



# Contracts for providing publically funded outpatient medical services - criteria for tenders evaluation as a tool of health policy in Poland

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## Abstract

The Polish health care system is essentially divided into three basic levels of service: basic health care, outpatient specialist care, hospital treatment. Since 2003 the payer is the National Health Fund. Medical facilities include contracts for healthcare services with the NHF.

In order to be able to provide medical services for a broad group of patients in the actual system of health care and regarding the economic situation of the society, having a contract with the public payer is of key importance.

Until 2017, the most common contracting mechanism was competition process. As of October 2017, according to legal changes, hospital treatment along with hospital outpatient clinics will be implemented mostly within the framework of the Primary Hospital Security. Network of hospitals, without the need to obtain a contract within the tender offer. Outpatient counseling clinics will continue to receive contracts through competitive tenders. It means not only the necessity to meet certain predefined requirements but also to demonstrate competitive prevalence of a bidding medical institution vs. other participating stakeholders. It is necessary for success to know the criteria which decide about the bidding institution's position in the ranking of entities which have responded to the call to tender. The criteria for evaluating offers can undoubtedly form part of the state health policy.

## Introduction

The Polish health care system is essentially divided into three basic levels of service: basic health care, outpatient specialist care, hospital treatment. Since 2003 the payer is the National Health Fund. Medical facilities include contracts for healthcare services with the NHF. Since 2003 the payer is the National Health Fund. Medical facilities include contracts for healthcare services with the NHF.

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The key of access to specialised outpatient services (e.g. in allergology, pulmonology, etc.), broadly available to Polish patients in the economic aspect, is the system in which the services receive funding from the public sector. It is associated with the necessity to have a valid contract

with the public payer (now the National Health Fund). Contract signing is most often preceded by a call to tender or negotiations. The contracts in question, which are now possessed by medical service providers, are fixed-term contracts (currently, their validity expires on June 30, 2017, and they may be extended until June 30, 2018). It is worthwhile to look in a more detail on the effective criteria so that the possible contract extension time period was dedicated to competitiveness improvement of the medical institution, thus protecting it from negative scores in contract awarding procedures. These criteria are also important for new providers seeking to start providing publicly funded benefits

The public payer announces an invitation to tender in situation when either the validity of the actual contracts expires or in case of supplementary proceedings, necessary to extend the access to medical services or to ensure their regained availability (contract termination or cancellation). It is a chance both for the actual and new entities to enter a contract for providing of medical services of a given type.

Analyzing the criteria for evaluating offers, it should also be noted that they are part of the state health policy. They relate to items such as patient access to benefits, continuation of treatment, and quality. By choosing the providers, the state can decide: e.g. what certifications will be a confirmation of the quality of benefits or possession of what kind medical equipment will be promoted. At the same time, it stimulates healthcare providers to improve the quality of care by enhancing competitiveness.

## Conditions for providing medical services

In order to make its access to tender competition justified and sensible, a given institution has, in the first instance, to verify its actual meeting of the requirements necessary to provide medical services within a given scope. These requirements have, first of all, been described in the appropriate regulation of the Minister of Health on guaranteed health benefits (e.g., regarding the outpatient specialist care in case of specialised outpatient clinics). This regulation take into account the conditions, in which medical services are provided (personnel, equipment and instruments, the access to tests and examinations, other requirements). An institution, which fulfils these conditions, may consider its possible response to a call to tender.

## Tender evaluation criteria

Medical institutions respond to a call to tender with submitted offers (bids), which are then evaluated and compared with regards to predefined criteria. This comparison reveals a ranking of medical institutions, which is baseline information for the decision which institutions will be awarded by contract. In its announced call to tender, the National Health Fund specifies the number of contracts to be eventually concluded, thus it is fairly predictable how many medical institutions may be awarded with a signed contract.

