

## **Assessment of the public procurement of hospitals in 2009- 2012: Intensity of the competition for tenders is low**

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## CONTENTS

1.	Introduction .....	3
2.	Main findings .....	6
3.	Methods .....	9
4.	The nature of the public procurement of hospitals in time period January 2009 - March 2012 .....	10
4.1.	The most costly items of procurement .....	10
4.2.	The largest procurers .....	12
4.3.	The largest suppliers .....	12
5.	Assessment of the public procurement of hospitals .....	14
5.1.	Low amount of proposals during procurement–low competitiveness ....	14
5.1.1.	Hospitals with the lowest amount of proposals per tender .....	19
5.1.2.	Large suppliers tend to be the only competitors in the winning tenders .....	22
5.1.3.	Online auctions .....	23
6.	Recommendations .....	26
7.	Appendix: List of the assessed health care facilities .....	27

## 1. Introduction

“Collusive tendering deprives consumers of the opportunity to profit from the pressure of competitiveness.”<sup>1</sup>

John Vickers, British economist

Slovak health care has encountered many problems since the fall of communism, one of which is low efficiency. This is supported by the OECD studies that slot Slovakia in between European countries with the least effective health care systems.<sup>2</sup> If Slovakia managed to fully seize its potential to increase efficiency in its health care sector, the OECD findings show we would save up to 2.7% GDP a year<sup>3</sup>, which is one third of the public health care expenses. According to IMF, savings gained from the increased efficiency could reach up to 3.5% GDP a year if the health care results remained constant, resp. if Slovakia kept reaching the same levels of efficiency in health care as the most effective countries, it would save up to 60% of the health care expenses.<sup>4</sup> On a different note, considering the current state of the health care provision, Slovak citizens should pay a lot less. Or based on the amount of money Slovakia currently pours into its health care system, Slovak citizens should receive more – better health care and better health. The problem of Slovak health care is not necessarily the lack of funds then, it is the ineffective use of those funds.

If we generalize the inefficiency that stems from the diagnostic and curative processes and compensation of the hospitals' employees<sup>5</sup>, health care facilities purchasing goods, services and construction jobs is another essential area where we would be able to find a way to use public resources more effectively.

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<sup>1</sup> In: PMÚ SR: *Cartel Agreements in the public procurement*, Antimonopoly Office of the Slovak Republic, Bratislava, 2010 (download here: <http://www.internationalcompetitionnetwork.org/uploads/cartel%20wg/awareness/srkartelove%20dohody%20vo%20vo.pdf>)

<sup>2</sup> OECD (2010): *Health care systems: Getting more value for money*, OECD Economics Department Policy Notes, No.2, OECD, Paris, 2010 (download here: <http://www.oecd.org/dataoecd/21/36/46508904.pdf>)

<sup>3</sup> OECD (2012): *What are the Best Policy Instruments for Fiscal Consolidation?*, OECD Economics Department Policy Notes, No. 12, OECD, Paris, 2012 (download here: <http://www.oecd.org/dataoecd/26/4/50100775.pdf>)

<sup>4</sup> GRIGOLI, Francesco: *Public Expenditure in the Slovak Republic: Composition and Technical Efficiency*, IMF Working Paper (WP/12/173), International Monetary Fund, Washington, 2012 (download here: <http://www.imf.org/external/pubs/ft/wp/2012/wp12173.pdf>)

<sup>5</sup> The biggest expense items of health care facilities consist of personal expenses. In 2010, personal expenses represented approximately 50% of all expenses at big university hospitals. The other expenses consisted of procuring medical supplies and medicine (see here: [http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-140498?prefixFile=m\\_](http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-140498?prefixFile=m_)). After statutory guarantee pay for doctors and nurses has been legally established this year, Banská Bystrica Children's Faculty Hospital and ER has increased its share of personal expenses to approximately 60% (see here: <http://m.webnoviny.sk/rozhovory/nosko-riesenie-pre-nemocnice-musi-pr/501747-clanok.html>) At Roosevelt Hospital in Banská Bystrica monthly expenses for salaries and employees' government contributions take 74% off the hospital's monthly income. (see here: <http://www.sme.sk/c/6399716/nemocnice-zdvihli-mzdy-ale-skrtaju-priplatky.html>).

Most of the time and up to a certain point, the insurance companies are aware of this and as they negotiate contracts with suppliers, and during the increasing fees for hospitalization, they try to pressure hospitals into saving more money on purchases. However, especially the untransformed state and university hospitals are aware of their own (even political) power and influence. They know they are too big and important and that the insurance companies can not afford to not sign the contract with them, which would result in the insurance companies failing at filling up the minimum hospital network. This is often why the plans to cut the expenses fail.

For example, several hospitals have made a promise this year that they would decrease their monthly expenses on medicine, dietetic food and medical supplies by 7% during February and March. Based on this estimate, come February, 'Všeobecná zdravotná poisťovňa' (VŠZP or 'General Health Care Insurance Company') has increased the amount of finances for hospitalization, personally reimbursed hospital performances and medical care. However, hospitals went back on their promise and failed to cut their expenses. Instead, the expenses increased by 0.77%.<sup>6</sup>

A current poll that gauges public's opinion on corruption in Slovakia has showed that almost 80% of asked think that public procurement in the public sector almost always, or often, goes hand in hand with corruption.<sup>7</sup> People working in the health care sector prove it is not an exception as they claim it is common to receive a 'commission' from 10% up to 60% of the procurement's value. Tomáš Szalay from Health Policy Institute, who is a former advisor to health ministers Rudolf Zajac and Ivan Uhliarik, has recently said<sup>8</sup> that commissions and rigged competitions at Slovak hospitals are common practice. Taking into consideration that he hears about such practices from every direction, he is "not hundred percent, but two hundred percent" sure it is an everyday occurrence at Slovak hospitals. But according to him, it is very difficult to prove a specific case.

Considering that the current, and to a lesser extent even the previous government, refused to privatize hospitals, which would to a large extent systematically resolve the problem of inefficiency and corruption during the purchase of goods, services or

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<sup>6</sup> eTREND (2012): *VŠZP's plan failed, hospitals do not cut back: Hospitals are not bound by a contract to cut their expenses, which are increasing instead.* ZdravéZdravotníctvo.sk, 25.6.2012 (download here: <http://zdravezdravotnictvo.etrend.sk/peniaze-a-zdravotnictvo/plan-vszip-zlyhal-nemocnice-nesetria.html>)

<sup>7</sup> FOCUS (2012): *Perception of corruption in Slovakia: A public poll for Transparency International Slovakia*, FOCUS, Bratislava, January 2012 (download here: [http://www.transparency.sk/wp-content/uploads/2010/01/FOCUS\\_Sprava-pre-TIS\\_jan2012.pdf](http://www.transparency.sk/wp-content/uploads/2010/01/FOCUS_Sprava-pre-TIS_jan2012.pdf))

<sup>8</sup> SME (2012): *Company known from the Rath scandal is doing well: They buy medical supplies and technology from company Puro Klima and Defense Ministry*, SME.sk, 23.5.2012 (download here: <http://www.sme.sk/c/6388840/firme-z-rathovej-kauzy-sa-na-slovensku-dari.html>)

construction jobs at hospitals; the public figures – Health Ministry of the Slovak Republic<sup>9</sup>, higher territorial units and towns - who authorize the purchases should monitor the purchases made by public hospitals more closely. However, the considerable inefficiency and corruption in the public procurement of health care we have mentioned above indicates that formal audits may not be enough.

This assessment of the public procurement of hospitals and the following output, which is a part of a joint project between INEKO and TIS titled "[\*Monitoring transparency in the health sector\*](#)", aim to point out the vices and inefficiency of the procurement of public hospitals. This way, we aim to inspire both laic and professional public circles to demand a more effective way of controlling the hospitals' use of public resources. Furthermore, we will include proposals on how to decrease the non-transparent behavior going on during the public procurement and instead create better conditions that would result in bigger savings and higher quality of health care provided by the Slovak hospitals.

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<sup>9</sup> A few of the state hospitals have been built by the Defence Ministry or the Interior Ministry of the Slovak Republic.

## 2. Main Findings

- Public procurement of hospitals is known for its low number of submitted proposals. In 54.6% of tenders, there was only one competitor. Out of €827 million that the hospitals assessed in time period January 2009 – March 2012 paid for procurement of goods, services and construction jobs, more than €563 million (68.1%) was used for tenders that only included one competitor. For a comparison, in sectors other than health care, percentage of tenders with only one competitor (i.e., with only one submitted proposal) was lower by more than 40%. Furthermore, the percentage of procurements with 5 or more competitors in sectors other than health care reached almost 18% whereas it was only a bit over 6% for hospital tenders.
- The low number of competitors means a limited competition and a probability of higher prices. If the hospital tenders had more competitors, the hospitals would probably save more money. The final price of a tender with only one submitted proposal usually ends up being higher than the procurer's original budget estimate. Meanwhile, the final price of tenders with more submitted proposals is on average lower than the estimate. Theoretically, if tenders with one competitor did not exist and these tenders had two or more competitors instead, the final price of these tenders would on average<sup>10</sup> drop by 20.6%. In monetary terms, this would represent €116.1 million during the assessed time period, resp. €35.7 million a year.
- The average number of proposals per hospital tender is 1.7<sup>11</sup>. During the same time period, the average number of proposals in other sectors of Slovak economy was 3 per tender. This means that during public procurement, the intensity of competition between suppliers is lower in the health care sector. Out of 60 hospitals, 32 realized tenders with less than two competitors on average<sup>12</sup>. During the assessed time period, these 32 hospitals were purchasing goods, services and jobs for over €703 million, which is 85% of the entire publicly procured value of all assessed hospitals. Hospitals with the lowest number of competitions include those who procure the most. In the assessed time period, The National Institute of Cardiovascular Diseases, the biggest procurer of all health care facilities for inpatient care procured goods, services

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<sup>10</sup> The average is estimated based on the volume of the procurement.

