



Audit Conclusion

16/28

Funds spent by selected hospitals to cover costs of activities

The audit was included in the audit plan of the Supreme Audit Office (hereinafter the "SAO") for 2016 under number 16/28. The audit was headed and the Audit Conclusion drawn up by the SAO member JUDr. Ing. Jiří Kalivoda.

The aim of the audit was to review the efficiency and economy of the funds spent by selected hospitals to cover selected costs of activities.

The audit was carried out on the audited entities between October 2016 and June 2017. The period under review was 2014-2016, in the case of factual context also the previous and subsequent periods.

Audited entities:

Ministry of Health (hereinafter the "MoH"),
Na Homolce Hospital (hereinafter the "NHH"),
Ostrava University Hospital (hereinafter the "OUH"),
Pilsen University Hospital (hereinafter the "PUH").

Objections against the audit protocol were filed by the MoH, the NHH and the PUH. The objections were dealt with by the heads of audit groups by decisions on the objections. The appeal against the decisions on the objections lodged by the MoH was settled by resolution of the Board of the SAO.

The **Board of the SAO** at its XV. meeting held on 23 October 2017 **approved** by Resolution No. 10/XV/2017 the **audit conclusion** in the following wording:

Table of contents:

I. Introduction to the audited issue

II. Facts discovered during the audit

1. Activities of the Ministry of Health – founder of the audited hospitals

1.1 Control performed by the MoH

1.2 Measures taken by the MoH based on the previous audit by the SAO

2. Management of the audited hospitals

2.1 Profit/loss of the hospitals

2.2 Costs of the hospitals

2.2.1 Costs of material consumption

2.2.1.1 Medicinal products

2.2.1.1.1 Purchase of medicinal products

2.2.1.1.2 Comparison of prices of identical purchased medicinal products

2.2.1.1.3 Disposal of medicinal products

2.2.1.2 Medical devices

2.2.1.2.1 Purchase of medical devices

2.2.1.2.2 Comparison of prices of identical medical devices

2.2.1.3 Bonuses for the purchase of medicinal products and medical devices

2.2.2 Costs of repairs and maintenance and costs of other services

2.2.2.1 Boarding costs

2.2.2.2 Laundry costs

2.2.2.3 Costs of legal and advisory services

2.2.2.4 Costs of other services

2.3 Revenues of the hospitals

2.4 Na Homolce Hospital Group

2.5 Other findings

III. Summary and evaluation

List of abbreviations

Annexes

Annex 1: Selected capacity and performance indicators of the audited hospitals

Annex 2: J ATC group medicinal products

Annex 3: L ATC group medicinal products

Annex 4: Medical devices (SCM) – cardioverters

Annex 5: Medical devices (SCM) – components for total endoprosthesis of the knee joint and hip joint

Annex 6: Medical devices (SCM) – pacemakers

Annex 7: Medical devices (SCM) – valves

Annex 8: Medical devices (SCM) – stents

Annex 9: Medical devices (SCM) – catheters

I. Introduction to the audited issue

The **Ministry of Health** was established by the Competence Act.¹ It is the central body of the state administration, inter alia, for health services (hereinafter “HS”), providers of HS under direct management, for the use of pharmaceuticals and medical technology (hereinafter “MT”) for the prevention, diagnosis and treatment of people, health insurance and the health information system. The MoH acts as a founder in relation to public-benefit corporations with all rights and obligations in accordance with the Budgetary Rules² and the Act on the Property of the Czech Republic.³ The MoH is the founder of a total of 14 hospitals, of which eight are university hospitals.

The **audited university hospitals** and the **NHH** (hereinafter also the “hospitals”) were established on the basis of founding documents issued by decision of the Minister of Health dated 25 November 1990. They are contributory organizations directly managed by the MoH. They are independent legal entities and, according to the Accounting Act⁴, they are accounting units. Their legal status is governed, in particular, by the Budgetary Rules and the Act on the Property of the Czech Republic. The hospitals are public contracting authorities under the Act on Public Contracts⁵ and under the Public Procurement Act.⁶

The hospitals act in legal relationships in their own name and bear the responsibility arising therefrom. The governing body of the hospitals is the director appointed and dismissed by the Minister of Health.

In accordance with the relevant legislation, the hospitals manage state property that is required to carry out the specified subject of enterprise and that consists of movable and immovable property, rights, receivables and payables. The purpose for which the hospitals were established and the corresponding object of their main activities are set forth by their deeds of foundation. A more detailed definition is determined by their statutes, which, including amendments and additions, are approved by the founder. The hospitals can also perform other (economic) activities.⁷

The hospitals provide health care in particular in the form of inpatient and outpatient care and systematically develop HS in line with the current available knowledge of the medical science. The Act on Health Services⁸ sets out the conditions (including material and technical equipment and staffing) for the granting of the status of a highly specialised care centre. The status of the centre was granted in selected fields also to the audited hospitals.⁹

The **Na Homolce Hospital** provides specialised and highly specialised care especially for the City of Prague and the Central Bohemian Region.

¹ Act of the Czech National Council No. 2/1969 Coll., on the Establishment of Ministries and Other Central Authorities of the State Administration of the Czech Republic.

² Act No. 218/2000 Coll., on Budgetary Rules and on Amendments to Certain Related Acts (Budgetary Rules).

³ Act No. 219/2000 Coll., on the Property of the Czech Republic and the Representation of the Czech Republic in Legal Relations.

⁴ Act No. 563/1991 Coll., on Accounting.

⁵ Act No. 137/2006 Coll., on Public Contracts.

⁶ Act No. 134/2016 Coll., on Public Procurement.

⁷ Pursuant to Section 63 of Act No. 218/2000 Coll.

⁸ Pursuant to Section 112 of Act No. 372/2011 Coll., on Health Services and Conditions of Their Provision (Act on Health Services).

⁹ A list of centres of highly specialised and comprehensive care and highly specialised centres is published by the MoH in the *Bulletin of the Ministry of Health of the Czech Republic*.

The **Ostrava University Hospital** provides specialised and highly specialised health care in particular for the Moravian-Silesian Region.

The **Pilsen University Hospital** provides specialised and highly specialised health care for the Pilsen Region and partly for the Ústí, Karlovy Vary and South Bohemian Regions.

The audit focused:

- In the case of the MoH, in particular on the exercise of the rights and performance of the obligations of the founder in relation to the audited hospitals;
- In the case of the hospitals, in particular on spending money to cover the costs associated with the purchase of medicinal products (hereinafter also “pharmaceuticals”) and medical devices (hereinafter also “MD”) and the purchase of selected services, examining the hospital procedures in selecting suppliers and auditing public procurement or public contracts (hereinafter also “PC”). The hospital procedures were also assessed in the provision of selected services and supplies, particularly in terms of efficiency and economy.¹⁰ In addition, the utilisation of selected MT, contractual relationships with health insurance companies (hereinafter “HIC”) and the management of pharmaceuticals were examined.

Note: The laws and regulations cited in this Audit Conclusion apply as amended for the period under review.

II. Facts discovered during the audit

1. Activities of the Ministry of Health – founder of the audited hospitals

The audit of the MoH examined the exercise of the rights and performance of the obligations of the founder of the hospitals, resulting in particular from the Budgetary Rules and the Act on the Property of the Czech Republic.

In particular, the MoH provides the organisational, coordination and methodological scope of management in relation to the audited hospitals; coordinates the work and performs tasks in the field of public health insurance and in the field of drug policy, especially price regulation; prepares documents of a crucial nature in the field of provision and reimbursement of health care covered by public health insurance, and contributes to the design of the system and forms of health care reimbursement.¹¹

The audit examined whether the MoH had proceeded in compliance with legal regulations when updating the founding documents and statutes. In one case, it was found that the MoH had not, in the deed of foundation of the NHH, included information on shares owned by the NHH in a subsidiary controlled by the NHH in the inventory.¹²

The management of directly managed organisations (hereinafter “DMO”) was carried out on the basis of the duties stipulated by the Organisational Rules of the MoH and also on the basis

¹⁰ In accordance with Section 4(1) of Act No. 166/1993 Coll., on the Supreme Audit Office.

¹¹ The Directly Managed Organisations Department of the Ministry of Health is responsible for coordinating the competence of the MoH for the management of public-benefit corporations in the direct competence of the MoH.

¹² Pursuant to Section 4(1)e) of Decree No. 62/2001 Coll., on the Management of State Property by State Organisational Units and State Organisations; there were missing data on the number of shares, their form and their nominal value.

of tasks set by the Deputy Minister of Economy and DMO or by the Minister of Health or the Ministry management meeting. The MoH set the obligation to directly managed organisations to prepare and submit their development strategies by 30 October 2014; however, the MoH did not evaluate them. The MoH did not elaborate its own strategy or methodology of DMO management.¹³

In line with the Government resolutions¹⁴, the MoH purchased gas and electricity via centralised purchases as of 2013. The MoH as the central contracting authority introduced *dynamic purchasing system* to purchase computers and data processing machines. Attempts were made to centralise the award of PC for other supplies and services, including telecommunications, medical supplies and pharmaceuticals. For example, during the preparation of PC tender documentation for the purchase of drugs (antibacterials for systemic use) in 2015, the MoH identified a number of risks that may have had a negative effect on the course and outcome of the tender procedure. However, the MoH did not submit any analysis of the identified risks at the request of the SAO. The MoH stated the problem had been, in particular, the heterogeneity of the technical specification of hospital requirements (different requirements for the form of pharmaceuticals, the size of their packaging, distribution packages etc., even though they were pharmaceuticals with the same active ingredient from one group of pharmaceuticals). Finding a cross-sectional agreement over the form of the technical specification would, according to the MoH, create the necessity of compromises, which might not fully comply with the requirements of doctors in some of the hospitals. Due to these identified risks, the MoH stopped the implementation of that PC.

The MoH provided non-investment subsidies, amounting to CZK 12.8 to 36.2 million per year at the individual hospitals. The most important item was non-investment subsidies for research, development and innovation, which accounted for about 70 % of the total volume of subsidies. In addition, there were e.g. contributions to social beds, residences, specialised education, crisis preparedness etc. Revenues from non-investment subsidies did not exceed 0.7 % of the total annual income of the audited hospitals.

1.1 Control performed by the MoH

The MoH carried out, in the audited hospitals between 2014 and 2016, one public administration control which examined the NHH management¹⁵ and revealed serious shortcomings. The control highlighted, in particular, inefficient, uneconomical and ineffective use of state funds through NHH subsidiaries. On the basis of the results of this inspection, the

¹³ The MoH is the central body of the state administration pursuant to the provisions of Section 10(1) of Act No. 2/1969 Coll. and has the obligation, according to the provisions of Section 22, to elaborate the concepts of the development of the entrusted sectors and the solution of fundamental issues, among other things for healthcare providers under its direct management.

¹⁴ Resolution of the Government of the Czech Republic dated 20 July 2011 No. 563, *on the departmental systems of centralised public procurement at central government bodies*; Resolution of the Government of the Czech Republic dated 14 December 2011 No. 930, *on the minimum obligatory list of commodities obligatorily purchased using the institute of the central contracting authority within the framework of departmental systems of centralised public procurement in accordance with the minimum requirements for the establishment and operation of departmental systems of centralised public procurement*.

¹⁵ The inspection of management of the Na Homolce Hospital; launched in July 2013 and ended in September 2014; the period under review was 2011-2013; the amount of unauthorised funds estimated by the inspection was CZK 353.6 million.

Minister of Health instructed the Director of the NHH to dissolve the subsidiaries¹⁶ (for more about the NHH Group see Part II.2.4 of this Audit Conclusion). The NHH, in connection with the elimination of deficiencies, sent monthly reports to the MoH, indicating the measures already taken in the individual areas.

On 18 December 2014, the MoH submitted to the Audit Committee of the Chamber of Deputies of the Parliament of the Czech Republic a report on the public administration control carried out at the NHH, including an overview of the adopted and prepared measures to remedy the deficiencies.¹⁷ These included system changes in the area of the organisational structure, staffing of leading positions, awarding of PC, the acquisition of previously outsourced activities, purchase and use of service vehicles and internal audit.

1.2 Measures taken by the MoH based on the previous audit by the SAO

At the meeting of the Government of the Czech Republic in 2013, the MoH presented its opinion on the Audit Conclusion of the SAO from the audit¹⁸ focused on the funds spent by selected university hospitals to cover the costs of activities. Concerning this, the Government by its resolution¹⁹ ordered the Minister of Health to implement measures to remedy the shortcomings found at the audited hospitals. Furthermore, the Government ordered the Minister of Health to evaluate all mechanisms affecting pricing of pharmaceuticals and medical devices and to take appropriate measures to deal with the reasons for the insufficient use of procedures under the Act on Public Contracts, to address the way of keeping records of decommissioning and disposal of medical waste, with emphasis on the monitoring and development of the decommissioning of medicinal products, and to adopt legislative measures in this area.

Subsequently, in 2014, the MoH submitted to the Government a document²⁰ on the implementation and fulfilment of specific measures to eliminate the deficiencies by the individual hospitals under review. That document did not include information on the implementation of specific system measures by the MoH as the founder of the university hospitals.

¹⁶ On 14 January 2014, the Minister of Health requested the NHH Director to take steps to dissolve two subsidiaries without a legal successor and liquidate them as soon as possible.

The new Minister of Health asked the NHH Director, on 25 June 2014, to take immediate action leading to the liquidation of two subsidiaries and introducing a standard purchasing system that is common in all other DMO.

