

CASE STUDY

The John Paul II Hospital in Krakow

1. Description

The John Paul II Hospital is a public health care institution. The mission of the Hospital is to fight against the major epidemic and chronic diseases in society induced by factors related to the environment, civilization, psychological and socio-economic impact. The hospital guarantees highest quality specialist services to treat cardiovascular, respiratory and infectious diseases using the most up-to-date equipment and technology. The hospital co-operates with the Jagiellonian University in carrying out top-class scientific research, clinical research, and teaching activities.

The John Paul II Hospital is located in Malopolska Voivodship in the historic city of Krakow, in southern Poland, nestled either side of the upper Vistula River.

The Hospital is the largest heart and lung centre in Poland. According to its statute, and in compliance with the fundamental patient's right of having free access to medical services, it is open to all people in need. As one of the best-equipped hospitals with the highest qualified medical personnel it offers 550 beds for treatment of a spectrum of diseases.

John Paul II Hospital is also actively involved and interested in research studies on new drugs and new medical technologies.

FIGURES

Admits over 100 000 patients annually

Provides 70 000 ambulatory consultations annually

Performs about 60 000 imaging examinations, functional tests and endoscopies annually

Performs about 8 000 procedures in interventional cardiology annually

Performs about 2 500 open-heart operations and about 20 heart transplantations annually

Performs 1 300 thoracic procedures and operations annually

Implants over 1 000 cardiac pacemakers and defibrillators annually

Performs almost 970 000 laboratory tests annually

Employs 200 physicians including 4 professors, 7 associate professors, 40 physicians with PhD, 530 nurses, 111 technicians

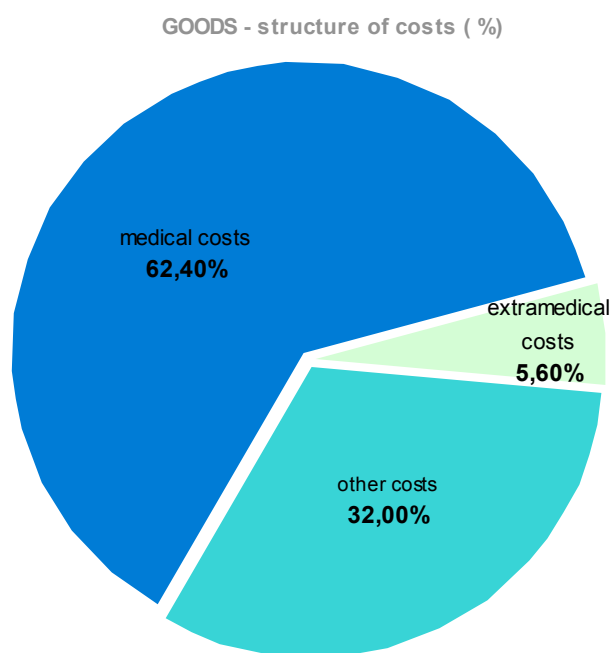
Has 15 wards with 550 beds and 40 specialized laboratories

Physicians at JP II Hospital are involved in numerous research studies of promising new medications, devices and diagnostic methods. For this reason our patients often gain access to new treatments only available through carefully monitored clinical trial protocols and not available at other hospitals.

2. THE STRUCTURE OF SUPPLIES DIVIDED BY GOODS AND SERVICES (selected issues)

A. GOODS

The category GOODS consists mainly – 62.4% of medical costs, i.e.:



- drugs,
- dressings,
- medical gases,
- small medical instruments which are not durable resources,
- pharmaceuticals,
- other chemical products (e.g. reagents),
- gum products (protective gloves, clothes).

Other costs make up 32.0%, i.e.:

- vaccines,
- contrast agents,
- surgical threads,
- radiological material,
- irradiation materials,
- blood and plasma,
- books, journals,
- technical gases,
- fuel and car accessories,
- energy materials.

