



Clinical involvement in the UK tender process

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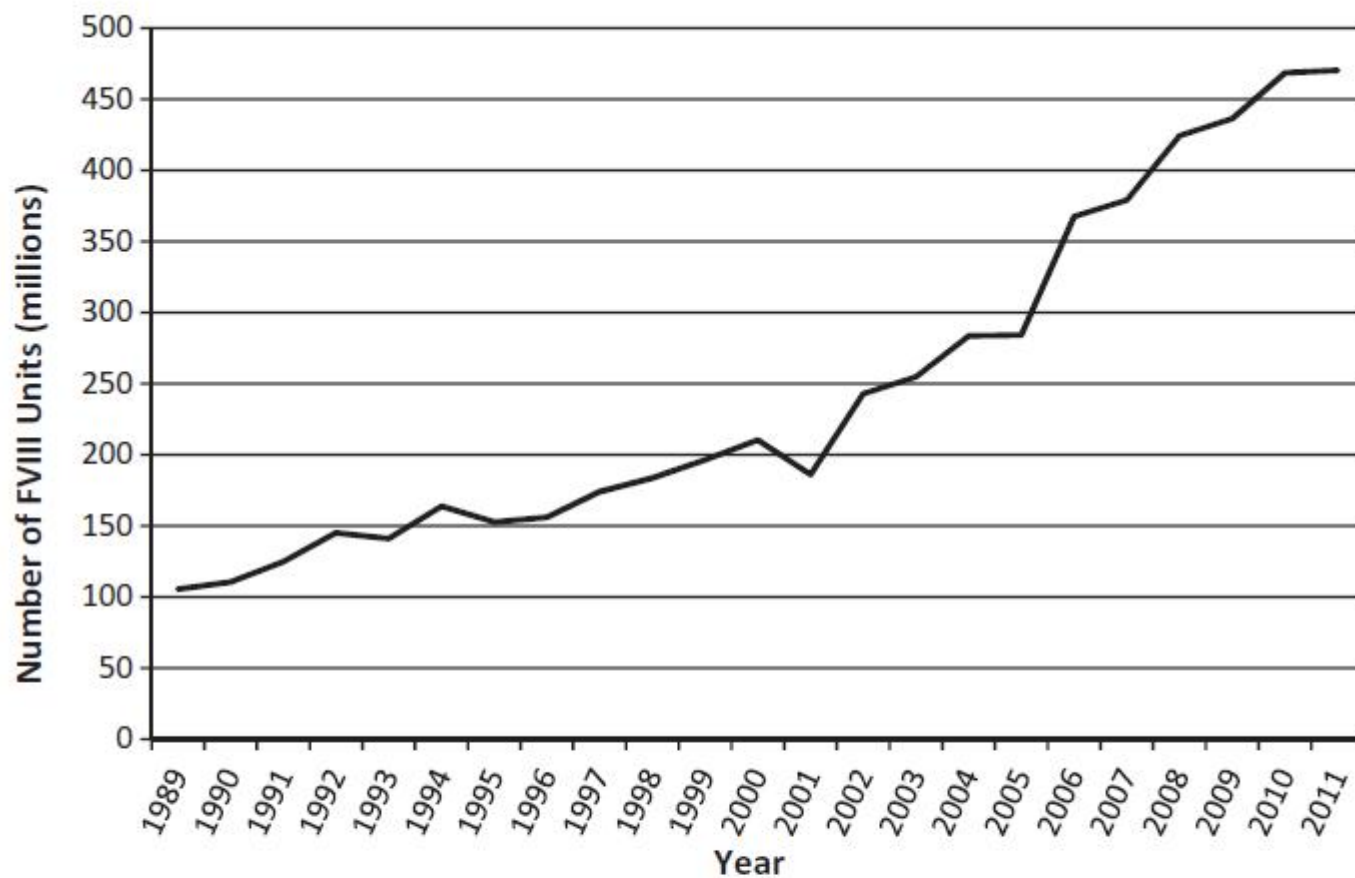


Fig. 1. Annual UK factor VIII usage per calendar year, 1989–2011, inclusive. This shows a greater than fourfold increase in factor VIII consumption over two decades. The dip in usage in 2001 corresponded to the interruption in supply of Kogenate and Helixate, which halved the UK supply of rFVIII for 18 months, highlighting the importance of security of supply.

UK tender process:

Hay CRM. Haemophilia 19: 660-667 (2013)

- Individual centres negotiated contracts before 2004: great variability in price
- Policy of recombinant for all launched in 1996 but took until 2005 to be fully adopted
- Four national procurement exercises:
 - 2004-2006
 - 2007-2010
 - 2010-2014
 - 2014-2017

Objectives:

Hay CRM. Haemophilia 19: 660-667 (2013)

1. Establish a national framework contract for the whole UK (except Scotland) to run for 2 years with an option to extend for a further year.
2. Induce the manufacturers to behave in a truly competitive way to achieve maximum reduction in unit price.
3. Maintain plurality in the marketplace, retaining all of the suppliers.
4. Maintain some degree of prescribing freedom.