¹⁷ Resolution of the Audit Committee No. 79 of the 11th meeting on 12 November 2014, concerning the Na Homolce Hospital, the management of subsidiaries and outsourcing of accounting; report of the MoH ref. No. MZDR61863/2014-2/FIN.

¹⁸ SAO Audit No. 12/23 – *Funds used by selected university hospitals to cover costs of activities* (the audit conclusion from this audit was published in volume 3/2013 of the SAO Bulletin); the years 2010 and 2011 were reviewed. The inspected persons were the Královské Vinohrady University Hospital, the Olomouc University Hospital, the Hradec Králové University Hospital and the General University Hospital in Prague.

¹⁹ Resolution of the Government of the Czech Republic dated 16 October 2013 No. 772, *on the Audit Conclusion of the Supreme Audit Office from audit 12/23 Funds spent by selected university hospitals to cover the costs of activities*.

²⁰ Information from the Ministry of Health on the implementation and fulfilment of measures under Government Resolution No. 772 was discussed on 15 December 2014 (ref. No. 1498/14) and 22 December 2014 (ref. No. 1557/14) without a resolution adopted.

2. Management of the audited hospitals

Selected costs of *material consumption* (especially pharmaceuticals and MD), *repairs and maintenance* (in particular, revisions, repairs and maintenance of MT) and *other services* (especially legal and advisory services, laundry and boarding) were audited. A significant part of the total cost comprised *personnel expenses*, which were not audited by the SAO. In particular, the audit examined and assessed whether the hospitals' procedures in delivering selected supplies and services had been efficient and economic.

All the audited hospitals monitor and report capacity and performance indicators, especially for the *National Health Information System* (e.g. reports on the economy of healthcare facilities and reports on the bed capacities of healthcare facilities) and for the Czech Statistical Office (for example, reports on full labour costs), and further elaborate economic overviews and analyses for the founder, i.e. the MoH.

The selected data listed in Annex 1 to this Audit Conclusion show, for example, that during the period under review:

- The number of patients and treatment days was more or less unchanged;
- The bed occupancy was stable and ranged from 76.4 % (OUH) to 80.7 % (NHH);
- The average converted number of doctors for the average converted number of employees was 16.1 % for the NHH, 16.5 % for the OUH and 17.0 % for the PUH;
- The average hospitalisation time of one patient ranged from 4.9 to 7.4 days and the average hospitalisation cost of one patient ranged from CZK 34 thousand to CZK 101 thousand (the difference was influenced by the specialisation of the hospitals and the resulting composition of patients with a different range of health care provided).

2.1 Profit/loss of the hospitals

A list of the hospital costs and revenues in the period under review is contained in Table 1.

Table 1: Total costs and revenues of the hospitals for the period 2014-2016 (in CZK thousands)

Hospital	2014		2015		2016	
	Revenues	Costs	Revenues	Costs	Revenues	Costs
NHH	3,074,297	3,047,039	3,121,580	3,121,456	3,169,938	3,162,657
OUH	4,286,230	4,285,265	4,492,985	4,491,262	4,672,842	4,669,924
PUH	5,471,989	5,468,816	5,752,256	5,749,075	5,948,730	5,944,634

Source: Profit and loss statements of the hospitals as of 31 December 2014, 31 December 2015 and 31 December 2016; annual reports for the years 2014 to 2016.

The profit of the audited hospitals after tax for the accounting period 2014-2016 is presented in Table 2.

Table 2: Profit after tax for the accounting period 2014-2016 broken down into main and other (economic) activities (in CZK thousands)

Hospital		2014	2015	2016
NHH	Profit	41,780	124	7,281
	<i>Main activity</i>	22,182	-19,111*	-11,214*
	<i>Other (economic) activity</i>	19,598	19,235	18,495
OUH	Profit	965	1,723	2,919
	<i>Main activity</i>	193	621	1,584
	<i>Other (economic) activity</i>	772	1,102	1,335
PUH	Profit	3,172	3,181	4,096
	<i>Main activity</i>	1,612	1,781	1,877
	<i>Other (economic) activity</i>	1,560	1,400	2,219

Source: Financial statements and profit and loss statements of the hospitals as of 31 December 2014, 31 December 2015 and 31 December 2016; annual reports for the years 2014 to 2016.

Note: The share of losses for 2015 and 2016 was due, in particular, to the fact that the NHH had to pay the funds for the breach of budgetary discipline of previous years.

None of the hospitals audited showed a negative economic performance between 2014 and 2016.

In addition to the main activity, the hospitals also performed other (economic) activities.²¹ In 2015 and 2016, the economic result of the NHH main activity was negative and the overall positive result was achieved after the inclusion of results from other (economic) activity.

The PUH did not report the costs and revenues for operating the day care centre for seniors in 2015 and 2016 as other (economic) activity. The PUH accounting was thus not correct in this area within the meaning of the Accounting Act²².

2.2 Costs of the hospitals

In the period under review, the costs ranged, according to the size of the hospital, from CZK 3,047 million to CZK 5,945 million annually.

Table 3: Total costs, audited costs for 2014-2016

Hospital/ year		Total costs (Class 5) in CZK thousands	of which:							
			501 – Material consumption		511 – Repairs and maintenance		518 – Other services*		521 – Personnel costs	
			in CZK thousands	%	in CZK thousands	%	in CZK thousands	%	in CZK thousands	%
NHH	2014	3,047,039	1,152,895	37.8	18,923	0.6	175,306	5.8	878,382	28.8
	2015	3,121,456	1,166,281	37.4	27,164	0.9	143,922	4.6	954,122	30.6
	2016	3,162,657	1,206,622	38.2	59,548	1.9	113,979	3.6	984,032	31.1
OUH	2014	4,285,265	1,446,690	33.8	98,491	2.3	206,693	4.8	1,369,491	32.0
	2015	4,491,262	1,556,627	34.7	100,931	2.3	200,885	4.5	1,415,043	31.5
	2016	4,669,924	1,686,924	36.1	89,151	1.9	215,557	4.6	1,458,315	31.2
PUH	2014	5,468,816	2,026,280	37.1	144,440	2.6	167,427	3.1	1,800,302	32.9
	2015	5,749,075	2,138,597	37.2	173,395	3.0	168,073	2.9	1,870,263	32.5
	2016	5,944,634	2,252,918	37.9	166,317	2.8	170,891	2.9	1,959,442	33.0

Source: General ledgers and profit and loss statements of the hospitals as of 31 December 2014, 31 December 2015 and 31 December 2016; annual reports for the years 2014 to 2016.

* The OUH posted legal services on cost account 549. The other hospitals on account 518. Legal and advisory services at the OUH are the sum of the costs on accounts 518 and 549.

For all the hospitals, the largest part was *material consumption* (approximately 34 % to 38 % of total costs) in terms of the share of the audited cost items in the reviewed period. The second largest part was formed by *labour costs* (approximately 29 % to 33 % of total costs) – these costs were not audited by the SAO. The costs of *other services* were in the range of about 3 % to 6 % of total costs and of *repairs and maintenance* in the amount of about 1 % to 3 % of the total cost.

²¹ In accordance with Section 63 of Act No. 218/2000 Coll.

²² Pursuant to Section 8(1) and (2) of Act No. 563/1991 Coll., the PUH, by the amount of these costs and revenues, underestimated the costs and revenues of other activities and overestimated the costs and revenues of the main activity.

2.2.1 Costs of material consumption

The hospital costs on account *Material consumption* in the years 2014 to 2016 ranged from CZK 1,153 million to CZK 2,253 million annually. Of that, the cost of pharmaceuticals²³ and MD²⁴ accounted for 31 % to 36 % of total hospital costs in the period under review.

The costs of pharmaceuticals at the three audited hospitals amounted to a total of CZK 7,118 million between 2014 and 2016. The average annual cost of pharmaceuticals amounted to CZK 234 million for the NHH, CZK 820 million for the OUH and CZK 1,318 million for the PUH. The year-on-year increase in drug costs by more than CZK 100 million was reported by the OUH and PUH; the increase was mainly influenced by the increasing number of “expensive” patients, but also by the higher prices of new, highly innovative, drugs. The largest part of drug costs (a total of CZK 4,248 million, i.e. about 60 %²⁵) were the cost of centric drugs provided in specialised centres.²⁶

The costs of MD at the hospitals amounted to a total of CZK 6,436 million between 2014 and 2016. The average annual cost of MD amounted to CZK 875 million for the NHH, CZK 585 million for the OUH and CZK 686 million for the PUH.

Table 4: Costs of the hospitals for medicinal products and medical devices in the years 2014-2016

Year	Total costs in CZK thousands	%	of which pharmaceuticals in CZK thousands	%	of which MD in CZK thousands	%
NHH						
2014	3,047,039	100	234,206	7.7	857,235	28.1
2015	3,121,456	100	234,863	7.5	872,642	28.0
2016	3,162,657	100	234,262	7.4	894,119	28.3
OUH						
2014	4,285,265	100	714,730	16.7	589,376	13.8
2015	4,491,262	100	821,693	18.3	562,094	12.5
2016	4,669,924	100	924,144	19.8	602,109	12.9
PUH						
2014	5,468,816	100	1,203,802	22.0	688,506	12.6
2015	5,749,075	100	1,317,872	22.9	685,404	11.9
2016	5,944,634	100	1,432,090	24.1	684,190	11.5

Source: General ledgers of the hospitals as of 31 December 2014, 31 December 2015 and 31 December 2016; financial statements as of 31 December 2014, 2015 and 2016.

The different costs for pharmaceuticals and MD among the university hospitals and the NHH arise from the different focus of specialised and highly specialised care at the individual hospitals. In particular, university hospitals have specialised centres with high costs of medicinal products, while highly specialised activities of the NHH are mainly focused on the

²³ A medicinal product means a substance or combination of substances having therapeutic or preventive properties or which may be used to restore, modify or affect physiological functions by pharmacological, immunological or metabolic action, or to establish a medical diagnosis.

²⁴ A medical device means, inter alia, a tool, apparatus, aid, device, material or other article or product used alone or in combination, including any software required, designated by the manufacturer or importer for human use for diagnosis, prevention, monitoring, treatment, mitigation of illness or mitigation of disability.

²⁵ Average percentage for all the three hospitals under review.

²⁶ Centric drugs – drugs provided on the basis of the so-called *special contracts* in specialised centres. These are costly drugs for specific patients who are registered in the centres. Centric drugs were not included in the positive lists, their purchase was based on *special contracts* with health insurers and was dependent on the structure of the patients of the individual centres.

neurological-neurosurgical area and the area of cardiovascular diseases, i.e. areas with increased costs for implantable MD (pacemakers, cardioverters, stents, valves etc.).

The MoH, by price regulation²⁷, regulates the prices of pharmaceuticals and MD, i.e. it determines the amount of the margin.

2.2.1.1 Medicinal products

The State Institute for Drug Control (hereinafter “SIDC”) decides on the maximum prices of medicinal products²⁸ and publishes *a list of prices and reimbursements of medicinal products and foodstuffs for special medical purposes*.

2.2.1.1.1 Purchase of medicinal products

Purchases of pharmaceuticals were provided by pharmacies in the audited hospitals. Table 5 shows the volumes of purchases of pharmaceuticals in the years 2014 to 2016, which were made both on the basis of the results of tender procedures (hereinafter also “TP”) under the Act on Public Contracts, or in the form of small-scale public contracts (hereinafter also “SSPC”), and without any TP.

Table 5: Purchases of pharmaceuticals based on the results of TP and without TP in the years 2014-2016 (in CZK thousands)

	2014-2016 total		2014		2015		2016	
	Total purchases	- of which without TP	TP	Without TP	TP	Without TP	TP	Without TP
NHH	457,513	–	–	–	–	–	–	–
OUH	3,528,391	2,248,839	471,414	561,235	489,246	649,984	319,192	1,037,620
PUH	5,224,536	3,012,787	457,778	1,128,225	747,811	999,292	1,006,161	885,270

Source: written information provided by the audited hospitals.

Note: The NHH did not monitor the values of purchases made on the basis of the results of TP under the Act on Public Contracts or in the form of SSPC.

The audit of the purchase of selected pharmaceuticals ascertained, for example, the following:

- In 2016, the NHH purchased pharmaceuticals from 63 suppliers. Written contracts were concluded with only 14 suppliers. From most suppliers, it was purchasing without a contractual relationship only on the basis of orders and from 2016 onwards also through electronic auctions in the form of SSPC. The hospital, in its statement, stated, inter alia, that *“the purchase of pharmaceuticals before 1 August 2015 took place on the basis of a non-systematically announced minimum number of tender procedures”*. The NHH also reported that its software, before April 2016, had not permitted the tracking of the value of purchases made on the basis of the results of TP under the Act on Public Contracts or the value of purchases made in the form of SSPC.

²⁷ Price regulation MZdr 1/2013/FAR of 7 December 2012 on the regulation of prices of medicinal products and foodstuffs for special medical purposes. The maximum margin for pharmaceuticals in the period under review was 4 % - 37 % within eight bands.

Price regulation MZdr 3/2012/FAR of 16 April 2012 on the regulation of prices of medical devices (*Bulletin of the MoH*, Volume 3, Year 2012). The maximum margin is set at a percentage rate calculated from the actual producer price expressed in CZK. The maximum margin surcharge for MD was set at 25 % of the base.

²⁸ In accordance with Section 39n(1) of Act No. 48/1997 Coll., on Public Health Insurance and on Amendment and Supplementation of Certain Related Acts.

