SLUTKONFERENS PCP BOOST

Title:

Region Jämtland Härjedalen's experience from participating in two Pre-Commercial Procurement projects and lessons learnt from the three phases in a PCP (concept, prototyping, test)

14:55 – 15:10 13 mars 2023

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Organisers: Vinnova, Ideon Science Park - Ideon Innovation och Swelife



INCAREHEART project info



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HSMONITOR project info



PCP – PPI overview & benefits



Lessons learnt from the 3 phases in a PCP







Innovative ICT-enabled integrated care solutions to advance multidisciplinary health and care for patients with chronic heart failure







Chronic Heart Failure (CHF)



15 million people living with CHF in Europe

4% to 10% hospital death rates

\$108 billion p.a. managing heart failure costs





To procure R&D services that deliver an ICT-enabled integrated care solution to effectively support the management of a multidisciplinary care and support model for people living with **C**hronic **H**eart **F**ailure





MINISTRY OF HEALTH Turkey



REGION OF CENTRAL MACEDONIA Greece 5 procurers

1,320,000

people living with heart failure

UNIVERSITÀ DEGLI STUDI DI NAPOLI FEDERICO II Italy



SANTA CASA DA MISERICORDIA DA AMADORA Portugal €4,650,000 for procurement



REGION JÄMTLAND HÄRJEDALEN (LEAD PROCURER) Sweden

Source: <u>https://flickr.com/</u> (Labelled for non-commercial reuse)

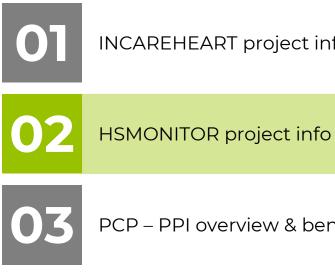


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Supported by an Expert Advisory Board



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Food for thought



HSMonitor - some facts

- Title: Pre-commercial Procurement of innovative ICT-enabled monitoring to improve health status and optimise hypertension care
- Instrument: HORIZON 2020
- Type: Pre-commercial procurement
- Grant Agreement Number: 856698
- Acronym: HSMonitor

Duration: Oct '19 – Feb '23 (3 ½ years)

- ▶ **Budget**: €5,932,980
- Carried out by ten partners supported by an Advisory Board
- Five procurers representing a population of over 96 million people, of which over 31 million have hypertension



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PCP – PPI overview & benefits

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Lessons learnt from the 3 phases in a PCP

Food for thought



PCP and PPI are complementary, and the core difference is the readiness (i.e. risk) of an innovative solution

PCP Introduction | PCP and PPI

	РСР	PPI
When?	Requires R&D to get new solutions developed. Problem clear, but pros/cons of competing solutions not compared/validated yet. No commitment to deploy yet .	Requires solution which is almost on the market/already on the market in small quantity, but not meeting public sector requirements for large scale deployment yet. No R&D involved.
What?	Public sector buys R&D to steer development of solutions to its needs, gather knowledge about pros/cons of alternative solutions, to avoid supplier lock-in later.	Public sector acts as launching customer/early adopter/first buyer for innovative products and services that are newly arriving on the market.
How?	Public sector buys R&D form several suppliers in parallel (comparing alternative solution approaches), in form of competition evaluating progress after critical milestones , risks and benefits of R&D) shared with suppliers to maximise incentives for the wide commercialisation.	Public sector acts as facilitator establishing a buyers group with critical mass that triggers industry to scale up its production chain to bring products on the market with desired quality/price ratio within a specific time. After a test and/or certification, the buyers group purchases a significant volume of products.



A Win-Win for everyone!

Benefits for taxpayers

- Access to **better public services;**
- More innovative and globally competitive society;

- Attractive for foreign investment;
- Increased **employment** demand.

Benefits for procurers

- Solutions steered to public sector needs;
- Increase quality of services;
- Knowledge about pros/cons of alternative solutions;
- Procurers get to **select the best option**.