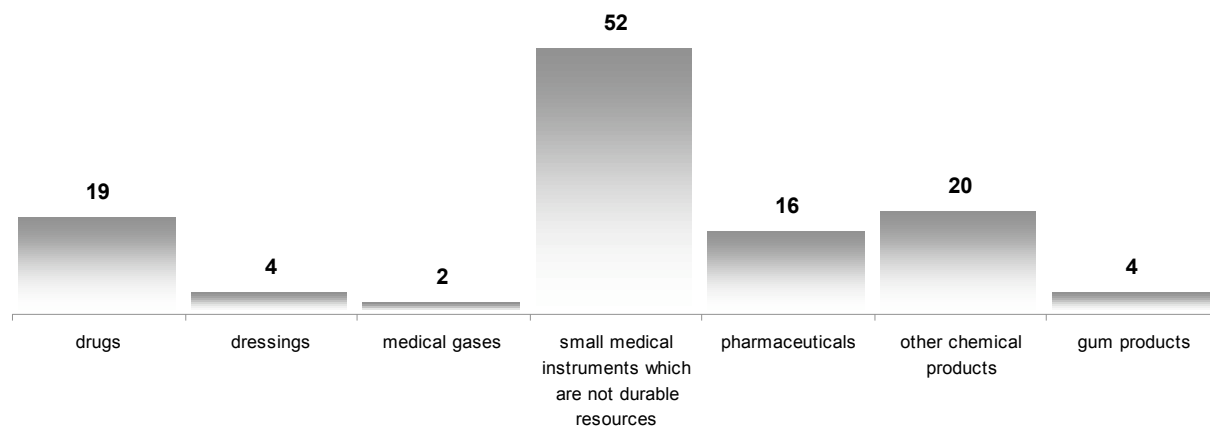
Another category, extramedical costs make up only 5.6% of the costs of GOODS:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ▪ paper and office materials, ▪ food products, ▪ hygiene products, ▪ individual protection means, | <ul style="list-style-type: none"> ▪ textiles (protective clothes, bed-linen), ▪ coke, oil products, ▪ equipment (not durable resources). |
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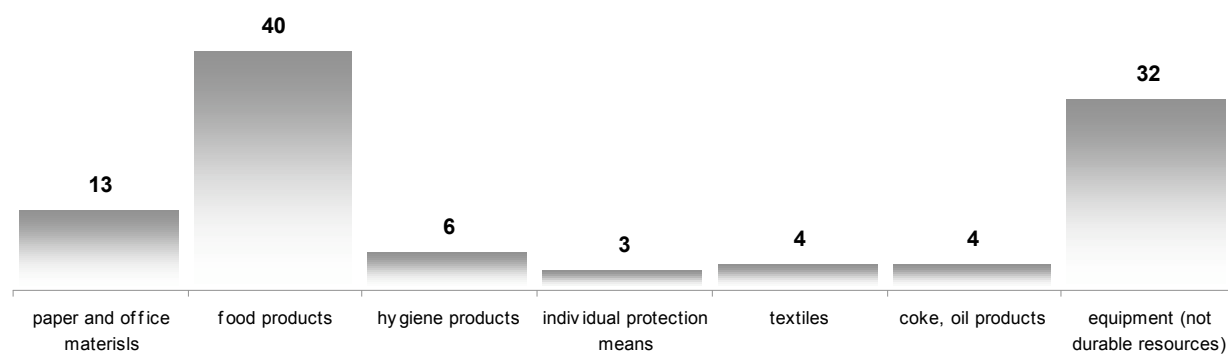
The number of suppliers for selected types of GOODS varies, which has been shown on the plot.

None of the cost items is associated with a single supplier. Most numerous are suppliers of small medical instruments, drugs, other chemical products, food products, equipment (not durable resources), professional books and journals.

