

Medical Device Management in the NHS

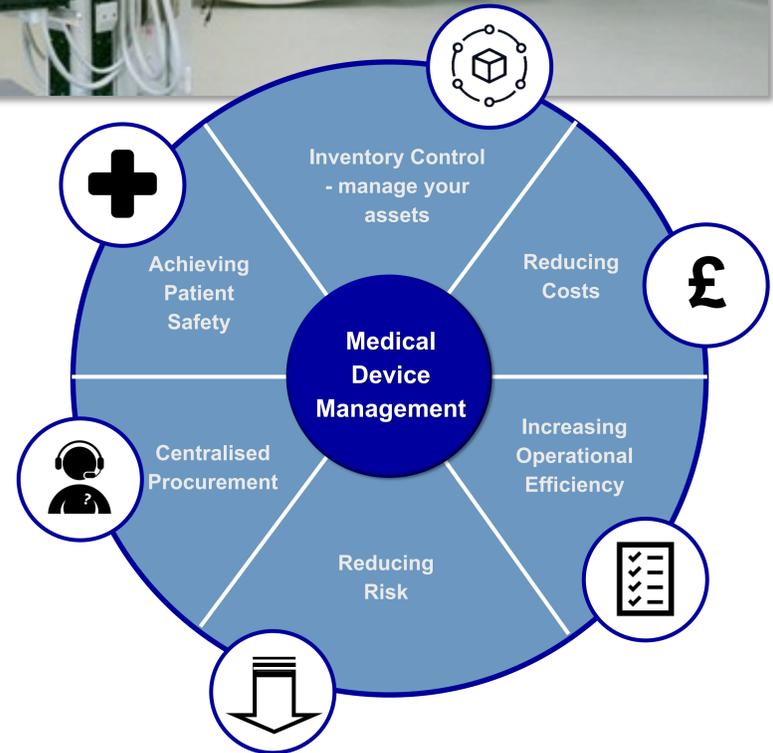


Designing effective Medical Device Management programmes to simultaneously improve care quality and drive commercial savings

More than 10 years ago it was estimated that acute hospitals in England held medical equipment with a replacement value of £3 billion. The NHS spent some £220 million on acquiring new and replacement medical equipment, and a further £120 million on maintenance. It is estimated that the asset value has now risen to £4.5bn. This huge asset is not being managed efficiently. Medical Device Management processes are often disconnected from valuable sources of information provided from multiple departments such as finance, procurement, biomedical engineering and clinical departments. This leads to inefficiencies in both stock control; backlog procurement management; space planning and ineffective contract maintenance and budget control.



There is a requirement in NHS Trusts and other large hospital institutions to centralise and stream-line the management of Medical Devices and Equipment more proactively. Medical Device Management can positively impact on hospital finances, patient outcomes and patient safety. Equipment has become more reliable and software-driven, and the issue of who maintains and repairs equipment is now far less important than the equipment management function and assurance that safe systems are in place and deliver the best value. Demands of regulatory requirements, care quality, requirements for improved technology, integrated training needs, and the focus to reduce costs result in the need to act more strategically.



Medical Device Management — a review

Description	Potential Savings
Review of furniture and inventory requirements	Reduced inventory, right sizing of technology, reduced service costs
Specification of services required in line with Trust strategy	Improved utilisation, reduced inventory. Better reporting to identify actual requirements
External Service Contract Review and contract consolidation	Service contract review and options. Centralised v devolved decision making. Supply chain management
Review of internal service organisation	Maximise efficiency and use of internal resources. Review service options and processes. Maximise commercial opportunities

Case Study—CIP Target Savings

Title	Change description/Project Overview	Timescale	Target value (1 year)
Initial savings schemes identified for yr 1			
Equipment disposal	Profit on disposal of surplus equipment	Year 1	£100,000
Service Contract Discounts	Negotiated discounts on service contracts	Year 1	£100,000
Further schemes to be identified			
Reduced Equipment Hire	Replacement of hired equipment with owned or Library	Year 1	£20,000
Equipment Under Warranty	Non-recurrent saving from new equipment being under warranty	Year 1	£60,000
Identification of yr 2 + savings = £1.2m			
Identifying new revenue streams for EME			
Supplier Consolidation	Savings from reducing the number of maintenance suppliers	Year 1	£15,000
Parts Purchasing	Active management of parts procurement process	Year 1	£5,000
Medical Equipment Depreciation	Reduced depreciation from recoverable VAT asset life and residual value review	Year 1	£300,000
Target Total—Year 1			£600,000

Projects such as these are now underway at West Hertfordshire Hospitals NHS Trust and The Royal Surrey County Hospital NHS Trust with further work at other Trusts commencing. There is now evidence that the results of a well-designed strategic medical device management programme can optimise the inventory with a positive effect on the accounting treatment, clinical activities (work flow and utilisation).

Inventory Management and Disposal can free up valuable space



"The MTS approach to Medical Device Management has ensured that the Trust now has clarity over its equipment assets and the management of them; together with key equipment safety and risk issues."

Kevin Howell,
Director of Estates
West Herts Hospitals NHS Trust

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