



EMBED Price Benchmarking Service

Orthopaedic implants are used in significant volumes on a daily basis throughout the health service, and represent a high spend area with noticeable variation in pricing across organisations.

The NJR EMBED price benchmarking service supports deeper understanding and analysis of spend and usage of orthopaedic implants, helping organisations to reduce expenditure, without compromise to patient outcomes.

Orthopaedic implants are procured through a variety of channels, and with varying levels of process efficiency. These issues, together with a lack of transparency over pricing and limited data for analysis of spend against budget, make identifying savings a significant challenge.

The EMBED service provides organisations with in-depth analysis of spend and usage across orthopaedic implants and a personalised assessment of cost saving opportunities. It supports the analysis and interpretation of the reports and the development of specific action plans, with the focus on realising identified cost savings. Based on the intelligence provided through the NJR, consideration is given to both procurement issues and clinical product selection.

ACROSS ENGLAND AND WALES

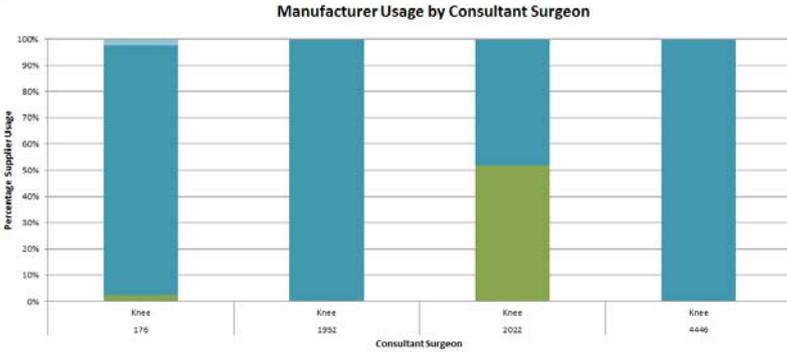
- There is a significant variation in average prices paid; for example, for primary hip procedures, between £800-£2150 per Trust and, for primary knee procedures, between £1000-£1950 per Trust
- If all Trusts paid, at most, the average price for implants, the saving per trust could be over £56,000 every year
- If all Trusts paid the best price for components, the annual saving per Trust could be over £220,000 every year.

Evidence: NJR Orthopaedic Implant Pricing Summary Report - June 2013 & Presentation to NJR SC - October 2013

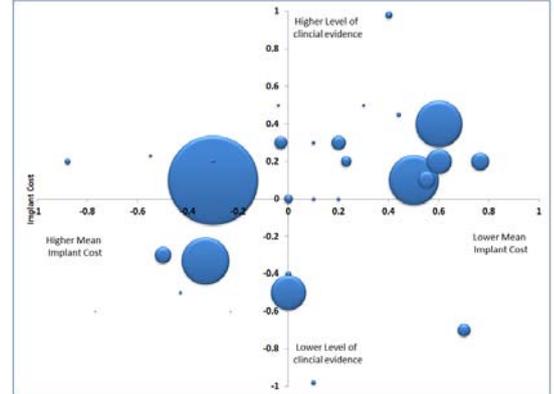


The EMBED Service provides a series of detailed reports, enabling cost and usage of implants to be segmented by joint, by procedure type, by patient demographic and case mix.

Is your clinical protocol aligned across the Trust?



Does the evidence support your cost choice?



How will it benefit my organisation?

It will help your Trust to underpin transparency, develop a common language and develop an evidence base to place implant costs in the true clinical context.

CLINICAL BENEFITS

For Surgeons, EMBED will:

- Improve cost transparency to support clinical preference
- Provide the ability to assess their own practice against professional guidance
- Help surgeons to combine cost with clinical information to support appraisals
- Support surgeons with a common language for discussions with Finance and Procurement

For Service Managers, EMBED will:

- Identify areas to target as part of any 'Cost Improvement Programmes'
- Provide transparency to challenge costly clinical preferences
- Build evidence to help defend against budgetary pressures
- Put cost and clinical information into context to aid discussions between managers and surgeons to create better working relationships

FINANCIAL BENEFITS

For Finance Managers, EMBED will:

- Offer an independent view of implant costs to support planning
- Inform the discussion regarding key areas to target within 'Cost Improvement Programmes'
- Aid discussions with Commissioners regarding funding for complex procedures
- Show evidence of value-for-money in negotiations with Commissioners
- Demonstrate transparency to assess high-cost clinical choices
- Position costs against clinical information to support effective team-working between clinical and financial colleagues

For Procurement, EMBED will:

- Highlight poor pricing practice
- Give an independent view of pricing competitiveness
- Provide evidence to challenge costly implant selection
- Help to develop targeted plans for savings
- Allow implant costs to be viewed at the detailed procedure level to highlight 'loss-leading' components
- Clarify value for money
- Display compliance with national pricing guidance
- Confirm the effectiveness of a clinically-driven, efficient procurement service
- Place implant cost and clinical information in context, to maintain well-informed discussions with surgeons and build better relationships through a common language.