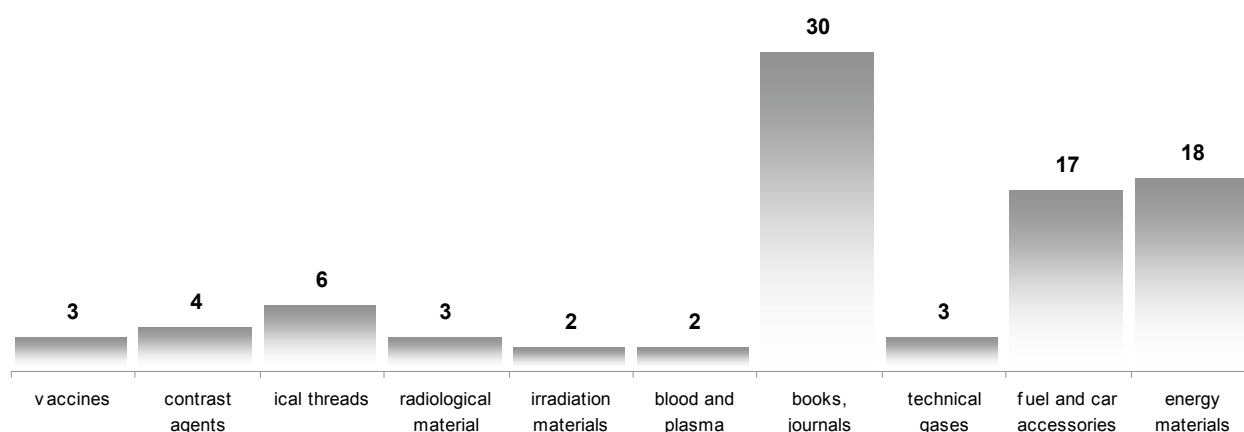
GOODS - number of suppliers: MEDICAL COSTS



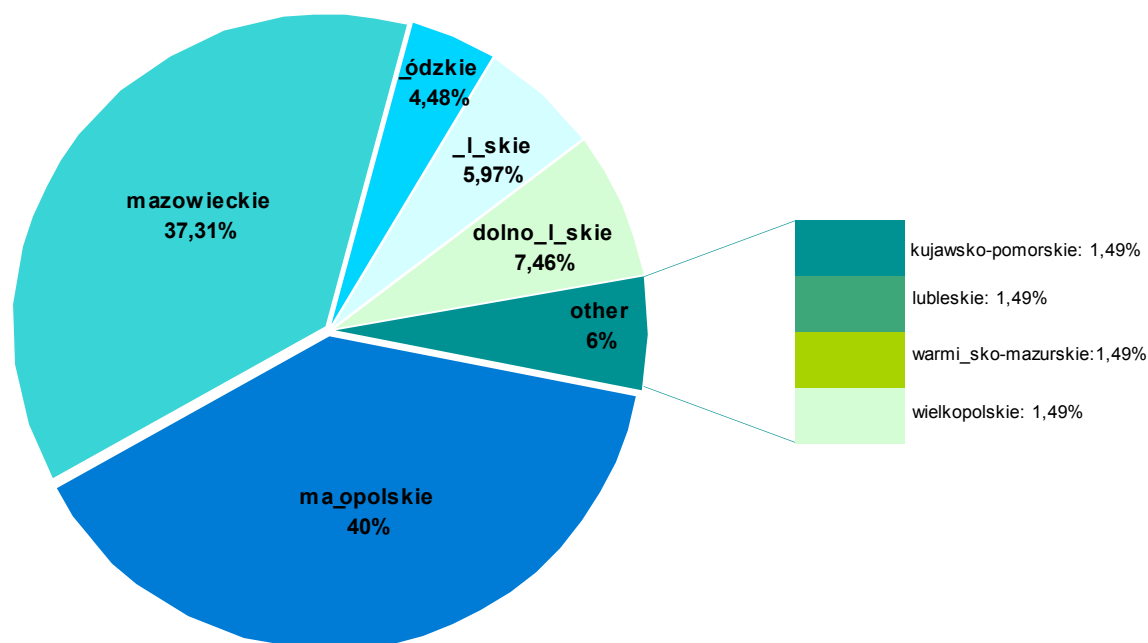
GOODS - number of suppliers: EXTRAMEDICAL COSTS



GOODS - number of suppliers: OTHER COSTS



GOODS - structure of suppliers: localization of supplier (Voivodships)



Most GOODS are supplied by firms in the Malopolska region – about 40%. Many suppliers i.e. 38% come from the Mazowieckie Voivodship for a simple reason, the companies supplying their medical materials or equipment are located in Warsaw – the capital of Poland and the Mazowieckie Voivodship; it would be unreasonable to buy from agents.

