

Mid Essex Hospital Services NHS Trust achieves **28% saving** through improved Orthopaedics procurement

As part of a wider programme of procurement cost reduction, Mid Essex Hospital Services NHS Trust have been working with INVERTO to reduce costs in the area of Reconstructive and Trauma Orthopaedics.

The Trust has saved over £300k within three months, representing a 28% saving on hip products alone, with the final savings delivery across all categories, including upper and lower limb, trauma and pulse lavage, forecast to be up to £500k.

The challenge:

With 12 orthopaedic and trauma consultants, Mid Essex Hospital Services NHS Trust undertakes 800 procedures per annum, split between hips and knees, spending approximately £2.9m with suppliers in this category.

The Trust does not have the specialist resources to undertake their own sourcing, but as a member of the East of England Hub, they fully utilised the hub contract, awarded in 2011.

Having already saved over £100k and rationalised their supply base to 2 suppliers for hips – one cemented, one uncemented – and one supplier for knees, the Trust was initially pessimistic but still keen to drive the maximum savings.

The approach:

The Trust have utilised the specialist clinical procurement resources of INVERTO to undertake a focused project of orthopaedics procurement.

Starting with a detailed benchmarking, INVERTO analysed all supplier expenditure, categorising by supplier, sub-category and also procedure. This enabled a procurement strategy to be presented with clear recommendations based on industry benchmarks and a cost per procedure.

A cross-functional commercial/clinical team was formed. This included a consultant, lead nurse, theatre ordering technician and INVERTO. Meeting weekly,



Mid Essex Hospital Services NHS Trust - *Care, Excel, Innovate*

Mid Essex Hospital Services NHS Trust provides a comprehensive range of acute and community based services. It also hosts regional plastics, head and neck and upper gastrointestinal (upper GI) surgical services and a supra-regional burns service to 9.8 million people.

The Trust enjoys a strong clinical reputation and provides a wide range of services including A&E, emergency medicine and surgery, elective surgery in most specialties, and maternity and paediatric services.

"I was very impressed with INVERTO'S clinical engagement. Everything was presented in a format that was relevant to me as a clinician, or explained patiently if unclear, and this allowed us to make informed decisions as a department.

The level of face to face contact helps the work progress in an amicable way, avoiding the annoyance of 'email change management', so that colleagues could contribute and be involved. INVERTO provided me with the data on exactly what was being used in the dept and made recommendations on what was possible in various scenarios.

INVERTO have a great knowledge of orthopaedic products and the industry which has meant that we have made additional savings as a dept that we would not have been able to make without them, and we will be happy to work with them in the future."

Bill Martin, Consultant Orthopaedic Surgeon
Mid Essex Hospital Services NHS Trust (Lead Clinician,
Mid Essex Orthopaedic Procurement Project)



this team reports directly to the Clinical Director, Chief Financial Officer and Chief Operating Officer.

The team has executed a cross functional strategy, driving enhanced competition through a process of supplier engagement, presentations, negotiations and clarification. Utilising INVERTO's product and market knowledge, all supplier offers could be compared at procedure construct level with the accurate modelling of cost scenarios. This was then presented to the Clinical team for review and discussion, giving clarity of information to enable decision making.

The process concluded with an internal clinical review and board paper recommendation. Following award, additional benefits have been accrued through the optimisation of consignment stocks.

The results:

From first analysis to the upload of verified catalogues, the first £300k, representing a 28% saving without any change of suppliers or products, has been delivered within three months. With further savings forecast from upper and lower limbs, trauma and associated products such as pulse lavage, this will deliver a total saving of £450-£500k across the category, a 17% saving.

The results of the project demonstrate the power of clinical engagement. The combination of specialist procurement expertise, clinical and commercial knowledge and the backing of the Trust Board is the key success factor to deliver savings in this critical area.

Bill Martin, Consultant Orthopaedic Surgeon at Mid Essex Hospital Services NHS Trust says:

"The initial worry that financial pressures would lead us towards accepting substandard implants or major inventory changes has not been borne out, and it was reassuring to be involved in the process as a surgeon."



"INVERTO's market and product knowledge have been invaluable in helping the Trust deliver substantial cost savings in a short space of time, and they have given our Procurement savings plans real impetus.

They have the ability to talk the clinicians language, optimise the procurement process and deliver a result the trust could not have achieved itself. INVERTO's knowledge of national pricing structures and how suppliers operate has meant that the Trust has been able to negotiate with confidence.

INVERTO are also now working with our clinical teams to introduce product usage policies which will deliver further savings. I have been very impressed with what INVERTO have been able to achieve in an area that was already highly rationalised.

INVERTO have followed the process through from end to end even down to working with the finance lead to remove the appropriate saving from the budget and uploading the new supplier catalogues into the Trust product catalogs"

Nick Gerrard, Chief Financial Officer,
Mid Essex Hospital Services NHS Trust

About INVERTO:

INVERTO are specialists in **hospital and healthcare procurement and supply chain management.**

With deep procurement expertise across all medical and non-medical healthcare categories, we have a strong track record of savings delivery for hospitals and other healthcare organisations, through a number of assignments in the NHS and in Europe.

Our clients appreciate our flexible, entirely **success-based approach to remuneration.** We have saved **over £280m** for our clients in **over 1,200 assignments** across all sectors and industries.

Our services include:

- Implementation of procurement savings
- Benchmarking and savings opportunity identification
- Strategy, organisation and process improvement
- Specialist procurement training and development



Find out how much we can save you:

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