- In 2016, the OUH purchased pharmaceuticals from 166 suppliers. Written contracts were concluded with only 46 suppliers. From most suppliers, it was purchasing without a contractual relationship only on the basis of orders.

In 2014, the hospital bought less than 46 % of the total value of drug supplies on the basis of TP under the Act on Public Contracts, and in 2016 it was less than 24 %; drug purchases of up to CZK 2 million were realised only on the basis of orders.

The financial volume of deliveries of pharmaceuticals from suppliers who were not selected in the years 2014 to 2016 on the basis of the results of TP under the Act on Public Contracts or in compliance with the SSPC principles reached almost CZK 2,250 million in the OUH. Within this amount, the OUH:

- Purchased drugs with an estimated delivery value of up to CZK 2 million in total for CZK 1,035 million in the form of SSPC, but it was not possible to verify from the submitted documents whether it had proceeded in accordance with the principles for awarding such contracts, in particular the principle of non-discrimination²⁹;
- Purchased pharmaceuticals with an estimated supply value of over CZK 2 million for CZK 1,215 million without any TP. These were purchases of pharmaceuticals in the form of:
 - DTP³⁰ channels and directly from manufacturers who were distributors and who were bound by the patent protection of pharmaceuticals³¹; the OUH purchased pharmaceuticals via DTP channels for approximately CZK 1,039 million;
 - Extraordinary imports of unregistered pharmaceuticals³²; from a limited number of potential authorised distributors for more than CZK 24 million;
 - Orders, where some suppliers, despite refusing to participate in the PC, guaranteed a permanent and smooth supply to the hospital in writing, but without a contractual relationship. These included deliveries of the so-called vital pharmaceuticals³³. The total volume amounted to approximately CZK 151 million.
- In 2016, the PUH purchased pharmaceuticals from more than 200 suppliers. Written contracts were concluded with only 34 suppliers. From most suppliers, it was purchasing without a contractual relationship only on the basis of orders.

In 2014, the PUH purchased less than 29 % of the total value of the drug supply based on the results of TP under the Act on Public Contracts or in the form of SSPC, and more than 53 % in 2016.

In the period under review, the PUH made two calls in the form of mass assignments as SSPC for the supply of 335 pharmaceuticals totalling CZK 90 million.

²⁹ In accordance with Section 6 of Act No. 137/2006 Coll.

³⁰ The DTP channel model (Direct-To-Pharmacy) constitutes a method of distributing pharmaceuticals ordered directly from the manufacturer and supplied by an exclusive distributor. The introduction of the DTP model had an impact on wholesale distribution in general, as the number of small, regional distributors and suppliers declined and competition was reduced.

³¹ After ten years from the first registration of the reference product in the EU, a generic drug, i.e. medicinal product with the same active ingredient, of the same strength and in the same or equivalent form, may be marketed. The composition of the auxiliary ingredients may vary. The manufacturer is required to demonstrate that the product is as safe and effective as the original. The price of the generic drug in the market is lower than the price of the original.

³² Unregistered pharmaceuticals purchased under extraordinary imports are pharmaceuticals that are not commonly available in the Czech Republic, that are registered and sold only in some countries, and whose price is not known in advance (the conditions of purchase are determined exclusively by the supplier).

³³ These are very effective drugs needed to maintain vital life functions.

The financial volume of deliveries of pharmaceuticals from suppliers who were not selected in the years 2014 to 2016 on the basis of the results of TP under the Act on Public Contracts or in compliance with the SSPC principles reached CZK 3,013 million (of which the deliveries via DTP channels and directly from the manufacturers amounted to CZK 1,635 million including extraordinary imports of unregistered pharmaceuticals for CZK 23 million and deliveries of pharmaceuticals with an annual volume of up to CZK 500 thousand were almost CZK 1,378 million).

The SAO findings show that:

- In many cases, the hospitals as contracting authorities, when buying pharmaceuticals, did not proceed according to the Act on Public Contracts or the Public Procurement Act;
- In most cases, the hospitals purchased from drug suppliers without a framework agreement or other written agreement; the audit thus mostly could not verify whether the purchase price had corresponded to the prices agreed.

2.2.1.1.2 Comparison of prices of identical purchased medicinal products

The purchases of volume-relevant types of medicinal products which were covered by health insurance and were identically identified by the SIDC code were audited.

A comparative audit sample of 44 identical drugs was selected in the ATC³⁴ group “J”³⁵ (20 drug types) and ATC group “L”³⁶ (24 drug types). The result of the comparison shows that the hospitals purchased identical pharmaceuticals from different but also from the same suppliers at different prices. A comparison of the purchase prices of identical drugs, i.e. an overview of the differences between the lowest and highest acquisition prices of an audited sample of ATC group “J” and “L” pharmaceuticals including the percentage difference, is given in Annexes 2 and 3 to this Audit Conclusion.

- The audit focused on selected drugs of the ATC group “J” revealed price differences for 17 identical codes (see Annex 2), namely:
 - Up to 5 % for six codes;
 - Up to 30 % for seven codes, of which the highest price difference was CZK 1,951;
 - Up to 50 % for two codes, of which the highest price difference was CZK 1,334;
 - Up to 100 % for six codes, of which the highest price difference was CZK 2,825;
 - More than 100 % for six codes.

The highest price difference was found for code 141836 and was ten times the amount (the difference between the highest purchase price of CZK 820 per package and the lowest purchase price of CZK 82 per package). For example, for code 113453 the difference was almost three times (the difference between the highest purchase price of CZK 2,125 per package and the lowest purchase price of CZK 770 per package). In both cases, it was the same supplier to all the three audited hospitals.

- The audit focused on selected drugs of the ATC group “L” revealed price differences for 21 identical codes (see Annex 3), namely:

³⁴ The anatomical-therapeutic-chemical classification of pharmaceuticals (ATC) is an international drug classification system managed by the WHO Collaborating Centre for Drug Statistics Methodology. The classification since 1976 takes into account effects on individual organs and their systems, the pharmacological action and chemical structure.

³⁵ The ATC group J consists predominantly of antibiotics.

³⁶ The ATC group L consists predominantly of centric drugs.

- Up to 5 % for 18 codes;
- Up to 30 % for 14 codes, of which the highest price difference was CZK 9,157;
- Up to 50 % for one code, of which the highest price difference was CZK 2,537;
- Up to 100 % for three codes, of which the highest price difference was CZK 15,333 (the difference between the highest purchase price of CZK 30,953 per package and the lowest purchase price of CZK 15,620 per package).

From the same supplier to several hospitals, the price difference was up to 17 % in total for three codes.

The SAO findings show that, among the audited hospitals, there were price differences in the purchase prices of a selected sample of pharmaceuticals in many cases. The hospitals purchased identical pharmaceuticals at different prices from the same suppliers. The observed differences in the cost of pharmaceuticals show that there is room for reducing the hospital costs.

However, in some cases, the differences in prices of selected pharmaceuticals delivered to the hospitals can be accepted due to the different conditions of the individual purchases, i.e. their quantity, requirements for delivery dates, expiry dates or lack in the market, especially due to re-export. The prices of the pharmaceuticals were also affected by the agreed amount of financial bonuses.

It was also found in the audit that the hospitals had not taken into account, in relation to HIC, cases where the purchase price of separately charged pharmaceuticals ("SCMP") had been lower than the MAX price according to *the list of prices and reimbursements of medicinal products and foodstuffs for special medical purposes*. In these cases, the hospitals were supposed to report the cost to HIC as set out in the contracts with HIC and the *VZP CR methodology*, i.e. the price at which SCMP had been purchased.³⁷ E.g.:

- The NHH reported some SCMP to health insurers at MAX prices and not at acquisition prices;
- The OUH reported SCMP to health insurers at MAX prices and not at acquisition prices.

The total volume of SCMP reported to health insurance companies incorrectly could not be verified by the SAO audit.³⁸

2.2.1.1.3 Disposal of medicinal products

The SAO audit examined whether the audited hospitals had disposed of pharmaceuticals through authorised persons and whether they had implemented measures to minimise the amount of pharmaceuticals disposed of, in particular due to their expiration. It was found that the disposal of drugs³⁹ had been arranged under contracts for the disposal of all waste as a

³⁷ *Methodology for obtaining and submitting documents of VZP CR, clause 2.3 VZP-03/2006 – Separately charged medicinal products and medical devices.*

³⁸ The prices at which SCM and SCMP had been reported to health insurers were communicated by the hospitals on the basis of an inquiry of the SAO in written information. In the case of the OUH, the audit verified that the software had contained the maximum payments for SCMP and SCM according to the current VZP codebooks. The maximum payment information was automatically assigned to the patient's reported healthcare and passed on to health insurance companies via an electronic portal. The OUH thus set the prices of SCMP and SCM at prices according to the VZP codebook without taking into account the prices for which they had been purchased. As a result, it was not possible to check the reported data at the hospitals for the period under review.

³⁹ Disposal of pharmaceuticals due to expiration, damage, breakage, spilling etc.

whole, and that the disposal of pharmaceuticals had been carried out by authorised companies.

It was found that the OUH had not monitored what volume of pharmaceuticals in financial terms had been disposed of for various reasons. The hospital could not therefore take measures to minimise the disposed drugs, and therefore did not proceed in the most economical way.⁴⁰

2.2.1.2 Medical devices

When purchasing medical devices, the hospitals used data from the *Payment catalogue of medical devices of VZP* (hereinafter the “*VZP codebook*”).⁴¹ According to Part M of the valid *Methodology for the Payment Catalogue of VZP – HIC*, the separately charged material (“SCM”) was divided into 34 groups.

The purchases of MD were complicated by an inconsistency in the MD classification, which means that the MD were not divided into groups according to predefined criteria (the so-called categorisation) that should, among other things, monitor price developments and respond to market changes and should lead to a change in the existing system of financial bonuses.

In the period under review, the price of the new MD or the change of prices of already included MD was determined by VZP CR in the *VZP codebook* on the basis of individual suppliers’ requests. Since 2017, the new methodology of categorisation and evaluation of MT and MD has been applied; the methodology was published by the Institute of Health Information and Statistics of the Czech Republic.

2.2.1.2.1 Purchase of medical devices

Of MD, the purchases of cardioverters, components for knee and hip replacement (hereinafter “components for TEP”), pacemakers, valves, stents and catheters were reviewed.

A significant part of the purchases of these MD went through the so-called consignment warehouses⁴², where the hospitals paid to MD suppliers only after their use. It was found that:

- The NHH, in 2016, for newly concluded 14 contracts in five cases with suppliers did not stipulate any rent;
- The PUH had not agreed on any rent for the consignment warehouses with its suppliers.

The SAO considers the procedure of the hospitals as uneconomical in these cases.⁴³

Table 6 shows the volume of MD purchases in the years 2014 to 2016 made both on the basis of the results of TP under the Act on Public Contracts, or in the form of SSPC, and without any TP.

⁴⁰ The OUH did not fulfil the requirement of Section 53(4) of Act No. 218/2000 Coll.

⁴¹ *VZP codebooks* – the General Health Insurance Company of the Czech Republic publishes and updates the list of medical devices covered and not covered by health insurance. The VZP-HIC Payment Catalogue in version 978 states: “*Included in the Payment Catalogue are binding methodologies for the provision of medical devices corresponding to the specification of the group, list of manufacturers, list of professional restrictions*”.

⁴² A consignment warehouse is a physical store of material, semi-finished products or finished products. It differs from a normal warehouse by the goods stored in a consignment warehouse being owned by suppliers. These warehouses were at the premises of the hospitals.

⁴³ Pursuant to Section 14(1) of Act No. 219/2000 Coll.

Table 6: Purchases of medical devices based on the results of TP and without TP in the years 2014-2016 (in CZK thousands)

	2014-2016 total		2014		2015		2016	
	Total purchases	- of which without TP	TP	Without TP	TP	Without TP	TP	Without TP
NHH*	2,624,286	2,614,164	0	857,525	0	872,642	10,122	883,997
Ouh	1,126,828	165,695	287,217	55,341	329,719	55,030	344,197	55,324
PUH	1,611,379	1,242,574	133,893	398,013	103,696	441,080	131,216	403,481

Source: Communication of the audited hospitals.

* Purchases under the "in-house" exception for the NHH subsidiary; 2014 of the amount of CZK 857,525 thousand the amount of CZK 826,177 thousand; 2015 of the amount of CZK 872,642 thousand the amount of CZK 845,154 thousand; 2016 of the amount of CZK 883,997 thousand the amount of CZK 862,240 thousand.

The audit of the purchases of selected MD ascertained the following:

- The NHH purchased the majority of the MD supplies mainly from its subsidiary company for approximately CZK 2,614 million (i.e. 99 %) from 2014 to 2016 on the basis of an in-house exception.⁴⁴ The performance of the suppliers selected on the basis of the TP reached approximately CZK 10 million in 2016, i.e. about 1 %.
The actual flow of supplies of MD from the consignment warehouse tenants through the NHH subsidiary could not be verified as the SAO competence did not cover that company.
- In the years 2014 to 2016, the OUH bought MD on the basis of the results of TP for approximately CZK 961 million, i.e. 85 % of the total volume of MD. The performance of the suppliers selected without TP amounted to approximately CZK 166 million, of which CZK 42 million were purchases based on contracts of up to CZK 300 thousand.
- In one case, the OUH incorrectly determined the assumed value of PC. As a result, it purchased MD on the basis of 13 SSPC (each worth CZK 300 thousand excluding VAT), although it was the same or, respectively, a similar object of performance and the purchase was made within one week. The OUH did not comply with the Public Procurement Act⁴⁵, since the total contractual price of these SSPC was about CZK 4 million excluding VAT, therefore the contract should have been awarded in one of the types of TP under the Public Procurement Act.
- In the years 2014 to 2016, the PUH bought MD on the basis of the results of TP for approximately CZK 369 million, i.e. 23 % of the total volume of MD. The performance of suppliers selected without any TP was approximately CZK 1,243 million, i.e. 77 %.