The diversity of suppliers is mainly a result of the specific activities of the Hospital, which offers services in the following areas:

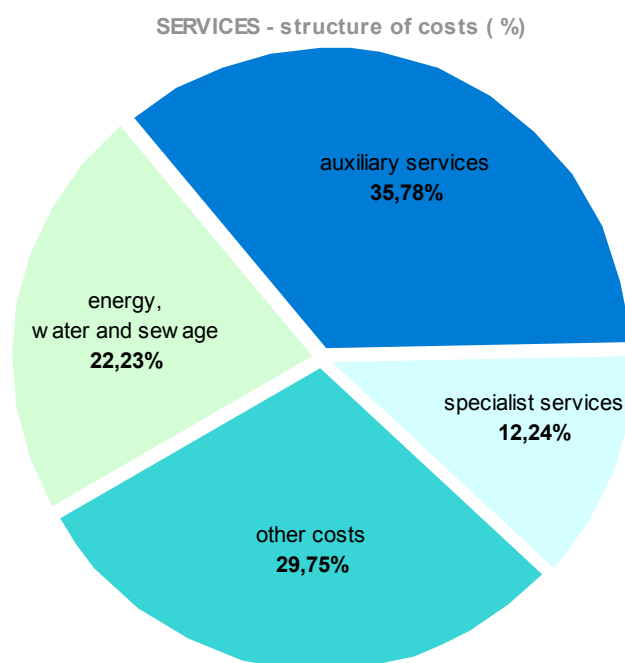
1. Lung diseases (I Ward of Lung Diseases, II Ward of Lung Diseases with Chemotherapy Unit, Ward of Thoracic Surgery)
2. Cardiology (Clinical Ward of Cardiovascular Surgery and Transplantation, Clinical Ward of Cardiovascular Diseases, Clinical Ward of Coronary Heart Disease, Clinical Ward of Electrocardiology)
3. Contagious and infectious diseases (Ward of Pediatric Infectious Diseases and Hepatology, Ward of Pediatric Neuroinfection and Neurology, Ward of Viral Hepatitis and Hepatology)
4. State-of-the-art diagnostic imaging (Center for Interventional treatment of Cardiovascular Diseases, Subunit of Interventional Cardiology, Center for Diagnosis and Rehabilitation of Heart and Lung Diseases with Subunit of Quick Diagnostics, central Clinical Laboratory, Malopolskie Central Laboratory of Tubercle Bacillus Diagnosis, department of Pathomorphology and Independent Laboratory of Molecular Biology and Research)

The Hospital also offers consultations and diagnostic services on an out-patient basis.

B. SERVICES

The largest part of SERVICES i.e. 35.78% is created by auxiliary services:

- laundry,
- cleaning,
- utilization of waste,
- transport (medical).



Another category, i.e. other costs makes up 29.75% and includes:

- maintenance and repair of medical equipment,
- telephone services,
- waste removal,
- maintenance of hospital area,
- maintenance of heating systems,
- property tax,
- insurance costs.

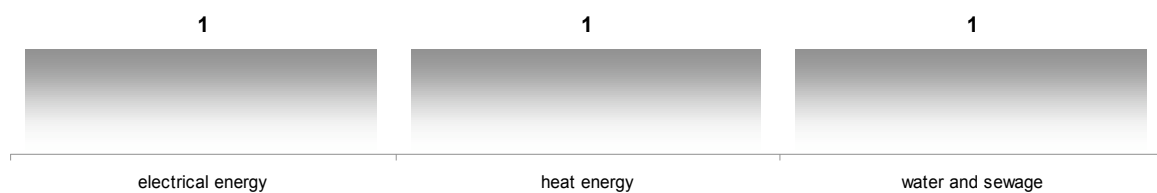
The third category creates 22.23% of costs relating to:

- electrical energy,
- heat energy,
- water and sewage.

