Ensuring Transparency, Fairness, and Accountability over All Healthcare System Partners in Ontario

Brief submitted for public hearings on Bill 160:

An Act to amend, repeal and enact various Acts in the interest of strengthening quality and accountability for patients

November 2017
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Summary

“MEDEC supports the Ontario government’s objectives towards greater transparency in health care. We look forward to our continued collaborative work with the government to ensure that these objectives are achieved, while at the same time increasing patient access to innovations through initiatives such as shifting to value-based procurement in health care.”

- Brian Lewis, President and CEO, MEDEC

MEDEC is the national association representing the medical technology industry in Canada. We represent over 100 medical technology companies who are committed to providing safe and innovative products and solutions that help save the lives of patients by improving the accuracy of diagnoses, enhancing treatments options, reducing long-term disabilities and helping to provide better medical care.

Covering a wide range of clinical arenas – medical technology examples include pacemakers, artificial heart valves, hip implants, synthetic skin, scalpels and medical laboratory diagnostic technologies. Medical technologies help save lives, enable better patient outcomes, and help contribute to health system savings and the sustainability of our health care system.

MEDEC recognizes the importance of ensuring transparency and accountability in Ontario’s health care system. MEDEC is committed to ensuring fairness, transparency and supporting ethical behaviour in interactions between the medical technology industry and health care providers.

As such, MEDEC is committed to working collaboratively with provincial and federal governments to ensure confidence in the integrity of the healthcare system and in supporting an open, collaborative and innovative medical technology sector in the best interest of patients.

MEDEC would like to bring some additional issues to the attention of legislators reviewing Bill 160 in relation to the need for transparency over buying groups that undertake the majority of the purchases of medical technologies in the province.

Key differences exist in the purchasing of medical technologies in contrast to the prescribing of pharmaceuticals. As opposed to pharmaceuticals, which are mainly prescribed by a physician, the purchasing of medical technologies in Ontario is done through a fragmented system that includes:

- Group purchasing done through regionally-based Shared Service Organizations (SSOs) or nationally-based Group Purchasing Organizations (GPOs). Purchases made through these groups account for the majority of medical technology purchases made in the province.
- Direct purchasing through hospitals and other health care providers (either individually or jointly)
- Centrally through publicly managed buying programs (ministries buying through Ministry of Government and Consumer Services (MGCS) enterprise Vendor of Record program)

In 2014, MPPs on the Ontario Standing Committee on Social Policy – in the “Diluted Chemotherapy Drugs” report – made a number of recommendations aimed at closing some gaps to ensure transparency and accountability in health care sector purchasing and organizations that participate in this process that function independently from the Ontario government (such as SSOs and GPOs).

As noted in the Ontario Standing Committee on Social Policy “Diluted Chemotherapy Drugs” report, in relation to GPOs and SSOs:

“Large amounts of public money are involved in these transactions, all of which are conducted without public oversight.”

“…the Committee believes that there is a need for greater openness and transparency in the way these bodies operate in the province of Ontario…”

MEDEC believes that an opportunity exists to strengthen the legislation and include provisions that would increase the degree of transparency and accountability over the primary decision makers of which medical technologies are purchased and used on patients every day in our healthcare system.

MEDEC would like the government to consider our recommendations, which we believe would strengthen the public trust in our health care system, and are aligned with the spirit of Bill 160 which seeks to enhance transparency and accountability over individuals and organizations that work hard every day to improve patient care, enhance patient safety and provide greater value to Ontarians.

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About MEDEC

MEDEC is the national association representing the medical technology industry in Canada. We represent over 100 medical technology companies who are committed to providing safe and innovative products and solutions that help save the lives of patients by improving the accuracy of diagnoses, enhancing treatment options, reducing long-term disabilities and helping to provide better medical care.

For over 40 years, MEDEC has worked and collaborated with governments, health care providers and patients to improve the health of Canadians and create a sustainable health care system.

MEDEC members provide devices, instruments, equipment, supplies, applications and many other innovations that are used every day to diagnose, treat and enhance the quality of life of patients in Canada and around the world. These technologies translate into many benefits, including early diagnosis and more accurate and less invasive procedures, which lead to faster recovery, reduced hospital stays, better treatment options, and decreased wait times. In addition to providing better health outcomes, these technologies also provide substantial value and make significant contributions to the development of Canada’s health care system.