<sup>11</sup> The average number of proposals is estimated based on the volume of the procurement; see below.

<sup>12</sup> The average number of proposals is estimated based on the volume of the procurement; see below.

and jobs worth over €169 million and its tenders had 1.1 competitors on average<sup>13</sup>. Other big hospitals with a low number of competitions are Eastern-Slovak and Middle-Slovak Institute of Cardiovascular Diseases, L. Pasteur Faculty Hospital in Košice, F.D. Roosevelt Faculty Hospital and ER in Banská Bystrica or J.A. Reiman Faculty Hospital and ER in Prešov.

- More than a half of the hospitals' total procured volume was procured by only 13 companies. From the complete list of 319 companies, on average 52% (167) does not compete for tenders against any other competitor. In the assessed time period, 14 out of 20 biggest hospital suppliers are amongst the companies that rarely compete against someone else in order to win a tender. These companies took a 45% part in the total procured volume of the hospitals. Out of tenders worth €66 million, the largest supplier, company MEDITRADE, did not have to compete against anyone to win tenders worth €64 million. Out of tenders worth €63 million, TIMED, the second largest company, did not face any competitor to win tenders worth €59 million.
- There may be several reasons for the low number of submitted proposals in the hospital tenders and subsequently the low level of competitiveness during public procurement. Compared to the other sectors of economy, the procurement at hospitals can be closely linked to the limited number of suppliers. But despite that, there are examples in the private sphere in both Slovak and Czech Republic where the hospital directors often choose out of two to four proposals whereas tenders of Slovak public hospitals often have only one competitor. It could be said that competitiveness of Czech suppliers is approximately two times bigger than that of the Slovak ones. Another reason for the low number of proposals for Slovak hospital tenders could be various deviations of the market – for example an old payment discipline, inability to meet the payment deadline, corruption, rigged job requirements, political connections, conflict of state interests, strong regulations or colluded behavior of the companies. The low number of proposals in the Slovak hospital tenders could indicate that the competing suppliers divide the market between them, resp. accept the hierarchy of influence, especially when there are many tenders of various procurers with the same or very similar subject of procurement but only one submitted proposal per tender, and always from a different competitor. If the tenders are subject to manipulation, resp. collusion, the chance of generating lower prices loses its meaning. And in the end, the taxpayers would benefit

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<sup>13</sup> The average number of proposals is estimated by the size of the procurement; see below.

from the lower prices.

- Only 21% of 2,771 procurements happen via an electronic auction. The value of these procurements reached 5.4% of the entire volume of the hospital procurements. Health care sector often uses e-auctions only for the procurements with a lower value. Since e-auctions bring competitiveness and lower prices, it would be beneficial to increase their number and volume.
- Online auctions stimulate the number of submitted tender proposals. Higher number of proposals results in a more intense competition between suppliers and often even in final prices that are lower than the procurer's estimate<sup>14</sup>. The procurements arranged through an e-auction have a substantially lower amount of tenders with only one submitted proposal. 'Only' 33.9% of 578 online auctions had just one submitted proposal, whereas it was 60% for procurements without an online auction.
- In 66.8% of cases the procurer's estimate of the final price dropped during the online auctions whereas the same happened in 58.5% of cases for tenders without an e-auction. This means that online auctions, compared to the tenders without one, often result in a final price that is lower than the one procurer estimated. Hospital tenders with an e-auction end up having a final price that is lower than the original estimate by 6.1% on average<sup>15</sup>, whereas it is -2.6% for the tenders without an e-auction.

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<sup>14</sup> This claim is substantial if the procurers establish the price estimate for the procurements done through an e-action in approximately the same way they make an estimate for other, similar tenders.

<sup>15</sup> The average is based on the size of procurements.

### 3. Methods

This assessment contains data about 2,771 contracts<sup>16</sup> of 60 hospital facilities for inpatient care (further down only hospitals)<sup>17</sup> that purchased goods, services or construction jobs via public procurement in time period January 2009 – March 2012. This concerns all the procurements of the assessed hospitals that were published in the Journal of Public Procurement (<http://www.e-vestnik.sk/>) and processed by the Open Public Procurement ([tender.sme.sk](http://tender.sme.sk)) in the aforementioned time period. Until April 2011, hospitals were obliged to publish information in the Journal about any procurements of goods and services worth more than €60,000 and construction jobs worth more than €360,000. After April 2011 the limit was dropped to €10,000, resp. €20,000<sup>18</sup>. The assessed hospitals were purchasing via public procurement for various reasons. Majority of them had to procure publicly due to the Public Procurement Act<sup>19</sup>, which obliges organizations that are fully or partially financed or controlled by state or local self-governments to procure publicly. Among the assessed hospitals, there are a few that own a property that could be viewed as private. These hospitals were obliged to procure publicly not because of their property but because they had used public resources from the European structural funds (mostly for reconstruction and modernization of objects and hospital equipment).

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<sup>16</sup> To avoid counting some of the procurements twice, we did not add partial adhering to the framework contracts from the Journal's database. For the purpose of this assessment, we only took into consideration the complete adhering to the framework contracts in the assessed time period, which may deviate from the actual status. Other slight deviations from the actual status might be caused by rounding up some of the figures.

<sup>17</sup> The process of collecting data was mostly based on the hospital directory of National Health Information Center (download here: <http://www.nczisk.sk/Registre/Narodne-administrativne-registre/Narodny-register-poskytovatelov-zdravotnej-starostlivosti/Pages/Adresar-nemocnic.aspx>). The assessment contains all the hospitals fully or partially owned by the state and local self-governments, or private hospitals that purchased goods, services or jobs via public procurement in the time period January 2009 – March 2012.

<sup>18</sup> The Journal also publishes contracts with a value that is lower than the limits for public procurement, resp. publishing in the Journal if the contracts are a part of a tender that oversteps these limits.

<sup>19</sup> Act no. 25/2006, statute of public procurement and amending certain laws.

## 4. The nature of the public procurement of hospitals in time period January 2009 - March 2012

### 4.1. The most costly items of procurement

In the assessed time period, hospitals procured publicly goods, services and construction jobs worth €827,092,658 and signed 2,771 contracts with the winners of tenders. Out of the hospitals' overall expenditure on public procurements, 2/3 are medical expenses (expenses for medical equipment, pharmaceutical materials and items of personal care). According to the Journal, 25% of the expenses realized via public procurement were poured into constructional and architectural services<sup>20</sup>. Table 2 shows detailed data about the procured items – the hospitals paid up to 14.8% (more than €122 million) for catheters, 6.8% (more than €56 million) for defibrillators and 3.7% (over €30 million) for cardio stimulators.

Table 1: Basic division of the hospital procurement spheres

Procured items	The procured value (in EUR)	Percentage of the total value	Number of suppliers
Medical equipment, pharmaceutical material and items of personal care	551,423,764	66.7%	151
Construction jobs	193,302,688	23.4%	18
Architectural, constructional, engineering and inspection services	13,560,041	1.6%	11
Food, beverages, tobacco and related items	10,347,938	1.3%	51
Petroleum products, fuel, electricity and other energy sources	8,385,267	1.0%	11
Other	50,072,959	6.1%	N/A
In total	827,092,658	100.0%	319

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

Table 2: The most costly items

Procured items	Number of contracts	Procured value (in EUR)	Percentage of the total value
Catheters	241	122,219,027	14.8%
Working on the construction of buildings for health care sector	11	120,283,081	14.5%
Defibrillators	19	56,434,455	6.8%
Working on a finished or in-progress building and	5	48,701,168	5.9%

<sup>20</sup> We got the data from the part of the Journal of Public Procurement focused on individual procurements. However, other 'side items' of procurement often tend to be a part of the procurements, but these are not analyzed in our assessment. For example, the actual overall expenditure on CAT scans is certainly higher than what is listed in the Journal for CAT Scans since majority of the hospitals procured CAT scans as a side item within total reconstruction or modernization of the hospital or a big purchase of equipment. The procurements with a big amount of side items lower the financial transparency in the health care sector.

