Response to NHS Chief Executive’s Open Call for Evidence and Ideas

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NHS Supply Chain response to the Department of Health’s consultation on ‘spreading innovation in the NHS: call for evidence and ideas’.

1. Introduction

NHS Supply Chain is pleased to be able to respond to the Department of Health’s consultation on ‘spreading innovation in the NHS: call for evidence and ideas’. NHS Supply Chain shares the Department’s desire for innovative products and services to be adopted and best practice diffused across the NHS to improve patient outcomes and deliver value for money. It offers critical support to the NHS in this area.

As the national procurement and logistics contract for the NHS, NHS Supply Chain is ideally placed to support initiatives to enable innovative products to be procured by the NHS. We work alongside clinicians to understand their need for innovation and then strive to match their demands from suppliers’ innovative product ranges. NHS Supply Chain also works closely with healthcare suppliers to bring innovative products to the attention of clinicians, through their category management approach and innovations scorecard. Our task force programme exists to obtain clinical feedback on products throughout our procurement processes. Through the programme we can also ensure that any new/innovative products can be assessed as to their suitability and if appropriate can provide a quicker route to market through a pilot contract. This process also helps us to identify new ways of anticipating product, procurement and practical logistics’ needs within the NHS.

NHS Supply Chain works closely with the Department of Health on the iTAPP programme and with its Rapid Review Panel to enable supply routes and access for the NHS for products that the processes have concluded are innovative. In addition, NHS Supply Chain worked with the National Innovation Centre to introduce the innovation scorecard.

As well as supporting innovative products entering the NHS, NHS Supply Chain works hard to ensure innovative approaches are taken to services and procurement and supply chain processes. For example, it has introduced its new service offering ‘Capital Solutions’ to ensure that trusts have a one stop shop for all their medical equipment procurement needs. It has also invested in and expanded its Home Delivery Service through incremental innovation to deliver improved efficiencies for its customers. A further example of innovative service development is the new community dressing’s delivery service which has achieved 30%+ efficiency savings through reduced product wastage.

We will now expand on each of these areas with some suggested actions to deal with some of the issues around the adoption and diffusion of new products and services into the NHS.

2. Product innovation

2.1. iTAPP and Rapid Review Panel

As the national NHS procurement and logistics contract, NHS Supply Chain works closely with the Department of Health on the iTAPP programme. Through the programme, NHS Supply Chain has made 14 products available to the NHS through framework agreements and pilot contracts in order to facilitate the take up of these products across the NHS. The availability and sales of these products are monitored through NHS Supply Chain’s weekly sales data, providing vital feedback on NHS uptake of innovation at a local, regional and national level. Sales of iTAPP products during 2011 are £581k.

The Rapid Review Panel was set up as part of the review ‘Winning ways: working together to reduce healthcare associated infection in England in 2003’. The panel has seven categories of review and at present an agreement exists between NHS Supply Chain and the Department of Health to make available any RRP Category 1 products to the NHS providing they do not conflict with existing products within the NHS Supply Chain offer. NHS Supply Chain has made four products available through pilot contracts or extensions to existing contracts enabling faster access to the NHS. These include ATP monitoring systems, skin sealant, and a chlorine free disinfectant product.
Without NHS Supply Chain, the route to market for the introduction of many categories of products is still not defined with established suppliers utilising existing relationships, but without a structured approach. Our customers are genuinely interested in new products but would like more information to be made available and better value pricing given the financial challenges that they are dealing with.

NHS Supply Chain can provide clarity and rapid dissemination of information and products into the NHS, using processes which comply with EU public procurement regulations on a once-only basis, rather than individual trusts having to make their own arrangements.

2.2 Innovation Score Card

The Innovation Scorecard offers a centralised online submission process for suppliers to register innovative products with NHS Supply Chain. For products that are deemed by the process to be truly innovative, pilot contracts can be created along with opportunities around free marketing and product listings. It is used mainly by SMEs and is viewed as a way of bringing new innovative products into the NHS in an efficient and controlled way. As of August 2011, 134 product submissions have been made via the scorecard process.

The first product to be launched via the scorecard process on a pilot contract was in June 2010. Since the first product launch, 11 products have made it through the initial application, evaluation and assessment process and have been awarded pilot contracts or as additions to existing frameworks. Previously, products which might take up to five years to be brought to market are now available to NHS trusts in less than a year, helping clinical staff improve efficiency and patient outcomes or reduce costs.

Another six products are currently under consideration to be either awarded pilot contracts or added onto frameworks through range extensions. Total sales in 2010 for these products were £93k and have grown in 2011 to £156k just to the end of July. Examples of these products include:

- Tournistrip™, a disposable tourniquet designed to combat the risk of hospital acquired infections;
- Bailey’s nail nipper, designed to combat RSI (Repetitive Strain Injury) a condition caused by excessive strain on the hand and wrist which threatens the working capacity of podiatrists;
- SportVis™ gave the majority of patients a faster return to pain-free and disability-free sporting and daily activities - 11 versus 17 days.

