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Crouching Tiger Hidden Dragon: Negotiating Technology Purchase and Service Arrangements



Coffee Talk: A Miller Thomson LLP Health
Industry Seminar Series

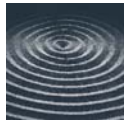
Karima Kanani

February 20, 2008

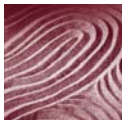
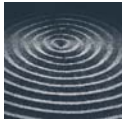
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Road Map

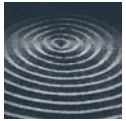


1. Joint Purchasing
2. Hidden Dragons
3. Operational Reality
4. Take Home Message



Joint Purchasing

- Healthcare institutions and professionals are increasingly working together in many areas, including procurement
 - Alliances
 - Networks
 - Consortiums

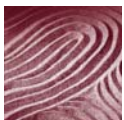
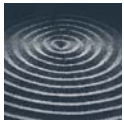


Joint Purchasing

- Healthcare institutions and professionals are also aligning due to healthcare restructuring

- E.g.
- Local Health Integration Network (LHIN)
 - Family Health Teams (FHT)

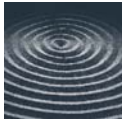
Joint Purchasing



- Establish agreements that set out the contributions, obligations and authority of the members of your purchasing group
- May need flexibility in form of procurement contract based on structure of purchasing group



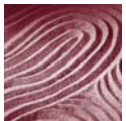
Hidden Dragons



- Who are you buying from?



- Can they sell/license to you?



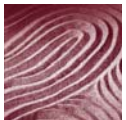
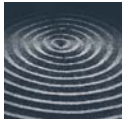
- When are you being asked to pay?

- Can the technology and service be severed?

- What are the service standards?

- Are there limits on liability?

- What law and jurisdiction govern the agreement?



Operational Reality

- The Letter of the Law
- Practice and Policy
- Accountability

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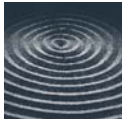
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Operational Reality The Letter of the Law

- Your contractual interests may be driven by regulatory requirements

E.g. Privacy

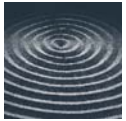


Operational Reality Practice and Policy

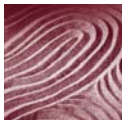
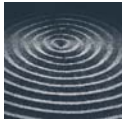
- Look for contract language to match
 - best practices; and
 - internal policy and protocols

E.g. Clinical acceptance testing

Practice and Policy Acceptance Testing



- Technical Acceptance
 - Meets published specifications
- Clinical Acceptance*
 - Follows technical acceptance
 - Use w/patients validated by senior member of medical staff
- Both technical and clinical needed for final acceptance



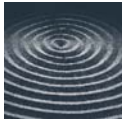
Operational Reality Accountability

- Dynamics of a public funded environment
- Accountability to the Ministry of Health/LHIN for management of funds
- Match contractual responsibility and accountability



The Take Home Message

- Define relationship of your purchasing group before you begin procurement process
- Be live to areas for risk management negotiation
- Anticipate terms and conditions dictated by the law
- Build the practice reality into the business deal
- Responsibility = Accountability



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