

An SDMA letter to Matthew Hancock, Secretary of State for Health and Social Care

This letter was written to alert the Secretary of Health that Supply Chain Coordination Limited (SCCL) and the NHS Category Tower Service Providers (CTSPs) are not working together with the National Wound Care Strategy – with potentially disastrous consequences for the UK wound care industry. There exists a non-alignment between SCCL’s declared strategy of value-based procurement compared to the continued focus on unit price, as demonstrated by the CTSP. Simply focusing on unit price is unlikely to deliver long term savings for the NHS, but risks compromising patient health.

The full letter – and the response sent by the Department of Health and Social Care – were as follows.

14 December 2018

To Matthew Hancock, Secretary of State for Health and Social Care

Dear Mr Hancock

We write to advise you that Supply Chain Coordination Limited [SCCL] and the NHS Category Tower Service Providers [CTSPs] are not working together with the National Wound Care Strategy – with potentially disastrous consequences for the UK wound care industry. There exists a non-alignment between SCCL’s declared strategy of value-based procurement compared to the continued focus on unit price, as demonstrated by the CTSP. Simply focusing on unit price is unlikely to deliver long term savings for the NHS, but risks compromising patient health.

As the key body representing the UK wound care industry, the Surgical Dressings Manufacturers Association (SDMA) would like to work collaboratively with you and the Department to understand the long-term strategy for the treatment of both chronic and acute wounds in NHS England. As an industry body, we are fully aware of the National Wound Care Strategy, which we fully support and endorse. We welcome its focus on developing stronger patient pathways and delivering better outcomes for patients, whilst driving down the overall cost of care.

Our concern lies with the current approach to industry, whereby there is still a significant focus on the unit cost of dressings, rather than an holistic approach to reducing the total cost of care. This focus on unit price is unsustainable and poses a significant risk to companies, and therefore to healthy competition over the long term. It will lead to a reduction in education – much of which is provided by industry and on which nurses so heavily depend, reduced innovation – which is a purported healthcare priority, and ultimately result in UK wound care manufacturing companies having to reduce their overall capacity to operate in the UK.

Given the current Brexit situation and the UK’s uncertain future, we believe it is not in the national interest to drive a strategy that could potentially disadvantage UK inward investment and disrupt supply chains – and certainly not at this moment in time. Many wound care companies are doing their utmost to assist with Brexit planning, with most companies requested to hold higher than normal stock levels, increase manufacturing capacity and ensure integrity of supply chains. We are willing and supportive to do what is necessary to deliver a seamless flow of products into the NHS.

It seems apparent that the aims of the CTSPs (a short-term reduction in procurement costs) and those of the National Wound Care Strategy (improving the long-term quality of wound care nationally, whilst driving down the overall cost of care) are not currently aligned. This dichotomy compromises both overall cost savings and best patient outcomes. It might thus be appropriate for SCCL and CTSPs to fully align with the National Wound Care Strategy – to jointly develop a process that focuses on the overall cost of wound care treatment – in contrast to a reduction in procurement costs that will have little, if any, sustained benefit.

A vast number of wounds are treated every day by the NHS in both hospital and community settings, with at least 2.2 million wounds in the UK on an annual basis¹. The cost to the NHS of managing these wounds is estimated to be £5.3bn per year². Of this amount, only £302m is spent on wound care products in England, with just 43% currently provided through NHS Supply Chain³. It is therefore questionable whether any simple focus on unit costs could deliver any real benefits to the NHS.

Most wound care is managed directly by nurses⁴. Since around 85% of wound care costs are related to just nursing costs and home visits, up to £80 per time, any delay in healing will dramatically increase overall costs. Choosing the most appropriate wound care product is crucial to reduce healing times and minimise overall treatment cost. Simply choosing the lowest unit cost product is unlikely to produce the lowest overall cost or best patient experience.

The population of the UK is increasing, as is life expectancy. This will lead to a significant rise in the number of wounds requiring treatment. For example, in the growing area of type-2 diabetes and wounds requiring treatment, active cases are predicted to increase by more than 55% by 2025⁵. Wound management is greatly variable, defined by patient needs and can often be complex and challenging to treat successfully. In addition, healing times can significantly impact on hospital in-patient numbers, the speed of discharge and whether patients can live independently.

