



SAMED Submission on the Public Procurement Bill version B18B-2023

23 Feb 2024

Who SAMED is



Our mission

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



Voice of South African medtech and in-vitro diagnostics industry



Advocate for international best practice and regulatory convergence



Support sustainable and meaningful transformation that creates growth



Promote access to medtech to unlock better patient outcomes



Value based reimbursement and procurement



Drive an ethical & accountable medtech sector through the **Medical Device Code**

<https://samed.org.za/our-members/>

REPRESENT

174

companies

9 000

employees



DON'T SUPPORT IT. REPORT IT.

Report transgressions of the Medical Device Code

Freecall 24/7 hotline **0800 000 468**



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

Medical Devices



Pharmaceuticals





Procurement should consider these and unique regulatory frameworks, including NHI Bill conflicts

- 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 doctors



[Image source:](#)

Not all gloves are the same

- 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:

Improvements introduced within contract structures - patients to benefit from innovation

Non-exclusive contracts/multiple models and types - meet needs of different healthcare providers (HCPs) and patients

Account for the value of the medical technology

Maintenance and servicing of medical equipment is critical

A clear and efficient procurement-to-payment system to address consignment inventory

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?

