

# Let's try to optimise, rather than maximise, savings

Procurement programmes need to make the best of the savings they achieve, the summer symposium of the Procurement and Distribution Interest Group of the GHP heard. Tom Moberly reports

Those working in medicines procurement should look to make the best overall cost savings, rather than just the biggest savings on individual transactions, Peter Sharott, director of Specialist Pharmacy Services of East and South East England, argued.

Mr Sharott spoke about the work of the London Procurement Programme (LPP). The programme aims to "drive delivery of substantial savings to NHS trusts within NHS London, enabling funds to flow directly to front line services, and to create leading purchasing capability across London that delivers significant benefits [and gives] better health care in the long term".

He stressed that savings in medicines bills across the board were by no means guaranteed. "Some [individual] projects will over-achieve, while others will under-achieve," he said. "Don't set targets and then work out how to achieve them," he advised. "Look at what is achievable and then look at how to do it. . . . Look to optimise, rather than maximise savings." He added that the impact of savings would be seen over more than one financial year and might depend on upfront changes in infrastructure and other investments.

## Engagement

Engagement with clinicians is, Mr Sharott insisted, key to delivering savings in medicines procurement and needs to be carried out correctly from the start. "If you don't get it right first time, you probably won't be able to go back," he said.

Nonetheless, he believes it should not be the role of those involved in the procurement of medicines to tell clinicians what they can or cannot prescribe. Instead, clinicians need to be properly informed about the cost-effectiveness and evidence basis for different medicines so that they can make decisions themselves about which medicines to prescribe.

The summer symposium of the Procurement and Distribution Interest Group of the Guild of Healthcare Pharmacists was held in Coventry on 7 June. **Tom Moberly** is a news and feature writer for *The Pharmaceutical Journal*.



Peter Sharott, the David Samways award winner

Engagement with those in clinical networks, such as cardiac networks, is also important, he added. "Networks do need to be influenced," he said. "They may make decisions which do not fit with the ethos of cost-effectiveness."

Mr Sharott was also keen to emphasise the opportunities that better procurement would generate. "Saving money is the thing that drives everything," he said. "No one really talks about opportunities [to make the most of monies saved]." Now, however, the opportunities offered by financial savings in medicines procurement need to be brought onto the agenda, he commented.

## Expansion

Although all savings are currently managed locally, LPP is moving towards having agreements covering the whole of London, Mr Sharott continued. "If we can aggregate contracts and get better prices as a result, we will do that."

He also highlighted the other benefits that LPP was able to bring by virtue of its geographical coverage. "Getting to everybody is something that the hubs can't do, because they don't all have buy-in from their trusts," he said.

Increasingly the geographical coverage of the programme might also help to damp down arguments over provision of particular drugs, by creating consistency in decisions

made by different bodies, he suggested. A lack of consistency among primary care trusts was likely, to lead to legal challenges, which could end up in court, he argued.

## High cost medicines

Commissioners are increasingly asking questions about high-cost medicines, Mr Sharott said. Procurement staff therefore need to be fully involved in discussions with commissioners and pharmaceutical companies around these issues. Mr Sharott said that there seemed to be a belief held in pharmaceutical companies that if they did not engage with discussions over high-cost medicines, the issue would somehow go away. "That is really flying in the face of reality," he pointed out. Instead, he suggested that a contingency fund could be established to pay for the most expensive drugs.

Mr Sharott also outlined work on the pan-London tendering of erythropoiesis-stimulating agents, which achieved savings across a therapeutic class. Several lessons for any future schemes had been learned from the success of the project, he said. These include the need to:

- Engage with relevant stakeholders from the outset and inform them about potential benefits
- Proceed only when all stakeholders are signed up to the strategy
- Communicate effectively with suppliers
- Retain a united front.

On the latter point, Mr Sharott warned that "suppliers may use divide and rule tactics."

### David Samways award

During the symposium, Peter Sharott was awarded the inaugural David Samways award. Allan Karr, chairman of PDIG, presented the award, which has been established to recognise those who have made a significant contribution to medicines procurement. The award is named in honour of David Samways, who died in February. Accepting the award, Mr Sharott said: "I really do consider this to be one of the highlights of my career."

# Assess supplier reliability across the UK

A range of information and opinions held locally at trusts should be brought together to provide a UK-wide perspective on supplier performance, according to Howard Stokoe, lead category manager for general pharmaceuticals (professional and network) at NHS Procurement and Supply Agency (PASA).

