1. Background
Public and private hospital purchasing/procurement is a major, strategic issue in health systems:
- The reason is primarily economic: It is estimated that worldwide, each year, OECD country hospitals spend more than 450 billion Euros (620 billion US$) in purchasing/procurement of goods, services and works. Purchasing/procurement is the second largest expense after personnel costs. Furthermore, it continues to grow in volume mainly due to technological progress, enhanced safety requirements for healthcare and the increase of outsourcing of both support functions and services.
- The way purchasing/procurement is managed affects both patients’ quality of care and the hospital’s personnel quality of working environment.
- It is also a major challenge in terms of sustainable development, innovation and the impact healthcare has on the industrial economical system.

This is why it has been decided to create in IHF (International Hospital Federation) a dedicated Special Interest Group (SIG) specialized on hospital purchasing/procurement

2. Missions and Objectives
Given the variety and number of potential subjects, the Special Interest Group (SIG) will concentrate on two major themes:
- Creating an international network of major hospital purchasing/procurement centres.
- Making healthcare decision makers realize the strategic importance of the purchasing/procurement function and keeping them informed of its major changes and trends.

3. Founding Members
The founding members of the group are:
- Resah-idf (France), coordinator
- NHS Commercial Solutions (England)
- Healthcare Supply Chain Association (USA)
- Azienda ULSS N.20 Verona (Italy)

Other Members
- Centrale des Marchés Mercure (Belgium)
- Hospital Authority (Hong Kong)
- Fédération des Hôpitaux Luxembourgeois (Luxembourg)
- Centrale d’Achat et d’Ingénierie Biomédicale des hôpitaux Vaud-Genève (Switzerland)
- University HealthSystem Consortium (USA)
4. New Members
As a Special Interest Group (SIG) of the IHF, membership is open to IHF Full and Associate members expressing an interest and commitment to the goals of the Special Interest Group (SIG). New members will be co-opted by the Special Interest Group (SIG)’s founding members according to the rules set up in the following paragraph.

Members joining the Special Interest Group (SIG) must be either:

- Private and public associations and groups of hospitals or individual hospitals.
- Private or public institutions involved in health care purchasing where:
  - Either, their activity is mainly financed by public funds and/or by one or more healthcare organizations or groups and associations of healthcare organizations.
  - Either the majority of their Board or Directors, Management or Supervisory Board is made up of members designated by the public sector, hospitals or associations and groups of hospitals.

5. Invited Organizations and Individuals
The Special Interest Group (SIG) can invite other organizations, including those from the corporate sector, to participate partially or totally to the Special Interest Group (SIG)’s activities. This includes the membership of expert bodies or individuals expressly agreed by the founding members of the IHF Purchasing Special Interest Group (SIG).

6. Governance
Each member of the Special Interest Group (SIG) will have one vote.

The Special Interest Group (SIG) will establish and approve bylaws which will describe its internal governance and the way it operates.

Commercial Interest

The purpose of the Special Interest Group (SIG) is to provide a network opportunity for procurement organisations to a common agenda. Using the IHF Special Interest Group (SIG) as a means to contact customers of member procurement organisations for commercial gain is not permitted.

If contact is required for any purpose this must be expressly agreed to by the IHF procurement organisation in question.

7. Finance
Participants in the Special Interest Group (SIG) will support no fees in addition to their regular IHF membership fees.

If, however, the tasks decided upon require a specific budget, the members of the Special Interest Group (SIG) will either directly support the costs or agree to fund such a specific budget. The budget will be fully

1 Associate membership is open to any organization for which health care provision is key in its activities. The annual dues are 700 Swiss Francs and admission is subject to approval by the IHF executive committee.
earmarked but under the responsibility of IHF financial management. In both situations members will decide on the amounts to be raised and spent and on the modalities for sharing the costs.

8. Activities and Projects
Each year the Special Interest Group (SIG) will adopt a program of activities. For 2013 the program could be dedicated to the following theme: *the Public Procurement of Innovation: How can hospital purchasers become catalysts for innovative and sustainable Procurement?* Member activities through their respective websites may also be accessed through the Special Interest Group (SIG)’s portal.

9. Members’ Communication
In order to reduce operating costs, the Special Interest Group (SIG) should use conference calls and video conferences whenever possible, rather than holding physical meetings. Members should approve a provisional meetings schedule. It is important that Special Interest Group (SIG) members treat all sensitive subjects raised during meetings in a discrete and confidential manner.

10. Role of IHF Secretariat
The IHF Secretariat will provide technical support to the Special Interest Group (SIG) but cannot grant secretarial support. The Special Interest Group (SIG) will rely on the IHF’s existing means of communication (events, journals, website ...) to disseminate information.

*The terms of engagement are adopted by the founding members of the IHF-GPO-SIG and approved by the IHF Governing Council. New members will abide with the terms of engagement. Revision can be made according the same process.*

*Approved by IHF Governing Council:*