VALUE-BASED PROCUREMENT
Partnering for patient-centric, sustainable health care

VBP Community of Practice

2nd Interactive session on Value Based Agreements

SEPTEMBER 24, 2020
Today’s agenda

10.00-10.10 Welcome, competition law reminder and objective
  • Hans Bax, Senior Consultant on Value-Based Procurement to MedTech Europe

10.10-10.40 Recap of 1st Value-Based Agreement thematic seminar and framework for procurers
  • Jennifer Clawson, Partner & Director, Value Based Health Systems, BCG
  • Laurent Storme, Associate Director, MedTech Commercial, BCG

10.40-11.55 Case study 1 - Atrial Fibrillation Value-Based Agreements - How did we do it and learnings from
  • Rodolphe Eurin, CEO, La Tour Hospital
  • Roman Iselin, Country Lead Medical Devices Switzerland, Johnson & Johnson
  30 min presentation, 10 min Q&A, 20 min action learning session, 15 min debrief

11.55-12.20 Break

12.20-13.35 Case study 2 - Knee implants Value-Based Agreements - How did we do it and learnings from
  • Karsten Kirkegaard, Senior Category Manager Region Syddanmark
  • Dennis Johnsen, National Sales Manager - Joint Replacement Division, Stryker Denmark
  30 min presentation, 10 min Q&A, 20 min action learning session, 15 min debrief

13.35-14.00 Closing and next steps
  • Kjetil Istad, Vice-President for Value-Based Procurement, EHPPA
  • Yves Verboven, Director Market Access and Economic Policies, MedTech Europe
Competition law reminder
Objective

’’A tangible framework for procurers and suppliers to further support them in the daily usage of value-based agreements.‘’

’’Framework to be composed of the final versions of the taxonomy, good practice case examples, identification of challenges and guidance on how to establish value-based agreements.’’

Steps

EURIPHI: taxonomy of value-based agreements

VBP CoP June 16th 2020 session: exchange of perspectives/experiences from legal, procurement and supplier standpoints

VBP CoP September 24th 2020 session: two deep-dive cases

Final step: use input to finalize framework and present at 2nd VBP Conference (December 1, 2020)
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Health care leaders agree changes inevitable in 3-5 years as a result of COVID

85% HCS

87% Med Tech industry

Revenue expected from value based payments today vs. in 3-5 years

Source: Which of the following describes your agreement with the statement "As a result of our collectively shared experience of a global pandemic, I believe the health care system will be substantially different 3-5 years from now, compared to before COVID"; "I believe my sector will be substantially different 3-5 years from now, compared to COVID"; What % of your revenues comes from value-based payments today / in 3-5 years?

COVID-19 can be a powerful catalyst to transform HCS

Demand "pull" from patients, providers, policy-makers rather than supply "push"

Experience can help entrench improvements as opposed to theoretical possibility
Multi-year journey underpinning today's 2\textsuperscript{nd} value-based agreement session

Source: BCG
Recap: Value-Based Agreements formalize buyer-seller collaboration linked to outcomes

What is Value-Based Agreement (VBA)?

VBA implements an agreement linking value transfer (payment or reimbursement) of a technology or solution to the real-world outcomes or other benefits it provides when used by physicians/nurses or patients in practice.

How does VBA relate to value-based procurement (VBP)?

VBA formalizes a procurement process with the use of value criteria and evidence.
Five key elements of Value-Based Agreements

1. Pre-determined criteria to structure agreement
2. Outcome measurement and monitoring
3. Target values or range for each criterion
4. Patient cohort(s) definition including risk factors
5. Financial specifications

Source: Desk Research; BCG experience; BCG analysis
## VBA taxonomy | five types of value-based agreements