Industry has always worked in partnership with the NHS to provide the innovative solutions and wound dressings available today. Since the 1970s, wound care has developed from standard gauze and cotton pads to advanced wound care – including moist wound dressings, antibacterial dressings, gel dressings, alginates, negative topical pressure, and many others. Currently, the UK market is recognised as a world leader and a centre of clinical excellence, with patients directly benefiting from the most appropriate dressing choice and assured innovation.

Indeed, several recent product and service innovations have led to significant savings and greatly improved patient benefit. Good examples are multi-layer bandaging and topical negative pressure (both of which often greatly speed up healing times, and thus minimise overall cost). These have been delivered by collaborations between NHS and industry. Such initiatives should continue to be encouraged – not discouraged, as is the case now.

Without any change in direction by SCCL and approach from the CTSPs, industry will be unable to offer existing levels of R&D, training, sponsorship or support to healthcare professionals. The SDMA is calling for a more holistic approach to be taken by the Department of Health and Social Care and would welcome urgent dialogue to discuss how all stakeholders could play a significant role in shaping, delivering and driving better outcomes for patients and industry.

In conclusion, we are calling for an open and meaningful dialogue that sets out how industry, Government, the Wound Care Strategy Group, SCCL and the CTSPs can all work together

¹ *The Burden of Chronic Wounds in the UK*, by J Posnett and P J Franks, Nursing Times (2008) vol 104(3) 44-5

² *Health economic burden that wounds impose on the NHS*, by J F Guest et al., BMJ Open (2015), available at <http://bmjopen.bmj.com/content/5/12/e009283.full>

³ Rachel Repper, Trading Director, NHS Supply Chain (2015)

⁴ *Wound Care in five English NHS Trusts*, by Karen Ousey et al., Wounds UK (2013) vol 9(4) 20 *et seq.*

⁵ Amos *et al.* (1997)

collaboratively. The goal should be to deliver both best value for the NHS and better patient outcomes – as well as providing the wound care industry with an appropriate degree of security. We need a strategic direction for wound care in England that is not just focussed on the unit costs.

We very much look forward to your response.

Paul Goodman
Chair, Surgical Dressings Manufacturers Association

Response sent to SDMA on 10 January 2019 by the Department of Health and Social Care

Our ref: DE-1160339

Dear Mr Goodman,

Thank you for your correspondence of 14 December to Matt Hancock about the procurement of wound dressings. I have been asked to reply.

I appreciate your concerns.

I should clarify that the role of the Department of Health and Social Care is to set out a strategic framework and secure adequate funding for the NHS and social care services. The NHS is ultimately responsible for providing its own services, including the procurement of medical supplies.

NHS Improvement is responsible for supporting foundation trusts and NHS trusts to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable. You may wish to contact it directly at:

NHS Improvement
Wellington House
133-155 Waterloo Road
London SE1 8UG
Tel: 0300 123 2257
Email: enquiries@improvement.nhs.uk

As you are aware, a new NHS Supply Chain operating model was introduced this year and has brought together 11 procurement specialist service providers to deliver high-quality, clinically assured goods at the best possible price. NHS Supply Chain is aiming for at least an 80 per cent market share of NHS goods supplied – up from the current 40 per cent. NHS Supply Chain operates out of seven warehouses, which are located across England. The benefits of this new model include:

- savings on everyday consumables and equipment that can be used to support other areas of work;
- more time released for core clinical activities, as central sourcing and evidence-based clinical evaluation will reduce the need for local evaluations;
- greater NHS clinical involvement in purchasing decisions; and
- more effective introduction of innovative products into the NHS Supply Chain through better links with national research bodies and regional networks.

More information can be found on the NHS Supply Chain's website at www.supplychain.nhs.uk.

I hope this reply is helpful.

Yours sincerely,

Christian Brinsden
Ministerial Correspondence and Public Enquiries
Department of Health and Social Care