

EAHP Position Paper on Procurement

Advocating for the involvement of hospital pharmacists in procurement

The immediate concern of any hospital pharmacist is to ensure that every patient within the hospital receives the medications they need. For this reason, hospital pharmacists have a direct stake in the efficient functioning of the medicines supply chain.

Procurement of medicines is the indispensable requirement of ensuring an efficient supply of medicines in hospitals. The responsible use of medicine is directly linked to the availability, safety, quality and efficacy of medicines in the hospital. Procurement of medicines should therefore take into account not only the volume and price, but also incorporate medicines policy, risk and safety management as well as operational choices for the hospital and the larger health ecosystem.

Hospital pharmacists due to their knowledge and skills are specialists in the field of all medicines procurement. Hospital pharmacists should lead in all phases of the procurement processes and practices to ensure the continuity of supply of cost-effective and quality medicines to patients.¹

MEDICINES PROCUREMENT

An overarching European framework based on the EU's public procurement legislation ensures transparency, equal treatment and non-discrimination throughout the Union. These rules were further simplified in 2014 with the adoption of Directive 2014/24/EU.² Rather than only award a contract based on the best price, authorities are encouraged to integrate qualitative criteria such as most economically advantageous tender (MEAT) principles.³ The EU legal framework sets out procedures which all public sector authorities must follow when conducting procurement above a certain threshold. This also applies to the tendering of pharmaceuticals in the public hospital sector.

Pharmaceutical tendering is a complex process that involves different stakeholders and steps that are regulated at national level leading to diverse solutions in the different European countries. In addition, these processes are guided by publications of other international actors such as the World Health Organisation (WHO) and the Organisation for Economic Co-operation Development (OECD).^{4,5}

Procurement should be part of the hospital quality system in which the process is evaluated regularly, and actions are taken to improve the outcomes at therapeutic, patient safety and efficiency level. A prudent tendering procedure has the potential to achieve substantial savings. This however is dependent on the purchasing power of the procuring entity and the market diversity for the products involved. Negotiations driven mainly by pricing parameters often provide major short-term costs savings while having a potential inherent risk of negative consequences such as medicine shortages and a long-term rise of prices in a 'winner take all' scenario. Producers do not always have the manufacturing capacity to meet the potential need and vulnerability to the supply chain is added if alternative suppliers drop out of the market due to loss of tender. Impact assessment tools and continuous monitoring when conducting tendering should include considerations that take into account medicine supply chain vulnerability and sustainability.

The multidisciplinary approach in the medication supply chain is key to enhancing patient safety.⁶ To avoid unfavourable outcomes, such as medicines shortages, the design of medicinal tendering mechanisms need to be anchored in good clinical practice and structured health technology assessment that is supported by a sufficient evidence base and at the same time respects the European legislative framework on public procurement.⁷

Additional tendering options to improve patient safety (e.g. primary package barcoding or avoiding soundalike/lookalike) or efficiency (e.g. aggregated barcoding for compliance with the Falsified Medicines Directive) can be incorporated in the procurement process as MEAT criteria to determine the economically best solution among those offered. The perspective of the hospital pharmacist in the procurement process will help with the identification of high-risk medicines, link procurement with patient need, and ensure that appropriate procedures are implemented in procurement to reduce vulnerability in the supply chain.

THE ROLE OF THE HOSPITAL PHARMACIST IN PROCUREMENT

To ensure the achievement of procurement quality and to assure the continuity of supply of quality medicines to patients, hospital pharmacists need to be involved in the different types of procurement practices and processes.^{8,9} Their overall knowledge, skill set, and experience gives hospital pharmacists the added advantage of being able to evaluate the necessity for the medication and the economic impact that follows the entrance of a new medicine in the hospital formulary.

Their engagement in procurement is necessary both at local as well as at national level in all occasions that include hospital-use medicines. At national/regional level the hospital pharmacist's view should be considered in central price negotiations by the government or by field parties within the government framework. This could either be achieved through the involvement of the hospital pharmacy association or by engaging a single hospital pharmacist as a specialist in the field. Local procurement at hospital level with strategic partners reduces the scale, yet it offers more flexibility in adjusting the medicines to local medical practice. Most value is obtained in medicines that are available from multiple sources or for which there are various comparable products. The hospital pharmacist's role at local level is relevant for two distinct actions, namely purchasing through strategic purchasing relationships (by means of collaboration, formulary and negotiation) and purchasing by individual hospitals (by means of formulary and negotiation).

As stakeholders in the procurement process, be it either at national or at local level, the involvement of the hospital pharmacist is key to ensure that a functional, safe, cost-effective and reliable hospital formulary is designed which also offers flexibility to cover cases of shortages.¹⁰ With a clear understanding of patient need the pharmacist perspective will broaden the criteria that are the decisive factors for a tender procedure, the involvement of hospital pharmacists in the procurement committee will make possible a more careful consideration of all aspects, including cost/benefit, quality, patient safety (i.e. through reduced lookalike/soundalike) necessity, adequate quantity and also reliability factors for the participating companies such as transport and distribution procedures. As a hub of information towards other healthcare professionals and reimbursement bodies they are pivotal in the procurement process.

The perspective of the hospital pharmacist in the entire procurement process, starting with the decisions of the drug and therapeutic committee about medicines policy and use within the hospital, will help with the identification of high-risk medicines, link procurement with patient need, and ensure that appropriate procedures are implemented in procurement to reduce vulnerability in the supply chain.

¹ Section 2.2. European Statements of Hospital Pharmacy: Hospital pharmacists should be involved in the complex process of procurement of medicines. They should ensure transparent procurement processes are in place in line with best practice and national legislation, and based on the principles of safety, quality and efficacy of medicines.

² Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC. Available at (24.04.2018) <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>

³ Recital 89, Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC.

⁴ WHO, Practical Guidelines on Pharmaceutical Procurement for Countries with Small Procurement Agencies (<http://apps.who.int/medicinedocs/en/d/Jh2999e/>).

⁵ OECD, Public Procurement Recommendations (<http://www.oecd.org/gov/public-procurement/recommendation/>).

⁶ L. V. Groudins et al, J. Pharmacy Practice and Research, 2016 vol 46, p 145-151.

⁷ FIP, Report of the International Summit on Medicines Shortage. 2012. Available at (24.04.2018)

https://www.fip.org/files/fip/publications/FIP_Summit_on_Medicines_Shortage.pdf

⁸ Dyvesveen A, Berg E, Glæserud T, et al DD-009 The important role of the hospital pharmacist in the Norwegian drug tendering process European Journal of Hospital Pharmacy: Science and Practice 2014;21:A66-A67. Available at (24.04.2018)

http://ejhp.bmj.com/content/21/Suppl_1/A66.2

⁹ FIP, Report of the International Summit on Medicines Shortage. 2012. Available at (24.04.2018)

https://www.fip.org/files/fip/publications/FIP_Summit_on_Medicines_Shortage.pdf

¹⁰ Section 2.4 European Statements of Hospital Pharmacy: Section 2.4 of the European Statements of Hospital Pharmacy outlines that procurement should be according to the medicine formulary and informed by the formulary selection process. A robust process should also be in place to appropriately procure medicines not included in the formulary where their use is indicated for the safe and effective care of individual patients.