

# BHTA Brief 2024: 3 Steps to Better UK Med Tech Procurement & Innovation Adoption

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*The British Healthcare Trades Association (BHTA) believe there are three key steps to improve UK med tech procurement and innovation adoption. We argue that procurement is uncoordinated, leaking value and creating an overly complex business environment. We call for:*

- 1. A National Med Tech Procurement Forum*
  - 2. Embedding Value-Based Procurement (VBP) principles in partnership with industry*
  - 3. Implementing an effective, comprehensive roadmap for innovation adoption*
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The procurement landscape must change if it is to work for the NHS and UK medical technology industry – as highlighted recently by the National Audit Office (NAO)<sup>1</sup> and the Public Accounts Committee (PAC)<sup>2</sup>. The BHTA and its 400 members, spanning 12 health and social care (H&SC) sectors, have long highlighted concerns about the lack of meaningful mechanisms for the NHS and suppliers to collaborate on solutions and address problems.

**Adopting the recommendations outlined here could yield up to £5bn per year in efficiency savings to the NHS, and help NHS Supply Chain (NHSSC) achieve its [publicly stated goal](#) of doubling its take of NHS' annual med tech spend from 40% to 80%, as urged by the NAO and PAC.**

Andrew New, CEO of NHS Supply Chain, said recently<sup>3</sup>, “We won’t achieve all our aspirations by buying the things we buy today for less money – we can only really do it by buying the right things, with the best patient outcomes, to drive the best efficiency and effectiveness for healthcare.”

**Lack of Effective NHS / Industry Collaboration:** There is no single route, process, or policy to sell into the NHS (for healthcare). Local Authority processes (for social care) differ at each authority. Pragmatic solutions to supply chain problems proposed by industry are often unacknowledged and unadopted. Suppliers find it hard to offer new and innovative solutions to the NHS. Systemic issues stand in the way of an efficient and integrated H&SC supply chain.

**Misaligned NHS Procurement Focus:** BHTA members find productive discussion with the NHS difficult when cost-pressures, inflation, and external factors impact the procurement landscape. This leads to companies removing products from the NHS market – to the detriment of patients and clinicians – and drives some out of the market. We recognise the importance of prioritising the best value for patients but shifting away from unhelpful “price vs. patients” procurement models towards a patient-centred, value-based model should be a priority for the NHS in general and NHSSC in particular, to deliver better outcomes.

**Unclear Access Routes:** While NHSSC should be the chosen option for products in the acute sphere, other access options should still be available for other parts of the H&SC system. Valuable solutions and innovations that could shorten waiting lists, speed hospital discharge, and enhance overall care are being overlooked. In response, BHTA calls for urgent improvements in collaboration between NHSSC, NHS purchasers, and med tech suppliers<sup>4</sup>.

**Recommendation 1 – A National Med Tech Procurement Forum:** *DHSC should establish and fund a National Med Tech Procurement Forum of industry and Government stakeholders to identify policies, practices, and processes that drive effective H&SC delivery at scale. Reducing preventable hospital admissions and speeding up hospital discharges are major goals for UK H&SC – this can only be delivered in partnership with industry<sup>5</sup>.*

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<sup>1</sup> See [12-Jan-24 NAO report NHS Supply Chain and Efficiencies in Procurement](#).

<sup>2</sup> See [27-Mar-24 PAC report of the same title as NAO report](#).

<sup>3</sup> [NHS Supply Chain Podcast, Episode 2 – Supporting Healthcare Priorities](#), undated.

<sup>4</sup> This collaboration must join up existing Government procurement and innovation strategies such as: [Life Sciences Vision](#) (Jul-21; OLS, DSIT, DBT); [Medical Technology Strategy](#) (Feb-23, plus Apr-24 [Med Tech Innovation Classification Framework](#); DHSC); [MHRA Corporate Plan 2023-26 and Business Plan 2023-24](#) (Jul-23; MHRA); [Strategic Framework for NHS Commercial](#) (Nov-23; NHS CCF); National Methodology for Value-Based Procurement (forthcoming 2<sup>nd</sup>-half 2024; NHSSC, NHSE, DHSC).

<sup>5</sup> For detail, please see [BHTA evidence to the Public Accounts Committee](#), esp. Annex 1 – Release NHS Capacity.