engineering structures			
Medical equipment	34	34,073,429	4.1%
Disposable non-chemical medical consumables and haematological consumables	48	32,747,966	4.0%
Cardio stimulators	63	30,887,746	3.7%
Antineoplastic and immunomodulating agents	41	29,872,118	3.6%
Angioplasty necessities	45	27,309,173	3.3%
Surgical implants	93	22,414,564	2.7%
Pharmaceutical items	264	18,432,485	2.2%

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

**Table 3: The most costly hospital procurements**

Procurer	Procurement	Type of procurement	Type of competition	Euro funds / E-auction	Number of proposals per tender	Price (in millions of EUR)	Change of the final price compared to the original estimate*	Winning supplier
L. Pasteur FH in Košice	Emergency hospital admissions	construction job	private	no / no	2	26.9	-17.9%	PKB invest
F.D. Roosevelt FH and ER	Complex reconstruction	construction job	private	yes / no	2	24.8	-3.9%	VÁHOSTAV-SK
J.A. Reiman FH and ER B. Bystrica	Internal monoblock	construction job	private	yes / no	2	21.8	-15.5%	Chemkostav
Nitra FH	Medical pavilion	construction job	private	yes / no	1	18.9	-16.0%	INPEK
Poprad Hospital	Subsidiary building, reconstruction and modernization	construction job	private	yes / no	2	14.5	-5.8%	Montin
Martin UH	Completing the surgical pavilion	construction job	public	yes / no	1	12.3	0.0%	Stavouniverzál
Skalica Hospital and ER	Reconstruction and modernization	construction job	public	yes / no	3	12.2	-7.8%	HANT BA
National Institute of Oncology, BA	Medicine	goods	public	no / no	7	12.1	N/A**	MED - ART
Žilina FH and ER	Construction for emergency admission and modernization of oncology	construction job	private	yes / no	1	11.0	0.92%	VÁHOSTAV-SK
The National Institute of Cardiovascular Diseases, BA	Implantable devices for heart failure	goods	public	no / no	1	8.8	-7.92%	TIMED

\*Positive numbers represent the final price that ended up being higher than what the procurer expected. Negative numbers represent lowered prices.

\*\*The Journal did not list the value of this procurement, which is why it was impossible to determine the difference between the estimated and the final price.

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

## 4.2. The largest procurers

The largest procurers were 3 cardiovascular institutes and 7 faculty hospitals. What added to the expenses of five university hospitals (in Košice, Banská Bystrica, Martin, Nitra and Prešov) were for the most part construction jobs, which some of these hospitals paid from €12.3 million to €27.9 million for. In 2009 – 2012, the faculty hospitals in Košice, Banská Bystrica and Prešov had bigger expenses in procurements than the Bratislava University Hospital (UNB) even though it is the biggest<sup>21</sup> hospital in Slovakia. One of the reasons the specialized cardiovascular institutes have such big expenses is the high number of cardiovascular diseases in Slovakia.<sup>22</sup>

**Table 4: The largest procurers**

Hospital	Procured value (in millions of EUR)	Percentage of the total value	Average number of proposals per tender*
National Institute of Cardiovascular Diseases	169.2	20.5%	1.1
Eastern-Slovak Institute of Cardiovascular Diseases	123.6	14.9%	1.1
Middle-Slovak Institute of Cardiovascular Diseases	69.3	8.4%	1.0
L. Pasteur Faculty Hospital in Košice	57.7	7.0%	1.9
F.D. Roosevelt Faculty Hospital and ER in Banská Bystrica	53.9	6.5%	1.8
J.A. Reiman Faculty Hospital and ER in Prešov	36.2	4.4%	1.8
Bratislava University Hospital	33.1	4.0%	1.6
Central Military Hospital Ružomberok	29.2	3.5%	4.4
Martin Faculty Hospital	28.6	3.5%	1.2
Nitra Faculty Hospital	24.3	2.9%	1.1

\*The average number of competing proposals is based on the extent of procurements.

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

## 4.3. The largest suppliers

In the assessed time period, hospitals purchased via public procurement goods, services and construction jobs from 319 companies. In total, 10% of the largest suppliers (32 companies) delivered to hospitals 74.5% of all goods, services and construction jobs.

One of the largest local suppliers are MEDITRADE, s.r.o. (the company has an 8%

<sup>21</sup> UNB realizes approximately 20% of all medical procedures and the entire bulk of financial expenses in the hospital sector in Slovakia. (see here: <http://www.health.gov.sk/Clanok?sprava-o-stave-zdravotnictva-na-slovensku>)

<sup>22</sup> According to the OECD Health at a Glance 2011 study (download here: [http://www.oecd.org/document/11/0,3746,en\\_2649\\_37407\\_16502667\\_1\\_1\\_1\\_37407,00.html](http://www.oecd.org/document/11/0,3746,en_2649_37407_16502667_1_1_1_37407,00.html)) cardiovascular diseases are the main cause of death in most of the OECD countries; they were the cause of approximately 35% of deaths in 2009. Heart attack and stroke, which according to OECD were the cause of 2/3 of all deaths brought on by cardiovascular diseases, are out of all OECD countries most common in Slovakia. The circulatory system death rate is 20% higher in Slovakia than it is in Czech Republic and 2.5 times higher than in the original EU member states (see here: <http://www.health.gov.sk/Clanok?sprava-o-stave-zdravotnictva-na-slovensku>).

share of the total public procurement of hospitals with an income over €66 million) and TIMED, s.r.o. (the company has a 7.7% share of the total public procurement of hospitals with an income almost €64 million). Both deliver mostly specialized medical material and a variety of medical equipment, but also medicine (TIMED). However, construction companies Váhostav a.s. or Chemkostav, a.s. also belong among the largest hospital suppliers as big contracts with hospitals push them to the top of the list. ASRT, s.r.o. is the largest supplier of medicine. B.Braun Medical is the largest foreign supplier that provides our hospitals mostly with medical aids and technology.

**Table 5: The largest hospital suppliers via public procurement**

Supplier	Number of contracts	Procured value (in millions of EUR)	Percentage of the total value	Change of the final price compared to the original estimate*	Average number of proposals per tender**
MEDITRADE, s.r.o.	112	66.1	8.0%	6.9%	1.1
TIMED, a.s.	145	63.6	7.7%	-12.3%	1.2
VÁHOSTAV - SK, a.s.	2	35.8	4.3%	-2.5%	1.7
Chemkostav, a.s.	3	34.0	4.1%	-16.5%	2.0
MED – ART, s.r.o.	268	33.9	4.1%	55.0%	4.0
B.Braun Medical, s.r.o.	115	30.7	3.7%	18.4%	1.5
PKB invest, s.r.o.	2	30.1	3.6%	-17.1%	2.0
Operatíva, medicínska spoločnosť (medical company), s.r.o.	93	28.6	3.5%	-10.1%	1.1
MARTEK MEDICAL SK, a.s.	114	22.0	2.7%	27.2%	2.8
Biomedica Slovakia, s.r.o.	41	19.5	2.4%	-2.8%	1.1
BIOTRONIK Slovensko, s.r.o.	36	19.0	2.3%	-6.0%	1.0
INPEK, s.r.o.	1	18.9	2.3%	-16.0%	1.0
UNIPHARMA PRIEVIDZA – 1. slovenská lekárnická (1 <sup>st</sup> Slovak pharmaceutical), a.s.	191	16.4	2.0%	-5.3%	1.6
RAVIKA, s.r.o.	30	16.3	2.0%	25.2%	1.1
Montin, s.r.o.	1	14.5	1.8%	-5.8%	2.0
TATRA – ALPINE, a.s.	21	14.1	1.7%	28.9%	1.1
PHARMA GROUP, a.s.	45	13.8	1.7%	-1.4%	1.0
AD REM, s.r.o.	9	13.8	1.7%	16.5%	1.3
STAVOUNIVERZÁL, s.r.o.	1	12.3	1.5%	0.0%	1.0
HANT BA, a.s.	1	12.2	1.5%	-7.8%	3.0

\*The average is based on the volume of procurements. Positive numbers represent the final price that ended up being higher than what the procurer expected. Negative numbers represent lowered prices.

\*\*The average number of proposals per competition is based on the volume of procurements.