Benefits for suppliers

- Opportunities to gain leadership in a sector or to enter new markets;
- Retention of IPR ownership;
- Testing under real world conditions;
- Shortening time-to-market for innovative products/services;
- Enhance collaboration between start-ups, SMEs and large corporations.



Results from completed PCP and PPI

Opening a route-to-the market for new market players:

73,5% of PCP contracts are won by SMEs, 61,5% of total values of PCP contracts, more than twice the average in public procurement across Europe (29%).

Impact on stimulating cross-border company growth

33,1% of PCP contracts are awarded cross-border, 20 times more than the average in public procurement across Europe (1,7%).

Bringing research results to the market

30% of contracts have universities or research centers as partners in the winning consortia (often together with university startups)

Contribution to growth and jobs in Europe

Nearly all bidders (99,5%) are doing 100% of the R&D for the PCP contract in Europe

Steady business growth

 ${\sim}50\%$ of all companies are already generating revenue from commercialising their PCP solution

Deployment of solutions by procurers from the project

Procurers from 55% of the completed PCPs have already deployed developed solutions



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PCP – PPI overview & benefits

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All Phases:

- Co-design process
- Multi-disciplinary team approach
- Patient engagement, healthcare professionals onboard in all phases

• Pre-Phase, call for tender preperation

- Challenge brief
- Procurement, legal, IT, clinical, business expertise required

• Phase I:

- Outcome: Detailed report describing the solution and a detailed plan for the prototyping and testing activities in Phases II & III.
- Elaborate the solution design, its technical specifications and development approach
- Demonstrate the technical, medical, financial and commercial feasibility of the proposed concept, approach and solution to meet project requirements
- Integrated all recommendations and feedback received by the Buyers Group
- Identifies data flows and interfaces





• Phase II:

- Outcomes:
 - Prototype specification (v1)
 - Prototype demonstration (v2)
 - Plan for development of a limited volume of solutions for field-testing
 - Updated cost/benefits forecast including a preliminary business plan
- Ethics approvals
- Authorisation process to deploy any system either on premises or on cloud
- GDPR compliance and Data Processing Agreement (DPA) between each pilot and supplier

• Phase III:

- Outcomes:
 - Implementation in testing sites
 - Overall assessment and success verification
 - Updated cost/benefits forecast, including a preliminary business plan
- Cloud deployment IT infrastructure readiness? Integration with EHR? Datasets for training AI and ML? Security?
- Recruitment of patients by HCP
- Pilot testing helpdesk troubleshooting first line support both for clinical and technical issues
- Impact assessment evaluation



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Public sector innovation is about new ideas that work at **creating public value**

Characteristics of public sector innovation:

- **Novelty**: innovations introduce new approaches, relative to the context where they are introduced
- **Implementation**: innovations must be implemented, not just remain as an idea
- **Impact**: innovations aim to result in better public results including efficiency, effectiveness, and user or employee satisfaction
- Public sector innovators should not innovate in a **vacuum** but in a structured organisational environment
- Asking public employees to innovate may not go very far if the organisational environment **is not conducive in supporting innovation**





Organisational attributes influencing public sector innovation

Generating and sharing ideas: build the capacity, improve public decisions, share knowledge

Empowering the workforce: cultural dimension

Navigating rules and processes: legal/regulatory framework, budgeting processes and regulations, approval processes

Reviewing organisational design: structure teams, break down silos and work in partnerships across organisations and even sectors

Public sector innovation takes root when the knowledge of a problem and its potential solutions come together **with people who are able and motivated to do something** about it.

These people also need **the opportunity and the resources** to innovate, and this suggests the need to consider how the rules, laws, and bureaucratic processes that regulate the public sector can be designed to encourage public sector innovation to flourish





Barriers to public section innovation





Innovation is practice, not theory

Thank you for your time