UK national procurement:

- Price of products has fallen significantly:
 - Savings of GB£ 260 M
 - “We probably have the lowest recombinant factor VIII prices in Europe, if not the world”
UKHCDO Annual Report, 2010
 - Price now lower than plasma-derived factor VIII products
- No resistance to switching from patients
- No increase in incidence of inhibitors

Hay C et al. Haemophilia 21: 219-226 (2015)

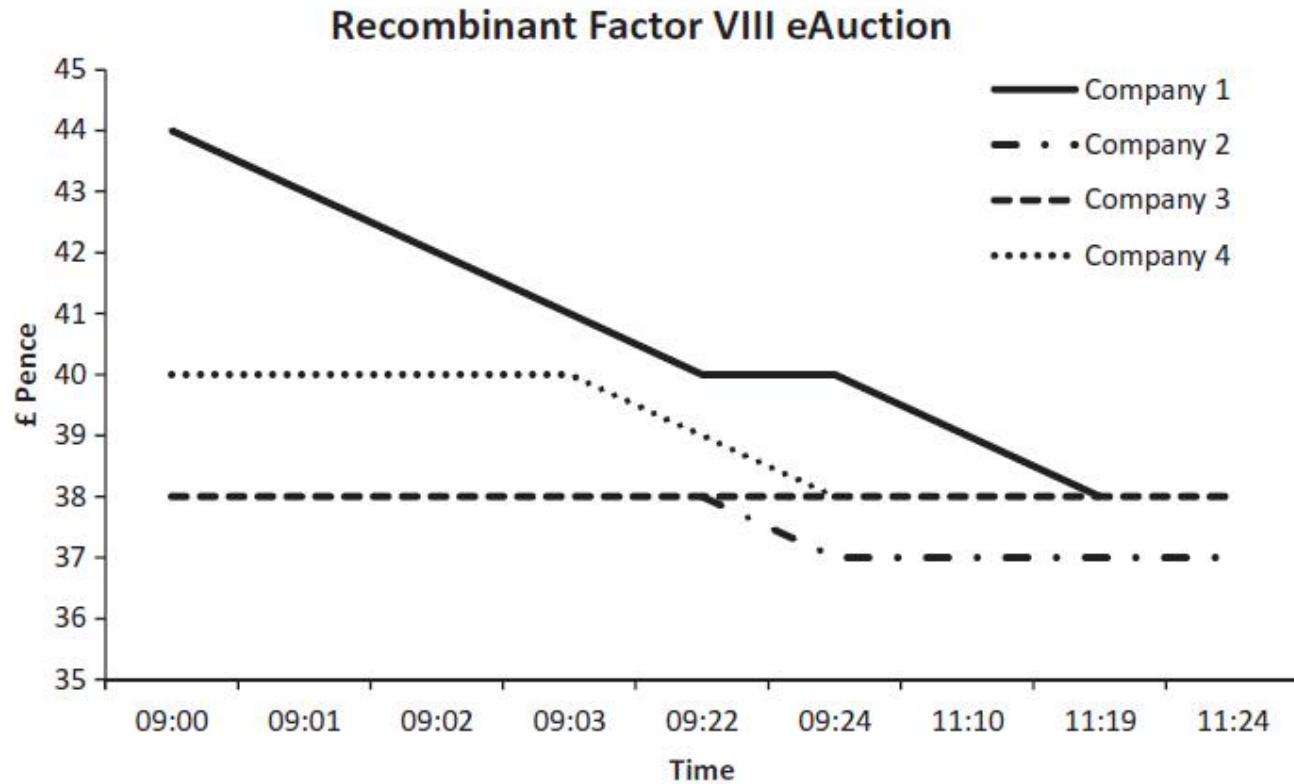


Fig. 2. Shows an example of the progress of a reverse e-auction for four products over the course of 60 min (with an electronic interruption), in this case for the highest volume (>175 000 000 IU rFVIII) in Wave 1 of the 2005 procurement process. Each line represents a single product starting at time zero with the opening bid price, which was already much lower than the average 50 p IU⁻¹ price, which pertained at that time. Product ranking changed as each supplier made further bids until the e-auction was closed and the final price was achieved. Bidders did not get this view. They knew their current price and ranking relative to other bidders, but were blinded to the actual bid prices of the competing products.

UK national procurement:

- Process has evolved over the years
- Price has emerged as overriding criterion
- Sealed bids have replaced e-auction
- Process links price to volume:
 - >200 M IU; 100-200 M IU; <100 M IU
- No product has been excluded from UK
- Further savings by introducing home delivery
 - (20% VAT payable on products used in hospitals but NOT if supplied to patient at home)

Current procurement system:

- Process led by Commercial Medicines Unit (CMU) of Department of Health
- 3 or 4 doctors nominated by UKHCDO to participate in process (alongside 2 commissioners and patient representative)
- Doctors advise on product selection criteria and volume bands
- Doctors not involved in any face-to-face meetings with companies
- Doctors not present when bids are opened

Medical involvement:

- Initial assessment by UKHCDO of whether it is safe to switch products every few years
- Extremely tight schedule after results of tender announced to do many things:
 - Just 2 weeks was target
- Regional consultations after tender to allocate volumes between various centres
- Identification of patients in each individual centre as candidates to switch

Medical involvement:

- Identification of patients to be exempted:
e.g. <150 ED, ongoing or recent ITI
- Patient notification and arrange training on use of new product vials
- Monitor usage and report centrally on regular basis to ensure contractual volumes are met at national level
- Monitor patients for inhibitor development

Provide feedback on service:

- Feedback sought by Commercial Medicines Unit of Department of Health from all haemophilia centres in May 2015
- Covers ten areas of supplier performance
- Possible ratings:
excellent/good/average/poor/very poor
- Views on performance of home delivery companies also sought

Provide feedback on service:

- Customer service
- Local company representative
- Accuracy of deliveries
- Timeliness of deliveries
- Order fulfilment
- Invoicing process
- Value added services offered by supplier
- Handling of complaints
- Overall satisfaction

Potential pitfalls for doctors:

- Significant financial conflicts of interest for those intimately involved in the tender:
 - Most senior doctors have links with companies
- Medico-legal liability in case of problems
- Employing hospitals often do not view time taken off for work in wider NHS favourably
- Some erosion of prescribing rights
- Money lost permanently from budgets: will we be able to provide next generation products for our patients?