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

## **5. Assessment of the public procurement of hospitals**

### **5.1. Low amount of proposals during procurement – low competitiveness**

The data analysis revealed that low number of competitors is typical for the public procurement of Slovak hospitals. The low number of competitors hinders the competition during the purchasing of hospitals. Weak competition usually results in higher prices. If the number of competitors per hospital tender was higher, hospitals would probably save more money (*see below*).<sup>23</sup>

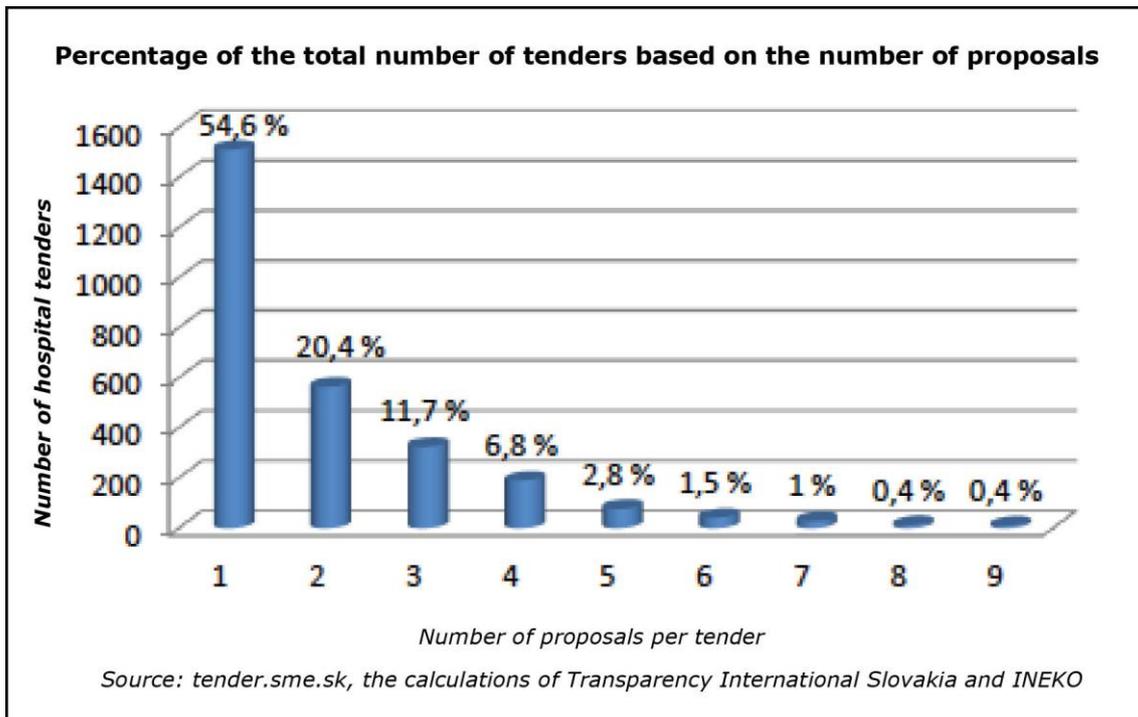
Out of 2,771 hospital procurements, in 54.6% (1,512) of cases the competition only had one submitted proposal. There were more than two proposals in 25.1% of cases (*see Chart 1*). Out of €827 million that the hospitals spent on public procurement in the assessed time period, more than €563 million (68.1%) was spent for tenders with only one competing company. For a comparison, in sectors other than health care the number of tenders with only one competitor, i.e. with only one submitted proposal, was lower by over 40%. Furthermore, the percentage of procurements with 5 or more competitors in sectors other than health care was almost 18% whereas it was only a bit over 6% in the hospital tenders.

Based on the volume of the procurements, the average number of submitted proposals reached in the assessed time period 1.7 (or simpler, 2.0), whereas the average of the submitted proposals in the same time period was barely 3 proposals per tender in other sectors of the Slovak economy. This means that during public procurement the competition between suppliers is less intense in the health care sector.

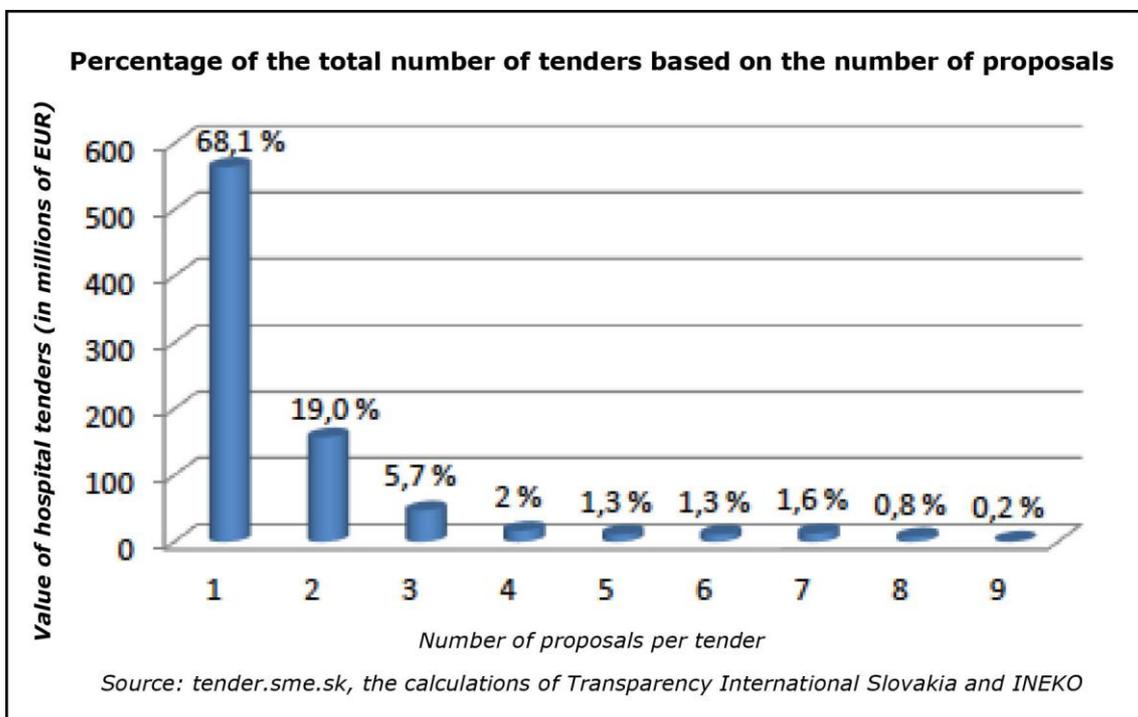
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<sup>23</sup> The Transparency International Slovakia's analysis of the quality of public procurement in Slovakia in 2009 – 2011 claims that the number of tenders with more than one competing company (the average number of competitors jumped from 2.3 to 3.6 (5 companies in EU)) increased during these three years. Furthermore, the average of savings compared to the original price estimate reached 14% in 2011 whereas it was only 5% in 2009. (see here: <http://www.transparency.sk/sk/stat-nakupoval-v-roku-2011-efektivnejsie/>)

**Chart 1: Dependency of the number of health care tenders on the number of submitted proposals**



**Chart 2: Dependency of the extent of health care tenders on the number of submitted proposals**



The low number of proposals in public procurement is due to the small decline of the final price compared to the procurer's original price estimate and more often even to the final price ending up being higher compared to the estimate. However, the higher number of proposals in public procurement is related to a final price that is lower than what the procurer expected.

To illustrate the point, compared to the estimated price, total decrease of the final price in health care procurements reached in the assessed time period 2.9% (the average is based on the volume of the procurements), resp. 3.3% on average per tender (simple average). According to a recent TIS<sup>24</sup> analysis, which was tracking all the tenders in all the economy sectors of the Slovak Republic, in 2011 total decrease of the final price of a tender (the average is based on the volume of the procurements) represented 13.9% compared to the original estimate. It was 5.3% in 2009.

The following *Chart 3* shows that if the number of proposals is higher, the final price of the tender is less likely to be higher than the original estimate. If it is indeed higher, the difference between the final and estimated price is smaller than it would be if the tender had a lower number of competitors (note that the positive deviation in the chart represents price increase, which means the final price is higher than what procurer expected; the negative deviation represents decrease of the final price compared to the estimate). The data indicates that the lower the number of competitors per tender is, the higher is the final price.

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<sup>24</sup> ŠÍPOŠ, Gabriel: *Assessment of the quality of public procurement in Slovakia in years 2009-2011*, Transparency International Slovakia, Bratislava, January 2012 (download here: [http://www.transparency.sk/wp-content/uploads/2010/01/2012\\_Analyza\\_obstaravania\\_v\\_2011.pdf](http://www.transparency.sk/wp-content/uploads/2010/01/2012_Analyza_obstaravania_v_2011.pdf))