## UK H&SC Procurement – A New Partnership Model

*Recommendation 2 – Embed & Enact Value-Based Procurement: Government should transform investment– led by NHS Central Commercial Function (NHS CCF) – to create a suite of mutually-agreed policies, practices, and toolkits based on Value-Based Procurement (VBP)<sup>6</sup>.*

- Tested, actionable, two-way procurement principles to improve VBP practices between commissioners (buyers) and suppliers (sellers), including a Top-Ten Improvements List<sup>7</sup>
- Non-commercial discussion forums and resources for better understanding between commissioners and buyers
- Mutual definitions of links between prices, patient care/quality, and sustainability goals

## UK Med Tech Innovation Adoption – A New Landscape

Commissioners (NHS Trusts, ICSs, Local Authorities, etc.) are invited, not required, to procure centrally. Having the various commissioners create and operate their own procurement processes presents suppliers with a landscape that is complex, ever-changing, diverse, duplicative, and siloed. This hinders adoption of innovation.

*Recommendation 3 – Innovation Adoption Roadmap, Timeline & Toolkit: Government should partner with industry to create a roadmap, timeline, and toolkit to boost H&SC innovation adoption<sup>8</sup>.*

- Short-term, BHTA calls on Government to put in place genuine support – i.e., budget, resource, process, and collaboration – to enable DHSC to deliver against their stated innovation goals
- Long-term, BHTA calls on Government to build – via collaboration, based on the outcome of short-term goals above – strategic resources including:
  - A single front door for a unified innovation model (e.g. a DHSC-led Innovation Office)
  - Clearer funding and commissioning models (e.g. funding points across the innovation lifecycle)
  - Innovation-friendly procurement (e.g. Innovation Lots w/in Categories and Framework Agreements)

## Benefits to Government

Adoption of the recommendations above stands to deliver a possible £5bn per year efficiency saving through eliminating “unwarranted variations [across the NHS landscape],” to quote a [2016 exhortation by Lord Carter in an independent report to DHSC](#); this might include:

- Significantly increased likelihood of NHSSC achieving its [publicly stated goal](#) of doubling its take of NHS’ annual med tech spend from 40% to 80%, as urged by the NAO and PAC
- Sector-specific efficiency gains such as:
  - Reducing c. £1.9bn per year disabled children’s H&SC spend via better provision (cost c. £0.5bn per year)<sup>9</sup>
  - Lessening the £2.6bn annual cost of unnecessary pressure ulcers suffered by c. 400,000 patients<sup>10</sup>
- Avoiding the real possibility of the UK becoming a second-class H&SC market, with outdated technologies and treatments. Despite integration’s benefits for both patients<sup>11</sup> and systems<sup>12</sup>, Government appears to be hollowing out funding for these integration plans in England<sup>13</sup>, while systems grind to near-collapse in Scotland<sup>14</sup> and Wales<sup>15</sup>.

<sup>6</sup> For detail, please see [BHTA evidence to the Public Accounts Committee](#), esp. Annex 3 – Rethink & Reform H&SC Procurement

<sup>7</sup> As outlined in [BHTA Best Practice Procurement White Paper, 2023](#).

<sup>8</sup> For detail, please see [BHTA evidence to the Public Accounts Committee](#), esp. Annex 4 – Rethink & Reform Innovation Adoption.

<sup>9</sup> “[The economic benefits of better provision of equipment for disabled and terminally ill children](#),” *BHTA and Centre for Economics and Business Research*, 2014.

<sup>10</sup> “[Pressure Ulcers – BHTA guide to prevention and cash releasing savings](#),” *BHTA*, 2017.

<sup>11</sup> See, e.g., “[What integration means for social care](#),” joint *Skills for Care* and *NHS Employers* blog, 25-May-23.

<sup>12</sup> See, e.g., “[Integrated workforce thinking across systems](#),” *NHS Employers*, 19-Oct-22.

<sup>13</sup> “[Fury greets cuts to funding for social care’s contribution to integration](#),” *HSJ*, Annabelle Collins, 04-Apr-23.

<sup>14</sup> “[Dangerously close to a complete system failure in social care](#),” *Edinburgh Evening News*, Claire Miller, 20-Jun-23.

<sup>15</sup> “[More than 50 NHS Wales leaders say social care is in a 'state of emergency'](#),” *Wales Online*, Mark Smith, 28-Sep-22.