2.3 Actions to improve the adoption and diffusion of innovative products:

NHS Supply Chain believes that the following actions should be considered:

National

- Earlier engagement and dialogue with stakeholders including NHS Supply Chain about innovative products which require contracts to facilitate their entry into the NHS will lead to enhanced opportunities for framework agreements to be introduced in a more timely fashion.
- The European Commission’s consultation on modernising EU public procurement regulations provides an opportunity to lobby for simpler, more flexible and quicker procurement regulations to enable innovative products to enter the NHS at a faster pace.
- Defining a more structured approach for a route to market for categories of products.
- A more holistic approach needs to be taken towards NHS budgets so that they do not mitigate against the take up of new technologies as savings are often seen in other areas - for example some new treatments move the patient away from theatre to out patients and therefore there is a cost to the out patient budget but a saving to the theatres’ budget.
Many of the iTAPP products promote cost efficiencies or improved patient outcomes e.g. quicker wound healing, earlier detection of problems or point of care testing. Some of the products have a higher unit price than those they replace however they deliver an overall saving. Most health economic evidence available is provided by the supplier, however, some independent assessment would be beneficial for customers.

Suppliers

- Suppliers need to look at their pricing strategies for innovative products to ensure that they are affordable given the financial constraints that NHS trusts are facing.

3. New Services that demonstrate innovation and efficiency savings

3.1 Capital Solutions

The strategic aim of NHS Supply Chain Capital Solutions offer is to be the best value and most innovative supply chain route for capital medical equipment into the NHS to transform the way equipment is planned, purchased and managed in the NHS.

Having the right technology remains at the heart of the NHS with £600 - £700 million spent annually on capital medical equipment. There is also £3 - £5 billion of medical assets which need management, maintenance and replacing.

We need to look at new ways to maximise value and minimise cost. By harnessing power of the NHS as one single entity, we can provide maximum benefits for all. The key innovation to unlocking value is replacing a reactive approach to capital equipment replacement with a planned approach. This can be achieved by:

- Encouraging trusts to look at the whole life cycle costs of their medical equipment to plan better and buy better
- Consolidating procurement requirements across departments at trust level
- Conducting bulk buys based on commitment or visibility from a number of trusts
- Negotiating with suppliers at the optimum time

In the last two years, over 60 trusts have already provided their plans to us and we have procured over £30 million of commitment deals on capital medical equipment including digital mammography, ultrasound and flexible endoscopy, which has driven better pricing and more value as a result. For example, NHS Supply Chain’s commitment orders for 140 digital mammography machines valued at £23 million have yielded over £2 million (10% savings) for trusts.

NHS Supply Chains' Capital Solutions offer and procurement process seeks to ensure the NHS can manage its assets in a cost efficient way. This aims to improve the quality of information available at a national level and to ensure the NHS can continue its work in improving diagnosis and treatment which will continue to benefit our world class healthcare system. NHS Supply Chain takes on the commitment with no risk to trusts.

3.2 Actions required to improve the adoption and diffusion of Capital Planning:

National:

- The Department of Health needs to encourage trusts to collaborate around their capital equipment procurement needs in order that they can achieve better value for money. The Department of Health should produce a strategy to demonstrate what good planning,
procurement and life cycle management for capital equipment looks like to disseminate to trusts.

NHS Trusts:

- Trusts need to share their capital equipment procurement needs to enable NHS Supply Chain to obtain the best deal for them in order that they achieve better value from their procurement.
- Need to develop 5-10 year replacement and planned procurement programmes.
- Work towards a full asset management model including the way equipment is financed.
- Unlock the economies of scale in the NHS by engaging NHS Supply Chain.

3.3 Patient Home Delivery Service

NHS Supply Chain’s Home Delivery Service has grown to be the largest provider of continence care products direct to patients homes and care homes in England. This service offers choice to its customers as there are 800 products within the catalogue from 14 suppliers available through one service provider. Through NHS Supply Chain’s task force programme, clinicians were involved in the selection of products to ensure that the range offered consists of high quality products that are suitable for patients’ needs. The service currently serves 75 community provider organisations and over 200,000 patients.

Since Hillingdon PCT transferred to use NHS Supply Chain’s Home Delivery Service, it has made savings on average of £5,000 a month. Gloucestershire PCT realised £75,000 savings when they moved to NHS Supply Chain in 2010.

This service is an example of incremental innovation as in 2010 NHS Supply Chain redesigned its Home Delivery Service to enhance the customer offer and cut costs for the NHS through improving its operational and IT services. The focus was on providing high quality sustainable services at the lowest possible price for the NHS. Its aim was to support more patients with improved systems and services. HDSOnline was created as a web based patient management system which provides up to the minute information to clinical teams. This system saves trusts time and money which releases resources to focus on patient care.