The SAO findings indicate that the hospitals as contracting authorities, when buying MD, in many cases did not proceed according to the Act on Public Contracts or the Public Procurement Act.

2.2.1.2.2 Comparison of prices of identical medical devices

The purchases of volume-relevant types of MD (SCM) which were covered by health insurance and were identically identified by the code according to the valid *VZP codebook* were audited.

⁴⁴ The NHH acquired all the selected SCM items from its subsidiary without TP with the use of an in-house exception. In the statement of the Office for the Protection of Competition concerning public procurement at the NHH dated 2 June 2015, it is stated that the contracting authority (NHH) is entitled to use this exception.

⁴⁵ Pursuant to Section 16(1) and (6) of Act No. 134/2016 Coll.

A comparative audit sample of 132 identical MD was selected from five SCM groups, including cardioverters (41 types), components for TEP (47 types), pacemakers (21 types), valves (9 types), stents (12 types) and catheters (2 types). The audit revealed the following:

- In 37 cases, the same supplier supplied the same SCM to several hospitals at different prices. For example, SCM with code 54412 was delivered to one hospital in 2014 at a price by CZK 43,018 higher than the price for another hospital. In 2015, the price difference between deliveries from the same supplier of SCM with code 94086 was up to CZK 13,488 and in 2016 for SCM with code 15800 up to CZK 12,796.
- For selected cardioverters, price differences were identified for 29 identical codes (see Annex 4), namely:
 - Up to 5 % for two codes;
 - Up to 30 % for 29 codes, of which the highest price difference was CZK 75,900;
 - Up to 50 % for ten codes, of which the highest price difference was CZK 93,150 for four codes (the difference between the highest purchase price of CZK 345,000 per unit and the lowest purchase price of CZK 251,850 per unit).
- For selected components for TEP, price differences were found for 38 identical codes (see Annex 5), namely:
 - Up to 5 % for three codes;
 - Up to 30 % for 15 codes, of which the highest price difference was CZK 6,538;
 - Up to 50 % for seven codes, of which the highest price difference was CZK 9,775;
 - Up to 100 % for six codes, of which the highest price difference was CZK 5,881;
 - More than 100 % for 12 codes, of which the highest price difference was CZK 19,846 (the difference between the highest purchase price of CZK 29,820 per unit and the lowest purchase price of CZK 9,974 per unit).

A more than five times percentage difference was found for code 105347 (the difference between the highest purchase price of CZK 11,716 per unit and the lowest purchase price of CZK 2,266 per unit).
- For selected pacemakers, price differences were identified for 17 identical codes (see Annex 6), namely:
 - Up to 5 % for four codes;
 - Up to 30 % for 14 codes, of which the highest price difference was CZK 13,000;
 - Up to 100 % for one code, the highest price difference was CZK 42,451 (the difference between the highest purchase price of CZK 99,500 per unit and the lowest purchase price of CZK 57,049 per unit).
- Price differences were found for selected valves for nine identical codes; identical valves were purchased by the hospitals in price differences of up to 81 %, in CZK terms the differences were up to CZK 37 thousand (See Annex 7).
- Price differences were found for selected stents for nine identical codes; identical stents were purchased by two of the hospitals from the same supplier in price differences of up to 361 %, in CZK terms the differences were up to CZK 43 thousand (See Annex 8).
- For two selected catheters, price differences were found up to CZK 13 thousand, where the hospitals purchased them from the same supplier (see Annex 9).

The SAO findings show that, among the audited hospitals, there were price differences in the purchase prices of a selected sample of MD in many cases. The hospitals purchased identical MD at different prices from the same suppliers. The observed differences in the cost of MD show that there is room for reducing the hospital costs.

However, in some cases, the difference in purchase prices of selected MD delivered to the hospitals can be accepted due to the different conditions of individual purchases, i.e. their quantity and the requirements for delivery dates, but also due to the inconsistency in the categorisation and valuation of MD and changes in prices and maximum reimbursement by HIC. The agreed amount of bonuses also influenced the purchase price of MD.

It was also found that the hospitals had not taken into account the cases where the SCM purchase price had been lower than the MAX price according to the *VZP codebook*. In these cases, the hospitals were supposed to report the cost to HIC as set out in the contracts with HIC and the *VZP CR methodology*, i.e. the price at which SCM had been purchased.⁴⁶ The OUH and PUH reported SCM to health insurers at MAX prices and not at acquisition prices. The total amount of means incorrectly reported to HIC could not be verified by the SAO audit.⁴⁷

2.2.1.3 Bonuses for the purchase of medicinal products and medical devices

Bonus is the price advantage that the supplier usually provides for the purchase of large quantities of goods. The amount of bonuses was the result of business negotiations with suppliers. Bonuses were provided after the agreed volume was reached.⁴⁸ The bonuses at all three hospitals had a positive effect on the profit.

The hospitals did not take into account the amounts of bonuses received when reporting the provided health care to health insurance companies.

Table 7: Amount of bonuses of the audited hospitals in 2014-2016 (in CZK thousands)

Hospital	Bonuses for 2014	Bonuses for 2015	Bonuses for 2016
NHH	34,693	37,932	54,309
OUH	177,856	151,379	162,069
PUH	37,040	61,923	78,139

Source: information for the individual hospitals.

The hospitals posted the bonuses received on selected cost accounts (cancellation of costs, financial credit or correctional tax document) or revenue accounts (MD in the case of the NHH) cumulatively. The purchase prices of pharmaceuticals and MD after taking into account the bonuses were thus not identifiable from the financial accounts of the audited hospitals.

⁴⁶ *Methodology for obtaining and submitting documents of VZP CR, clause 2.3 VZP-03/2006 – Separately charged medicinal products and medical devices.*

⁴⁷ See footnote 38.

⁴⁸ In most cases, the bonus does not apply to individual products purchased but rather to the total volume of products purchased during the relevant period. Bonus options based on contracts verified in the audit: a quantitative bonus for the purchase of manufactured and delivered products; bonus based on the purchase of goods in a given time period; a volume bonus for the purchase of products, expressed as a percentage; for the purchase of the minimum volume of products in the agreed time period; for achieving the set % of the expected annual consumption of the products in the sales prices etc.

It was not possible to verify the specific purpose for which the funds from the bonuses were used, as the hospitals did not follow their use separately.⁴⁹

Furthermore, the following was found:

- The NHH negotiated financial bonuses with suppliers mainly based on written contracts, but in some cases only verbally; bonuses for pharmaceuticals and MD granted between 2014 and 2016 amounted to CZK 127 million;
- The OUH negotiated financial bonuses with suppliers mainly based on written contracts; bonuses for pharmaceuticals and MD granted between 2014 and 2016 amounted to CZK 491 million;
- In addition to contractually agreed cases, bonuses were provided to the PUH also on the basis of minutes of meetings or one-time bids; bonuses for pharmaceuticals and MD granted between 2014 and 2016 amounted to CZK 177 million.

The issue of bonuses was already mentioned in the SAO Audit Conclusion dated 2013.

2.2.2 Costs of repairs and maintenance and costs of other services

Of the costs of repairs and maintenance (see Table 3), which ranged from CZK 19 million to about CZK 173 million for the hospitals per year, the costs of repairing, maintaining and revising MT were selected for the audit. These work performances were arranged by the hospitals via suppliers or by combining suppliers and own employees in the period under review. One of the hospitals posted these costs to the account *Repairs and maintenance* and two hospitals, in addition to this account, also on the account *Other services* (see Table 8). No serious shortcomings were found in this area. In Part II.2.5 of this Audit Conclusion, the SAO notes the new legislation concerning MT with a possible impact in the form of increased hospital costs.

Of the costs posted to the account *Other services* and which ranged from CZK 114 million to about CZK 216 million for the hospitals, the costs of laundry, boarding and legal and advisory services were selected for the audit (see Table 8).

⁴⁹ On the basis of an inquiry by the SAO, the hospitals stated that the bonuses had mainly been used to compensate health care reimbursements in the so-called under-funded fields, but also the overhead costs of the hospitals that were part of the total cost of a day of treatment.

Table 8: Costs of other services (meals, laundry, legal and advisory services) and costs of repairs, maintenance and revisions of MT in the years 2014-2016

Hospital/ year	Other services		of which						Repairs, maintenance and revisions of MT ⁴	
			- meals ¹		- laundry ²		- legal and advisory services ³			
	in CZK thousands	% of total costs	in CZK thousands	% of services	in CZK thousands	% of services	in CZK thousands	% of services	in CZK thousands	
NHH	2014	175,306	5.8	Provided by own employees		18,304	10.4	12,402	7.1	32,134
	2015	143,922	4.6			17,005	11.8	4,581	3.2	42,356
	2016	113,979	3.6			16,995	14.9	1,096	1.0	49,193
OUH	2014	206,693	4.8			36,685	17.7	1,570	0.8	79,459
	2015	200,885	4.5			36,915	18.4	1,207	0.6	81,306
	2016	215,557	4.6			36,783	17.1	1,515	0.7	74,067
PUH	2014	167,427	3.1	37,572	22.4	Provided by own employees	1,459	0.9	104,623	
	2015	168,073	2.9	36,181	21.5		840	0.5	113,264	
	2016	170,891	2.9	37,357	21.9		1,233	0.7	111,991	

Source: General ledgers of the individual hospitals as of 31 December 2014, 31 December 2015 and 31 December 2016; annual reports for the years 2014 to 2016.

- 1) The OUH and the NHH provided meals by their own employees. The PUH by a combination of suppliers and its own employees. For the PUH, only the costs of meals secured by suppliers were posted.
- 2) The PUH provided laundry by its own staff.
- 3) The OUH posted legal services on cost account 549. The other hospitals on account 518. Therefore, for the OUH the services are the sum of account 518 and 549.07000 – *Legal services*.
- 4) The NHH kept the costs of maintenance and security technical inspections of MT on account 511 and MT servicing on account 518. It is thus the sum of these two accounts. The OUH kept the costs of repairing and maintaining MT on account 511 and the cost of revising MT on account 518. It is thus the sum of these two accounts. The PUH kept the costs for these services on account 511.

2.2.2.1 Boarding costs

Meals were provided at the NHH and the OUH by their own employees and at the PUH by a combination of suppliers and its own employees. Purchases of food were made by the hospitals, among other things, through electronic auctions. The cost of boarding per patient and day of care⁵⁰ is shown in Table 9 below.

Table 9: Boarding costs per patient and day of care in 2014-2016 (in CZK)

Hospital	2014	2015	2016
NHH – own provision	146.46	159.26	163.54
OUH – own provision	131.56	144.59	136.71
PUH – through suppliers	168.51	168.51	168.51
PUH – own provision	148.97	151.18	150.27

Source: Prepared by the SAO from the documents of the audited hospitals.

Note: In the case of meals provided by own employees, only VAT on food is included. This is the main activity of the hospital, which is exempt from VAT.

On average, the cost of one patient's meals per day of treatment provided by the hospital was about CZK 156 for the NHH, about CZK 138 for the OUH and about CZK 150 for the PUH. The cost of one patient's meals per day of treatment at the PUH provided by suppliers was about CZK 169, i.e. by about CZK 19 more than meals provided by hospitals.

In some cases, the hospitals accepted and paid for some items of food higher amounts than the maximum admissible price. The SAO considers this procedure to be uneconomical.

⁵⁰ Share of food costs + VAT on food + hospital overheads (personnel and material costs).

2.2.2.2 Laundry costs

Laundry was carried out by the NHH and the OUH through suppliers and the PUH by its own employees. It was found that:

- The OUH did not proceed in the most economical way⁵¹ as it transferred a part of the laundry which it had in its possession into the ownership of the supplier without requiring payment for that transfer;
- The PUH did not post laundry for external customers as another (economic) activity as expected by the Budgetary Rules⁵².

At the NHH, the cost of laundry was reduced during the period under review in the context of contract changes, by about 7 % when comparing 2014 and 2016. At the PUH, laundry costs in 2016 were lower by about 12 % compared to 2014 due to lower energy costs. At the OUH, laundry costs in 2016 increased by about 0.3 % compared to 2014, but with a higher laundry volume by about 0.6 %.

2.2.2.3 Costs of legal and advisory services

Legal services were arranged by all the hospitals by a combination of the use of suppliers and their own staff, and advisory services were provided by suppliers. The hourly rates excluding VAT in the case of legal services varied from CZK 1,800 to CZK 3,000 for the NHH, in the case of the OUH from CZK 1,500 to CZK 3,000 and in the case of the PUH from CZK 1,000 to CZK 2,000. It was found that:

- The NHH did not proceed in accordance with the Act on Public Contracts⁵³, failing to observe the principle of transparency and non-discrimination in awarding SSPC for legal services. The NHH chose the form of direct awarding to specific entities;
- For all the hospitals, cases were found where the hospitals had paid invoices that had not contained information about the provided material performance. It was thus not possible to verify whether the hospitals had fulfilled their tasks in the most economic manner.⁵⁴

2.2.2.4 Costs of other services

- The audit found that the NHH and the OUH had not complied with the Budgetary Rules⁵⁵, as they had not fulfilled their tasks in the most economic manner:
 - In 2014, the NHH provided a rented motor vehicle for private use, free of charge, to two persons who were not its employees and undertook to pay all costs and damages associated with the operation and maintenance of that vehicle. It thus unjustifiably⁵⁶ used funds in the amount of about CZK 138 thousand, thereby violating budgetary discipline.⁵⁷
 - In the years 2014 to 2016, the OUH spent money on renting vehicles which it subsequently provided to its employees for private purposes for a consideration. However, the amount of reimbursement from the employees did not correspond in some cases to the actual number of kilometres travelled for private purposes. The OUH

⁵¹ Pursuant to Section 53(4) of Act No. 218/2000 Coll.

