

## **Reducing Hospital Expenditures: Experience with Orthopaedic Implants**

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**Background:** The costs of many orthopaedic implants purchased by the department had doubled over the last decade. In the year 1999, a committee from the orthopaedic department was formed to assess the different aspects of rising costs and to break the monopoly of implants' purchasing.

**Objective:** The aim of this paper is to address the practical steps to reduce the costs of many orthopaedic implants without jeopardising the quality of the procedures performed.

**Methods:** The usual suppliers and the potential competitors were called for a meeting in the presence of representatives from hospital administration and finance department. In that meeting the policy of future purchasing was revealed to the potential suppliers: 1. All orthopaedic items are for fair competition among all potential vendors. 2. The implants in common use are to be supplied by more than one source. 3. Purchasing will be based on quality, price, availability and technical support. 4. Evaluation feedback of the implant from members of the department will influence future purchasing process.

**Results:** The supplying process showed reduced prices, more speed in delivery and effective technical support. Comparing the prices of 1998/99 and 2002, many implants showed significant price reduction. The usual supplier reduced the prices of interlocking intramedullary (IM) femoral and tibial nails to 86% of the original costs, while new competitors offered prices equal to 61% and 24%. The usual supplier and the new competitor reduced the prices for total knee arthroplasty (TKA) implants to 86% and 61% respectively.

**Conclusion:** Conjoint effort from orthopaedic surgeons, hospital administrators and finance officers with respect to the purchasing process of orthopaedic implants can reduce the department expenditures without affecting the quality of treatment.