NHS Supply Chain undertakes annual customer and patient satisfaction surveys and the results reveal that the service is well-received. Through continuous monitoring, high service levels are achieved of around 99% to ensure that the deliveries reach the customer on time.

With the increasing emphasis on treating patients in community settings and at home to improve the patient experience and drive efficiency savings, NHS Supply Chain's home delivery service has expanded rapidly with a year on year growth rate of 60%.

The focus on service innovation can continue if the Department of Health are able to support NHS Supply Chain offer a broader range of products through this proven route. NHS provider organisations seek to re-engineer the supply chain for consumable items (non drugs) which under existing legislation must be provided with a prescription. A review with NHS provider organisations demonstrated that savings of 25% can be achieved through changing the process at the same time as improving patient care.

3.4 Community Dressings Service

NHS Supply Chain’s Community Dressings Service provides a solution for better wound care outside of hospitals. This visionary approach for trusts offers the widest range of market-leading wound care products, ordered from one provider and delivered to a nurse station, where local staff can easily access what they require for their home visits.
The advantage of this service is that it reduces product waste caused by a patient being prescribed a packet of dressings which maybe wasted. It also enables the nurse to change wound care treatment as appropriate for the individual’s healing process. The service essentially removes the need for a GP or nurse prescriber to write a prescription for a patient and in doing so frees up valuable funds and clinical time.

Evidence shows that patients who received wound care treatment over a number of years can accumulate significant excess stock of products simply due to the way the product is supplied in packs when being prescribed. Waste occurs as the nurse cannot re-distribute the wound care products to other patients because of infection control and legal ownership of the product.

NHS Supply Chain has engaged broadly across the community healthcare network in the development of this service. One example of this new service involved the Community Nurse team at the Bellingham practice in Northumberland. The feedback from the nursing team and patients involved in the pilot was positive and the service was rolled out across Northumberland to a total of 28 Practices in January 2010.

Thanks to the service, nurses have immediate access to the right wound care at the right time. They no longer have to visit pharmacies for prescriptions so the time saved enables them to visit even more patients. This is real re-investment into front-line patient care.

After gathering input from a variety of sources including North East Medicines Management, Directors of Finance and Tissue Viability Nurses, a regional framework and a formulary of wound care products were agreed and a pilot for NHS Supply Chain’s Community Dressings Service was launched.

Having saved £300,000 through the community dressing’s service, further pilots in the North East at Middlesbrough and Redcar and Cleveland Primary Care Trust are currently being implemented and NHS Supply Chain is confident that other trusts can realise the cost effective and patient-centred improvements they can make in wound care spend.

The wound care service demonstrates the positive impact to patient care and NHS financial performance through clinically led service re-design. Current legislation hinders a further improved service of the wound care product being supplied directly to the patient without a prescription.

3.5 Actions to improve the adoption and diffusion of innovative services within Primary Care:

NHS Supply Chain believes that the following actions should be considered:

National

- Review and amend legislation which prevents non pharmaceutical consumables listed on part IX of the drug tariff being supplied directly to a patient without a prescription. The prescription serves purely a mechanism to manage payment and adds little value to the patient however it is stifling innovation. The benefit of amending the legislation would be to reduce NHS costs as the clinician closest to the patient could then take greater control of a patient’s care as demonstrated in the wound care example.

4. About NHS Supply Chain

NHS Supply Chain is operated by DHL as Agent of the NHS Business Services Authority. It supports the National Health Service (NHS) and other healthcare organisations in England and Wales by providing end to end supply chain solutions. The organisation was formed from the NHS Logistics Authority and parts of the NHS Purchasing and Supply Agency (NHS PASA) in October 2006. It aims to provide over £1 billion of savings to the NHS by 2016.
NHS Supply Chain manages the sourcing, delivery and supply of healthcare products and food for over 1,000 NHS trusts and healthcare organisations. It provides a single point of access to over 600,000 products ranging from baked beans to sutures, from gloves to implants, and even diagnostic equipment such as MRI scanners.

Its management of the procurement process negates an NHS organisation’s need to tender through the Official Journal of the European Union (OJEU). Costs can also be reduced through its one-route solution that consolidates all products onto one invoice and delivery – this saves up to £1 per product in back office administration costs and removes up to 40 deliveries going into a trust compared with ordering goods separately.

To ensure that its products are fit for today’s healthcare market, NHS Supply Chain works with suppliers of all sizes to ensure its range embraces high quality and innovative products; and engages with clinicians, the Department of Health and academic institutions to make sure that it is aware of the current requirements and latest developments in clinical practice.

NHS Supply Chain’s product areas include theatres, dental, audiology, catering including food, infection control, orthopaedics, rehabilitation and capital equipment including finance options and maintenance agreements. Based in Alfreton, Derbyshire, UK, the business employs around 2,400 staff. [http://www.supplychain.nhs.uk](http://www.supplychain.nhs.uk).

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