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Process-based care discount</strong>&lt;br&gt;Discounts and/or contractually agreed price paid based on achieving process compliance with evidence-based clinical intervention&lt;br&gt;Easy to implement and monitor</td>
</tr>
<tr>
<td>2</td>
<td><strong>Product or service guarantee</strong>&lt;br&gt;Full or part of product cost returned if product usage fails (i.e., process/outcomes not achieved despite correct usage)&lt;br&gt;Cost due to not achieving benefit promised by supplier</td>
</tr>
<tr>
<td>3</td>
<td><strong>Value sharing by product or service</strong>&lt;br&gt;Payment tied to larger cost/full provider cost beyond product price&lt;br&gt;Often broader outcomes/benefits contracted</td>
</tr>
<tr>
<td>4</td>
<td><strong>Value sharing by alternative payment model</strong>&lt;br&gt;Hospital and supplier jointly partake in alternative payment program (e.g., bundle) share same upside/downside</td>
</tr>
<tr>
<td>5</td>
<td><strong>Fully integrated care provision including value</strong>&lt;br&gt;Medtech company takes on full care provision with full upside and downside and reimbursement from payer</td>
</tr>
</tbody>
</table>

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Source: US GPO Premier; Desk Research; BCG experience; BCG analysis

Shared value included in the agreement/collaboration between supplier and buyer
Last session focused on how to operationalize VBAs and share key success factors and challenges to overcome.

- 65 participants in 5 breakout groups
- Digital collaborative session using Miro digital whiteboard tool
5 steps for Procurers to operationalize Value-Based Agreements

1. Define "what we are going to buy"
   - Align internally with clinical and non-clinical leadership on vision, ambition, and areas to prioritize for VBP\(^1\) and VBA\(^2\)
   - Secure budget and capabilities
   - Define decision making unit and project leader

2. Align on "what matters to us"
   - Appoint and work in multi-disciplinary teams\(^3\) to define priority criteria (patient outcomes, total cost of care, HCP benefits...)

3. Define "how to generate value"
   - Attribute value (W2P\(^4\)) to agreed criteria, select metrics, define internal resources needed to execute agreement

4. Implement VBA
   - Invest resources, orchestrate efforts, build momentum with stakeholders, manage change, generate data and track KPIs rigorously

5. Learn and scale
   - Capture and distill learnings systematically, refine approach
   - Define how to best scale efforts to other therapies, care settings

---

1. Value-Based Procurement; 2. Value-Based Agreement; 3. clinicians/staff, procurers, budget holders, legal, potentially patients; 4. Willingness To Pay; 5. based on appropriate procurement process; 6. Decision Making Unit
# Insights from Value-Based Agreement overview

## Key success factors for VBA

- Define clearly what you want to solve
- Get early buy in from all stakeholders
- Keep it simple, be reasonable and pragmatic
- Focus on succinct patient cohorts, with clear and easy way to measure criteria in daily practice
- Align provider/supplier interests via VBA on few strong focus criteria
- Establish partnership that warrants time and resources investment on both sides

## Challenges to overcome

- Outcome measurement at contracting authority not in place (to capture baseline & improvement)
- Budget impact multi-year and potentially in different budgets that are currently siloed
- Legal mechanism and risks regarding court challenges still unclear
- Specifying outcome/cost criteria and estimating impact/setting targets difficult
- Medtech with limited experience and established contract models
- Objective monitoring (third party without interest in either direction) needed

Source: Desk Research; BCG experience; Expert interviews; June 16 Webinar; BCG analysis
Question and Answers
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Case Study - Atrial Fibrillation Value-Based Agreement

Roman Iselin - Country Lead J&J Medical Devices Switzerland
Rodolphe Eurin - CEO Hôpital de La Tour

SEPTEMBER 24, 2020
Context

Swiss health care systems and hospitals are under financial pressure which translates in short term cost cutting initiatives losing the quality focus which could lead to negative spiral in terms of outcome

JNJ Medical Devices SUI has embarked on a VBHC journey for the last 3-5 years, investing in understanding needs of key customers and developing the right commercial model and solutions to address them

Through these efforts, JNJ has identified selected accounts willing to embark on a VBHC partnership

Objective

Develop and reinforce partnerships with strategic accounts based on joint value created

Learn and scale efforts to impact a broader health care system

Change of mindset from volume to quality - internally and at customer - by keeping the complete patient pathway in mind
Context

Geneva area highly competitive for hospitals and clinics

La Tour is a private clinic of 180 beds focusing on orthopedics, oncology and cardiovascular diseases

Generating value for both patients and system has potential to help hospitals to differentiate by optimizing outcome while reducing total costs