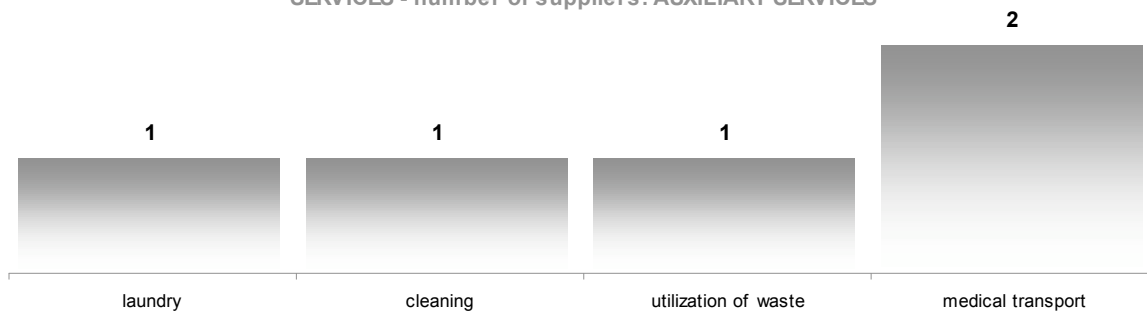
The fourth category generates 12.24% of costs relating to specialist services:

- complementary health services,
- laboratory diagnostics,
- IT services,
- technical maintenance,
- advisory services (including legal consulting),
- protection of property.

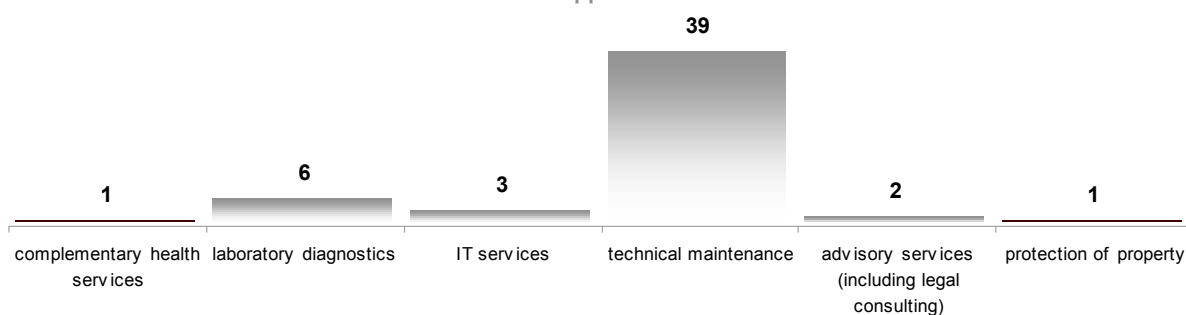
SERVICES - number of suppliers: ENERGY, WATER and SEWAGE



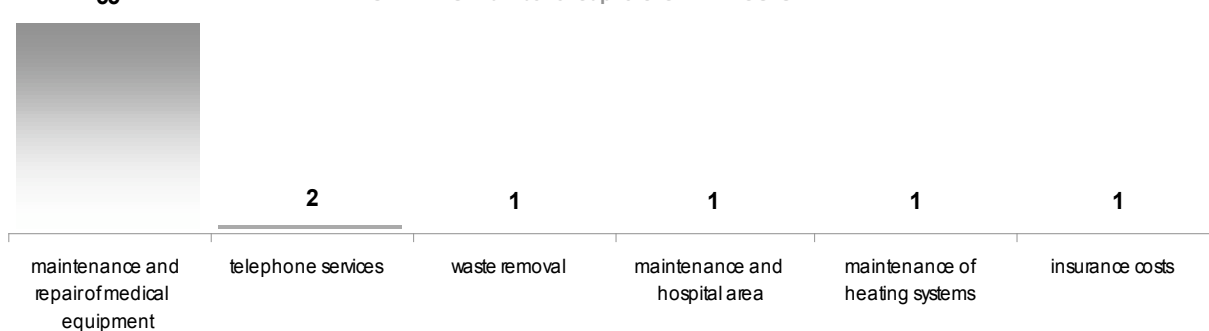
SERVICES - number of suppliers: AUXILIARY SERVICES



