Hospital purchasing in Germany

Buying syndicates – a successful experience

Ulrike Hoffmann
Sana Einkaufsverbund

International Hospital Federation – resah

Paris, 25th & 26th June 2014
Material costs development for all inpatient / day-care facilities in Germany

Material costs in hospitals have grown since 2000 by 5.7% per year on average. Total cost has also grown.

Development of property costs in hospitals 2000 – 2010 (billion € )

<table>
<thead>
<tr>
<th>Year</th>
<th>CAGR 00-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>56,1</td>
</tr>
<tr>
<td>2001</td>
<td>56,7</td>
</tr>
<tr>
<td>2002</td>
<td>58,4</td>
</tr>
<tr>
<td>2003</td>
<td>58,9</td>
</tr>
<tr>
<td>2004</td>
<td>60,4</td>
</tr>
<tr>
<td>2005</td>
<td>61,9</td>
</tr>
<tr>
<td>2006</td>
<td>63,7</td>
</tr>
<tr>
<td>2007</td>
<td>64,5</td>
</tr>
<tr>
<td>2008</td>
<td>66,7</td>
</tr>
<tr>
<td>2009</td>
<td>71,0</td>
</tr>
<tr>
<td>2010</td>
<td>72,8</td>
</tr>
</tbody>
</table>

Annual growth in operating expenditure:

- Personnel costs:
  - 2000: 17,4 (31%)
  - 2001: 18,1 (32%)
  - 2002: 20,4 (35%)
  - 2003: 20,7 (35%)
  - 2004: 21,5 (36%)
  - 2005: 22,6 (37%)
  - 2006: 24,0 (38%)
  - 2007: 25,7 (40%)
  - 2008: 27,3 (41%)
  - 2009: 29,3 (41%)
  - 2010: 30,3 (42%)

- Material costs:
  - 2000: 38,7 (69%)
  - 2001: 37,9 (65%)
  - 2002: 38,2 (65%)
  - 2003: 38,9 (64%)
  - 2004: 39,3 (63%)
  - 2005: 39,7 (62%)
  - 2006: 38,8 (60%)
  - 2007: 39,4 (59%)
  - 2008: 41,7 (59%)
  - 2009: 42,5 (58%)

Quelle: Destatis 2011; Roland Berger
Material costs reduction in Sana Einkaufsverbund

Sana Einkaufsverbund

Strategic Purchasing

- purchase for medical demand
- purchase of pharmaceuticals
- purchase of medical equipment
- purchase of food and provisions
- purchase of energy / house industrial engineering
- purchase IT & telecommunications
Material costs reduction in Sana Einkaufsverbund

- Standard prices
- Standard product catalogues
- Base product ranges (costs down through tenders)
- Concentrations groups (standardisation of high-tech-products)

Process orientation
Cost orientation
Future prospects of buying syndicates

• Further clinic reduction expected → buying syndicates will consolidate and specialise their services.

• Trend towards standardisation concepts and transparency requirements

• Increase in liability to suppliers

• Establishment of extensive price transparency and optimisation of purchasing costs

Due to different funding and requirements as well as different legal requirements, a development of transnational buying syndicates remains unclear (regulated market).
Thank you for listening!