The criteria, by which tenders are compared, are specified in the Regulation of the Minister of Health of 5th August 2016 on detailed criteria for tender selection in competitive procedure to identify contracted providers of medical care services (Journal of Laws of 2016, item 1372). It is useful to draw attention to the above-mentioned legal act because previously, the criteria for tender evaluation used to fall under the competence of the National Health Fund. The amendment to the Act on providing publicly funded medical services has transferred the very competence to the Ministry of Health. The publication of the above-mentioned regulation is a consequence of the amendment. It builds in its substantial part on the criteria, previously defined by the Fund. Nevertheless, there is no shortage of new elements. Moreover, a simplification has been introduced, regarding the calculation of scores, obtained in tenders, by departure from the previous practice in which scaling weights were used.

The new regulation is based on a comparison of tenders with regards to the following criteria: quality, complexity, accessibility, continuity and price. The sequence of criteria is not without significance. For example, when two or more medical service providers obtain equal total scores, then the criterion of quality is of primary significance and the quality-related scores, obtained by medical institutions, become decisive. Then, in case of equal quality scores, the other criteria are verified in a sequence, including the accessibility, continuity and, eventually, the price. It means then a much higher significance of the quality criterion vs. the price criterion. Regarding the scopes of particular criteria, a given institution declares its meeting of specific conditions, e.g., the possession of specific equipment or employed staff. This declaration remains binding for this institution both at the time of tender submission and during the entire contract validity period, provided a given tender is awarded by a signed contract. This aspect is of particular importance and should be kept in mind when a tender is prepared. For example, a medical institution, which declares 100% of the working time at its outpatient clinic to be ensured by specialists, should take into account and remember

that any later modification in human resources should guarantee that medical services will be provided by doctors with competence levels not lower than those, specified in the submitted tender.

In practical terms, the tender evaluation criteria have been divided into those, which concern a given mode of provided services (e.g., out- or in-patient treatment, etc.) or particular medical scopes (e.g., an allergological outpatient clinic or a general surgery department). The medical institution gains then scores in two areas - as an entity which provides services in a given mode and with regards to the application for a contract in a specific medical scope (e.g., an institution which applies for a contract to provide medical services in outpatient mode, will be evaluated as an outpatient service provider in general and by the criteria which are specifically associated with allergology).

Tender evaluation criteria may undergo changes; therefore, their verification is necessary prior to contracting of medical services. Nonetheless, they are transparent and same for all entities and must not be in any way amended in the course of tender procedure.

## Tender evaluation criteria common for the type of service (specialist outpatient clinics)

Regarding the criteria, which are common for specialist outpatient clinics, a given medical institution obtains scores in the above-mentioned categories: quality, complexity, accessibility and continuity.

The **criterion of quality** assumes a possibility to obtain both positive and negative scores. While it is worth noting that negative scores constitute almost 30% of all available scores in all categories. Negative scores for identified irregularities may be assigned exclusively to an institution which has, so far, got a contract for providing medical services. The negative scores may, however, be compensated by positive scores, obtained by the same institution for the continuity of contract implementation, and which cannot be assigned to a new institution.

The irregularities, resulting in negative scores, may concern the areas, directly associated with audits, carried out by the National Health Fund at the institution during the validity period of the actual contract, or with the lack of appropriate reports and balance sheets, required for a given time period.

These irregularities include:

- providing medical services by persons with professional qualifications below the level, specified in submitted tender and/or in conditions not corresponding to contract defined requirements and/or not at location, specified in the contract
- equipment shortages with regards to contract data and/or no valid technical inspection results
- unreasonable prescribing of medicinal agents, medical devices or foodstuffs for particular nutritional uses
- presentation of billing data non-compliant with the actual status
- failure to implement audit recommendations within the prescribed period and/or identification of irregularities which were found in previous audits
- failure to communicate: the information about active waiting lists for medical services to be provided monthly, the information about the next available time slot weekly or communication of factually incorrect information
- undue charging of patients, including the costs of medicinal agents or medical devices (if it is an element necessary to provide a given medical service)
- at least 10% of services, provided to settlement process after the last account period.

Regarding the quality criterion, a medical institution, applying for a contract, may obtain scores, having nursing resources for, at least, 50% of the outpatient clinic's working hours. In addition, the institution will obtain a higher score, when it employs a nurse with specialisation or after a qualifying course.

