

WORKSHOP AGREEMENT

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European Generic Article Register - Conceptual description of EGAR, working Methodology and relation to the tendering and procurement process in the healthcare sector

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Foreword

The compilation of this CWA was been accepted in the framework of the CEN/ISSS Workshop ECHOP (Electronic Commerce for the Healthcare sector) at the Workshop plenary meeting of 28-29 September 2000.

The document has been developed with the collaboration of a number of contributing partners in WS/ECHOP.

WS/ECHOP gathers key actors involved in hospital procurement and e-commerce in the healthcare environment, such as medical device buyers and sellers, doctors, hospitals, ICT industry involved in the healthcare sector.

The CEN/ISSS Workshop ECHOP has validated results from the three following projects:

- ECHOP European E-Commerce for Hospital Procurement
- EMEDEC European Medical Device Electronic Commerce
- EGAR European Generic Article Register

At the Workshop final plenary held on 14 January 2002 in Brussels, the Workshop approved the following CWAs:

EGAR CWA1: Conceptual description of EGAR, working methodology and relation to the tendering and procurement process in the healthcare sector

EGAR CWA2: Recommendations regarding terminology of product groups and article designations and relation to other nomenclatures

Other CWAs approved in the framework of the ECHOP Workshop are available from the CEN/ISSS web site at the following URL: http://www.cenorm.be/isss/CWAs/cwalist.htm

Introduction

Total spending on healthcare in EU Member States is between 5% and 10% of GDP. In absolute terms, this spending has been on the increase for many years and all Member States are experiencing growing pressure on their health services. As an example, spending per person on healthcare is five times higher for the very elderly than it is for a person of working age. Since the over-75 age group is expected to increase by some 50% over the course of the next 20 years, this will have a highly significant effect on our healthcare spending. This trend will result from demographic development, the growing expectations of the population in terms of the quality of healthcare, and the complexity of new medical technology.

The pressures weighing on the health systems have led to a certain number of reforms within the Member States aimed at improving the overall efficiency of health services, both in terms of the health result obtained and the effectiveness of the services provided.

One could hope to achieve a certain degree of standardisation for purchasing and logistics systems across Europe in order to be able to better control pricing and quality in all aspects of the purchasing cycle. This, however, is too much to expect, whilst standardisation should be possible for some processes within the cycle.

This CWA will discuss and recommend the use of a standard nomenclature for one process, the tendering process.

The Public tendering processes across Europe have many commonalities, in fact it is performed in nearly the same manner all over. The EGAR project has experienced this over the last 1 and an half years. The process itself engages a significant number of resources and the project found the lack of standards to be universal.

Related to the Open Market policy EU has introduced a requirement for nondiscriminating tenders in a directive that in itself created a need for a standard generic register with neutral article designations and a numbering system.

There is a significant potential for savings and improved productivity in use of resources in Public tendering. The EGAR project knows from experiences acquired in a small country outside EU (Norway), that the use of a generic register can improve the tendering process and the communication between purchaser and supplier significantly.

Electronic commerce is on the agenda all over, nationally and internationally. Especially within the health sector one see the need for improving productivity and rationalise all procedures and processes for purchasing.

The need for standardisation related to EU is obvious, as a basis for openness, neutrality and above all quality and accuracy in purchasing relations. This will give significant benefits for both purchasers and suppliers.

The people in the Buyers Departments in Hospitals (BDH) are daily confronted with a large diversity of suppliers: from SMEs to multinationals.

Lack of standards such as correct article descriptions and information, creates a significant and often unnecessary workload, in order to maintain the relation between the trading partners.

An important aspect of the EGAR initiative is to evaluate the usability for the purchaser in his/her daily work. This means that the level of detail must be such as is needed for their practical work.

Within the tendering processes significant benefits can be obtained through more automated tender solutions based on generic standards. Based on experience from Norway EGAR benefits will be:

- more than 50% workload reduction for creating and evaluation of tenders
- consequently a quicker response to suppliers and shorter contract negotiations
- price reductions in the range of 10 to 25 % depending on product areas
- more accurate basis for ordering systems
- one generic number and article description relates to one or more actual articles from one or more suppliers
- improved statistics based on the generic article level
- transaction costs have been significantly reduced
- public purchasers can fulfil their obligation to EU rules
- More open environment and improved interaction between hospital buying departments and suppliers due to the standardisation at generic level.

The detailed standardised European Generic Article Register will open to utilisation of the Internet based product information databases. The operators of these systems will need to build the generic search criteria's into their solutions, which opens for high quality search for product information within the boundaries of the detailed nomenclature.

1. Scope

The purpose of this pilot project has been to provide the ECHOP Workshop with a verified model of the European Generic Article Register (EGAR) that can be applied in different sectors and different electronic commerce (EC) scenarios (administration-business, business - business - consumer).

The pilot project- EGAR – has been dedicated to the health sector only.

EGAR will enhance the objectives of ECHOP by including the process of tendering. EGAR is aimed at the tendering processes within the purchasing departments of hospitals (BDH) and the collaboration with the supplier environment.

The tendering processes are very much alike throughout the European countries and all members of the Community must follow the regulations and guidelines set up by the Commission.

The European Generic Article Register will serve as the basic element for the creation of non-discriminating public tenders, and also as the basic nomenclature for compiling specific national and international generic statistics on the usage of goods.

The result of the EGAR project will produce a layout and recommendation for a neutral, user developed register that identifies purchased goods in a standardised, non-discriminating manner to be used in tendering processes and statistics at National and European level.

EGAR, during the pilot-phase, will focus upon the Health Care/Hospital environment and its vendors, but it is proposed to feed the results into a wider standardisation arena, in order to allow its application in due course as a generic model to be used in a large number of appropriate sectors to meet their individual requirements.

2. Normative references

EGAR project:

- D. 18 Workgroup task description
- D. 19 Functional & technical description
- D. 20 EGAR Maintenance
- D. 21 Establish reference users & evaluation criteria
- D. 8 Progress report no. 3

ECHOP

ECHOP Business Plan

GMDN

GMDN MA presentation. Available at

www.haukeland.no/nkkn/gmdn/GMDN_body_e.htm

3. Abbreviations and terminology

3.1 Generic abbreviations

- > **EGAR** (*European Generic Article Register*) Version 0 translated into French & English
- > CEN (European Committee for Standardization)
- > ISSS (Information Society Standardization System)
- > **BDH** (Buying Department Hospitals)
- > **WG** (*Work group*) Working groups for reviewing and testing EGAR in practical work.
- > **CWA** (*CEN Workshop Agreement*): A pre-standard agreed within a CEN Workshop environment.
- > **EC** (Electronic Commerce)
- ➤ **ECHOP** (*Electronic Commerce Hospital Procurement*) A CEN/ISSS Workshop that EGAR has been part of..
- ➤ MC (Medical Consumables) The only product area EGAR version 0 will cover during the pilot project.
- ➤ **GMDN** (Global Medical Device Nomenclature) A newly developed nomenclature under the co-ordination of CEN to assure precise communication of regulatory data in a system of terms to identify, analyse, track, and determine their attributes
- EN ISO 15255 (European Nomenclature International Standards Organisation 152559
- > CEN/TC (CEN Technical Committee)
- > ISO/TC (ISO Technical Committee)