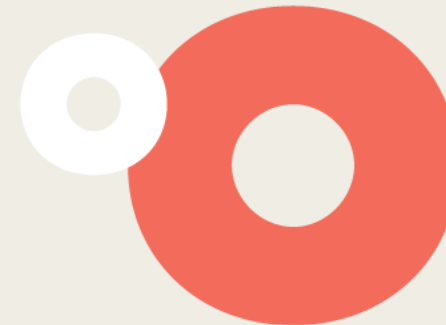




Pronto

Boosting public procurement
for sustainable innovation



Case study: Pay per use for CT & MRI equipment

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[**www.pronto-ppi.eu**](http://www.pronto-ppi.eu)

Brief description of the context and the focus of the PPI

Context:

*~30%
MRI & CT older
than 10 years**

*Innovative
clinical needs*

*Limited
financial
resources*

Pay per use model: Allowing public hospitals to use high technology equipment, paying only for what they actually use

CAPEX to OPEX shift

- Converts capital expense into operating expense based on real utilization. The higher the usage the lower the rate per scan, hence hospitals are incentivized to maximize the use and share equipment.

Obsolescence reduction

- Disposal of obsolete diagnostic imaging equipment is also encouraged within the contract.

Flexibility

- Hospitals can choose between a contract period of 5 or 7 years and 3 different productivity levels.

Technology upgrades

- Supplier is stimulated to assure continuously well maintained and performing equipment.

Aim of the contract is to encourage the correct and efficient use of medical equipment and facilitate the renewal of medical imaging equipment, improving healthcare quality.

In a context of limited economical resources, pay-per-use gives public administrations the possibility to share the risk of procurement with the supplier and collect more information about how physicians use and add value medical equipment.

What have been the factors contributing to the success?

What have been the barriers?



Key success factors:

1. **Scientific associations:** the initiative has been appreciated by the Italian Radiology Association & Italian Physics Association. Involving physicians has been a key in order to design the most suitable structure of the tender to meet the end users expectations.
2. **Public administrations:** the proposed financial model helps to achieve clinical needs in terms of innovative technology and, at the same time, to preserve the sustainability of public healthcare system.
3. **Suppliers:** promote this new type of contract as a driver of technology innovation and efficiency in the proper use of equipment.

Limited by:

1. **National level:** difficult to meet specific and local needs. Not tailor made.
2. **Different management systems & governance models:** make sharing of medical equipment difficult.
3. **Lack of personnel:** Physicians, nurses and health staff are often under-staffed.

What are your lessons learnt?

What are your key recommendations for future PPIs?



Lesson learnt:

In the second edition of the tender, circular economy principles have been introduced. Providing the incentive of replacing obsolete equipment, the supplier becomes owner of the equipment itself and is encouraged to:

- reusing parts and components in good conditions (e.g CT x-ray tube) or not subject to wearing (e.g. MRI magnet)
- revamping the equipment to sell it in the refurbished medical devices market
- donating the equipment to no-profit organizations

Recommendations:

- Capitalize scientific know-how and physicians experience must become a routine
- Involve all the stakeholders of the process (including nurses, radiology technicians, administrative health staff) represents a key of success