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UK Department of Health's eProcurement Strategy makes NHS more efficient and safer

Abstract

In August 2013, the Department of Health published Better Procurement, Better Value, Better Care, which established a new Procurement Development Programme for the NHS England (National Health Service). This document contains the commitment that "we will mandate, through contracts, the use of GS1 Coding in the NHS." The purpose of the Programme is to help NHS trusts stabilise their non-pay spending so that they spend no more than they currently do by the end of 2015-16, thereby realising £1.5bn of procurement efficiencies.



To ensure that the £1.5 bn new efficiencies are sustained and further improved upon, the National Health Service England

(NHS) has developed an NHS eProcurement Strategy, which will establish the global GS1 coding and PEPPOL (Pan-European Public Procurement Online) messaging standards throughout the healthcare sector and its supporting supply chains. Compliance with these standards will enable NHS trusts to control and manage their non-pay spending by:

- using master procurement data
- automating the exchange of procurement data, and
- benchmarking their procurement expenditure data against other NHS trusts and healthcare providers.

Previous efforts to improve eProcurement in the NHS have been patchy due to a lack of central direction. The NHS has now mandated the use of the GS1 and PEPPOL standards by amending its standard contract to require compliance with the eProcurement strategy. It also requires suppliers to place their product data in a GS1 certified data pool through an amendment to the NHS terms and conditions for the supply of goods and the provision of services. In effect, everyone providing goods and services to the biggest public healthcare system in the world will be required to identify their products and services using GS1 identification keys and then to share master product data with the NHS through a GS1 compliant datapool.

Raising standards

To embed these standards across the NHS, a national infrastructure will be established to support the strategy, which will be interoperable with existing and future local eProcurement systems so that NHS trusts can locally select their preferred technology partners.

The national infrastructure will encompass a GS1 certified NHS datapool, which will become a single national repository of master product data. Suppliers will place their master product data into any of the GS1 certified source data pools around the world. The data required by the NHS will be brought into the NHS datapool using the GS1 Global Data Synchronisation Network.

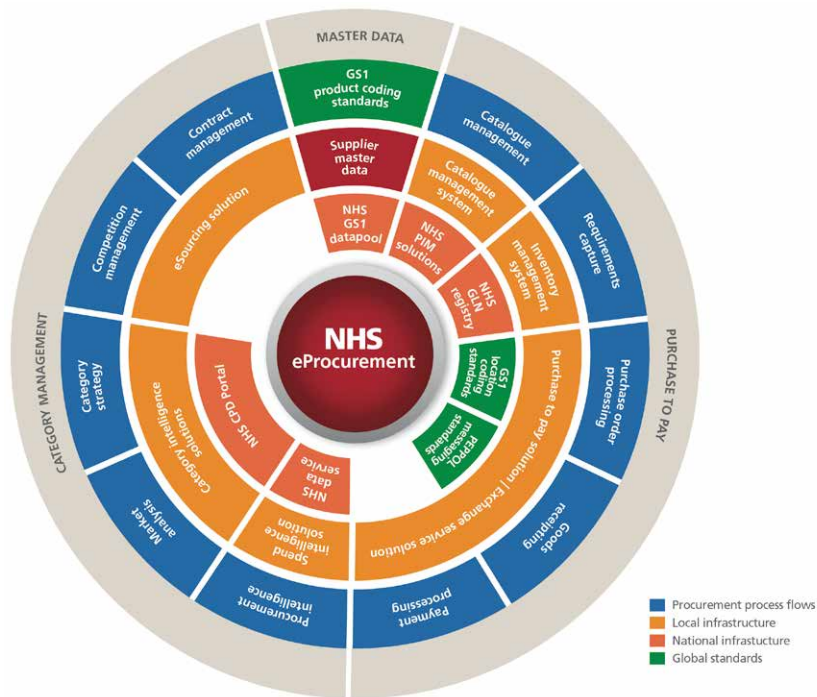
The NHS datapool will feed master product data to individual NHS trust systems via a single national product information management system. This will enable trusts to pull the master product data they require from the NHS datapool into their local systems.

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These local systems will link to PEPPOL “access points”, which will transfer purchase order and invoice messages between NHS trusts and their suppliers using the PEPPOL messaging standards, enabling interoperability between systems without manual intervention, thereby automating the exchange of procurement data. Recent work in Denmark has confirmed the inter-compatibility of PEPPOL with GS1 EANCOM and GS1 XML.

Global outlook

The strategy also drives patient safety benefits. Providers of NHS funded healthcare, including the independent sector, must be able to electronically track and trace individual medicines and medical devices to a specific patient. Bar codes based on the GS1 Standards can be read at any point in the healthcare supply chain so that a product subject to a safety alert can be quickly located and recalled.

To help trusts to further improve their non-pay spending, a single, national spend analysis and price benchmarking service will also be established. This service will provide high quality expenditure data so trusts can identify opportunities to continuously improve their procurement performance.

To encourage and monitor trusts’ and their suppliers’ adoption of GS1 Standards, **the NHS will create a national framework for GS1 certification services. All trusts and their suppliers will be certified as GS1 Ready, GS1 Implementing or GS1 Compliant.** It is expected that suppliers certified as GS1 compliant will be at a competitive advantage in tendering and selection processes and that GS1 compliant trusts will be able to demonstrate greater efficiency as a result of adoption of GS1 Standards.

The NHS strategy draws from experience in the global healthcare sector and from the banking, manufacturing and retailing sectors. Importantly, there is nothing in the strategy that has not already been done in part somewhere, either in the NHS, in another sector or in another country. What is new, however, is bringing all these elements together in one cohesive strategy to improve supply chain efficiency and patient care through a modern, effective and efficient NHS procurement function.

This strategy is an important element of a wide ranging programme of work to deliver between £1.5 billion and £2 billion of savings by the end of 2015-16 to keep a balanced NHS budget and to continue to provide a quality service for patients by protecting the front line. It will also support business to innovate, and help to make the NHS a more transparent and better place in which to do business.

“The Department of Health’s new eProcurement strategy is an important element of a wide ranging programme of work to deliver between £1.5 billion and £2 billion of savings by the end of 2015-16”

Steve Graham, Department of Health





About the author

Steve Graham leads on NHS eProcurement policy at the Department of Health in England. He has developed a new NHS eProcurement Strategy for the English National Health Service that has received ministerial approval and was published in May 2014. He previously led the Innovative Technology Adoption Procurement Programme for the Department of Health, which focused on increasing the adoption of medical technologies to improve patient outcomes whilst reducing costs. The Programme was transferred to the National Institute for Health and Care Excellence.

As an MCIPS-qualified procurement professional, Steve has led national, regional and local procurement teams in the NHS, and has set up and managed several regional NHS procurement organisations. He has managed warehousing and distribution operations, and led the procurement of complex medical devices and technologies, particularly in the cardiac and disability sectors

About the NHS

Founded in 1948 and primarily funded through central taxation the NHS is the largest public sector healthcare provider in the world. With an annual budget in excess of £110Bn and employing 1.4M people, it is an integral part of the life and health of everyone in the United Kingdom. Now devolved into four independent systems covering England, Scotland, Wales and Northern Ireland, the financial pressures faced by the NHS will be familiar to healthcare providers around the world. NHS England is rising to the challenge of increasing demand for health services and increasing pressure on budgets by seeking to make the NHS more efficient and less bureaucratic by delivering better value and better care. Procurement efficiencies are a critical part of this programme.

