



European wide Innovation  
Procurement in Health and Care

# International Roundtable

**BRUSSELS - 10 MARCH 2020**

The Hotel, Boulevard de Waterloo 38 - 1000, Brussels



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# EURIPHI International Roundtable

*An opportunity to discuss about the EURIPHI cross-border joint procurement model: a trade-off between innovation and transnationality.*

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Modernising the public sector in the EU is a key priority to keep the pace with today's societal challenges. This is particularly true in the health sector, where improving efficiency and providing high quality sustainable health care in due time is crucial to cope with an ageing population, chronic diseases, co-morbidities, antimicrobial resistance, and many other issues.

To **address such challenges**, we should foster innovation, having citizens in good health and incorporating 'value' considerations in investment decisions. **Value-based procurement** is becoming an unexpected driver for health & social care systems to achieve these goals.

The European Commission supports this drive to introduce innovation by instruments such as **Public Procurement of Innovative solutions (PPI)** and **Pre-Commercial Procurement (PCP)**.

Within this context the Horizon 2020 EU funded Coordinating and Supporting Action **EURIPHI - European wide Innovation Procurement in Health and Care** – is fostering the introduction of innovations in Europe's health & social care systems through cross-border value-based innovation procurement.

Cross-border value-based innovation procurement could be the means to respond to common unmet health & social care needs of European citizens, regardless of the place where they live. However, performing joint procurement across the border is a complex procedure. Research suggests that considering its challenges, unexpected consequences and opportunities is crucial when it comes of adopting innovation and innovative solutions<sup>1</sup>.

## ***Until which point does it make sense to cooperate also across borders?***

According to what emerged during the last EURIPHI Health & Social Care Regions Network meeting, cross-border joint procurement provides knowledge to involved Public Procurement Organisations (PPOs). The Network evaluated until which point of the tender process is valuable to collaborate. In the Network's view, the decisions should consider the regional/local specificities, including legal frameworks.

**EURIPHI** – with the support of EUREGHA as a project partner - is organising an **International Roundtable** – bringing together health & social care regional representatives, public procurers and suppliers across Europe – to share experiences on cross-border procurement. In this occasion, the EURIPHI cross-border value-based procurement model will be presented, together with examples of its practical deployment.

We look forward to welcome you. Please confirm your interest and participation to [info@euriphi.eu](mailto:info@euriphi.eu) or [secretariat@euregha.net](mailto:secretariat@euregha.net). For more specific information on the EURIPHI project please feel free to contact [info@euriphi.eu](mailto:info@euriphi.eu).

<sup>1</sup>) *Joint Public Procurement and Innovation. Lessons Across Borders; Gabriella Margherita Racca, Christopher Yukins (Eds), 1st edition, 2019.*

## Relevant material

The speakers presented their view with the support of PPTs. The PPTs have been also shared with the EURIPHI consortium partners.

## Participants

EURIPHI IRT participants took part in the event face to face and via Skype.

## Discussion

The EURIPHI International Roundtable took place on 10 March 2020 in Brussels, to debate about cross-border value-based innovation procurement as a means to respond to patients and health systems' common unmet needs.

The event gathered representatives of European, national and regional authorities, Public Procurement Organisations (PPOs) and the Industry. The discussion was centred on what are the opportunities and challenges of performing joint procurement across the borders. The speakers shared also the outcomes of EU funded initiatives on cross-border innovation procurement, including the RITMOCORE PPI H2020 project. Finally, the EURIPHI cross-border procurement model was presented. The overall goal of the event was to stimulate the debate on how to facilitate the cross-border cooperation and to define the most efficient and effective cooperation along the tender process, while maintaining a localised decision making.

Procurers, suppliers and legal experts recognised that performing procurement across the borders generates learning on the transposition of the Directive 2014/24/EU on Public Procurement in different countries and on national legal frameworks. Moreover, cross-border procurement fosters the exchange of good practices and builds relations for future collaboration among partners. The creation of EHPPA- an alliance of non-profit Group Procurement Organisation - in 2012 is a valuable example.

By performing joint procurement, procurers involved might share the risk of common tender procedures and stimulate the market increasing their purchasing power. Participating in a joint tender procedure across the borders, is expected to foster mechanisms of identification and prioritisation of common unmet needs. Therefore - in support of a cross-border approach - health authorities and health care providers are encouraged in defining what are the highest priorities in their agenda as well as the resources to invest to meet these priorities. If the institutions involved prioritise the same unmet needs, cross-border procurement could bring to positive consequences - including knowledge sharing and economy of scale - in the health systems.

Patients might also benefit from cross-border cooperation, considering for example who suffer from rare diseases or in case of a pandemic.

Finally - from an EU perspective - suppliers (especially SMEs) and buyers might benefit from cross-border cooperation: suppliers due to increased market access opportunities and buyers due to increased competition.

However cross-border cooperation brings some challenges.