A certain promotion is also provided in services for patient first-timers (i.e., not making use of a given service for the last 730 days), also for minors. Also eligible to earn additional points by an institution are ISO 9001 certificates (quality management systems) and ISO 27 001 certificates (information safety management). Quality is also revealed in the transfer from to-date's hard-copy medical documentation to its electronic version.

**Complexity** - defined as a tender evaluation criterion, translates into a possibility to receive scores by the institutions which provide their services without subcontractors (with exception of medical laboratory and microbiological diagnostics), hospital clinics and, additionally, when a hospital clinic makes use of the employed hospital personnel (75% of working outpatient clinic working hours are covered by doctors from hospital departments).

**Accessibility** - is evaluated by the working time of outpatient clinic - but not only. A given institution may also gain additional scores when more than one doctor provides services at the same time (the sum of working time of particular physicians is higher than the working time of the clinic). Accessibility is also understood as possession of disability accommodations (at least one hygiene and sanitary room (WC) at each floor) and an online registration system with an automatic feedback, indicating the appointment data.

**Continuity** is an evaluation criterion, based on previous contracts with the National Health Fund. The very fact of having a contract is promoting but also the length of contracted time period.

Regarding this criterion, additional positive scores will be assigned to an institution, actively collaborating with the Agency of Medical Technology and Pricing Evaluation (regarding the communication of data about costs of provided services), while negative scores will get a bidder which does not have a valid opinion of the Voivode, regarding the expediency of investment in health care.

## Tender evaluation criteria, individual for a given institution (on example for allergological outpatient clinic)

An institution which applies for a contract within a specific scope of medical services will be evaluated with regards to the declared condition in which the services are to be provided. It is necessary to indicate in tender questionnaire the percent of working time of specialist doctors to the entire working time of the clinic. The higher is the percent of the working time of specialists, the higher scores are assigned to the institution. Nevertheless, it is necessary to remember that medical services are to be provided by doctors with declared qualifications (also during vacations or replacements).

Another item of evaluation is the possessed medical equipment. It is necessary to distinguish the requirements for certain specific equipment or devices at location and exactly at the site where the services are to be provided. The term "location" means a building or a building complex, where all the building are either under the same address or under different addresses but located in a side-by-side configuration and constituting and integrated and functional whole. The site, where services

are provided, is localised within the “location”. The site of providing medical services is a room or a complex of rooms at the same area, linked functionally and organisationally to provide guaranteed medical services. Thus service providing location is a broader term than service providing site. For example, the criterion to have a bronchofiberscope at the location of allergological outpatient clinic means that this equipment is to be available at the building where the allergological care is provided, e.g., at a separate laboratory, located at a different floor than the specialist clinic.

Regarding the complexity criterion, additional scores may be provided for the possibility to carry out certain tests / examinations or for having a treatment room. Certain scores may also be assigned to an institution which offers certain medical proposal, e.g., a drug prescription programme.

Price is the last evaluated element. An institution, which will not get high scores in criteria other than the price, should pay particular attention to the price element. Nevertheless, the non-price criteria, especially those, based on quality, are becoming increasingly more important in the tender procedures to conclude contracts.

## Summary

The awareness of tender evaluation criteria, long before the response to a call to tender, gives an institution a possibility to objectively assess its chances in tender procedure and to work out a tender/quotation, related to a probable (estimated) result in the non-price criteria. What is more, the knowledge of the criteria enables to take management decisions which may contribute to an increased competitiveness in tender proceedings.

Early evaluation of the evaluation criteria makes the healthcare system more transparent. Properly selected criteria are an element of improving the quality of services by choosing the best providers. In this context they are part of the state health policy.

## References

1. The Act of 16th December 2015, amending the Act on amending the Act on publically funded health care services and other acts (Journal of Laws of 2015 No. 0 item. 2198)
2. Regulation of the Minister of Health of 5th August 2016 on detailed criteria for tender selection in competitive procedure to identify contracted providers of medical care services (Journal of Laws of 2016, item 1372).