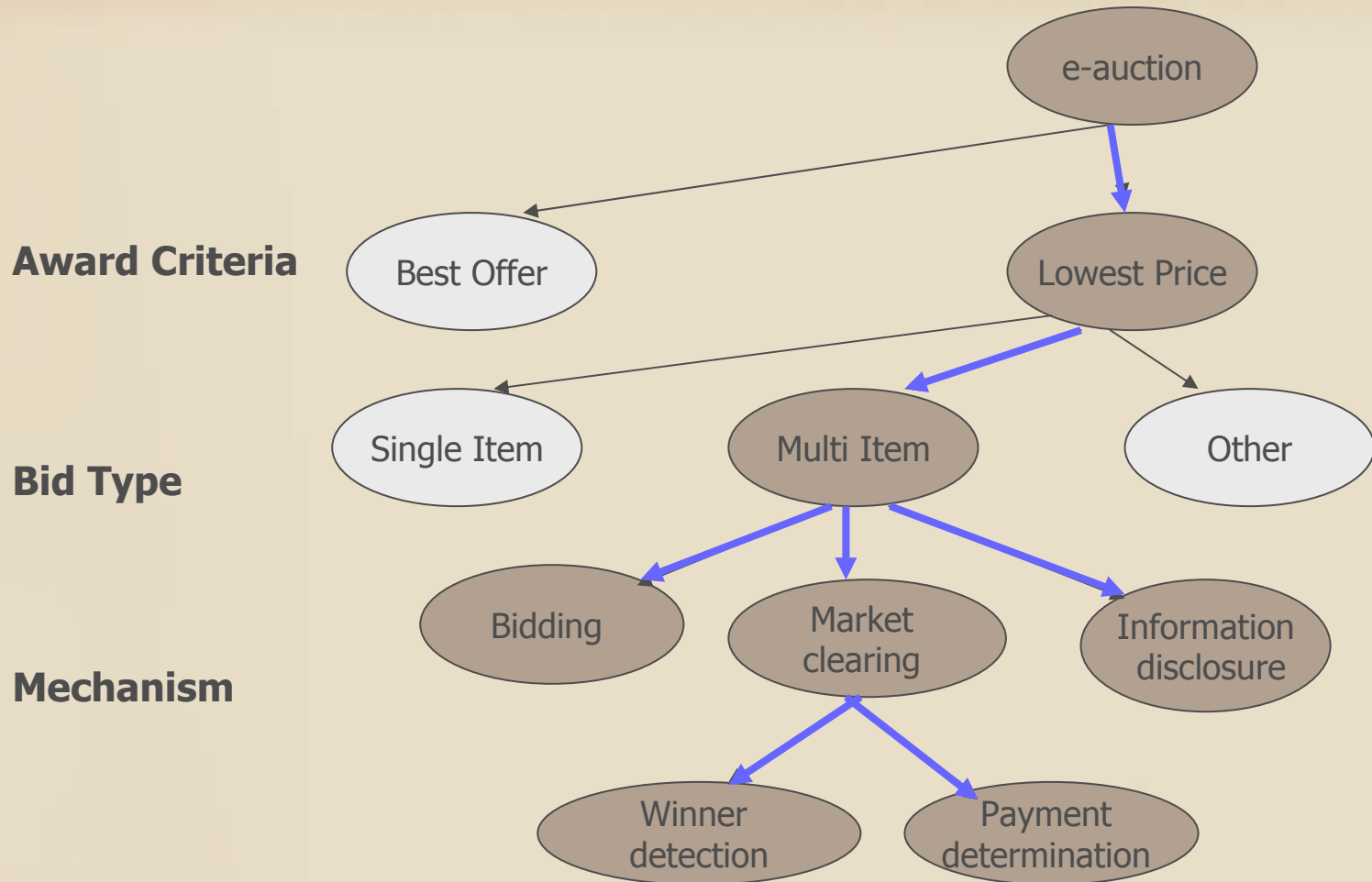
increasing market efficiency 1

Pricing Clearing

e-catalogues — e-auctions — e-exchanges

Buy or Sell

forward auctions — procurement **auctions**

Auction Design

Bid Type — ? — Award Criteria — Mechanism

increasing market efficiency 2

a special issue: security

- Conventional "paper" procedure MS Word time locked documents

- Supplier authentication and non repudiation

- Organization executives authentication and non repudiation

- Auction bids security

- Products verification in relation with regulating bodies

- Global Trust Center compliant solution

Current status

- System application in the region of Macedonia and Thrace
- Project implementation in 10 months
- User acceptance completed
- Deployed in 12 hospitals
- Service to be launched end of year

and a slide for gnomon
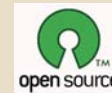
IT Strategy
Project Management

Consulting

Areas

eGoverment
eHealth
eProcurement
eCulture

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Thank You!

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