Objective

Live up to hospital’s mission to deliver outstanding care and foster an organizational culture of continuous improvement

Differentiate hospital in the competitive landscape through outcomes

Reduce price pressure in negotiations with insurance companies, create outcome-based value for supplementary insurance (beyond comfort aspects)
Define "what we are going to buy"  
Align on "what matters to us"  
Define "how to generate value"  
Implement VBA  
Learn and scale

How we partnered based on joint health care value creation
Need for shared vision, identified areas of convergence and aligned priorities

Shared vision, ambition and commitments from both the La Tour hospital and JNJ MD leadership to drive VBHC and partner based on value created

Areas of convergence in terms of priorities and therapeutic areas identified during hospital/supplier strategic meetings

Alignment within hospital between therapeutic area clinical leaders, hospital administration and with supplier to partner
A collaborative multidisciplinary approach as must to align on value creation criteria

Key Success Factor

Open and constructive collaboration between

Hospital's multidisciplinary team:
- CEO, CFO and procurement
- Therapeutic area clinical leader (lead electrophysiologist)

Supplier multifunctional team:
- Managing director, business unit leader, strategic account manager, value added solutions
- Finance, legal, health care compliance, pricing

Outcome achieved

- Understanding of mutual starting points, objectives and possible solutions
- Alignment on definition of priority criteria
  - Primary: patient outcome
  - Secondary: patient volume growth

Note: acknowledgement that optimizing for these criteria would impact negatively:
- Profit per patient
- Short term profit for both hospital and supplier

1. Value-Based Procurement; 2. Value-Based Agreement; 3. clinicians, procurers, budget holders, legal; 4. Willingness To Pay; 5. based on appropriate procurement process
Need for aligned value creation levers as prerequisite to define building blocks for agreement

Main elements to define "How to generate value"

Value creation opportunity aligned between both hospital and suppliers:
- Better outcome → increased patient satisfaction → increased trust in therapy and in hospital → increased patient volumes → increase of revenues and profits
- Hospital investment in new technology will create value for supplier
- Reduced costs to perform redos if target not reached will create value for hospital and healthcare system

Value-based agreement objective: mitigate risk of investment not delivering value in line with supplier’s promise

Outcome achieved in step 3

"5 elements" of VBA defined and agreed

Financial specifications:
- Acquisition of new technology enabling a reduction of redo-% from 30% to 10% based on evidence
- 50% rebate on products needed for redo for procedures above thresholds

Outcome: % of redo procedures within 1 year

Target value: % of redo procedures within 1 year <90%

Cohort of patients defined:
patients undergoing paroxysmal atrial fibrillation procedures given available evidence for this procedure increasing confidence level to do VBA

Metrics being monitored:
- Number of primary procedures
- Number of redo procedures
- Number of products used
"Keep it Simple" as foundation for successful implementation

Elements required to implement VBA

- Setup of simple database (Excel file) stored on hospital server to record 3 metrics agreed
- Alignment of process to
  - record metrics and track KPIs (who does it, when, how)
  - share and review results with the broader group
Learn, adjust, scale and inspire others along the way

Share learnings and inspire others:
- within the supplier’s organization: BU colleagues, other BUs, other countries organizations
- within the hospital’s organization: other doctors, other department
- Medical societies associations
- Health care insurance companies
- Overall Swiss health care market... and beyond!

Capture and document learnings within project group through dedicated sessions
Drive stronger focus on data

Identify best opportunities to scale and expand in terms of
- Value creation drivers and potential solutions and tools to develop
  - E.g. procedural efficiency solution, broader use of database
- Patient cohorts
- Other therapeutic areas within hospitals
- Other hospitals
- Other product categories
- Other suppliers
Communiqué de presse

Meyrin, le 19 janvier 2020

L’hôpital de La Tour conclut un partenariat innovant pour l’achat de matériel médical, conditionné aux résultats médicaux et à la qualité des soins.

