

# Group Procurement for Orthopaedics



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- care
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Group Procurement Office

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- Rationale

- Core competencies

Physician Preference Items

- Reasons for difficulty to GPO

  - Patient outcome

  - Training

  - Systems completeness

Conflict of interest



# Singhealth Group Procurement Office

Formed Aug 2011

65 staff from Material Management  
Department of cluster institutions  
transferred

FY2011 savings of S\$30 million

# Rationale for Group Procurement

- Cost Containment
- Improve Quality (Value)
- Insulate users from purchase process

- Decrease cost of purchase
  - Economies of scale
  - Improve quality through good suppliers
  - Value through evidence based outcome
- Decrease cost to the purchasing process
  - human resources savings in sourcing & contracting
  - Healthcare human resources trained for delivery than purchasing

# Group Procurement Core Competencies

- Strategic sourcing
  - Supplier choices, risk, competencies
- Developing request for proposals and their evaluation
- Obtaining best and final offers
  - Counterdetailing (pricing and profits)
  - Crosswalks (comparison pricing)
  - Scenario based sourcing

# Group Procurement Core Competencies

- Stability of pricing and budget
- Implementing and monitoring contracts efficiency and flexibility
- Physician preference management
  - Alignment not standardisation (equivalence and utilization rates)
  - Comparison
- Supply chain analytics



ZIMMER PRICE PROPOSAL				
Item Description	Current unit price (\$)	Proposed RFP unit price (\$)	Zimmer Equivalent Item Description	Product Catalogue no.
PERIARTICULAR SCREWS (LOW PROFILE DESIGN)				
43 3.5mm Pelvic Cortex Screw				
length 10mm	35.00	15.00	length 10mm	00234702010
length 12mm	35.00	15.00	length 12mm	00234702012
length 14mm	35.00	15.00	length 14mm	00234702014
length 16mm	35.00	15.00	length 16mm	00234702016
length 18mm	35.00	15.00	length 18mm	00234702018
length 20mm	35.00	15.00	length 20mm	00234702020
length 22mm	35.00	15.00	length 22mm	00234702022
length 24mm	35.00	15.00	length 24mm	00234702024
length 26mm	35.00	15.00	length 26mm	00234702026
length 28mm	35.00	15.00	length 28mm	00234702028
length 30mm	35.00	15.00	length 30mm	00234702030
length 32mm	35.00	15.00	length 32mm	00234702032
length 34mm	35.00	15.00	length 34mm	00234702034
length 36mm	35.00	15.00	length 36mm	00234702036
length 38mm	35.00	15.00	length 38mm	00234702038
length 40mm	35.00	15.00	length 40mm	00234702040
length 45mm	35.00	15.00	length 42mm	00234702042
length 50mm	35.00	15.00	length 44mm	00234702044
length 55mm	35.00	15.00	length 46mm	00234702046
length 60mm	35.00	15.00	length 48mm	00234702048
Length 65mm	35.00	15.00	Length 50mm	00234702050
Length 70mm	35.00	15.00	Length 55mm	00234702055
Length 75mm	35.00	15.00	Length 60mm	00234702060
Length 80mm	35.00	15.00	Length 65mm	00234702065
Length 85mm	35.00	15.00	Length 70mm	00234702070
Length 90mm	35.00	15.00	Length 75mm	00234702075
Length 95mm	35.00	15.00	Length 80mm	00234702080
Length 100mm	35.00	15.00	Length 85mm	00234702085
Length 105mm	35.00	15.00	Length 90mm	00234702090
Length 110mm	35.00	15.00	Length 95mm	00234702095
	35.00	15.00	Length 110mm	00234712000
5 4.0mm Cancellous Bone Screw FT				
Length 10mm	35.00	15.00	Length 10mm	00234702210
Length 12mm	35.00	15.00	Length 12mm	00234702212
Length 14mm	35.00	15.00	Length 14mm	00234702214
Length 16mm	35.00	15.00	Length 16mm	00234702216
Length 18mm	35.00	15.00	Length 18mm	00234702218
Length 20mm	35.00	15.00	Length 20mm	00234702220
Length 22mm	35.00	15.00	Length 22mm	00234702222
Length 24mm	35.00	15.00	Length 24mm	00234702224
Length 26mm	35.00	15.00	Length 26mm	00234702226
Length 28mm	35.00	15.00	Length 28mm	00234702228
Length 30mm	35.00	15.00	Length 30mm	00234702230
Length 32mm	35.00	15.00	Length 32mm	00234702232
Length 35mm	35.00	15.00	Length 34mm	00234702234
Length 36mm	35.00	15.00	Length 36mm	00234702236
Length 40mm	35.00	15.00	Length 38mm	00234702238
Length 45mm	35.00	15.00	Length 40mm	00234702240
Length 50mm	35.00	15.00	Length 45mm	00234702245
Length 55mm	35.00	15.00	Length 50mm	00234702250

# Success Parameters

- Excellence in core competencies
- Physician buy in & change leadership



# Physician Preference Items

Largest proportion in US Hospital procurement

Cardiology

Orthopaedics



# Why Physician Preference

- Training
- Patient outcome
- Surgical system comprehensiveness
- Surgical system inventory logistics and knowledge