⁵² Pursuant to Section 63 of Act No. 218/2000 Coll.

⁵³ Pursuant to Section 18(5) and (6) of Act No. 137/2006 Coll.

⁵⁴ Pursuant to Section 53(4) of Act No. 218/2000 Coll.

⁵⁵ Pursuant to Section 53(4) of Act No. 218/2000 Coll.

⁵⁶ Pursuant to Section 3e) of Act No. 218/2000 Coll.

⁵⁷ Pursuant to Section 44(1)a) of Act No. 218/2000 Coll.

failed to claim from its employees the amount of about CZK 203 thousand for that period.

- In addition, it was found that the OUH, under a new service agreement, had increased the amount of reimbursement for services connected with the information system without actually expanding the scope of the services provided. The original service agreement was more favourable for the OUH in the area of providing application support. The SAO assessed the procedure of the OUH as uneconomical.

2.3 Revenues of the hospitals

The hospitals' performance was mainly influenced by revenues from the sales of services⁵⁸, which reached an average of 89 % of total revenues in the period under review, as well as by revenues from goods sold.⁵⁹

Between 2014 and 2016, the main source of the hospitals' income was the reimbursement from health insurance companies for HS.⁶⁰

Within the hospital revenues, the audit also focused on revenues from regulatory fees (hereinafter "RF"). Their overview, including year-on-year changes, is shown in Table 10.

Table 10: Regulatory fees collected in 2014-2016 (in CZK thousands)

Hospital	2014	2015	Year-on-year change in %	2016	Year-on-year change in %
NHH	17,258	1,091	-93.7	496	-54.5
OUH	42,212	8,569	-79.7	3,503	-59.1
PUH	19,355	6,536	-66.2	5,930	-9.3

Source: general ledgers and turnover trial balances for the individual hospitals as of 31 December 2014, 31 December 2015 and 31 December 2016.

In 2015, the hospitals reduced the income from RF by a total of CZK 62.6 million compared to 2014. The reason for the decline in revenues from the RF in 2015 was the cancellation of the RF paid by the insured person or his/her statutory representative, except for the fee for the use of emergency services. This change was introduced by an amendment to the Public Health Insurance Act with effect from 1 January 2015⁶¹. The cancelled RF did not represent more than 1 % of the total hospital revenues. The partial compensation for the cancelled RF was subsequently regulated by the Decree.⁶²

⁵⁸ Account 602 – *Revenues from the sales of services* (NHH on average 89 %, OUH on average 87 % and PUH on average 91 %).

⁵⁹ Account 604 – *Revenues from goods sold*.

⁶⁰ Act No. 48/1997 Coll., on Public Health Insurance and on Amendment and Supplementation of Certain Related Acts.

⁶¹ Section 16a of Act No. 48/1997 Coll.

⁶² Decree No. 324/2014 Coll., on the determination of point values, the amount of reimbursement of paid services and regulatory restrictions for the year 2015, and Decree No. 273/2015 Coll., on the determination of point values, the amount of reimbursement of paid services and regulatory restrictions for the year 2016, which in Section 16(1) states: "For each treatment act reported by the provider and recognised by the health insurance company No. 09543 according to the list of treatment acts, the payment of CZK 30 shall be determined..." and in Section 17(1) states: "For each treatment act reported by the provider and recognised by the health insurance company No. 09552 according to the list of treatment acts, the payment of CZK 12 shall be determined..."

2.4 Na Homolce Hospital Group

In the period under review, the NHH as the controlling entity within the meaning of the Business Corporations Act⁶³ headed a group which included four companies controlled by it (also referred to as “subsidiaries”). On 15 May 2015, the NHH concluded with these subsidiaries, for an indefinite period, group agreements that governed their relationships.⁶⁴

The NHH purchased, mainly from two of its suppliers – subsidiaries, services and in particular the major part of MD (99 %). From these suppliers, the NHH obtained funds in the years 2014-2016 in the form of a share in profit. One of these suppliers further paid financial bonuses to the NHH.

Cash payments for services to one supplier, which was the first of its subsidiaries, were ended by the NHH in 2015. As of 1 August 2016, this NHH subsidiary was dissolved and subsequently entered into liquidation.

The NHH further declared that the scope of purchases of medical supplies would also be limited in the case of another supplier, which was the second NHH subsidiary. However, by comparing the amounts paid for medical supplies for the accounting period of 2014 to 2016, it was found that the NHH had failed to gradually reduce the volume of deliveries from that subsidiary during the period under review.

Table 11: NHH payments for invoiced deliveries from the NHH subsidiary in 2014-2016

Period	Amount paid in CZK	Requested amount in CZK
2014	835,245,692.69	835,245,692.69
2015	848,895,419.42	848,895,419.42
2016	827,550,278.33	831,272,978.83

Source: Overviews of suppliers’ commitments as of 31 December 2014, 31 December 2015, 31 December 2016; sales ledger of the NHH suppliers for the years 2014 to 2016.

A complete discontinuation of purchases from this MD supplier on the basis of the so-called in-house exception is foreseen by the NHH according to its communication no later than 31 December 2017. On 5 December 2016, the General Meeting decided to dissolve this NHH subsidiary by liquidation.⁶⁵

As of 30 June 2016, the third subsidiary of the NHH, which operated a kindergarten, discontinued its activities. The sole shareholder decided to dissolve this company by liquidation on 1 November 2016.⁶⁶

On 23 February 2017, the shares of the fourth subsidiary, the business of which is, inter alia, the operation of a private health facility, were transferred to a new transferee, who had offered the highest bid (CZK 50,500,000) in the tender. The change of the shareholder was without prejudice to the rights and obligations of the parties (i.e. the NHH and the NNH subsidiary, i.e. the new shareholder of that subsidiary) arising from the *mutual cooperation agreement*, which was concluded on 17 December 2015 for a fixed term until 31 December 2023.

⁶³ Section 79 of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (Business Corporations Act).

⁶⁴ In particular, the purpose was to systematically pursue the interest of the group, to adjust the group’s functioning according to the Act on the Property of the Czech Republic, to ensure the stable status of the NHH as a public provider of HS, and to standardise the supplies of goods and services in terms of the Act on PC.

⁶⁵ It has been in liquidation since 18 January 2017.

⁶⁶ It has been in liquidation since 3 November 2016.

As already mentioned in Part II.1.1 of this Audit Conclusion, and as shown by the 2014 NHH Annual Report, the NHH had received “*an unambiguous assignment from the Minister of Health to abolish the subsidiaries which had provided all the economic and commercial activities for the hospital, and to return those activities back to the hospital*”. It is clear from the SAO findings that this task had been met only partially by 31 December 2016.

2.5 Other findings

- Change of legislation in the field of medical technology

As noted in Part II.2.2.2 of this Audit Conclusion, no material deficiencies were identified by the audit in the area of MT servicing and revisions. In the period under review, a law came into force⁶⁷ which, among other things, regulated the area of use, servicing and revisions of MT. Changing the provisions on handling MT during training, servicing and revisions led, in particular, to tightening requirements for the expertise of servicing and maintenance staff. This may pose a risk for the hospitals in terms of a very limited choice of suppliers of these services, extensive repair times of MT and an increase in costs in particular for training the operator. E.g. according to the OUH opinion, after the entry into force of this law, the staff training costs (with a time limit of 1 to 3 years) were up to two times higher.

At the time of drafting this Audit Conclusion, the Chamber of Deputies of the Parliament of the Czech Republic was considering the draft amendment⁶⁸ of the Act, which should, among other things, modify the existing restrictions on the execution of training and servicing of MT.

- Usability of medical technology

To provide HS, the hospitals also used expensive MT. From the summary data on the use of individual medical devices⁶⁹, it was shown that they had been used to their maximum extent and treatment with their use had helped to cure several thousand patients with very serious and specific diseases. Treatments using these devices were fully covered by HIC.

⁶⁷ Act No. 268/2014 Coll., on Medical Devices and on Amendment to Act No. 634/2004 Coll., on Administrative Fees, as amended, replaced Act No. 123/2000 Coll., on Medical Devices and on Amendments to Certain Related Acts, as of 1 April 2015.

⁶⁸ Amendment to Act No. 268/2014 Coll. (Parliamentary Press No. 1020).

⁶⁹ NHH – Leksel’s gamma knife and PET/CT; OUH – CyberKnife; PUH - PET/CT and PET/MRI.

- Information for patients

The audit also dealt with the assessment of the material content of the written documents that were provided to patients by the individual hospital departments prior to admission to hospital. The hospitals in documents or on their websites included, among others, the requirements for bringing patients' own regularly used pharmaceuticals and medical supplies, which is not in line with current legislation⁷⁰ that stipulates that the patient does not participate in the payment of pharmaceuticals and medical supplies in the provision of inpatient care.⁷¹ The SAO does not deny the provision of recommendations by the hospitals provided that such communications also include information on what the hospital is required to provide to the patient under the paid hospitalisation services. Furthermore, the SAO draws attention to the possibility of double reimbursement of pharmaceuticals for one insured by the HIC in the case of administration of the patient's own, commonly used, pharmaceuticals during hospitalisation.

⁷⁰ Section 15(5) of Act No. 48/1997 Coll. provides, among other things: *"Health insurance fully covers medicinal products..., medical devices, ..., in inpatient care, and the insured does not participate in the payment thereof."*

⁷¹ Decree No. 134/1998 Coll. in Chapter 5, clause 2 sets out, among other things, what is included in the performance of the day of treatment: *"... directly consumed medical supplies..., directly consumed medicinal products..., single-purpose devices..."*

Decree No. 134/1998 Coll. in Chapter 7, clause 3 provides, among other things: *"Indirect costs include: Consumption of material: ..., medical supplies..., medicinal products..., foodstuffs..., general material..., laundry, ... Services: ..., laundry performed by contractors, ..."*

III. Summary and evaluation

The audit examined how the MoH fulfilled the obligations of the founder of directly managed organisations, i.e. the audited hospitals. The audit of the hospital management was mainly focused on the purchase of pharmaceuticals, medical devices and some services. The hospital procedures were also assessed in the provision of services and supplies in terms of efficiency and economy.

The management of the funds spent on the reimbursement of selected costs was audited at three hospitals. The amount of their total costs in the years 2014 to 2016 ranged from approximately CZK 3 billion to 6 billion. A significant share in the total hospital costs was the cost of material consumption, of which a significant part was the consumption of pharmaceuticals and medical devices.

The main source of the hospitals' income was the reimbursement from health insurance companies for health services. With the abolition of most of the regulatory fees as of 31 December 2014, the audited hospitals' income was reduced by more than CZK 62 million in 2015.

In the field of founding activities, the audit revealed that the MoH:

- Did not have a coherent concept for the management and development of directly managed hospitals although it should prepare the concepts for the development of the sectors entrusted and address the crucial issues;
- Had carried out a public-law inspection of the management of the Na Homolce Hospital in 2014, where it had found serious shortcomings regarding the ineffective, uneconomical and inefficient spending of state funds through subsidiaries of the hospital. On the basis of the results of that inspection, the Minister of Health issued an instruction to dissolve the Na Homolce Hospital subsidiaries.

In the field of hospital management, the following facts were identified:

- In the purchases of pharmaceuticals, the hospitals did not proceed in many cases pursuant to the Act on Public Contracts or the Public Procurement Act in 2014-2016. They purchased pharmaceuticals for more than CZK 5.5 billion without a tender procedure. Of these, more than CZK 2.7 billion (52 %) consisted in purchasing via DTP channels, buying directly from manufacturers and purchasing from selected distributors of unregistered pharmaceuticals as part of extraordinary imports.
- In the purchases of medical devices, the OUH and PUH did not proceed in many cases pursuant to the Act on Public Contracts or the Public Procurement Act in 2014-2016. They bought medical devices worth almost CZK 1.5 billion without a tender procedure. The NHH purchased medical devices worth CZK 2.6 billion by the end of 2016 almost exclusively through its subsidiary without a tender procedure, based on the so-called in-house exception. The task assigned to the NHH in 2014, which required the abolition of the subsidiaries that had been carrying out all the economic and commercial activities for the hospital, and the return of those activities back to the hospital, was only partially met at the end of 2016.
- The prices of a selected sample of identical pharmaceuticals and medical devices purchased by the hospitals were compared in the audit. It was found that, in some cases,

the same supplier had supplied different hospitals with the same drug or medical device at considerably different prices. The different prices of pharmaceuticals and medical devices were influenced both by the business strategy of the individual hospitals (especially by the amount of the agreed financial bonuses) and by a small volume of supplies based on tenders followed by a contract with a guarantee of fixed unit prices for the contractually agreed period of time. Other factors influencing the prices were the quantity purchased, the requirements for the delivery date, the shelf life of the goods purchased, the inconsistency in categorisation in the case of medical devices etc.