L’hôpital de La Tour s’est engagé avec Johnson & Johnson à mettre en place un contrat lié à une exigence de résultats en faveur de ses patients dans le domaine de la cardiologie. Cet accord prévoit que le fabricant, le médecin et l’hôpital travaillent en collaboration pour diminuer la taux de récidive de la cardiopathie chez le patient, sur la base d’un dispositif précis. Si les attentes fixées ne sont pas atteintes, le fournisseur remboursera une partie des coûts du matériel, au bénéfice de l’assurance maladie.

Grâce à ce partenariat, l’hôpital de La Tour réaffirme l’importance de son engagement en faveur de l’excellence médicale et de la responsabilisation face à la qualité. Il se réjouit de cette collaboration prometteuse et d’avoir trouvé en Johnson & Johnson un partenaire engagé qui met aussi pour la qualité des soins au point de vue de la responsabilisation financière.

« Cet accord soulève notre stratégie d’amélioration continue du résultat médical pour nos patients », souligne Rodolphe Eurn, Directeur général de l’hôpital de La Tour. « En plus des nombreux projets que nous avons mis en place dans ce cas, il est important pour nous d’engager nos partenaires, en particulier nos fournisseurs, avec des actions concrètes qui soutiennent cet objectif. Johnson & Johnson fait partie d’une réflexion déjà avancée à ce sujet, et il est très naturel pour nous de nous associer avec eux pour renforcer la qualité de nos soins. »

Afin de compléter sa démarche, l’établissement souhaite désormais ouvrir avec les assurances des discussions sur le rôle en place de modalités de tercifications qui refléteraient davantage la responsabilisation de l’hôpital sur le résultat au bénéfice des patients.

L’Hôpital de La Tour

L’hôpital de La Tour est un établissement de soins aigus de l’hôpital, avec un accès indépendant et à dimension humaine. Acteur dans un réseau de médecins, il met en place un système d’examen clinique et le déroulement de l’assurance hospitalière en collaboration avec des partenaires. Il est fier de l’exigence de qualité de ses patients, en particulier dans le domaine de la cardiologie. Le contrat avec Johnson & Johnson est un exemple de la prise en compte de la qualité des soins. Il est également un argument de la création d’un partenariat qui garantit le bien-être des patients.

La Tour en chiffres par an:
- 97% patients hospitalisés
- 94% patients en charge ambulatoire
- 6% interventions chirurgicales
- 18% interventions chirurgicales à domicile
- 95% satisfaction des patients
- 100% satisfaction des patients
- 100% satisfaction des patients
- 100% satisfaction des patients

Plus d’informations: www.latour.ch

La Tour Medical Group

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latour.ch

La Tour Hôpital Privé SA
## Our joint journey so far

<table>
<thead>
<tr>
<th>Activity</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial partnership discussion on VBHC</td>
<td>Q3</td>
<td></td>
<td></td>
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<tr>
<td>Alignment on focus therapy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definition of criteria, measurements</td>
<td></td>
<td>Q1</td>
<td></td>
</tr>
<tr>
<td>Targets definition and contracting</td>
<td></td>
<td>Q4</td>
<td></td>
</tr>
<tr>
<td>Implementation</td>
<td></td>
<td></td>
<td>Q1</td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
<td></td>
<td>Q2</td>
</tr>
<tr>
<td>Joint reviews</td>
<td></td>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td>Alignment on next focus therapy</td>
<td></td>
<td></td>
<td>Q4</td>
</tr>
</tbody>
</table>

- Q1: First Quarter
- Q2: Second Quarter
- Q3: Third Quarter
- Q4: Fourth Quarter
Our final advises to you

Get VBA in practice - start smaller but concrete, advance further with experience gained

VBHC approach supports the alignment and focus on common goals between different stakeholder groups and drives meaningful innovation

Outcome focus on value for patients rather then patient volume which will lead to better topline results in the longer term, sustainable improvements for healthcare system and long-term partnership

Models as enabler for better decision making and new reimbursement models
Question and Answers
breakout session
Objective
Further enable you to operationalize VBAs through reflection and exchange

Format
Moderated breakout session with reflection and exchange phases using virtual whiteboard

Question
What are your 2-3 key take aways from the case study that will help you move forward with VBA?
Each participant assigned to one of the 5 breakout sessions

**Breakout leader: Hans Bax**
Antares Consulting V.
Bax H.
De Bock L.
Evans R.
Gilbert T.
Hellandsvik T.
Johnsen D.
Karlsen P.
Notarangelo I.
Sampol Mayol C.
Surugue F.
Zacharvski V.
Zepf T.

