

Highly centralised  
procurement of  
medicines in the NHS  
hospitals in England.

# The National Health Service

- Each country within the UK has its own service

England

Wales

Scotland

Northern Ireland

# But

To pharmaceutical suppliers the UK is one market

Therefore there must be exchange of information  
and some collaboration for market management.

# Division of NHS

- Healthcare is provided by 2 key divisions

Primary Healthcare

Secondary Healthcare

# Division of NHS

- Healthcare is provided by 2 key divisions

Primary Healthcare

Secondary Healthcare

Primary healthcare spend approximately 70% of the spend on medicines.

We are concerned only with secondary healthcare

BUT must be mindful of the impact on primary healthcare budgets

# Map of English SHA



# Within each SHA

- Acute care is provided by NHS Trusts
- Most but not all trusts have one major hospital.
- The Chief Pharmacists of all the trusts in an SHA meet regularly and procurement of medicines is always on the agenda

Involvement is vital

# Within each SHA

- Trusts work together as a consortium
- There may be one or two consortia per SHA
- The consortia are run by representatives from each trust
- Each SHA will employ a

Regional Specialist Procurement Pharmacist

# National Picture

- Strategic matters are decided by the National Pharmaceutical Supply Group

Membership is

Chief Pharmacists

Regional Specialist Procurement Pharmacists

- Operational matters are decided by Pharmaceutical Market Support Group

Membership is

Regional Specialist Procurement Pharmacists

# Contract Administration

- NHS Commercial Medicines Unit
- Key roles
  - Place EU advertisement
  - Collate responses
  - Provide specialist advice
  - Notify outcome to suppliers and trusts
  - Data Management
  - Horizon scanning

# Data Management (Pharmex)

- CMU collect every purchase transaction from every purchasing point.
- This gives
  - Accurate usage data
  - A report on compliance
  - Savings reports

# Data Management (Phacter)

- CMU collect data on every contract offer and award
- This gives
  - Analysis of trends of prices
  - Market share
  - Optimization of awards to allow market management

# Length of contract

- Each contract lasts for 2 years with an option to request extension for a further 2 years.
- Prices fixed for first 12 months
- Extension gives supplier opportunity to revise price ( up or down)
- Exception is transition products

# Transition products

- Products which move from branded to generic,  
Aim must be to optimise savings
- Award too early
  - Price might not have bottomed out
  - Might keep new suppliers out of the market
- Award too late
  - Do not get maximum savings

# Transition Products

- Use judgement to set up an initial contract to cover all groups but the contract will have optional end dates.
- After 3 months 2 divisions will drop off and do another contract
- After 6 months another 2 divisions will drop off
- After 9 – 12 months the remaining divisions will drop off

# Levels of contract

- National 100%
  - Ie generic products used in secondary and primary care
- National 33% ( 2 divisions)
  - Ie generic products used mainly in secondary care
- Consortia
  - Branded medicines
  - Specialist eg intravenous fluids
- Hospital or Trust

# Adjudication Criteria

- Eligability

- Price

- Technical acceptance

  - Supplementary data (stability, displacement values etc)

  - Medication Error Potential (pack design & labelling)

  - User issues (provision of technical data)

- Supplier performance

- Market management

# Nature of the contract

- Product based
- Therapy based
- Homecare services

# Commitment to the contract

- The contracts are framework

There is no commitment by trusts to buy a specified quantity within the contract period.

- However

Because of the involvement of pharmacists compliance is generally good.

# Key Points

- The 4 countries of the UK work independently but exchange information
- Procurement is regarded as an important function of the hospital pharmacist.
- Hospitals co-operate to mutual advantage
- Contracting must be done at the appropriate level.
- Data is very important
- Security of supply vital

Thank you