- The observed differences in the purchase cost show that there is room for reducing the purchase prices of pharmaceuticals and medical devices; in the case of purchases of cardioverters and pacemakers, the maximum reimbursements by health insurance companies and the price differences were thus reduced compared to the previous audit of the SAO completed in 2013.
- Bonuses had a significant impact on profit. The bonuses received were posted by the hospitals on selected accounts cumulatively. The purchase prices of pharmaceuticals and medical devices after taking into account the bonuses were thus not identifiable from the financial accounts of the audited hospitals. The hospitals did not monitor the use of funds from the bonuses separately, so the audit of the SAO could not verify their use.
- In some cases, the hospitals did not report separately charged medicinal products and separately charged material to health insurance companies at the purchase prices (as stipulated by contracts with the health insurance company and the VZP CR methodology), but rather at the maximum table prices of insurance companies. The hospitals thus failed to take into account cases where the purchase price was lower.
- In the case of the lease of consignment warehouses, the hospitals proceeded uneconomically by not stipulating any rent with suppliers for the use of those consignment warehouses at the hospital premises in some cases.
- In auditing the costs of other services, it was found that two of the hospitals had not performed their tasks in the most economical way when renting vehicles.
- The Act on Medical Devices, which came into effect on 1 April 2015, tightened, among other things, the requirements for the expertise of persons conducting the operation, servicing and revising of medical technology. This may pose a risk of significant cost increases for the hospitals, in particular in terms of operator training. At one of the hospitals, in 2016, the staff training prices doubled.

Based on the results of the audit, the SAO recommends:

- **To the Ministry of Health:**

- To address the development strategies prepared by hospitals;
- To develop its own concept of the development of directly managed organisations, including the development of material and technical equipment of hospitals;
- To address the healthcare reimbursement system, including the pricing and reimbursement of pharmaceuticals and medical devices, in a comprehensive manner;
- To deal with bonus issues; to address the issue of bonuses in a comprehensive manner, either in terms of their efficient provision and subsequent use, or in terms of the legitimacy of their provision in the system of public health insurance.

- **To hospitals:**

- To purchase pharmaceuticals and medical devices in a transparent manner;
- To report separately charged medicinal products and separately charged material to health insurance companies at the acquisition cost;
- If bonuses are involved in the hospital management, to include bonuses in tender procedures for the purchase of pharmaceuticals or medical devices. The bonuses and terms of their provision should be negotiated with suppliers in writing, and the hospitals should keep records of the bonuses in a way that would allow them to verify how the funds from the bonuses were actually used.

List of abbreviations

ATC group	Anatomical-therapeutical-chemical group (of pharmaceuticals)
CR (Czech Republic)	Czech Republic
<i>VZP codebook</i>	Codebook of medical devices (issued by the VZP CR)
VAT	Value added tax
OUH	Ostrava University Hospital
PUH	Pilsen University Hospital
Pharmaceuticals	Medicinal products
Hospital(s)	Audited hospitals (OUH, PUH and NHH)
NHH	Na Homolce Hospital
MoH	Ministry of Health
SAO	Supreme Audit Office
DMO	Directly managed organisations
PC	Public contracts
SSPC	Small-scale public contracts
VZP CR	General Health Insurance Company of the Czech Republic (Všeobecná zdravotní pojišťovna)
RF	Regulatory fee
SIDC	State Institute for Drug Control
Components for TEP	Components for total endoprosthesis of the knee joint or the hip joint
HIC	Health insurance company
MD	Medical device
TP	Tender procedure
HS	Health services
SCMP	Separately charged medicinal products
SCM	Separately charged material
Act on Public Contracts	Act on Public Contracts (No. 137/2006 Coll.)
MT	Medical technology
Public Procurement Act	Public Procurement Act (No. 134/2016 Coll.)

Annex 1 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Selected capacity and performance indicators of the audited hospitals

Groups of the SAO auditors, as part of auditing the funds spent by the audited hospitals to cover costs of activities, also examined the selected capacity and performance indicators of the hospitals for the period 2014-2016.

Table 1: Average converted number of employees, of which doctors

Hospital	2014		2015		2016	
	Number of employees	of which doctors	Number of employees	of which doctors	Number of employees	of which doctors
NHH*	1,812	310	1,826	294	1,863	282
Ouh*	3,081	509	3,101	507	3,122	521
PUH	4,102	695	4,111	697	4,095	698

Source: Statements E (MoH) 6-02 –Semi-Annual Statement on the Economy of the Health Facility for the relevant years; statements E (MoH) 4-01 – Annual Report on Employers, Registered Number of Employees and Contractors for the relevant years; communications and annual hospital reports.

* NHH without counting the Mánes Spa in Karlovy Vary; OUH without the Medical Centre for Long-Term Patients in Klokočov.

Note: The numbers of employees and doctors were rounded to integers.

Table 2: Overview of the average number of beds and their use

Hospital	2014		2015		2016	
	Number of beds (pcs)	Use of beds (in %)	Number of beds (pcs)	Use of beds (in %)	Number of beds (pcs)	Use of beds (in %)
NHH*	357	80.7	357	80.6	357	79.8
Ouh*	1,120	78.2	1,127	77.5	1,127	76.4
PUH	1,771	76.5	1,749	77.6	1,743	78.2
Total	3,248	Ø 78.5	3,233	Ø 78.6	3,227	Ø 78.1

Source: Statements E (MoH) 6-02 –Semi-Annual Statement on the Economy of the Health Facility for the relevant years; statements E (MoH) 4-01 – Annual Report on Employers, Registered Number of Employees and Contractors for the relevant years; communications and annual hospital reports.

* NHH without counting the Mánes Spa in Karlovy Vary; OUH without the Medical Centre for Long-Term Patients in Klokočov.

Note: Numbers of beds are rounded to integers.

Table 3: Number of hospitalised patients and number of days of treatment

Hospital	2014		2015		2016	
	Number of hospitalised patients	Number of days of treatment	Number of hospitalised patients	Number of days of treatment	Number of hospitalised patients	Number of days of treatment
NHH*	19,653	97,520	19,768	94,440	19,844	97,016
Ouh*	46,949	307,547	46,195	302,743	46,085	296,844
PUH	64,331	474,629	62,968	463,213	62,222	467,667
Total	130,933	879,696	128,931	860,396	128,151	861,527

Source: Statements E (MoH) 6-02 –Semi-Annual Statement on the Economy of the Health Facility for the relevant years; statements E (MoH) 4-01 – Annual Report on Employers, Registered Number of Employees and Contractors for the relevant years; communications and annual hospital reports.

* NHH without counting the Mánes Spa in Karlovy Vary; OUH without the Medical Centre for Long-Term Patients in Klokočov.

Note: Rounded to integers.

Table 4: Average annual number of patients and treatment days in the period under review

Hospital	2014-2016		
	Average annual number of hospitalised patients	Average annual number of treatment days	Average hospital stay time of one patient
NHH*	19,755	96,325	4.9
Ouh*	46,410	302,378	6.5
PUH	63,174	468 503	7.4

Source: Statements E (MoH) 6-02 –Semi-Annual Statement on the Economy of the Health Facility for the relevant years; statements E (MoH) 4-01 – Annual Report on Employers, Registered Number of Employees and Contractors for the relevant years; communications and annual hospital reports.

* NHH without counting the Mánes Spa in Karlovy Vary; OUH without the Medical Centre for Long-Term Patients in Klokočov.

Table 5: Average annual cost per hospitalised patient (in CZK)

Hospital	2014	2015	2016
NHH*	100,986	100,110	100,253
Ouh*	44,029	45,369	46,406
PUH	34,227	36,198	Data not available

Source:Statements E (MoH) 6-02 – Semi-Annual Statement on the Economy of the Health Facility for the relevant years; written hospital information.

* NHH without counting the Mánes Spa in Karlovy Vary; OUH without the Medical Centre for Long-Term Patients in Klokočov.

Annex 2 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

“J” ATC group medicinal products

<i>SIDC code*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
“J” ATC group medicinal products							
3902	2014	11,415.53	13,039.14	1,623.61	14.2	4 suppliers	3 hospitals
	2015	10,919.21	11,172.63	253.42	2.3	4 suppliers	3 hospitals
	2016	10,890.09	11,160.78	270.69	2.5	4 suppliers	3 hospitals
5113	2014	700.09	889.00	188.91	27.0	2 suppliers	3 hospitals
	2015	669.65	847.04	177.39	26.5	3 suppliers	3 hospitals
	2016	668.72	825.58	156.86	23.5	3 suppliers	3 hospitals
5114	2014	352.73	451.24	98.51	27.9	4 suppliers	2 hospitals
	2015	337.82	427.91	90.09	26.7	3 suppliers	3 hospitals
	2016	337.82	417.07	79.24	23.5	4 suppliers	3 hospitals
20605	2014	631.70	646.36	14.66	2.3	3 suppliers	2 hospitals
	2015	604.23	618.26	14.03	2.3	3 suppliers	3 hospitals
	2016	604.23	618.26	14.03	2.3	2 suppliers	3 hospitals
64831	2015	255.20	533.50	278.30	109.5	5 suppliers	3 hospitals
	2016	229.65	533.50	303.85	132.3	3 suppliers	3 hospitals
72972	2014	97.75	432.48	334.73	342.4	3 suppliers	3 hospitals
	2015	93.50	413.68	320.18	342.4	4 suppliers	3 hospitals
	2016	156.34	413.68	257.34	164.6	4 suppliers	3 hospitals
83417	2014	2,852.02	5,677.05	2,825.03	99.1	3 suppliers	2 hospitals
	2015	2,728.69	4,062.56	1,333.87	48.9	3 suppliers	3 hospitals
	2016	2,728.69	5,461.86	2,733.17	100.2	3 suppliers	3 hospitals
93405	2014	433.12	446.98	13.86	3.2	4 suppliers	3 hospitals
	2015	414.29	420.48	6.19	1.5	2 suppliers	3 hospitals
	2016	415.95	419.02	3.07	0.7	2 suppliers	2 hospitals
94933	2014	116.08	184.45	68.37	58.9	4 suppliers	3 hospitals
	2015	112.35	116.73	4.38	3.9	4 suppliers	3 hospitals
	2016	90.13	116.73	26.60	29.5	4 suppliers	3 hospitals
96416	2014	59.06	91.82	32.76	55.5	3 suppliers	2 hospitals
	2016	60.06	87.18	27.12	45.2	3 suppliers	3 hospitals
113453	2014	529.00	2,915.98	2,386.98	451.2	2 suppliers	3 hospitals
	2015	506.00	2,133.33	1,627.33	321.6	3 suppliers	3 hospitals
	2016	770.00	2,124.78	1,354.78	176.0	1 supplier	3 hospitals
131654	2014	181.24	608.60	427.36	235.8	2 suppliers	3 hospitals
	2015	339.90	762.45	422.55	124.3	3 suppliers	3 hospitals
	2016	339.90	603.27	263.37	77.5	2 suppliers	3 hospitals
131656	2014	537.40	806.65	269.26	50.1	3 suppliers	3 hospitals
	2015	669.90	804.25	134.35	20.1	2 suppliers	3 hospitals
	2016	669.90	794.87	124.97	18.7	2 suppliers	3 hospitals

141836	2014	82.00	819.95	737.95	899.9	1 supplier	3 hospitals
	2016	706.71	750.81	44.10	6.2	3 suppliers	3 hospitals
144328	2014	2,041.78	2,077.07	35.29	1.7	2 suppliers	2 hospitals
	2015	1,951.65	1,998.34	46.69	2.4	2 suppliers	3 hospitals
	2016	1,951.65	1,979.04	27.39	1.4	2 suppliers	2 hospitals
149384	2014	7,867.44	9,818.83	1,951.39	24.8	2 suppliers	2 hospitals
	2015	7,496.16	9,391.92	1,895.76	25.3	2 suppliers	2 hospitals
	2016	7,496.16	9,391.92	1,895.76	25.3	2 suppliers	2 hospitals
201967	2015	188.10	289.72	101.62	54.0	2 suppliers	2 hospitals
	2016	289.18	295.72	6.54	2.3	3 suppliers	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* SIDC code – the code is a unique identifier of the medicinal product, allocated by the State Institute for Drug Control.