**Breakout leader: Jennifer Clawson**
Alessandrello R.
Brecht D.
Clawson J.
de Jong F.
Delépine R.
Gilsoul D.
Mercurhosp H.
Hurnikova K.
Jones D.
Mangan B.
Pisano Z.
Schroer D.

**Breakout leader: Goetz Gerecke**
Bothma G.
Busink E.
Garcia V.
Gerecke G.
Griffiths J.
Hyberg A.
Kacskovics E.
Markulin J.
Moccaldi L.
Potel L.
Seery K.
Thomsen L.

**Breakout leader: Laurent Storme**
Fundació Parc Taulí A.
Carty J.
Disset A.
Garcia J.
Guarino A.
Iselin R.
Kirkegaard K.
Moreno Perez S.
Rappagliosi A.
Simon M.
Storme L.
Tsitiridis N.

**Breakout leader: Yves Verboven**
Abawi L.
Aláez C.
InnovaPuglia D.
Dunnett J.
Eurin R.
Finlay C.
Guiu J.
Istad K.
Nadelwais I.
Rossa S.
Verboven Y.
Trickett L.

Name not disclosed

Note: Breakout leader to guide discussion, take notes. Spokesperson to present results
5 simple steps for successful breakout sessions

1. Join breakout session (automatic), intro and spokesperson assignment
   - ~2 min

2. Write down your 2-3 key take aways on the whiteboard
   - ~3 min

3. Share your top take away with your group’s Group spokesperson to summarize output
   - ~15 min

4. Rejoin plenary session (automatic)
   - ~15 min

5. Group spokesperson to summarize output
   - ~35 min
We will be using the ZOOM whiteboard shared by the moderators.

1. Click on View Options
2. Click on Annotate
3. Click on Text
4. Click on Format
5. Choose your color
6. Type in your key take away

Key take away A
Key take away B

Key take away C
Key take away D
You will be sent to your breakout room automatically in a few seconds

See you in 20 min!
Welcome back to the plenary session
Sharing your views

Spokesperson to summarize output

~15 min

Group

1

2

3

3 min/
group

4

5
Sharing your views

Spokesperson to summarize output

Group

1

2

3

4

5

~15 min

3 min/ group
Sharing your views

Spokesperson to summarize output

Group

1

3 min/group

2

3

4

5

~15 min
Sharing your views

Spokesperson to summarize output

Group

1
2
3
4
5

~15 min

3 min/group
Sharing your views

Spokesperson to summarize output

Group
1
2
3
4
5

~15 min
3 min/group
Break
Let's be back at 12.30 CET
Welcome back from the break
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- Kjetil Istad, Vice-President for Value-Based Procurement, EHPPA
- Yves Verboven, Director Market Access and Economic Policies, MedTech Europe
Case Study 2 - Knee implants Value-Based Agreement

Karsten Kirkegaard, Senior Category Manager, The Region of Southern Denmark
Dennis Johnsen, National Sales Manager, Joint Replacement, Stryker Denmark

SEPTEMBER 24, 2020
Context

The Region of Southern Denmark has a patient-centered improvement model with focus on data driven innovation, patient-experienced outcomes and streamlining.

Vejle Hospital received again the award for Denmark’s Best Medium-sized Hospital in 2020.

The Orthopedic department at Vejle Hospital is a high-volume Danish department with more than 1,000 knee and hip replacement surgeries each year built through long-term supplier collaborations.

Objective

Further improve patient outcomes for primary knee replacement surgeries at Vejle Hospital.

Reward/penalize supplier via implants price adjustments linked to actual patient outcome achieved.

Operate within the current budgetary framework for knee replacement surgery at Vejle Hospital.
Context

The healthcare system in Denmark, and the knee replacement surgeries, are mainly done in public hospitals.

Tender models in Denmark have had the same overall structure for many years. Even so, the tenders are larger and last for a longer period.