One of the challenges is related to language barriers, which requires the translation of the whole tender documentation and implies the time extension of the process.

Likewise, differences in national legal frameworks could increase the complexity of performing joint cross-border procurement. Even if the European Directive 2014/24/EU on Public Procurement had the objective to harmonise the different national public procurement laws, the Member States did not have the obligation of transposing all the rules in their national law. For this reason, there are still many differences across countries.

Cross-border joint procurement requires relevant additional human and financial resources compared to a local/national tender. These are due to: common needs definition; legal research; communication towards suppliers; translations. An issue raised during the discussion was that – despite the benefit of common unmet needs prioritisation brings to positive effects to patients and health systems – it is unlikely in the reality that different institutions prioritise the same unmet needs. This could happen between partners with the same structure in contiguous geographical areas. Therefore, flexibility is required, and the selected solution may not perfectly address the unmet needs of one of the two parties.

In addition, the way the provision of health care services is organised differs heavily between countries and in some cases within the same country. This entails a very tailored approach in the definition of what it is required from the market and on the outcomes to achieve, which impacts on tender specifications.

In general, to deploy a successful 'Marketing Mix' (Product, Price, Place, Promotion, People) - which is crucial to respond to specific needs - local differences shall be taken into consideration.

The effect of cross-border cooperation on competition is unclear. If on the one hand, cross-border cooperation could increase competition and encouraging SMEs to access new markets, on the other hand, it could bring to more concentration of orders. Also, it should be recognised that SMEs mainly operate locally. Concentration could impact negatively on the viability, growth and jobs of other suppliers (not awarded) in the market. This can lead to reduce investments / commercialisation effort in these markets. Finally, concentration could limit further opportunities for innovation, given that most probably the awarded companies will take a big market share.

Finally, cross-border cooperation could lead to higher prices in general, given that no longer differences in pricing policies across the countries are applied.

Performing cross-border collaborative procurement could bring to relevant opportunities, although it is a complex procedure. A well-defined cross-border collaboration between European public procurers is key to generate more benefits for end-users through value-based procurement.

The aspect of stakeholders' collaboration was deepened during the presentation of RITMOCORE PPI H2020 project, being one of its core elements. The project's aim is to address the evolution in the treatment of patients using or in need of an implantable pacemaker by means of PPI. RITMOCORE PPI responds to unmet needs in the current hospital-centred service model by bringing innovations closer to patients. To do so, several actors take part in the co-creation process, including the patient. The collaboration among stakeholders is key also in the purchasing model of innovations proposed by the project. RITMOCORE PPI explores the development of a win-win purchasing model able to better address the current interests of all the involved stakeholders. The model provides proper incentives to build the best sustainable care for citizens in a long-term view. Regional vision should be pursued, to envisage a comprehensive change management strategy with appropriate plans and regulations. Local initiatives should be encouraged to deploy an innovative model of care enhanced by a critical mass of digital technologies, with the commitment of all the stakeholders. To translate this into practice a cross-border procurement procedure applied in RITMOCORE PPI foresees a lot for each of the participating procurement organisations.

EURIPHI conceived a tool to optimise stakeholders' collaboration across the borders, likewise RITMOCORE PPI. This tool, also known as the EURIPHI cross-border collaborative procurement model, takes into consideration the EU context of cross-border joint procurement as well as the opportunities and challenges faced by the demand and supply side. According to the EURIPHI model, two or more public procurers with similar needs and structure cooperate in the pre-tender phase but tenders are issued individually taking into consideration the national / local specificities. By enabling local decision making, the risks of performing the whole procurement process across the borders are mitigated and the opportunities exploited.

After the presentation of the EURIPHI model, attendees were invited to share their experience and provide input on how to facilitate the value-based cross-border cooperation.

According to the participants' view, performing procurement across the borders could be a driver for local SMEs and start-ups to scale-up foreign markets. SMEs and start-ups need to be supported on how to put in place international outreach strategies. If this happens, regions could leverage the positive effect of cross-border value-based innovation procurement for health systems and society. Considering the national / local dimension is key to respond to patients, and health systems' unmet needs.

Besides the opportunities of performing cross-border joint procurement, the audience recognised what are the challenges. The most difficult part during a cross-border joint procurement is the tendering phase, where legal frameworks and language differences are critical aspects to address.

In general, the collaboration among stakeholders across the borders could be fostered by simplified European procurement rules. Therefore, cross-border procurement challenges & opportunities need to be assessed on a case-by-case via cost-benefit analysis. Cooperation in the pre-tender phase and individual tender issue turned out to be an interesting model, because of its foreseeable consequences. Sharing good practices and evidences is key to foster the use of cross-border joint procurement in the EU.

The EURIPHI International Roundtable was a good opportunity to discuss about the cross-border cooperation to respond to COVID-19. A critical aspect to address is to collect relevant information to make decisions and allocate resources.