Annex 3 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

“L” ATC group medicinal products

SIDCL code*	Year	Lowest purchase price (in CZK/unit)	Highest purchase price (in CZK/unit)	Difference in CZK	Difference in %	Supplier	Hospital
“L” ATC group medicinal products							
25419	2014	43,348.88	43,775.66	426.78	1.0	3 suppliers	2 hospitals
	2015	34,070.34	41,827.91	7,757.57	22.8	5 suppliers	3 hospitals
	2016	34,070.34	34,956.17	885.83	2.6	3 suppliers	3 hospitals
25420	2014	51,818.75	53,365.58	1,546.83	3.0	3 suppliers	3 hospitals
	2015	49,319.16	50,596.52	1,277.36	2.6	4 suppliers	3 hospitals
	2016	49,319.16	50,596.52	1,277.36	2.6	4 suppliers	3 hospitals
25555	2014	14,525.75	15,337.20	811.45	5.6	4 suppliers	3 hospitals
	2015	13,818.20	14,670.37	852.17	6.6	3 suppliers	3 hospitals
	2016	13,818.20	14,729.00	910.80	6.6	5 suppliers	3 hospitals
25566	2014	21,972.04	25,751.04	3,779.00	17.2	3 suppliers	2 hospitals
	2015	20,755.85	21,467.85	712.01	3.4	4 suppliers	3 hospitals
	2016	21,142.33	21,467.85	325.52	1.5	2 suppliers	2 hospitals
27192	2014	123,658.99	125,877.76	2,218.77	1.8	1 supplier	2 hospitals
	2015	118,282.52	120,404.81	2,122.29	1.8	1 supplier	2 hospitals
	2016	118,519.08	122,640.34	4,121.26	3.5	1 supplier	3 hospitals
27193	2014	82,410.02	91,566.69	9,156.67	11.1	1 supplier	3 hospitals
27283	2014	11,857.94	14,309.66	2,451.72	20.7	3 suppliers	3 hospitals
	2015	9,283.64	11,634.37	2,350.73	25.3	4 suppliers	3 hospitals
	2016	9,267.02	11,272.76	2,005.74	21.6	3 suppliers	3 hospitals
27918	2014	22,103.34	25,752.77	3,649.43	16.5	1 supplier	3 hospitals
	2015	20,755.85	21,467.85	712.01	3.4	3 suppliers	3 hospitals
	2016	21,142.33	21,467.85	325.52	1.5	2 suppliers	3 hospitals
28274	2014	26,996.42	27,850.76	854.34	3.2	2 suppliers	3 hospitals
	2015	25,891.58	26,639.86	748.28	2.9	4 suppliers	3 hospitals
	2016	14,910.49	24,560.29	9,649.80	64.7	3 suppliers	3 hospitals
28396	2014	8,065.46	8,427.00	361.54	4.5	3 suppliers	3 hospitals
	2015	7,688.70	7,902.76	214.06	2.8	4 suppliers	3 hospitals
	2016	7,171.59	7,888.82	717.23	10.0	5 suppliers	3 hospitals
28397	2014	31,589.96	32,230.86	640.90	2.0	5 suppliers	3 hospitals
	2015	15,620.00	30,952.74	15,332.74	98.2	6 suppliers	3 hospitals
	2016	28,686.63	30,791.06	2,104.44	7.3	5 suppliers	3 hospitals
28761	2014	5,258.35	5,367.90	109.55	2.1	3 suppliers	3 hospitals
	2015	5,029.73	5,134.51	104.78	2.1	2 suppliers	3 hospitals
	2016	5,012.85	5,360.09	347.24	6.9	3 suppliers	3 hospitals
29248	2014	10,907.33	11,509.90	602.57	5.5	2 suppliers	2 hospitals
	2015	10,537.49	11,009.47	471.98	4.5	2 suppliers	3 hospitals

149318	2014	68,827.50	70,219.98	1,392.48	2.0	2 suppliers	3 hospitals
	2015	63,775.71	67,496.21	3,720.50	5.8	2 suppliers	3 hospitals
	2016	62,662.19	65,370.11	2,707.92	4.3	2 suppliers	3 hospitals
149564	2014	22,755.73	28,943.62	6,187.89	27.2	4 suppliers	3 hospitals
	2015	21,726.86	22,334.47	607.61	2.8	3 suppliers	3 hospitals
	2016	21,726.86	22,202.95	476.09	2.2	3 suppliers	3 hospitals
185368	2014	43,496.40	47,108.60	3,612.20	8.3	5 suppliers	2 hospitals
	2015	43,197.51	45,060.40	1,862.89	4.3	6 suppliers	3 hospitals
	2016	42,240.12	44,305.29	2,065.17	4.9	5 suppliers	3 hospitals
193870	2014	82,255.52	83,065.33	809.81	1.0	3 suppliers	2 hospitals
	2015	77,229.70	78,993.63	1,763.93	2.3	3 suppliers	3 hospitals
	2016	76,692.85	82,056.57	5,363.72	7.0	5 suppliers	3 hospitals
194246	2014	95,162.05	97,750.00	2,587.95	2.7	1 supplier	3 hospitals
	2016	81,705.46	85,396.72	3,691.26	4.5	1 supplier	3 hospitals
194345	2014	11,857.95	12,163.21	305.26	2.6	3 suppliers	2 hospitals
	2015	7,067.74	11,567.00	4,499.26	63.7	3 suppliers	3 hospitals
	2016	7,067.74	9,604.83	2,537.09	35.9	4 suppliers	3 hospitals
194633	2016	49,724.91	50,076.49	351.58	0.7	1 supplier	3 hospitals
194634	2016	79,505.83	80,122.17	616.34	0.8	1 supplier	3 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* SIDC code – the code is a unique identifier of the medicinal product, allocated by the State Institute for Drug Control.

Annex 4 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Medical devices (SCM) – CARDIOVERTERS

<i>Code VZP CR*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
CARDIOVERTERS							
111860	2015	264,979.00	280,000.00	15,021.00	5.7	2 suppliers	2 hospitals
111862	2015	283,945.01	300,000.00	16,054.99	5.7	2 suppliers	2 hospitals
	2016	269,284.51	283,945.01	14,660.50	5.4	2 suppliers	2 hospitals
111888	2014	326,455.00	345,000.00	18,545.00	5.7	2 suppliers	2 hospitals
111897	2014	293,864.27	310,500.00	16,635.73	5.7	2 suppliers	2 hospitals
112461	2014	293,864.00	310,500.00	16,636.00	5.7	2 suppliers	2 hospitals
	2015	293,864.00	310,500.00	16,636.00	5.7	2 suppliers	2 hospitals
112462	2014	293,864.00	310,500.00	16,636.00	5.7	2 suppliers	2 hospitals
	2015	293,864.00	310,500.00	16,636.00	5.7	2 suppliers	2 hospitals
112466	2014	326,455.00	345,000.00	18,545.00	5.7	2 suppliers	2 hospitals
192046	2016	270,000.00	300,000.01	30,000.01	11.1	2 suppliers	2 hospitals
192048	2016	251,999.99	264,956.06	12,956.07	5.1	2 suppliers	2 hospitals
192049	2016	251,999.99	280,000.03	28,000.04	11.1	2 suppliers	2 hospitals
192050	2014	293,817.89	310,500.00	16,682.11	5.7	2 suppliers	2 hospitals
	2015	293,817.89	310,500.00	16,682.11	5.7	2 suppliers	2 hospitals
192057	2014	481,037.80	525,406.25	44,368.45	9.2	2 suppliers	2 hospitals
193626	2014	248,992.94	269,999.30	21,006.36	8.4	2 suppliers	2 hospitals
	2015	256,039.91	269,999.30	13,959.39	5.5	2 suppliers	2 hospitals
	2016	238,378.10	256,039.91	17,661.82	7.4	2 suppliers	2 hospitals
193627	2016	240,405.09	265,523.89	25,118.81	10.5	2 suppliers	2 hospitals
193629	2016	257,209.00	284,489.35	27,280.35	10.6	2 suppliers	2 hospitals
193630	2014	284,489.35	299,999.35	15,510.00	5.5	2 suppliers	2 hospitals
	2015	284,489.35	299,999.35	15,510.00	5.5	2 suppliers	2 hospitals
	2016	257,209.00	299,999.35	42,790.35	16.6	2 suppliers	2 hospitals
193801	2015	226,665.00	310,500.00	83,835.00	37.0	2 suppliers	2 hospitals
	2016	271,010.20	293,864.00	22,853.80	8.4	2 suppliers	2 hospitals
193802	2015	226,665.00	310,500.00	83,835.00	37.0	2 suppliers	2 hospitals
	2016	271,010.20	310,500.00	39,489.80	14.6	3 suppliers	3 hospitals
193803	2015	235,060.00	322,000.00	86,940.00	37.0	2 suppliers	2 hospitals
	2016	281,080.21	322,000.00	40,919.79	14.6	2 suppliers	2 hospitals
193804	2015	235,060.00	322,000.00	86,940.00	37.0	2 suppliers	2 hospitals
	2016	281,080.21	322,000.00	40,919.79	14.6	3 suppliers	3 hospitals

193805	2015	251,850.00	345,000.00	93,150.00	37.0	2 suppliers	2 hospitals
	2016	301,156.60	345,000.00	43,843.41	14.6	2 suppliers	2 hospitals
193806	2015	251,850.00	345,000.00	93,150.00	37.0	2 suppliers	2 hospitals
	2016	301,156.60	345,000.00	43,843.41	14.6	3 suppliers	3 hospitals
193810	2015	251,850.00	345,000.00	93,150.00	37.0	2 suppliers	2 hospitals
	2016	310,500.00	345,000.00	34,500.00	11.1	2 suppliers	2 hospitals
193823	2015	251,850.00	345,000.00	93,150.00	37.0	2 suppliers	2 hospitals
	2016	310,500.00	343,758.00	33,258.00	10.7	2 suppliers	2 hospitals
193825	2015	226,665.00	310,500.00	83,835.00	37.0	2 suppliers	2 hospitals
	2016	278,443.98	309,382.20	30,938.22	11.1	3 suppliers	3 hospitals
193827	2015	235,060.00	322,000.00	86,940.00	37.0	2 suppliers	2 hospitals
	2016	288,756.72	320,840.80	32,084.08	11.1	3 suppliers	3 hospitals
194008	2015	305,352.60	322,000.00	16,647.40	5.5	2 suppliers	2 hospitals
	2016	276,469.20	289,800.00	13,330.80	4.8	2 suppliers	2 hospitals
194010	2015	327,163.50	345,000.00	17,836.50	5.5	2 suppliers	2 hospitals
	2016	296,217.00	310,500.00	14,283.00	4.8	2 suppliers	2 hospitals
194063	2015	454,813.01	530,713.01	75,900.00	16.7	2 suppliers	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* VZP CR code – the code is assigned by the General Health Insurance Company of the Czech Republic (VZP) according to the valid methodology, this code is a unique identifier of the relevant medical device (SCM).

Annex 5 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Medical devices (SCM) – COMPONENTS FOR TOTAL ENDOPROSTHESIS OF THE KNEE JOINT AND HIP JOINT

<i>Code VZP CR*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
COMPONENTS FOR TOTAL ENDOPROSTHESIS OF THE KNEE JOINT AND HIP JOINT							
12576	2016	7,344.00	7,784.53	440.53	6.0	2 suppliers	2 hospitals
15770	2014	28,202.60	28,716.00	513.40	1.8	1 supplier	2 hospitals
	2015	28,715.58	35,253.50	6,537.92	22.8	1 supplier	2 hospitals
	2016	28,715.31	35,247.50	6,532.19	22.8	1 supplier	2 hospitals
15800	2014	9,973.81	29,820.00	19,846.19	199.0	1 supplier	2 hospitals
	2015	9,973.69	22,770.50	12,796.81	128.3	1 supplier	2 hospitals
	2016	9,973.78	22,770.00	12,796.22	128.3	1 supplier	2 hospitals
15802	2014	3,847.93	5,925.95	2,078.02	54.0	1 supplier	2 hospitals
15814	2014	2,693.24	4,427.85	1,734.61	64.4	1 supplier	2 hospitals
	2015	2,693.00	4,428.00	1,735.00	64.4	1 supplier	2 hospitals
17131	2014	7,569.99	8,653.26	1,083.27	14.3	1 supplier	2 hospitals
	2015	7,569.99	8,653.26	1,083.27	14.3	1 supplier	2 hospitals
	2016	7,569.99	8,653.26	1,083.27	14.3	1 supplier	2 hospitals
17132	2014	3,887.00	4,532.24	645.24	16.6	2 suppliers	3 hospitals
	2015	3,887.00	4,532.24	645.24	16.6	2 suppliers	3 hospitals
	2016	3,887.00	4,532.24	645.24	16.6	2 suppliers	3 hospitals
31005	2014	8,006.00	10,179.00	2,173.00	27.1	1 supplier	2 hospitals
	2015	8,005.98	10,925.00	2,919.02	36.5	1 supplier	2 hospitals
31006	2015	8,783.83	11,167.00	2,383.17	27.1	1 supplier	2 hospitals
	2016	8,006.22	10,925.00	2,918.78	36.5	1 supplier	2 hospitals
31062	2014	9,973.86	22,770.45	12,796.59	128.3	1 supplier	2 hospitals
	2015	9,973.79	22,770.00	12,796.21	128.3	1 supplier	2 hospitals
	2016	9,973.71	22,770.00	12,796.29	128.3	1 supplier	2 hospitals
31063	2014	6,161.56	13,283.00	7,121.44	115.6	1 supplier	2 hospitals
	2015	6,161.57	13,282.95	7,121.38	115.6	1 supplier	2 hospitals
31066	2015	4,348.16	7,590.00	3,241.84	74.6	1 supplier	2 hospitals
	2016	4,348.13	7,590.00	3,241.87	74.6	1 supplier	2 hospitals
42252	2016	19,550.00	29,325.00	9,775.00	50.0	1 supplier	2 hospitals
42253	2016	9,775.00	10,861.11	1,086.11	11.1	1 supplier	2 hospitals
42254	2014	17,250.00	17,825.00	575.00	3.3	1 supplier	2 hospitals
70998	2014	1,495.00	4,272.93	2,777.93	185.8	1 supplier	2 hospitals
	2015	1,495.00	4,272.93	2,777.93	185.8	1 supplier	2 hospitals
70999	2015	1,495.00	4,272.93	2,777.93	185.8	1 supplier	2 hospitals