The value-Based procurement model for the knee tender in Vejle, was created by the region South Denmark. Stryker was one of more suppliers, submitting an offer for this tender.

Objective

The proposed model is very much in line with the Stryker Mission and focus on Patient Related Outcome Measurements (PROM).

Partnering with customers for improvement of patient pathway and clinical outcome

PROM-data validation in close collaboration, and milestone measurements
How we dialogued, tendered and partnered to improve patient outcomes

1. Define "what we are going to buy"
2. Align on "what matters to us"
3. Define "how to generate value"
4. Implement VBA
5. Learn and scale

How we dialogued, tendered and partnered to improve patient outcomes
Contract renewal, strategic service, ownership & involvement and adaptive suppliers in a competitive market

Contract renewal was required for the knee replacement implants at Vejle Hospital.

Knee replacement surgery is a strategic service. Procurement aim is long-term/strategic collaboration focusing on output, development, risk sharing, and/or TCO.

Clinical and administrative ownership within hospital and involvement of the clinical staff doing knee replacements.

The competitive landscape was constituted of relatively flexible and eager suppliers in a competitive market.

Step 1 - “Define what we are going to buy"

Early discussion with pre-selected 6 orthopedic players to share ambition and approach and to get input.
An open dialogue-based multidisciplinary approach to align the value creation criteria and risks

Key Success Factor

Open and constructive pre-tender dialogue between

Multidisciplinary team:
- Clinical leader and chief physicians from the orthopedic department
- Category manager for orthopedic surgery goods and services

Supplier multifunctional teams:
- General Manager, Country Manager, Marketing Manager, Sales Account Executive
- Finance, legal, health care compliance, tender and pricing

Outcome achieved

- Understanding of the starting points and objectives of the Region of Southern Denmark and possible solutions
- Alignment on priority criteria defined: patient outcome for primary knee replacement surgery (2 procedures/ lots: partial and total knee replacement)
- Acknowledgment and understanding of the risks associated with patient outcome-based agreements
Value creation levers leveraging on existing data retrieval

**Main elements to define "How to generate value"**

Value creation opportunity aligned between both hospital and suppliers:

- **Costs drivers:**
  - Shorter patient hospitalization
  - Lower readmission rate
  - Lower revision rates
  - Lower revision costs for hospital if targets not achieved (~3800 EUR)

- **Patient satisfaction and revenues drivers**
  - Better overall patient experience
  - Better “function lift” outcome
  - Lower revision rates

Value-based agreement objective: Mitigate risk of new knee implants not delivering value in line with the current patient outcomes for primary knee replacement surgeries at Vejle Hospital or the supplier’s promised better patient outcome

**Outcome achieved in step 3**

5 VBA-elements defined

**Financial specifications:**

- Prices adjusted based on actual performance (+/- 17% percent for following year)
- Free knee revision implants to treat patients exceeding the maximum target value or the supplier’s promised better revision percentage

**Outcome:**

- Length of stay
- Number of readmissions
- Revision rate within 2 years
- Overall patient satisfaction
- Functional outcome

**Target value:**

Baseline defined based on current outcomes

**Metrics being monitored (already in place):**

- Number of primary procedures
- Patient hospitalization time
- Number of readmissions
- Number of revision procedures
- Patient satisfaction (PROM)
- Function lift (PROM)

**Cohort of patients defined:**

All patients undergoing primary knee replacement surgery at Vejle are included

Step 3 - Define "How to generate value"
Implementation and the first patient outcomes

Key Success Factors

Well-planned clinical implementation of the new knee implants involving all relevant clinical staff

Clinical education and support before and during the first complex knee procedures for all relevant clinical staff

The collection of metrics being monitored does not require many resources when based on existing data delivered to national clinical patient databases