**Chart 3: Dependency of the final price on the number of submitted proposals per tender**

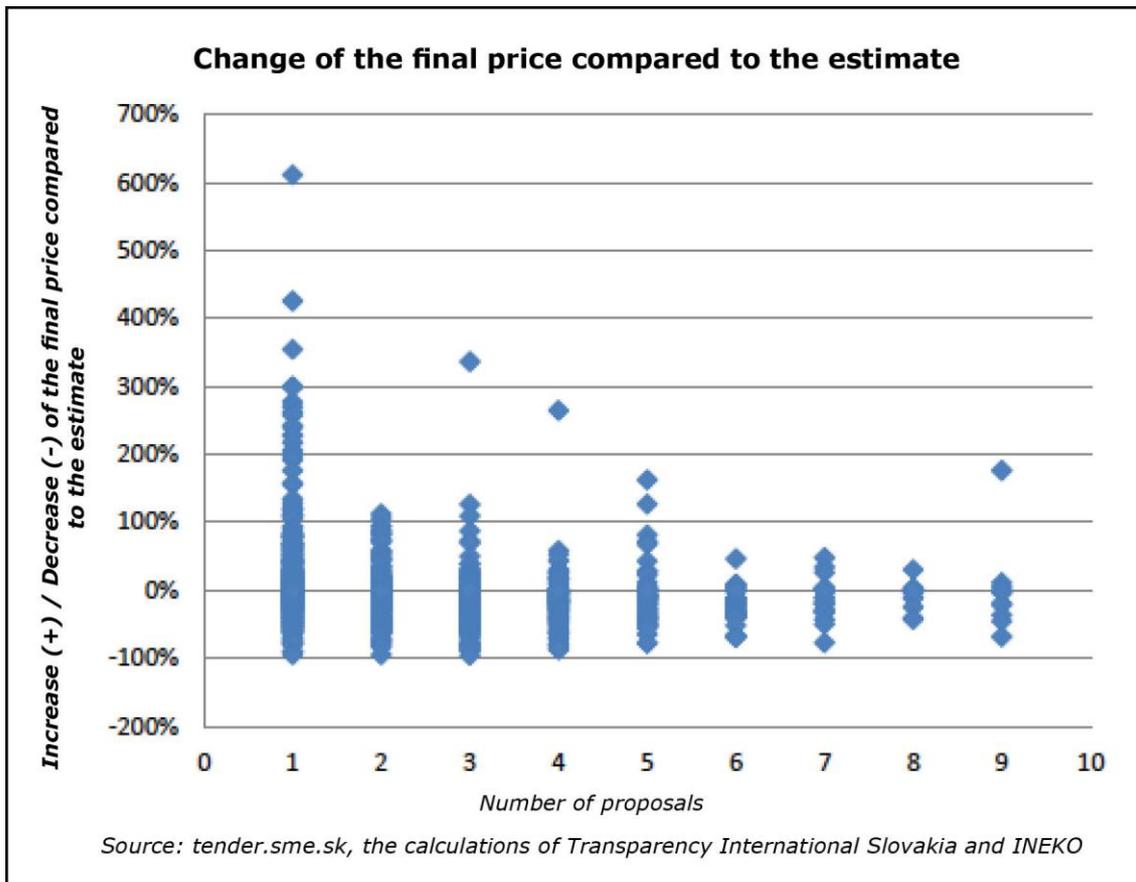


Table 6 confirms that tenders with only one submitted proposal end up being more costly than what the procurer expected. Final price of the tenders with several submitted proposals is lower than expected. Theoretically, if there were no procurements with only one proposal and these tenders would have two or more submitted proposals, the final price would on average (based on the volume of the procurements) drop by 20.6% compared to the original price established by the procurer. In financial terms, this means that in the assessed time period the final price of these hospital tenders could be decreased by €116.1 million, resp. €35.7 million a year. Even though it is impossible to automatically take these numbers as a cost saving (*see below*), it is likely that if more companies submitted their proposals, hospitals would save more money<sup>25</sup>.

<sup>25</sup> This claim gains even more weight if during procurements with one submitted proposal the procurers establish the estimated price in a similar manner than they do in comparable tenders with more submitted proposals.

**Table 6: The average change of the final price compared to the procurer's estimate, based on the number of proposals per tender**

Number of proposals per tender	Change of the final price compared to the estimate* (+) price increase (-) price decrease	
	Average based on the volume of the procurements	Simple average
1	+12.8%	+3.4%
2	-8.3%	-7.6%
3	-7.4%	-14.7%
4	-3.3%	-14.6%
5 and more	-7.8%	-13.8%

\*Positive numbers represent the final price that ended up being higher than what the procurer expected. Negative numbers represent lowered prices.

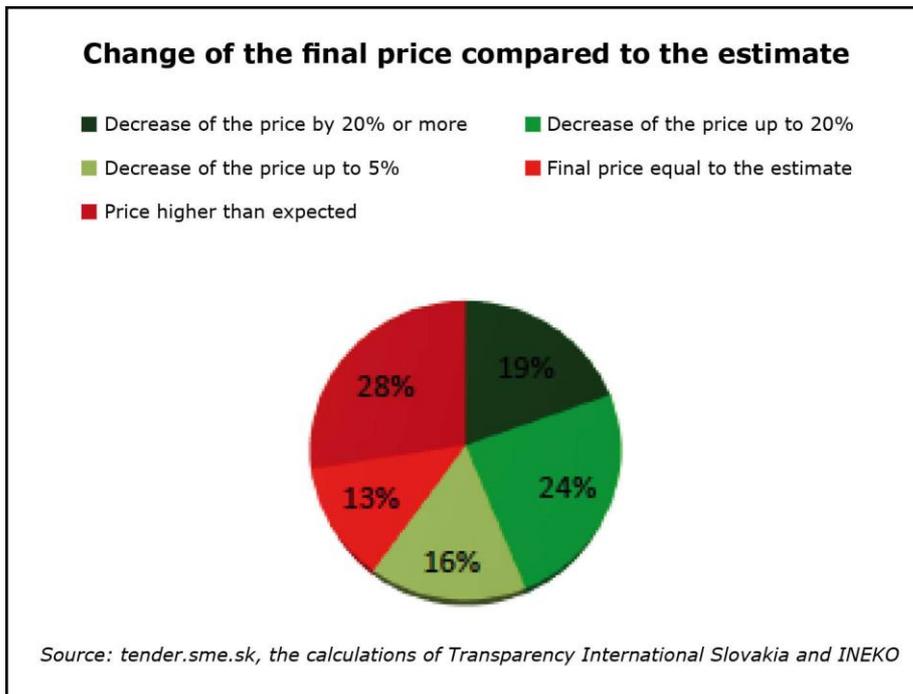
Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

Even though the data statistics of health care tenders shows that in majority of cases the final price of procurements is lower than the estimate (see *Chart 4*), it does not necessarily represent savings resulting from the public procurement. Setting the estimated price is often arbitrary – highly above, resp. below the limit of the market price and is often influenced by various factors – from an objective one when the information is asymmetric to tactic factors where the procurer or his assistant is more motivated to set the estimated price higher or lower on purpose (a lower final price makes it seem as if they saved a lot; if the hospital overruns its budget due to a final price that is higher than the average, it represents a bigger problem than if they failed to use up their budget), which sends the competing companies a signal that they should drop the financial bar as low as possible. This is why a tender with for example four to five competitors with its final price 20% higher than the procurer's estimate might be more advantageous than a tender with for example one competitor, who offered a price 20% lower than expected.

Out of 41% of tenders<sup>26</sup>, neither had a final price that was lower than expected. It was either the same as the estimate (13%) or higher (28%). For 33% of tenders, online auctions did not result in the decrease of the final price. When we compare tenders with an online auction to those without one, the final price is commonly lower than procurer's original estimate.

<sup>26</sup> The statistics were based on 2,694 tenders. Other 77 tenders listed in the Journal did not mention the estimated price, so it was impossible to calculate the difference between the expected and the final price.

**Chart 4: Change of the final price of procurement compared to the procurer's estimate**



In other sectors of the Slovak economy, the number of tenders with a final price higher than expected was in the assessed time period lower by more than a half than it was in the hospital sphere. Furthermore, tenders with an over 20% decrease of the price were more common in sectors outside of health care.

#### 5.1.1. Hospitals with the lowest amount of proposals per tender

Procurement without more than one competitor is almost a rule in many hospitals. Out of 60 assessed hospitals, 32 facilities had tenders with less than two competitors<sup>27</sup>. The listed 32 hospitals purchased in the assessed time period goods, services and jobs worth €703 million, which is 85% of the entire value of the assessed, publicly procured hospitals. This group includes the largest suppliers. Tenders of the National Institute of Cardiovascular Diseases, which purchased things via public procurement for over €169 million in the assessed time period, only had 1.1 competitors. Eastern-Slovak and Middle-Slovak Institute of Cardiovascular Diseases that procured for €123 million, resp. €69 million, are in a similar situation. To clarify, all a competitor needs to win a tender of these organizations is to submit a proposal. Based on the volume of procurements, the

<sup>27</sup> We based the average number of proposals on the volume of procurements, so we could gain a better understanding on the hospitals' procurement process. If a competitor took part in a tender worth several millions of euro, such tender would on average have more importance than one worth several hundreds of euro. Simple average, that we examined as well, shows what the most common number of competitors was per tender, but it does not take the volume of the tender into consideration. Based on the simple average, the listed 32 hospitals ended up slightly better off. However, none of them had the average number of proposals per tender higher than 2.3.

following *Table 7* lists hospitals whose tenders had less than 2 submitted proposals on average.