For instance, key performance indicators, assessing which suppliers are delivering the correct items in the correct quantities on time and in full have already been developed. NHS PASA should look at how to aggregate the details about whether these indicators are being met to provide information on performance across the UK.

Mr Stokoe also described NHS PASA's work on its supply chain excellence programme. Reports on individual suppliers' performances are gathered via regular e-mails and collated. This allows a relative score for each supplier to be developed, which is based on the average proportion of products delivered with issues that staff need to resolve.

E-mails are sent out twice weekly to 86 suppliers, Mr Stokoe continued. So far, a 100 per cent response rate has been achieved. Reports from trusts on suppliers'



Howard Stokoe: information should be collated

performances are also verified with suppliers to confirm their accuracy. Suppliers can then be ranked according to their relative score, allowing an objective measurement of supplier performance to be carried out. In this way, decisions about which companies are awarded contracts can be based on evidence of their past performance, Mr Stokoe said.

## Pharmacists' views

Another area of work in which NHS PASA has been involved is looking at pharmacists' views of suppliers. NHS PASA and the Pharmacy Market Support Group undertook a programme of research to examine the extent to which contracted suppliers' performance met the expectations of pharmacists.

The initial survey, conducted by an independent research agency, obtained results from 18 pharmacists. Questions included whether the suppliers used by a trust had provided accurate invoices, dealt adequately with returns, issued credit notes on time and for the right amount, and accurately charged contract prices. Pharmacists were also asked to indicate suppliers who had performed particularly well or who had responded badly to clawback claims.

Mr Stokoe thinks that this project could develop to include all suppliers and that it could also be refined to include wholesalers. He sees the programme developing to survey a core set of hospitals twice a year, with a selection of others being added to each survey at random.

## Do not block sensible changes

Pharmacists will miss opportunities if they do not support developments in clinical and working practices, according to Keith Ridge, chief pharmaceutical officer for England.

"Embrace sensible change and don't be tempted to block it," he declared. "This may mean working very differently with a range of bodies, from industry, from wholesalers, as well as from within the NHS."

He added: "It might also mean being prepared to explore the full use of technology and the full and transparent use of skills that many can bring to the table. If you choose to block then that, in my view, is when people will work around you and much will be lost."

Dr Ridge also argued that everyone involved with the pharmaceutical care of patients must have some understanding of the procurement and supply of medicines. "We need to make sure that everyone recognises the sophistication and criticality of the medicines supply system," he said. "Medicines are not ordinary goods," he added. "While you know that and I know that, what about all those who will commissioning services in future? Do they know that?"

Every pharmacist and every pharmacy technician, even those not directly involved in procuring medicines, must keep their understanding of "the criticality and complexity of the medicines supply chain" up to date, he said.

"They must maintain the need to drive research into safety, the need to develop mechanisms to support efficient procurement of supply through the use of technology, the need for collaboration. All pharmacists and technicians need to have an understanding of this," he added.

Good procurement and supply of medicines is crucially important to the provision of health care and, therefore, to patient safety, Dr Ridge argued. A number of the Government's initiatives in patient safety, including the programme to improve the safety of injectable medicines, are being led by pharmacists. [Editor — see *Hospital Pharmacist* 2007;14:107]. Further guidance about these will be issued later this year, Mr Ridge added. The importance of this work to everyone who takes medicines needs to be recognised, he said, adding that many people across Europe are looking with envy at way the UK is leading the way on the safe use of medicines.

## Changes in working practices needed

Having pharmacists embedded in ward-based teams will necessitate changes to existing working practices, according to Anne Cope, associate director of pharmacy, service development, clinical governance and risk for University Hospital Birmingham NHS Foundation Trust.

Describing her Trust's plans for its new "hospital without a pharmacy", she acknowledged that changing the way that pharmacy services are currently delivered will be challenging. In particular, there will be issues about working hours for pharmacists, she said. Pharmacists are "currently working very much nine to five".

As part of the plans to deliver a decentralised service, the trust is looking at its out-of-hours arrangements and analysing at what times of day prescriptions are written and medicines required. In the planned scheme, medicines will be delivered through a decentralised pharmacy service, linked with e-prescribing. This will, she argued, make best use of the skills of the members of the pharmacy team and allow them to work collaboratively with patients and colleagues.