

5th EUROPEAN VALUE-BASED PROCUREMENT CONFERENCE, Brussels, December 2023

Navigating the VBP challenges and reaching destination

Value Based-Procurement – the Danish model

Lars Dahl Allerup, CEO, Rethink Value

RETHINK VALUE



Former New Business Development Manager, Corporate Procurement, The Capital Region of Denmark (2017-2021)

Former Lead Strategic Buyer, Corporate Procurement, The Capital Region of Denmark (2007-2017)

Former Head of domestic manufacturing, National Operative Staff (NOST, 2020-2021)

Executive advisor and investor

Founder & CEO, Miles Ahead

Senior Advisor, Rud Pedersen Public Affairs

Founder & CEO, Miles In The Sky Ventures

Chairman & Partner, Human Bytes

Member of the board, VIOBAC

Co-founder & CEO, Daruni Invest

Partner, TechStation Invest

Value-Based Healthcare

Co-founder & CEO, Rethink Value

Faculty member, The Value-Based Health and Care Academy, Swansea University, Wales

Affiliations

Board of Innovative Public Tenders (Danish Ministry of Industry, Business & Financial Affairs, 2019-2021)

National Board of Healthcare Innovation (Danish Regions, 2019-2021)

Texas-Denmark BioBridge (Danish Ministry of Foreign Affairs, advisory board, 2019-)

Inflection points changing 17 years of public procurement in Denmark



Major healthcare reform from 2007

Centralization, specialization and professionalization

Centralized procurement departments

Annual regional procurement strategies

National 4-year procurement strategy

Innovative and green procurement

National board of procurement development

A new national model for Value-Based Procurement

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THE PROBLEM

Value-Based Procurement (VBP) business models require:

- ❖ Trust and strong relations between payer, provider and industry
- ❖ A common language or culture of VBP for mutual understanding and dialogue
- ❖ Transparent outcome-based business models which can capture tangible value for patients, healthcare systems and the life science industry
- ❖ There is an evident global demand for an easy understandable and iterative model that meet requirements from both payer, provider and industry

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THE SOLUTION

A dynamic and self-learning data-driven model to illuminate the true cost and value drivers for all stakeholders in any given life science procurement to enable mutual trust, increased transparency and a common language

- ✓ The model will be able to simulate outcomes before decision making
- ✓ The model will support performance measurement during a contract
- ✓ The model will enable tendering of Value-Based Procurement contracts
- ✓ The model will support value rewarding payment models
- ✓ The model will visualize and strengthen stakeholders' incentives

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Introducing the idea in Brussels, December 2019



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Initiative 21 Strengthened focus on innovative purchasing and new billing models

Development and commissioning of innovative technologies and medical equipment, value-based payment and new treatment options in the healthcare system often provide better patient care for the individual, and are to the benefit of society as a whole. Innovative procurement, however, requires more resources for both the purchaser and the company to complete due to higher complexity. Therefore, the parties to the agreement agree to boost investment by DKK 2.0 million in 2021, 0.5 million in 2022 and 1.5 million in 2023 to strengthen the innovation-promoting range of innovative health technologies and medical equipment, e.g. by initiating work to develop a prototype of a data-driven model for value-based procurement, develop innovation criteria, ensure competence development among purchasers and develop innovative contract paradigms.

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The project 2021-2023

- ✓ EUR 500,000 government grant to Rethink Value
- ✓ Public-Private Partnership with Danish Regions
- ✓ Consortium of Rethink Value, NHTA and Trifork
- ✓ Steering committee with the regional CPOs, Danish Medtech Association, Ministry of Health, Ministry of Industry, Business & Financial Affairs and Danish Regions
- ✓ Reference group of regional senior procurement officers
- ✓ Designing and building the prototype software model
- ✓ Based on the PICO principles and a national cost data base
- ✓ Coding the health economics algorithm
- ✓ Building and validating a regional cost database
- ✓ Testing and validating the prototype on 4 medtech test cases
- ✓ First version of prototype is operational and on-line
- February 2024: training regional procurement officers in PICO and how to apply the prototype in daily procurement operations
- March 2024: handover of the prototype and national deployment
- *2024-2026: develop a full-scale product capable of comprehensive healthcare procurement in Europe?*



PICO

The PICO Principle assists you in organizing and focusing your question into a searchable query.

P

Participants / Population

Who are the relevant patients?

I

Intervention / Indication

What is the management strategy, diagnostic test or exposure that you are researching?

C

Comparator / Control

Is there a control or alternative management strategy, test, or exposure?