**Table 7: Hospitals with a low average number of proposals per tender**

Hospital*	Weighed average number of proposals per tender**	Average number of proposals per tender	Procured value (in millions of EUR)	Number of contracts
National Institute of Endocrinology and Diabetes	1.0	1.0	2.1	5
Middle-Slovak Institute of Cardiovascular Diseases	1.0	1.0	69.3	135
Nitra Faculty Hospital	1.1	1.7	24.3	18
National Institute of Cardiovascular Diseases	1.1	1.4	169.2	367
Banská Bystrica Children's Hospital and ER	1.1	1.9	8.9	14
Považská Bystrica Hospital and ER	1.1	1.2	2.2	29
Institute of Nuclear and Molecular Medicine	1.1	1.4	9.7	80
Eastern-Slovak Institute of Cardiovascular Diseases	1.1	1.8	123.6	268
Žilina Faculty Hospital and ER	1.2	2.3	16.9	117
Nové Zámky Faculty Hospital and ER	1.2	2.3	11.8	17
Martin Faculty Hospital	1.2	2.3	28.6	198
Kysuce Hospital with ER in Čadca	1.5	2.0	1.5	5
Children's Faculty Hospital and ER, Bratislava	1.5	2.0	12.1	48
Hospitals with ER	1.5	1.7	0.5	10
Bratislava University Hospital	1.6	2.1	33.1	121
Košice Children's Faculty Hospital	1.6	1.9	1.6	8
Hronovce Psychiatric Hospital	1.7	1.7	0.4	6
Štefan Kukura Hospital and ER in Michalovce	1.7	2.1	1.0	24
F.D. Roosevelt Faculty Hospital and ER in Banská Bystrica	1.8	2.0	53.9	324
J.A. Reiman Faculty Hospital and ER in Prešov	1.8	1.7	36.3	137
St. Svorad Specialized Hospital in Svodor	1.8	1.7	2.2	6
Trnava Faculty Hospital	1.9	1.8	5.6	84
Trebišov Hospital and ER	1.9	1.7	1.1	39
Poprad Hospital	1.9	1.8	19.6	35
L. Pasteur Faculty Hospital in Košice	1.9	2.2	57.7	107

\*Other 7 hospitals had the weighed average number of proposals per tender lower than 2 but none of them signed more than 5 contracts, which is why we did not list them.

\*\*The average number of contracts in a competition is based on the extent of procurements.

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

*Tables 8-10* show the summary of the three largest suppliers' ten largest procurements – National, Eastern-Slovak and Middle-Slovak Institute of Cardiovascular Diseases. Each of these largest tenders only had one submitted proposal. Based on the findings of three Czech cardiology centers and one Slovak and Czech private medical facility, having one submitted proposal per tender for comparable items of procurement is an exception. Standard practice for the directors of these hospitals is to establish the criteria of the tendering process more

openly than what we see at the Slovak state facilities. This way, almost every product would have an alternative and would be therefore easily substituted by a more suitable one, which is one of the reasons they usually choose out of 2-4 suppliers. According to Renáta Mihályová, the director of the private Slovak hospital Medissimo, they always choose out of several suppliers when purchasing catheters, stents, cardiostimulators or defibrillators. Even data from the online portal Vsechnyzakazky.cz<sup>28</sup> confirms the competition is more intense between Czech suppliers. According to them, based on the volume of procurements, the average level of competitiveness for tenders for medical equipment in Czech republic during the assessed time period was 2.6 (simple average: 3.3 competitors per tender). For a comparison, comparable Slovak tenders of the state hospitals had an average that was half as low.

**Table 8: The largest procurements of the National Institute of Cardiovascular Diseases, Bratislava**

Procurement	Price (in EUR)	Winning supplier	Number of submitted proposals per tender
Implantable devices for electric impulse therapy and cardiac diagnosis	8,840,000	TIMED	1.0
Implantable devices for electric impulse therapy and cardiac diagnosis	5,720,000	Operatíva	1.0
Implantable devices for electric impulse therapy and cardiac diagnosis	5,260,000	MEDITRADE	1.0
Material for diagnosis and intravenous radiology	4,700,000	MEDITRADE	1.0
Material for diagnosis and intravenous radiology	4,190,000	ARID	1.0
Material for intravenous cardiology and radiodiagnostics	3,670,000	B.Braun Medical	1.0
Material for intravenous cardiology and radiodiagnostics	2,960,000	TATRA - ALPINE	1.0
Material for intravenous cardiology and radiodiagnostics	2,954,363	B.Braun Medical	1.0
Material for intravenous cardiology and radiodiagnostics	2,950,000	B.Braun Medical	1.0
Multidetector computed tomography	2,882,353	MED LEADER	1.0

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

<sup>28</sup> see here:

[http://vsechnyzakazky.cz/zakazka/list/?csrfmiddlewaretoken=8Ot7RRewBahYXJfKi4EQxdEbMHtHbj&nazev=&typ\\_zakazky=187&druh\\_rizeni=&cena\\_od=0&cena\\_do=17819557851&datum\\_zadani\\_od=01.01.2009&datum\\_zadani\\_do=31.3.2012&zadavatel\\_nazev=&zadavatel\\_ico=&zadavatel\\_kraj=&dodavatel\\_nazev=&dodavatel\\_ico=](http://vsechnyzakazky.cz/zakazka/list/?csrfmiddlewaretoken=8Ot7RRewBahYXJfKi4EQxdEbMHtHbj&nazev=&typ_zakazky=187&druh_rizeni=&cena_od=0&cena_do=17819557851&datum_zadani_od=01.01.2009&datum_zadani_do=31.3.2012&zadavatel_nazev=&zadavatel_ico=&zadavatel_kraj=&dodavatel_nazev=&dodavatel_ico=)

**Table 9: The largest procurements of the Eastern-Slovak Institute of Cardiovascular Diseases, Košice**

Procurement	Price (in EUR)	Winning supplier	Number of submitted proposals per tender
Implantable devices for electric impulse therapy	7,345,247	TIMED	1.0
Implantable devices for electric impulse therapy	6,894,943	MEDITRADE	1.0
Implantable devices for electric impulse therapy	6,749,080	BIOTRONIK Slovakia	1.0
Implantable devices for electric impulse therapy	6,730,300	BIO G	1.0
Specialized medical material for invasive angiology	6,700,000	TIMED	1.0
Implantable devices for electric impulse therapy	3,680,000	Operatíva	1.0
Implantable devices for electric impulse therapy	3,600,000	MEDITRADE	1.0
Implantable devices for electric impulse therapy	3,550,000	TIMED	1.0
Implantable devices for electric impulse therapy	3,269,644	Biomedica Slovakia	1.0
Implantable devices for electric impulse therapy	3,170,000	BIOTRONIK Slovakia	1.0

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

**Table 10: The largest procurements of the Middle-Slovak Institute of Cardiovascular Diseases, Banská Bystrica**

Procurement	Price (in EUR)	Winning supplier	Number of submitted proposals per tender
Medical technology	5,857,704	PURO-KLIMA Slovakia	1.0
Cardiostimulators and ICD	3,327,273	TIMED	1.0
Cardiostimulators and ICD	3,327,273	MEDITRADE	1.0
Medical material for intravenous radiology	3,190,000	InterMedical	1.0
Cardiostimulators and ICD	3,145,455	MEDITRADE	1.0
Medical material for intravenous radiology	2,580,000	MEDITRADE	1.0
Medical material for intravenous radiology	2,280,000	B.Braun Medical	1.0
Medical material for intravenous radiology	2,270,000	MEDITRADE	1.0
Cardiostimulators and ICD	2,018,182	Operatíva	1.0
Medical material for intravenous radiology	1,980,000	TIMED	1.0

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

### 5.1.2. Large suppliers tend to be the only competitors in the winning tenders

Suppliers share a similar predicament as hospitals. Out of 319 companies that competed in the public procurement of hospitals during the assessed time period, up to 52% (167 companies) do not have to compete against anyone in order to win. This applies to 14 out of the 20 largest hospital suppliers that did not have to compete against another company during the assessed time period. These companies participated in 45% of the total procured volume of hospitals. The

largest supplier, company MEDITRADE, from which the hospitals purchased things for over €66 million (which represents 8% of the total procured value of all assessed hospitals), participated and won health care tenders where an average number of competitors was 1.1<sup>29</sup>. MEDITRADE gained €64 million (97%) of all their procurements via tenders that had only them as a competitor. Similarly the majority of the tenders TIMED - the second largest hospital supplier with a value of procurements worth over €63 million - won in the assessed time period had only 1.2 proposals on average. TIMED did not have to compete against anyone in procurements worth over €59 million, which is 93% of the total number of hospital tenders this company participated in.

### 5.1.3. Online auctions

Out of the total number of 2,771 assessed hospitals, only 21% of them procured during the assessed time period via an online auction. Only 5.4% of the total volume of procurements worth €827.1 million was procured via an online auction.

Online auctions cause a higher number of proposals per tender. A higher number of proposals results in a more intense competition between suppliers and often even final prices that are lower than the procurer's original estimate. In 66.8% of cases the procurer's estimate of the final price dropped during the online auctions whereas the same happened in 58.5% of cases for tenders without an e-auction. This means that online auctions, compared to the tenders without one, often result in a final price that is lower than the one procurer originally estimated. Hospital tenders with an e-auction end up having the final price lower than the original estimate by 6.1% on average<sup>30</sup>, whereas it is -2.6% for the tenders without an e-auction.

Despite the fact that during the assessed time period the number of online auctions was 7 times bigger in the health care sector than in the other sectors of economy and the value was 2.5 times bigger, it would be beneficial if the number and volume were even higher<sup>31</sup>, considering e-auctions provoke more competition and lower prices.