71003	2014	1,265.00	1,380.00	115.00	9.1	1 supplier	2 hospitals
	2016	1,265.00	1,380.00	115.00	9.1	1 supplier	2 hospitals
71642	2014	6,724.46	7,223.82	499.36	7.4	1 supplier	2 hospitals
71867	2015	6,325.00	14,975.59	8,650.59	136.8	1 supplier	2 hospitals
	2016	6,325.00	14,975.57	8,650.57	136.8	1 supplier	2 hospitals
71871	2015	2,875.00	3,697.07	822.07	28.6	1 supplier	2 hospitals
74501	2014	14,000.25	19,200.21	5,199.76	37.1	1 supplier	2 hospitals
	2015	14,000.13	19,200.00	5,199.87	37.1	1 supplier	2 hospitals
	2016	14,000.00	19,200.00	5,200.00	37.1	1 supplier	2 hospitals
74502	2014	9,209.85	12,300.00	3,090.15	33.6	1 supplier	2 hospitals
	2015	9,209.93	12,300.00	3,090.07	33.6	1 supplier	2 hospitals
	2016	9,209.98	12,300.00	3,090.02	33.6	1 supplier	2 hospitals
77171	2014	8,625.00	21,763.64	13,138.64	152.3	3 suppliers	3 hospitals
	2015	8,636.62	21,763.64	13,127.02	152.0	2 suppliers	2 hospitals
	2016	8,636.62	20,240.20	11,603.59	134.4	2 suppliers	3 hospitals
77172	2015	3,733.24	3,925.86	192.61	5.2	2 suppliers	2 hospitals
83869	2015	10,533.38	11,016.56	483.18	4.6	1 supplier	2 hospitals
97511	2014	5,289.91	8,000.00	2,710.09	51.2	1 supplier	2 hospitals
	2015	5,289.95	8,000.00	2,710.05	51.2	1 supplier	2 hospitals
	2016	5,289.94	8,000.00	2,710.06	51.2	1 supplier	2 hospitals
98833	2015	2,875.00	10,200.70	7,325.70	254.8	1 supplier	2 hospitals
	2016	2,875.00	10,200.70	7,325.70	254.8	1 supplier	2 hospitals
98839	2016	2,645.00	9,108.64	6,463.64	244.4	1 supplier	2 hospitals
99937	2014	17,831.53	24,546.50	6,714.97	37.7	2 suppliers	3 hospitals
	2015	17,831.53	24,546.50	6,714.97	37.7	2 suppliers	3 hospitals
	2016	17,831.53	24,546.50	6,714.97	37.7	2 suppliers	3 hospitals
99938	2014	7,848.75	13,729.39	5,880.64	74.9	2 suppliers	3 hospitals
	2015	7,923.50	13,729.39	5,805.89	73.3	2 suppliers	3 hospitals
	2016	7,923.50	13,729.39	5,805.89	73.3	2 suppliers	3 hospitals
99939	2014	5,496.08	6,095.00	598.92	10.9	2 suppliers	2 hospitals
	2015	5,496.08	6,095.00	598.92	10.9	2 suppliers	2 hospitals
	2016	5,496.08	6,095.00	598.92	10.9	2 suppliers	2 hospitals
99941	2014	3,047.50	6,227.52	3,180.02	104.4	2 suppliers	2 hospitals
	2015	3,047.50	6,227.52	3,180.02	104.4	2 suppliers	2 hospitals
	2016	3,047.50	5,293.38	2,245.88	73.7	2 suppliers	2 hospitals
105347	2014	2,266.12	11,716.43	9,450.31	417.0	2 suppliers	2 hospitals
	2015	4,532.24	9,713.82	5,181.58	114.3	2 suppliers	2 hospitals
	2016	4,532.24	11,614.53	7,082.29	156.3	2 suppliers	2 hospitals
105348	2015	8,533.00	18,819.33	10,286.33	120.6	2 suppliers	2 hospitals
110575	2015	17,595.00	18,650.70	1,055.70	6.0	2 suppliers	2 hospitals

110577	2015	10,580.00	11,214.80	634.80	6.0	2 suppliers	2 hospitals
111570	2014	8,533.00	11,229.69	2,696.69	31.6	2 suppliers	2 hospitals
	2015	8,533.00	11,229.69	2,696.69	31.6	2 suppliers	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* VZP CR code – the code is assigned by the General Health Insurance Company of the Czech Republic (VZP) according to the valid methodology, this code is a unique identifier of the relevant medical device (SCM).

Annex 6 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Medical devices (SCM) – PACEMAKERS

<i>Code VZP CR*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
PACEMAKERS							
111739	2014	25,887.28	27,299.85	1,412.57	5.5	2 suppliers	2 hospitals
	2015	25,887.28	27,299.85	1,412.57	5.5	2 suppliers	2 hospitals
	2016	22,499.98	27,299.85	4,799.87	21.3	2 suppliers	2 hospitals
111740	2014	25,887.28	27,299.85	1,412.57	5.5	2 suppliers	2 hospitals
	2015	25,887.28	27,299.85	1,412.57	5.5	2 suppliers	2 hospitals
	2016	22,499.98	27,299.85	4,799.87	21.3	2 suppliers	2 hospitals
111743	2014	49,310.18	52,000.00	2,689.82	5.5	2 suppliers	2 hospitals
	2016	47,850.00	51,999.55	4,149.55	8.7	2 suppliers	2 hospitals
111744	2014	49,310.18	51,999.55	2,689.37	5.5	2 suppliers	2 hospitals
	2015	49,310.18	51,999.55	2,689.37	5.5	2 suppliers	2 hospitals
	2016	47,850.01	51,999.55	4,149.54	8.7	2 suppliers	2 hospitals
112154	2014	49,213.50	52,000.00	2,786.50	5.7	2 suppliers	2 hospitals
	2015	49,213.50	52,000.00	2,786.50	5.7	2 suppliers	2 hospitals
112155	2014	49,213.50	52,000.00	2,786.50	5.7	2 suppliers	2 hospitals
	2015	49,213.50	52,000.00	2,786.50	5.7	2 suppliers	2 hospitals
113357	2014	56,708.34	59,800.00	3,091.66	5.5	2 suppliers	2 hospitals
	2015	56,708.34	59,800.00	3,091.66	5.5	2 suppliers	2 hospitals
141807	2014	57,049.20	99,500.00	42,450.80	74.4	2 suppliers	2 hospitals
	2015	56,586.75	59,800.02	3,213.27	5.7	2 suppliers	2 hospitals
	2016	46,800.40	59,800.00	12,999.60	27.8	2 suppliers	2 hospitals
141808	2014	57,049.20	59,802.45	2,753.25	4.8	2 suppliers	2 hospitals
	2015	56,586.75	59,800.03	3,213.28	5.7	2 suppliers	2 hospitals
	2016	46,800.41	59,800.03	12,999.62	27.8	2 suppliers	2 hospitals
191953	2014	49,206.14	51,999.93	2,793.79	5.7	2 suppliers	2 hospitals
	2015	49,206.14	51,999.94	2,793.80	5.7	2 suppliers	2 hospitals
	2016	47,851.58	51,999.65	4,148.07	8.7	2 suppliers	2 hospitals
193637	2014	49,206.14	51,999.93	2,793.79	5.7	2 suppliers	2 hospitals
	2015	49,206.14	51,999.86	2,793.72	5.7	2 suppliers	2 hospitals
	2016	47,851.58	51,999.58	4,148.00	8.7	2 suppliers	2 hospitals
193638	2014	57,049.20	59,800.14	2,750.94	4.8	2 suppliers	2 hospitals
193791	2016	118,334.99	118,450.00	115.01	0.1	2 suppliers	2 hospitals
193997	2016	28,952.47	31,395.00	2,442.53	8.4	2 suppliers	2 hospitals
193999	2015	56,708.34	59,800.00	3,091.66	5.5	2 suppliers	2 hospitals
	2016	55,147.56	59,800.00	4,652.44	8.4	2 suppliers	2 hospitals

194000	2015	56,708.34	59,800.00	3,091.66	5.5	2 suppliers	2 hospitals
	2016	55,147.56	59,800.00	4,652.44	8.4	2 suppliers	2 hospitals
194153	2016	118,335.00	118,450.00	115.00	0.1	2 suppliers	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* VZP CR code – the code is assigned by the General Health Insurance Company of the Czech Republic (VZP) according to the valid methodology, this code is a unique identifier of the relevant medical device (SCM).

Annex 7 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Medical devices (SCM) – VALVES

<i>Code VZP CR*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
VALVES							
43082	2014	44,615.40	46,690.87	2,075.47	4.7	2 suppliers	3 hospitals
	2015	44,615.40	46,690.87	2,075.47	4.7	3 suppliers	3 hospitals
	2016	45,011.00	45,021.35	10.35	0.02	1 supplier	2 hospitals
43155	2014	63,250.00	71,645.02	8,395.02	13.3	1 supplier	2 hospitals
	2015	63,250.00	71,645.64	8,395.64	13.3	2 suppliers	2 hospitals
43156	2014	63,250.00	87,846.78	24,596.78	38.9	2 suppliers	2 hospitals
	2015	49,170.55	86,914.70	37,744.15	76.8	2 suppliers	2 hospitals
	2016	38,637.00	69,726.80	31,089.80	80.5	2 suppliers	2 hospitals
43157	2014	46,690.00	50,945.00	4,255.00	9.1	1 supplier	2 hospitals
	2015	46,690.00	50,945.00	4,255.00	9.1	2 suppliers	2 hospitals
	2016	46,689.13	50,508.00	3,818.87	8.2	1 supplier	2 hospitals
43173	2014	89,907.00	90,737.30	830.30	0.9	2 suppliers	2 hospitals
	2015	69,726.80	90,275.00	20,548.20	29.5	2 suppliers	2 hospitals
43168	2014	38,228.90	43,441.46	5,212.56	13.6	1 supplier	2 hospitals
	2015	38,228.90	42,250.00	4,021.10	10.5	2 suppliers	2 hospitals
	2016	38,228.90	42,250.00	4,021.10	10.5	2 suppliers	2 hospitals
43169	2014	38,228.90	43,441.46	5,212.56	13.6	1 supplier	2 hospitals
	2015	38,228.90	42,250.00	4,021.10	10.5	2 suppliers	2 hospitals
	2016	38,228.90	42,250.00	4,021.10	10.5	2 suppliers	2 hospitals
51889	2014	38,637.00	43,904.14	5,267.14	13.6	2 suppliers	2 hospitals
	2015	38,637.00	42,700.00	4,063.00	10.5	2 suppliers	2 hospitals
52279	2014	40,900.10	45,200.00	4,299.91	10.5	2 suppliers	2 hospitals
	2015	40,900.10	45,200.00	4,299.91	10.5	2 suppliers	2 hospitals
	2016	38,228.90	45,200.00	6,971.10	18.2	2 suppliers	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* VZP CR code – the code is assigned by the General Health Insurance Company of the Czech Republic (VZP) according to the valid methodology, this code is a unique identifier of the relevant medical device (SCM).

Annex 8 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Medical devices (SCM) – STENTS

<i>Code VZP CR*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
STENTS							
48465	2014	5,907.27	27,205.31	21,298.04	360.5	1 supplier	2 hospitals
	2015	5,907.27	10,000.34	4,093.07	69.3	1 supplier	2 hospitals
	2016	5,907.27	10,000.00	4,092.73	69.3	1 supplier	2 hospitals
54412	2014	16,374.55	59,392.75	43,018.20	262.7	1 supplier	2 hospitals
	2015	9,189.99	24,001.00	14,811.01	161.2	1 supplier	2 hospitals
	2016	9,189.99	18,002.40	8,812.41	95.9	1 supplier	2 hospitals
94623	2014	18,682.79	43,063.13	24,380.35	130.5	1 supplier	2 hospitals
141767	2015	12,391.87	14,628.00	2,236.13	18.1	2 suppliers	2 hospitals
	2016	9,963.86	14,628.00	4,664.14	46.8	1 supplier	2 hospitals
151916	2015	23,999.99	42,665.00	18,665.01	77.8	2 suppliers	2 hospitals
151942	2016	11,449.46	17,999.99	6,550.53	57.2	2 suppliers	2 hospitals
152051	2016	17,244.25	18,002.40	758.15	4.4	2 suppliers	2 hospitals
152255	2015	17,999.99	24,000.01	6,000.02	33.3	1 supplier	2 hospitals
	2016	11,449.46	18,002.55	6,553.09	57.2	1 supplier	3 hospitals
192278	2015	21,999.50	23,161.00	1,161.50	5.3	2 suppliers	2 hospitals
	2016	17,102.21	18,002.44	900.23	5.3	2 suppliers	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* VZP CR code – the code is assigned by the General Health Insurance Company of the Czech Republic (VZP) according to the valid methodology, this code is a unique identifier of the relevant medical device (SCM).

Annex 9 to Audit Conclusion 16/28 – Funds spent by selected hospitals to cover costs of activities

Medical devices (SCM) – CATHETERS

<i>Code VZP CR*</i>	<i>Year</i>	<i>Lowest purchase price (in CZK/unit)</i>	<i>Highest purchase price (in CZK/unit)</i>	<i>Difference in CZK</i>	<i>Difference in %</i>	<i>Supplier</i>	<i>Hospital</i>
CATHETERS							
94086	2014	5,996.30	15,937.72	9,941.42	165.8	1 supplier	2 hospitals
	2015	2,450.00	15,937.72	13,487.71	550.5	1 supplier	2 hospitals
	2016	2,450.00	8,536.55	6,086.55	248.4	1 supplier	2 hospitals
151943	2015	2,300.00	8,536.55	6,236.55	271.2	1 supplier	2 hospitals
	2016	2,300.00	8,536.55	6,236.55	271.2	1 supplier	2 hospitals

Source: Annexes to individual audit protocols of the audited hospitals (according to invoices).

* VZP CR code – the code is assigned by the General Health Insurance Company of the Czech Republic (VZP) according to the valid methodology, this code is a unique identifier of the relevant medical device (SCM).