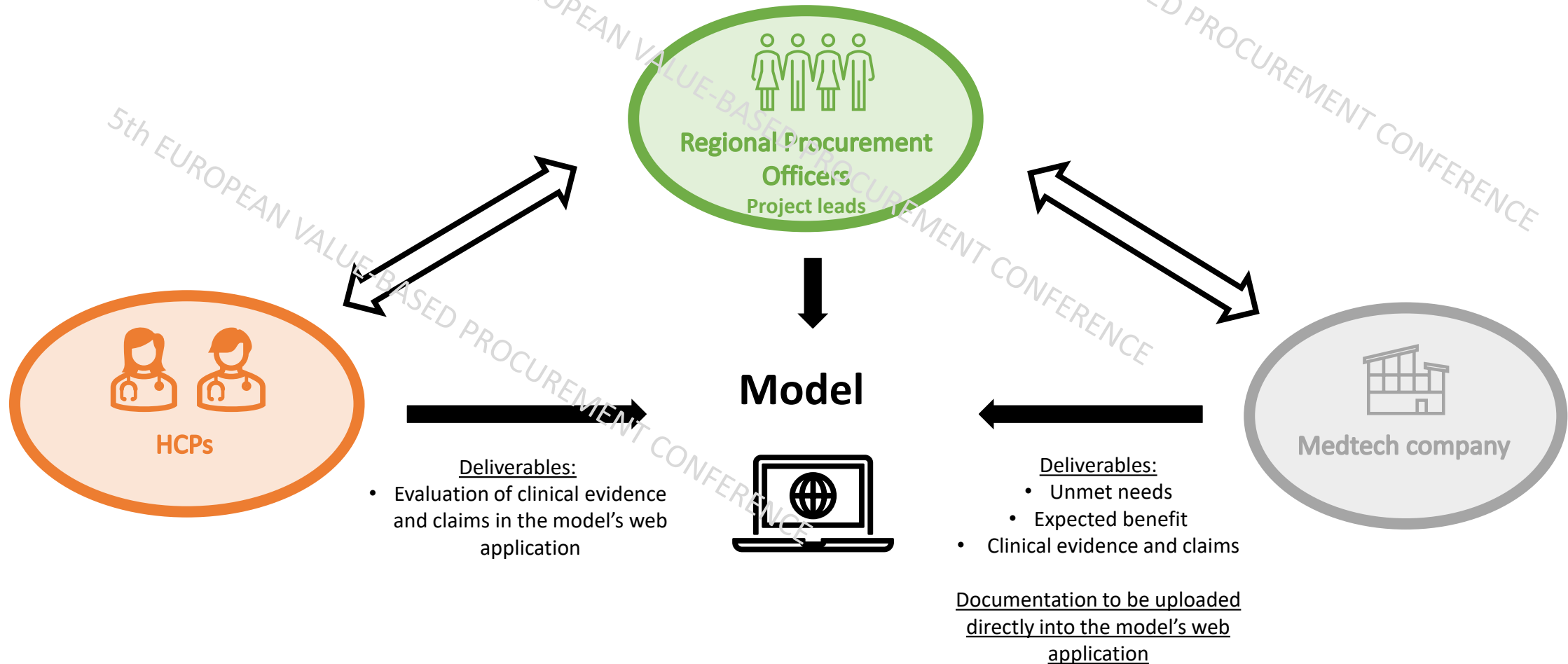
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Outcome

What are the patient-relevant consequences?

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Conceptualizing the VBP model – creating a common language



Achieving Outcomes with Value-Based Procurement – Break out sessions 1 and 3

THE CHALLENGE

- Moving from transactional volume procurement to patient value metrics and socio-economic impact in healthcare procurement
- Better patient outcomes at the same or lower cost
- How do we make value tangible enough to measure it?

SOLUTION IN THE DANISH LIFE SCIENCE STRATEGY?

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THE BRAINSTORM

- How mature is VBP in your country? Is data available?
- How should value for patients and society be measured?
- Could the Danish model enable VBP in your country?
- Which changes are required to scale VBP?

THE OBJECTIVES

- Define the value of this topic if implemented
- Which actions should be taken to meet the challenge?
- Define advocacy/support needs for this topic
- Understand and define any risks created

VBP and climate impact? - white paper to be published in January 2024

**The case
for green
Value-Based
Healthcare
enhanced by
procurement**

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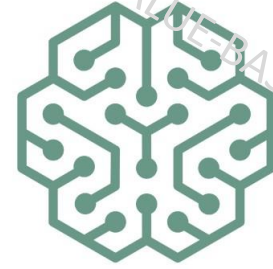


**GREEN
INNOVATION
GROUP A/S**

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Rud Pedersen
Public Affairs
: RUD PEDERSEN GROUP



Human Bytes
ARTIFICIAL INTELLIGENCE IN HEALTHCARE



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