# Patient Outcome

- Austere environment
  - Heat
  - Blood
  - Unstable patient
  - Unstable fracture
  - No redo



# System Comprehensiveness

## Truth in Scheduling: Is It Possible to Accurately Predict How Long a Surgical Case Will Last?

ANESTHESIA & ANALGESIA Vol 108 No. 3 Mar 2009 P681 - 5

Table 2. Example of Wide Variety of Surgical Procedures (Related to Laparoscopic Cholecystectomy) Grouped Together Under One Mnemonic (Designated as ABGN 81)

Procedure mnemonic assigned when case is booked	Surgical procedure performed	Preoperative diagnosis
ABGN81	Laparoscopic cholecystectomy	S/P kidney transplant
ABGN81	Laparoscopic cholecystectomy	Acute and chronic cholecystitis
ABGN81	Lap cholecystectomy w/intraop cholangiogram	Cholelithiasis
ABGN81	Endoscopic cholecystectomy	Cholelithiasis
ABGN81	Laparoscopy; biopsy of retroperitoneal mass	Abdominal mass
ABGN81	Lap cholecystectomy; umbilical hernia repair	Gallstones
ABGN81	Laparoscopy cholecystectomy; lysis of adhesion	Cholelithiasis
ABGN81	Open cholecystectomy w/cholangiogram	Cholelithiasis
ABGN81	Laparoscopic cholecystectomy-converted to true cut biopsy of liver	Cholangitis, common bile duct stone
ABGN81	Lap choly attempted; open cholecystectomy	Symptomatic cholelithiasis
ABGN81	Exploratory laparoscopy, converted to open laparotomy; open choly; intraop cholangiogram; intraoperative laparoscopic ultrasound	Pancreatic pseudocyst

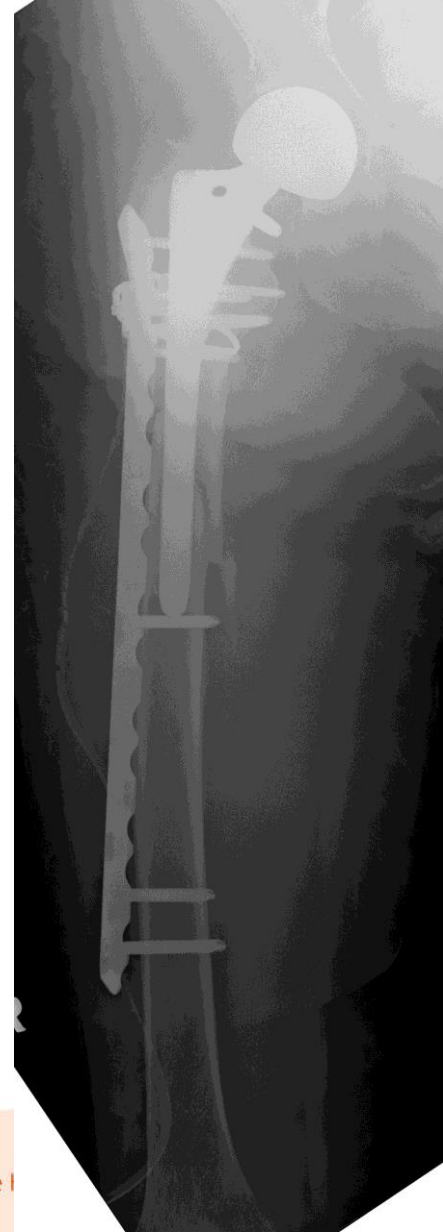
# System Comprehensiveness

- Inpatient surgical suite in a year
  - 11579 cases
    - 5156 different procedures
    - 225 surgeons
    - 7217 combination of procedure and surgeons



# System Inventory Logistics and Knowledge

- Vendor support in OR
- Vendor support in Training
- Vendor support in customization
- Vendor support in Design
- Surgical system inventory logistics & knowledge



# Conflict of Interest

Appendix 6 to Doc No.: 83700-12P-002/02

## DECLARATION FORM

Evaluation / Submission of Approval of Requisition : Supply of Trauma Implants (consignment, 2+1 years)

Tender / Invitation To quote no : GPMR00312 (GPO contract)

Name of Tenderers : 1) Synthes Singapore Pte Ltd.  
2) Zimmer Pte Ltd.  
3) Johnson & Johnson pte Ltd.

## DECLARATION

I WONG MERAK KOW have :



vested interest in AO being its trustee & Academic Council Member



Received sponsorship for attending OTA Meetings (as approved by Management \*) from Zimmer in the past 12 months prior to the date of \_\_\_\_\_ / evaluation / submission or approval of requisition.

WONG MERAK KOW

Name / Signature / Date

3/4/2012

\* To delete if not applicable

## APPROVAL

I approve / disapprove

Chief Executive Officer

# GPO & Physician Preference Items

- GPO process will improve bargaining basis
  - We will buy from vendor B but vendor A is already 10% less will vendor B come lower
- Physician will know the “premium” of the product procured and make his own value judgements



# Conclusion

GPO

Strategic value

Physician Preference

Improve patient outcome



# Thank you

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