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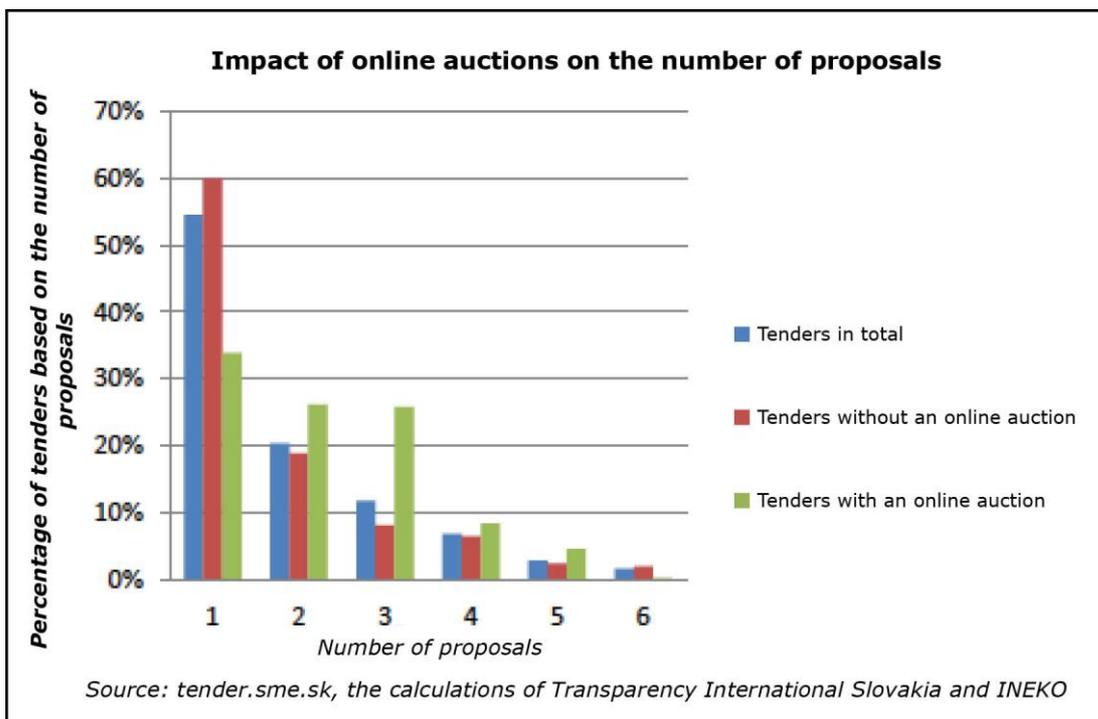
<sup>29</sup> The average number of proposals per tender was based on the volume of procurements.

<sup>30</sup> The average is based on the volume of procurements.

<sup>31</sup> A more frequent use of e-auctions should be implemented by the public procurement law amendment presented by the previous government. Since 1.4.2011 online auctions have been obligatory during all the public procurements of goods and services worth more than €125,000 and construction jobs worth more than €4.845 million (i.e. over-threshold procurements). Since 1.1.2012 the same has applied for the under-threshold procurements, i.e. procurements of goods and services worth over €40,000 and construction jobs worth more than €200,000.

The following *Chart 5* shows that the number of procurements with one proposal is significantly lower during the procurements with an online auction. Out of 578 online auctions, only 33.9% had just one submitted proposal. Meanwhile, the percentage of the procurements without an online auction that had only one submitted proposal jumped to 60.0%. For the procurements with an online auction, the percentage of tenders with two to five proposals is higher than for the procurements without an online auction.

**Chart 5: The percentage of procurements based on the number of submitted proposals per tender**



Some hospitals used online auctions a lot more often than others. Twenty-eight hospitals did not use an online auction once. Several hospitals used online auctions regularly. Psychiatric Hospital in Veľké Zálužie held an online auction 9 times and procured 84.3% of the total amount of its procurements via online auctions.

**Table 11: Hospitals with the highest percentage of procurements realized via an online auction**

Hospital*	Number of e-auctions	The value of e-auctions (in millions of EUR)	The percentage of total procured volume via e-auctions	Change of the final price compared to the estimate**
Psychiatric Hospital, Veľké Zálužie	9	0.9	84.3%	-9.5%
Štefan Kukura Hospital and ER Michalovce	20	0.5	48.5%	-1.7%
Prievidza Hospital and ER	52	1.1	24.3%	-42.2%
Trnava Faculty Hospital	13	1.3	23.4%	-11.3%
Liptov Hospital and ER Liptovský Mikuláš	7	0.1	21.9%	0.0%
Children's Faculty Hospital and ER, Bratislava	21	2.3	19.1%	4.3%
Martin Faculty Hospital	133	3.5	12.1%	-14.1%
National Institute for Tuberculosis, Lung Diseases and Thoracic Surgery Vyšné Hágy	55	0.8	11.1%	-3.6%
L. Pasteur Faculty Hospital Košice	32	6.2	10.7%	-12.0%
Trenčín Faculty Hospital	21	1.0	9.9%	-8.6%
National Institute of Cardiovascular Diseases, BA	54	15.6	9.2%	-3.4%
F.D. Roosevelt Faculty Hospital and ER Banská Bystrica	51	3.7	6.8%	1.8%

\*There were other 8 hospitals with a high percentage of purchases via online auctions, but we did not list them as the number of tenders they realized via e-auction was lower than 5.

\*\*The average is based on the volume of the procurements. Positive numbers represent a final price that is higher than procurer's original estimate. Negative numbers represent a price decrease.

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO

## 6. Recommendations

Based on the assessment of the public procurement of hospitals, we put together a few recommendations<sup>32</sup>:

1. Hospitals should be discouraged (e.g. by administrative obstacles)<sup>33</sup> from realizing tenders with only one competitor. Larger number of submitted proposals means a more intense competition. A more intense competition results in lower prices, which means saving more money during the procurement. Furthermore, if a tender has a lot of submitted proposals, the probability of a coordinated joint process or division of market is lower.
2. Hospitals should be motivated to purchase via online auctions. Online auctions generate a larger number of submitted proposals. A more intense competition between suppliers results in a more realistic chance of saving money.
3. As the main founder of hospitals, the Ministry of Health of the Slovak Republic should introduce benchmarking for the prices of bigger purchases realized by the largest procurers. This would increase the price transparency and decrease the percentage of non-transparent purchases.
4. It is necessary to take central procurement into consideration, especially during often repeated purchases of easily specified goods that all or several hospitals see as a necessity. This way, savings would be utilized and the room for non-transparent purchases would be a lot smaller.
5. Considering the high percentage of tenders with limited competition, the public procurement of hospitals should be controlled a lot more. To allow public to control the procurements too, the hospital tenders should be published in detail, preferably in one place, to make the information easily accessible.

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<sup>32</sup> General recommendation: Privatization of hospitals would to a certain point solve the problem of inefficiency and corruption that occurs during the hospital procurement of goods, services or construction jobs and it would also solve one of the most serious sources of conflict of interests in the state health care sector. However, privatization has to go hand in hand with creating a quality regulatory framework (including a system that measures the quality of suppliers) in order keep the accessibility and quality of health care provision from getting worse.

<sup>33</sup> E.g.: If a tender has only one competitor, the purchase should be affirmed by the procurer, automatically submitted to a thorough audit by the Office of Public Procurement, compared to the status of the other countries abroad, or possibly the procurer would have to explain why the tender has only one competitor, which is something that has recently been proposed in Czech Republic.

