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NHS procurement changes simply don't go far enough

Buyography

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Over the years, the Department of Health has published many procurement strategies. This time around the NHS e-procurement strategy is certainly a step forward. But whether it goes far enough is questionable, particularly as some shortfalls are evident.

Significant headway has been made in terms of NHS purchasing, and it is now mandatory for healthcare organisations and their supply chains to adopt GS1 coding standards. This is an absolute must, and the benefits of being able to electronically track and trace medicines and devices to a specific patient are undisputed.

The new central procurement list is aimed at ensuring hospitals get the best price for supplies. The government has committed to making savings of £1.5 billion to £2 billion on procurement by the end of 2015/16, with approximately a third of these savings expected to be made through the list. But the strategy is too late to make an impact on the funding issues the NHS is facing in the short term.

Despite more reports, and more requirements placed upon trusts, there remains a lack of available help or practical guidance for trusts to really understand what they need to do and how to fund it in times of cost restrictions.

The strategy identifies that procurement needs data, but where is the real working relationship with the clinicians that links products, price, quality and outcomes? The benefits of inventory management as core to supply chain improvement is also disappointingly underestimated. The strategy misses the importance of improving the internal supply chain to release valuable clinical time from materials management, improving information and visibility across all the teams in the trust.

There appears to be a heavy focus on electronic trading using standard datasets to GS1 standards and price monitoring of supplies only as a means of creating savings, which is an isolated view overlooking consistency of supply and the current contracts a trust has in place. No one working in this sector can deny there is variation in pricing, but is simply monitoring prices enough? Is it the full picture?

The NHSSC EDC system is recommended as a basic inventory management tool that will suffice for most trusts. However, it is only an electronic order tool; it will not enable some of the later requirements highlighted in the strategy.

A further key part of the strategy is to establish a single NHS spend analysis and price benchmarking service. But there appears to be no clear understanding of the impacts of the pricing analysis. For instance, if a trust finds out they are paying more, what's the outcome?

Although there are clearly some valid points, to some extent it may be yet another strategy produced in isolation. It will help change the procurement landscape, but to achieve total transformation and overcome the challenges of inherently inefficient processes and dysfunctional supply chains, it needs to take leaps forward. In particular I feel it fails to adequately cross-relate to other government requirements such as tracking medical implants, and patient level costing.

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