SERVICES - number of suppliers: SPECIALIST SERVICES

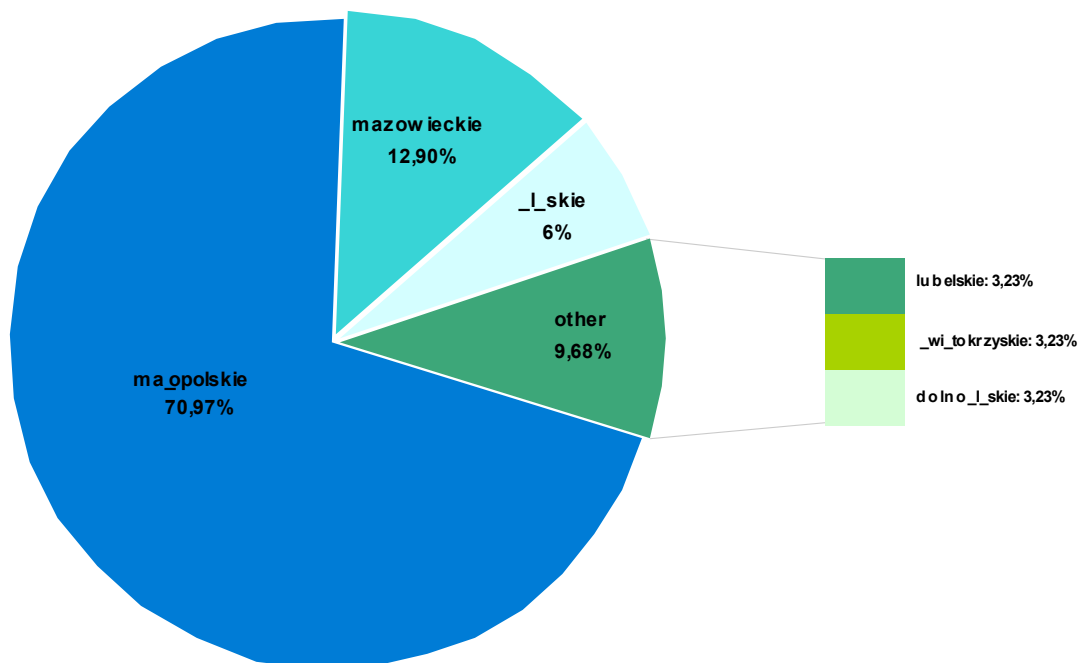


SERVICES - number of suppliers: OTHER COSTS



In almost half of the items there is only one supplier. Technical maintenance and repairs of medical equipment are provided by several dozen suppliers – this is a result of the diversity of Hospital's services entailing the diversity of suppliers of medical equipment – it is not possible to have only or several suppliers for technical maintenance.

SERVICES - structure of suppliers: LOCALIZATION OF SUPPLIER (Voivodship)



71% of suppliers come from the Malopolska region, almost 13% from the Malopolskie Voivodship, and 6% from the Silesian Voivodship, the remaining suppliers make up almost 10%.

2. LEGAL ASPECTS

In Poland contracts relating to services, goods and construction works are signed in compliance with the Act on Public Procurement.

Polish Public Procurement Law of 29 January 2004 specifies the rules and procedures for awarding public contracts, law enforcement measures, checking of the award of public contracts and the competent authorities with respect to matters addressed in this Act.

The purpose of the Act is first of all:

- rationality,
- effectiveness of public resources management,
- counteracting corruption.

The purposes of the system are usually formulated from the viewpoint of public interest.

Public Procurement Law is a major instrument of economic freedom and a guarantee of fundamental rights of enterprisers with respect to procurement of public contracts.

Anyone who is able to realize a public contract has a right to apply for it in compliance with equity and fair competition law and to be awarded a contract in case of best offer.

The Act is not applicable where the value of the contract does not exceed 6 000 EUR.

The Act applies to contracts awarded by the public finance sector, state organizational units not having legal personality and other than public finance sector (e.g. army, police and fire brigade), legal institutions (e.g. National Bank of Poland, Polish Post, state-owned radio and television), and many state-owned and communal companies.

Public Procurement Law is applied to contracts relating to:

- provision of construction works (performance or design of construction works)
- provision of supplies (procurement of things, rights and other goods, especially on the basis of contracts for sale, delivery, hire, rent and lease)
- provision of services (other than construction works or delivery).

The Act specifies seven procedures to award public contracts:

- open tendering,
- restricted tendering,
- negotiated procedure with publication,
- negotiated procedure without publication,
- request-for-quotations,
- electronic auction,
- selection of the best tender.