



PUBLIC PROCUREMENT IN HEALTHCARE SYSTEMS

Fact sheet accompanying the Opinion by the Expert Panel on Effective Ways of Investing in Health (EXPH)

PUBLIC PROCUREMENT IN THE EU

In the EU, an average of 8.3% of GDP is spent on health services and medical goods. Purchasing of these goods and services often involves public procurement. Three Directives on public procurement and concessions adopted in 2014 have profoundly changed the way public authorities in the EU conduct public procurement. They are:

- **Directive 2014/24/EU** on public procurement
- **Directive 2014/25/EU** on procurement by entities operating in the water, energy, transport and postal services sectors
- **Directive 2014/23/EU** on the award of concession contracts

EU PROCUREMENT RULES

AIM TO ACHIEVE

- best value for money
- higher efficiency, transparency, equal treatment, and non-discrimination;
- modernised public services and reduced administrative burden;
- responses to societal challenges and prevention of corruption.

HEALTH SECTOR SPECIFICITIES IN PUBLIC PROCUREMENT

COMPLEXITY

Transaction costs arising when health services are influenced by uncertainty regarding the qualities of the product (e. g. e-health solutions), frequency (e. g. same provider or switching providers) and asset specificity (e. g. medical equipment with limited interoperability).

COMPETITION

Imbalance of power between the procurer (small purchasers) and the provider, because of limited competition due to barriers to entry or monopoly (e. g. innovative medicines).

COMPETENCY

Need for detailed understanding of the organisation of health services, the complex interrelationships between different groups of health workers, changing technology, and advances in models of care.

Need to recruit, develop, and retain human resources in the field of public procurement, and foster a community of practice.

For investments into durable goods and longer-term services, there is a need to consider product life-cycle costing, new technology bundled with services, interoperability and technical performance, including patients' expectations.

INVESTMENT

Procurement is a strategic instrument providing policy levers for achieving government policy goals, such as innovation, the development of SMEs, sustainable green growth and social objectives like public health and greater inclusiveness.

Anti-corruption and governance tools focused on transparency, oversight and accountability are essential.

POLICY

Successful joint procurement depends on several essential pre-conditions, such as strong political commitment, trust between collaborating parties, price transparency, continuity through multi-year contracting to foster closer ties between participants that promotes asset-specific investment, and sharing of information and good practices.

COLLABORATION

RECOMMENDATIONS

PURCHASING STRATEGY

Member States, together with public buyers and decision-makers, should develop purchasing strategies in the health sector to achieve a more innovative, efficient and sustainable health system, including digital technologies. These strategies should help to

- improve the quality of procurement of health technology;
- address the specificities that arise in the procurement of e-health products and develop appropriate responses;
- recognise explicitly that public procurement can contribute to or hinder reaching the goals of the sector, including equitable improvement in health and responding to the legitimate expectations of those who use it.

OTHER POLICY GOALS IN PROCUREMENT

Member States and the European Union should enhance the use of environmental and social criteria in procurement in healthcare.

COLLABORATION

Cooperative procurement, including joint procurement, should be encouraged at the appropriate level (regional, national, EU) whenever there is good evidence that its potential benefits can be realised.

PROFESSIONALISATION

Member States should take measures to professionalise procurement, and to recruit, retain, and continuously develop the necessary skills and expertise.

COVID-19 PROCUREMENT REVIEW

The European Commission should undertake a comprehensive review of public procurement during the COVID-19 pandemic.

CORRUPTION

Member States should ensure that there is repository of evidence, supported by a community of practice, on anti-corruption measures in health sector procurement.

About the Expert Panel on Effective Ways of Investing in Health

The Expert Panel's mission is to provide sound and independent advice in the form of opinions in response to questions (mandates) submitted by the Commission on matters related to health care. The opinions of the Expert Panel present the views of the independent scientists who are members of the Expert Panel. They do not necessarily reflect the views of the European Commission. For more information and to read the opinions in full:

https://ec.europa.eu/health/exph/key_documents_en#anchor1



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