

Central Procurement - Myth or Mastery

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Disclaimer

The views expressed are those of this panel member and do not represent the view of his employer (PHSA) nor those of the University of Victoria

What do I know...



- Over past 20 years involved in several health IT procurement projects both large and small
- As a health care provider (pharmacist): a “consumer” on many occasions
- As project lead : help design and create RFP’s
- As an academic: interest in the procurement process in Health IT (try my best to teach it to grads and under grads)



Challenges in the Current Process

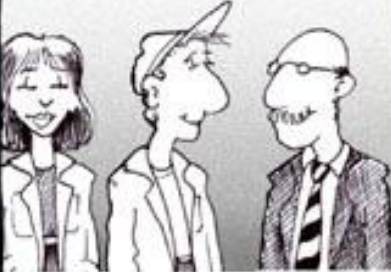

- Significant time and money spent that could be used elsewhere
- Lose/lose for vendor and consumer
- RFP may be too structured to limit respondents
- May pre-suppose a solution design without vendor or proponent having some ability to come up with the best possible solution
- Potentially can stifle innovation

Challenges in the Environment



- Hospitals have been swallowed into regions -> and regions into health authorities
- Over last decade move from departmental -> hospital wide to enterprise wide systems
- Funding challenges – new sources of funding that may have a “best before date”
- Purchasing has become a highly centralized

So is this working?

P	<i>Progress</i>	1 unit effort, 2 scientists, 1 manager:	1 unit effort, 1 scientist, 2 managers:
The amount of effort expended multiplied by the square of the ratio of scientists to managers: $P = E \times (S/M)^2$		 $P = 1 \times (2/1)^2$ = 4 progress units	 $P = 1 \times (1/2)^2$ = 0.25 progress units



Key opinion:

- “...Recognizing that traditional procurement approaches can inhibit innovation. Procurement generally includes complex legal boilerplate plus certification that the technology is already running in referenceable customer sites.”
- “No innovative startup is going to agree to these terms and conditions.”
- “Traditional procurement approaches are likely to acquire technology at the end of its lifecycle.”
- Innovation is sometimes hard in a world of structured procurement...”

*From keynote address by Dr. John D. Halamka MD
at eHealth Conference 2012, Vancouver May 20-12 2012*



Innovating e-healthcare?

- Top-downs strategies and large mega projects may no longer work
- The technology itself is shifting the dynamics from providers to users
- Movement to mobile computing which could revolutionize health care
- Perhaps we may see “Facebook for health” type concepts

Reality Check



- Sadly – Canada is behind other countries
 - the mobile device is just the tip.
 - We don't have a proper infrastructures to support mobile devices.
- The challenge is how do you make good investment decisions when we are trying to build up the infrastructure ... but technology is moving faster than the implementation cycle .
- By the time, a decision is made on a “dinosaur” infrastructure – the technology landscape has already changed.
- Let clinicians and organizations choose their solutions and focus on integrating them to allow the flow of data between systems and devices.

Dr. Halamka suggests...

- Avoid large procurement strategies in order to stay lean and agile
- Any information system implementation project must be clinician driven (with IT as “enablers”)
- IT procurement must involve the clinician
- Don’t forget about the patient and their needs – focus on patient centred innovations

The last word..



- Is the Traditional RFP process as we know it outdated and seen its utility fade?
- Are there alternatives out there that can give the consumer (clinician) what they want while keeping vendors engaged and innovative?
- Can we demonstrate the ROI – will this translate into higher quality care for individuals and the health care system in general?