

SAMED Submission on the Public Procurement Bill version B18B-2023

23 Feb 2024

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Who SAMED is

Our mission

SAMED is committed to enabling a sustainable, ethical and **transformed** MedTech industry that advances patient access to medical technologies.



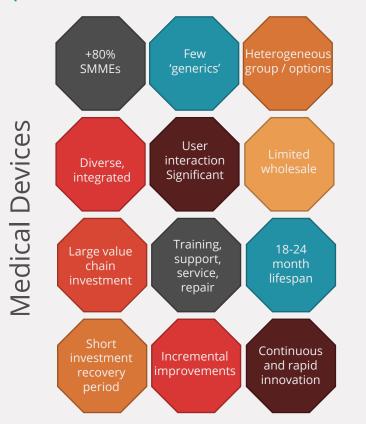
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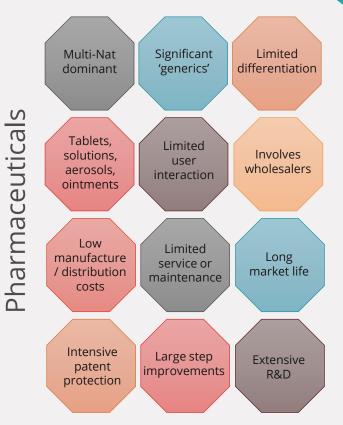


Key focus areas of presentation

- Medical devices pose unique challenges
- Unique MD regulatory frameworks and NHI conflicts
- Removal of:
 - Bid Specification Committees
 - Chapter on supply chain management
 - Value based procurement
 - Strategic sourcing

MDs pose unique challenges to procurement processes and practices





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- Medicines Act and Medical device regulations: sub-contractors will have to meet these requirements.
- Sub-contracting in health sector often increases price of MDs.
- Localisation for MDs is complex, not like 'generics' in medicines.
- NHI Bill contradicts Procurement Bill
 - Proposes centralized procurement system
 - No competitive bidding
 - Provinces and healthcare establishments lose right to procure

Disadvantages of centralised procurement of MDs

- MDs are not simple "commodities"
- Training and ongoing support to healthcare providers
- Cater for customised delivery –patients and specialist docto

Not all gloves are the same



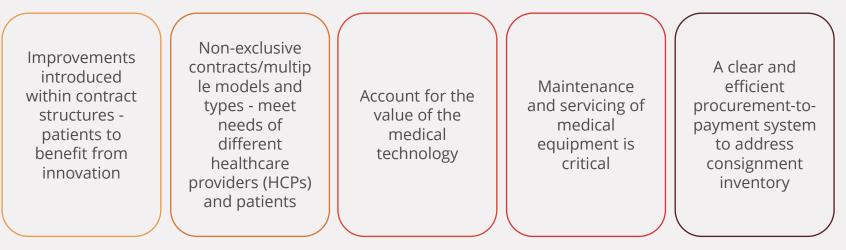
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- Majority SMME medical technology suppliers, some lack national footprint
- Sheer diversity of MDs require diversified supply : Multiple and non-exclusive contracts



Removal: Bid specification committees and chapt: Supply chain management

- The removal of the principles around Bid Specification Committees and the Chapter on Supply Chain Management from the Draft Bill, in both the previous version of the Bill (B18-2023) and in the current Bill, decreases the likelihood that there would be appropriate consideration as a matter of law, of unique requirements for medtech procurement
- MDs require significantly different considerations when arriving at specifications and goal setting requirements. Procurement must allow for:



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Removal: Value-based Procurement and Strategic sourcing

• The concept of **Value-based Procurement**, removed from the Draft Bill, and which no longer exists in the current Bill, sets out important parameters to ensure that medical device procurement is appropriate, and responsive.

• "Strategic sourcing" is also now removed as a definition in the current version of the Bill.

SAMED notes that the phrase "a strategic approach to procurement" is included in Chapter 5 for which the Minister may prescribe a framework, and although not defined, submits that it should be **defined as value-based procurement** i.e.:

making purchasing decisions that consider how a product or solution can best deliver the outcomes being measured and reduce the total cost of care — rather than focusing exclusively on purchasing a specific product at the lowest possible price. Low price does not always equate to high quality / better outcomes.

Questions?