## 7. Appendix: List of the assessed health care facilities

Hospitals	Number of contracts	Procured value (in EUR)	Change of the final price compared to the estimate* (+) price increase (-) price decrease		Average number of proposals		Online auctions			
			Average based on the volume of procurements	Simple average	Average based on the volume of procurements	Simple average	Value (in EUR)	Percentage of the total procured value	Change of price* (average based on the procured volume)	Change of price* (simple average)
National Institute of Cardiovascular Diseases, a.s., Bratislava	367	169,164,060	14.3%	9.8%	1.1	1.4	15,588,022	9.2%	-3.4%	1.37%
Eastern-Slovak Institute of Cardiovascular Diseases, a.s., Košice	268	123,618,332	-6.1%	-0.8%	1.1	1.8	76,443	0.1%	1.1%	0.52%
Middle-Slovak Institute of Cardiovascular Diseases, a.s., Banská Bystrica	135	69,296,298	-11.5%	7.1%	1.0	1.2	1,790,446	2.6%	25.9%	42.23%
L. Pasteur Faculty Hospital in Košice	107	57,726,526	-13.0%	-15.1%	1.9	2.2	6,195,203	10.7%	-12.0%	-14.30%
F.D. Roosevelt Faculty Hospital and ER in Banská Bystrica	324	53,913,831	-8.2%	-11.3%	1.8	2.0	3,674,163	6.8%	1.8%	-8.77%
J.A. Reiman Faculty Hospital and ER in Prešov	137	36,206,117	-12.9%	-6.6%	1.8	1.7	678,875	1.9%	-16.6%	-13.60%
Bratislava University Hospital	121	33,083,122	-2.7%	-2.4%	1.6	2.1	427,230	1.3%	-0.2%	-0.57%
Central Military Hospital SNP Ružomberok – Faculty Hospital	124	29,212,263	-1.5%	-5.1%	4.4	5.2	791,471	2.7%	-23.3%	-20.49%
Martin Faculty Hospital	198	28,561,270	-0.1%	-3.4%	1.2	2.3	3,456,481	12.1%	-8.4%	-6.59%
Nitra Faculty Hospital	18	24,278,796	-12.5%	-8.4%	1.1	1.7	0	0.0%	N/A	N/A
National Institute of Oncology, Bratislava	25	22,450,345	-8.9%	-4.9%	5.3	3.2	55,738	0.2%	-18.3%	-18.27%
Poprad Hospital, a.s.	35	19,637,181	-5.9%	-14.1%	1.9	1.8	1,115,370	5.7%	-18.1%	-23.91%
Eastern-Slovak Institute of Oncology, a.s., Košice	77	17,908,082	-10.1%	-6.6%	2.7	3.3	196,608	1.1%	-2.8%	-1.83%
Žilina Faculty Hospital and ER	117	16,905,124	4.0%	-4.0%	1.2	2.3	468,720	2.8%	-10.2%	-10.63%
Skalica Hospital and ER, a.s.	27	13,173,942	-11.2%	8.0%	3.0	1.4	0	0.0%	N/A	N/A
Children's Faculty Hospital and ER, Bratislava	48	12,088,369	3.9%	7.5%	1.5	2.0	2,307,565	19.1%	4.3%	1.78%
Nové Zámky Faculty Hospital and ER	17	11,838,770	-3.8%	-16.7%	1.2	2.3	70,000	0.6%	0.0%	-0.03%
Trenčín Faculty Hospital	51	10,569,149	-9.0%	-7.1%	2.6	2.5	1,041,962	9.9%	-8.6%	-7.92%
Institute of Nuclear and Molecular Medicine, Košice	80	9,707,625	-21.0%	-0.8%	1.1	1.4	0	0.0%	N/A	N/A
Banská Bystrica Children's Faculty Hospital and ER	14	8,921,048	-1.8%	-3.8%	1.1	1.9	54,663	0.6%	-18.4%	-18.41%
National Institute for Tuberculosis, Lung Diseases and Thoracic Surgery Vyšné Hágy	87	7,338,201	0.6%	-5.5%	3.2	2.3	816,217	11.1%	1.2%	-7.50%
Trnava Faculty Hospital	84	5,629,440	-2.5%	-1.6%	1.9	1.8	1,317,085	23.4%	-11.3%	4.37%
Prievidza Hospital and ER	66	4,435,028	-20.4%	-30.3%	2.0	2.1	1,078,494	24.3%	-42.2%	-35.06%
Hospitals with ER, n.o. (branches in several towns)	2	4,157,698	-0.4%	-0.4%	1.6	1.5	0	0.0%	N/A	N/A
Ľubovňany Hospital, n.o.	2	3,274,000	-8.8%	-4.6%	2.0	1.5	0	0.0%	N/A	N/A
Brezno Hospital and ER, n.o.	1	3,191,667	-0.8%	-0.8%	3.0	3.0	0	0.0%	N/A	N/A
Nové Mesto nad Váhom Hospital and ER, n.o.	1	3,170,000	0.0%	0.0%	2.0	2.0	0	0.0%	N/A	N/A

St. Jakub Hospital and ER, n.o., Bardejov	2	2,271,712	-0.2%	-0.2%	2.7	2.0	0	0.0%	N/A	N/A
St. Svorad Specialized Hospital in Zobor, n.o.	6	2,216,793	-11.4%	-5.2%	1.8	1.7	0	0.0%	N/A	N/A
Považská Bystrica Hospital and ER	29	2,172,615	-3.4%	-3.6%	1.1	1.2	143,388	6.6%	-39.6%	-40.33%
National Institute of Endocrinology and Diabetes, n.o., Ľubochňa	5	2,111,395	-4.5%	-0.2%	1.0	1.0	0	0.0%	N/A	N/A
Airforce Hospital, a.s., Košice	1	1,670,000	-0.6%	-0.6%	1.0	1.0	0	0.0%	N/A	N/A
Lučenec General Hospital, n.o.	1	1,608,333	-0.1%	-0.1%	1.0	1.0	0	0.0%	N/A	N/A
Košice Children's Faculty Hospital	8	1,570,943	8.1%	1.3%	1.6	1.9	0	0.0%	N/A	N/A
Kysuce Hospital and ER in Čadca	5	1,472,964	-3.8%	-9.0%	1.5	2.0	163,333	11.1%	-3.9%	-3.92%
Vranovo Hospital, n.o.	1	1,316,667	-0.8%	-0.8%	1.0	1.0	0	0.0%	N/A	N/A
St. Michal Hospital, a.s., Bratislava	4	1,248,141	-52.6%	-30.2%	2.3	2.0	59,500	4.8%	-17.4%	-17.36%
Psychiatric Hospital, Veľké Zálužie	49	1,121,491	-9.6%	-3.4%	2.8	1.4	945,694	84.3%	-9.5%	-6.21%
Trebišov Hospital and ER, a.s.	39	1,045,390	-13.4%	-5.6%	1.9	1.7	0	0.0%	N/A	N/A
Dr. Guhr Sanatorium, n.o., Vysoké Tatry	2	1,018,914	-6.2%	-6.2%	1.0	1.0	0	0.0%	N/A	N/A
Štefan Kukura Hospital and ER in Michalovce, a.s.	24	951,277	0.7%	0.5%	1.7	2.1	461,727	48.5%	-1.7%	-0.26%
St. Lukáš Highly Specialized Professional Geriatric Institute in Košice	2	799,642	-0.2%	-0.2%	2.0	2.0	0	0.0%	N/A	N/A
Liptov Hospital and ER in Liptovský Mikuláš	13	580,710	-5.7%	-1.9%	2.4	2.2	127,047	21.9%	0.0%	0.00%
Philipp Pinel Psychiatric Hospital in Pezinok	5	535,827	-11.3%	-8.9%	4.2	5.2	390,657	72.9%	-10.1%	-5.35%
Hospitals with ER, n.o. (branches in Topoľčany and Levice)	10	475,935	-9.2%	-10.2%	1.5	1.7	0	0.0%	N/A	N/A
Hronovce Psychiatric Hospital	6	427,345	-1.6%	0.9%	1.7	1.7	117,357	27.5%	-6.3%	-6.26%
National Rehabilitation Centre, Kováčová	1	420,004	0.0%	0.0%	2.0	2.0	0	0.0%	N/A	N/A
National Institute of Rheumatic Diseases, Piešťany	1	412,664	0.0%	0.0%	3.0	3.0	0	0.0%	N/A	N/A
Myjava Hospital and ER	5	375,619	-15.9%	-13.1%	2.9	2.8	128,751	34.3%	-19.4%	-19.43%
Prof. Matulay Psychiatric Hospital in Kremnica	4	374,733	-4.9%	-5.7%	2.4	2.5	276,369	73.8%	0.1%	-2.00%
Spišská Nová Ves Hospital and ER, a.s.	3	341,260	-24.8%	-27.0%	1.8	1.7	0	0.0%	N/A	N/A
Hospital for Accused and Convicted and Remand Prison, Trenčín	4	313,121	-1.0%	-1.0%	2.4	3.5	180,624	57.7%	-0.6%	-0.89%
Alexander Winter Hospital n.o., Piešťany	1	145,000	0.0%	0.0%	4.0	4.0	0	0.0%	N/A	N/A
Partizánske Hospital and ER, n.o.	1	125,149	-0.1%	-0.1%	2.0	2.0	0	0.0%	N/A	N/A
Dunajská Streda Hospital and ER, a.s.	1	118,934	-0.9%	-0.9%	4.0	4.0	0	0.0%	N/A	N/A
Hospital and ER, n.o., Revúca	1	104,899	-21.1%	-21.1%	3.0	3.0	104,899	100.0%	-21.1%	-21.13%
St. Barbora Hospital and ER in Rožňava, a.s.	1	103,625	-20.8%	-20.8%	3.0	3.0	0	0.0%	N/A	N/A
Drug Addiction Treatment Centre, Bratislava	1	98,063	-21.5%	-21.5%	1.0	1.0	0	0.0%	N/A	N/A
Kráľovský Chlmec Hospital and ER, n.o.	1	45,181	-30.5%	-30.5%	2.0	2.0	0	0.0%	N/A	N/A
Veľký Krtíš General Hospital and ER, n.o.	1	42,026	-23.6%	-23.6%	3.0	3.0	0	0.0%	N/A	N/A

\*Positive numbers represent a final price that is higher than the one procurer originally estimated. Negative numbers represent a price decrease.

Source: tender.sme.sk, the calculations of Transparency International Slovakia and INEKO