Patient outcomes achieved

<table>
<thead>
<tr>
<th>Patient outcome parameters</th>
<th>Total knee arthroplasty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical patient outcome in 2019</td>
<td>Baseline</td>
</tr>
<tr>
<td>Average patient hospitalization time (in hours)</td>
<td>51.8</td>
</tr>
<tr>
<td>Average patient re-admission rate 30 days after discharge</td>
<td>5.0 %</td>
</tr>
<tr>
<td>Average patient revision rate after 1st postoperative year</td>
<td>1.7 %</td>
</tr>
<tr>
<td>Average patient revision rate after 2nd postoperative year</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Average patient revision rate after 5th postoperative year</td>
<td>4.1 %</td>
</tr>
<tr>
<td>Patient reported outcomes in the start-up period in 2016</td>
<td>Baseline</td>
</tr>
<tr>
<td>Very satisfied reported total outcome 1 year after surgery</td>
<td>65 %</td>
</tr>
<tr>
<td>Satisfied or better reported total outcome 1 year after surgery</td>
<td>85 %</td>
</tr>
<tr>
<td>Very satisfied reported functional lift 1 year after surgery</td>
<td>65 %</td>
</tr>
<tr>
<td>Satisfied or better reported functional lift 1 year after surgery</td>
<td>85 %</td>
</tr>
</tbody>
</table>
Learn, adjust, scale and inspire others along the way

Learn and adjust

Process
- Review meetings to analyze and understand data and course correct if needed
  - Hospital's clinicians
  - Hospital/awarded suppliers
- Outcome also captured for other purposes
  - Clinical studies
  - National registry

Main learnings
- Ownership and support from the clinical management is essential
- Healthcare professionals are not always comfortable with the increased transparency
- Suppliers' business models are not always compatible with risk sharing especially SMEs
- Start the dialogue with the market well in advance
Learn, adjust, scale and inspire others along the way

Scale and inspire others

• Share experience at
  - Regional category management steering group
  - National Forum for value-based procurement in the field of health
• Dialogue and evaluate tender format with key stakeholders

Way forward for strategic goods and services

• Contracts without a pre-determined expiration date based on open book price adjustments where each party can terminate the cooperation with a given notice (e.g. after 6 years)
## Our joint journey so far

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial partnership discussions on VBHC</td>
<td>Q1 ▲</td>
<td>Q1 ▲</td>
<td></td>
</tr>
<tr>
<td>Prior information notice published TED</td>
<td>Q2 ▲</td>
<td>Q2 ▲</td>
<td></td>
</tr>
<tr>
<td>Open pre-tender market dialogue</td>
<td>Q3 ▲</td>
<td>Q3 ▲</td>
<td></td>
</tr>
<tr>
<td>Elaboration draft VB tender documents</td>
<td>Q4 ▲</td>
<td>Q4 ▲</td>
<td></td>
</tr>
<tr>
<td>Pre-tender dialogue draft VB documents</td>
<td></td>
<td>Q1 ▲</td>
<td></td>
</tr>
<tr>
<td>Normal public tender published in TED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract signing &amp; implementation</td>
<td></td>
<td>Q2 ▲</td>
<td></td>
</tr>
<tr>
<td>Normal operation startup</td>
<td></td>
<td></td>
<td>Q3 ▲</td>
</tr>
<tr>
<td>First patient outcome calculation</td>
<td></td>
<td></td>
<td>Q4 ▲</td>
</tr>
</tbody>
</table>

- ▲ indicates key milestones.
Our final advises to you

Drop the old arm's length approaches and shift the focus to total value of ownership

Establish valid and credible baseline for patient outcome for both sides

Ensure ownership of the clinical management of the hospital throughout the process

Flexibility is required on both sides - *Chop a heel and cut a toe*
Question and Answers
You will be sent to your breakout room automatically in a few seconds.
Welcome back to the plenary session
Sharing your views

Spokesperson to summarize output

Group

1

2

3

4

5

3 min/group

~15 min
Sharing your views

Spokesperson to summarize output

Group

1

2

3 min/group

3

4

5

~15 min
Sharing your views

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Group
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1

2

3 min/ group

3

4

5
Sharing your views

Spokesperson to summarize output

Group

1
2
3
4
5

3 min/group

~15 min
Closing and next steps

Yves Verboven, Director Market Access and Economic Policies, MedTech Europe

&

Kjetil Istad, Vice-President for Value-Based Procurement, EHPPA
Please block your calendar for the next VBP CoP event

Second European Value-Based procurement conference, open e-event, 1 December 2020
Thank you