We want to improve the performance of health care to ensure patient well-being, and we strive to promote the growth of our industry in Canada and Ontario. To do so, we focus on access to proven and safe technology and medical innovations, which are often developed in Canada by our member companies.

MEDEC would like to focus our submission and recommendations in 3 areas:

1) Increased transparency and government oversight over the finances and accountabilities of purchase decision-making organizations (not captured by the current legislation)

2) Guiding principles that should be used to implement the existing intent of Bill 160 in relation to financial interactions between industry and health care professionals, organizations and other recipients (Health Sector Payments Transparency Act, 2017)

3) Minor technical issues to address a gap in relation to “licensees” of energy applying and detecting medical devices (Oversight of Health Facilities and Devices Act, 2017)
Health Innovation in Ontario

Over the last few years, the Ontario government has become a leader in Canada in relation to Health Innovation initiatives.

In November 2013, then Minister of Health and Long Term Care Deb Matthews, and Minister of Research and Innovation Reza Moridi, appointed the Ontario Health Innovation Council (OHIC) – whose mandate was to provide a report to the government with tangible recommendations that would achieve the following three strategic goals:

- Facilitate technological innovations that promote health and well-being, improve access to health and health services, deliver effective, efficient, quality care
- Strategically use the purchasing power of the province and broader public sector to accelerate the growth of the health technology sector
- Expand the adoption of innovative new technologies more broadly across the health care sector (e.g., including in hospitals, but also in home- and long-term care settings).

On December 19th, 2014, OHIC publicly released their report, “The Catalyst: Towards a Health Innovation Strategy”, to the government. The report contained six highly innovative and practical recommendations. These are the headings of each recommendation:

1. Establish an Office of the Chief Health Innovation Strategist
2. Appoint Innovation Brokers to Connect Innovators with Resources
3. Invest in Made-in-Ontario Technologies
4. Accelerate the Shift to Strategic, Value-Based Procurement
5. Create Incentives and Remove Barriers to Innovation
6. Optimize the Pathways to Adoption and Diffusion of Innovation

In May of 2015, the Ontario Government announced that it would be adopting all six of the recommendations of the Ontario Health Innovation Council, including an additional $20M to create the Health Technology Fund program in Ontario.

In September of 2015, the Ontario Government hired Bill Charnetski, serving as the first ever Chief Health Innovation Strategist in Ontario. His role includes the responsibility of implementing the remaining 5 recommendations of the Ontario Health Innovation Council.

In April 2016, as part of the Ontario governments' work on developing a Healthcare Sector Supply Chain Strategy, the Ontario government announced a Healthcare Sector Supply Chain Strategy (HSSCS) Expert Panel to provide advice and recommendations to the government – as part of an effort to support moving forward with recommendation #4 of the Ontario Health Innovation Council (Accelerate the Shift to Strategic, Value-Based Procurement)

MEDEC – and many other healthcare partners and stakeholders – were highly supportive of the Ontario Health Innovation Council recommendations. MEDEC is also highly supportive of the Expert Panel recommendations.

To date, the government has not yet announced that it is planning to adopt the recommendations of the Expert Panel, however we know they are working hard to review the recommendations and develop a path forward to achieve a better healthcare sector supply chain strategy in Ontario.

We believe that the Expert Panel identified many of the key areas that need to be addressed with regards to healthcare supply chain and procurement in Ontario, in order to transform patient care, while improving the efficiency of our healthcare system through the better adoption of innovative medical technologies into the system.

Currently SSOs and GPOs function in a highly independent and autonomous way from the government itself. And yet, these organizations are essential partners in the healthcare system.

At the same time, the Ontario government has invested significant time and effort into improving health innovation in Ontario and helping our health system take better advantage of the benefits that medical technologies bring to patients and to the healthcare system.

SSOs and GPOs are essential partners in the health care system and the government should ensure that steps are taken to acknowledge the significant role they play, and facilitate better alignment with the strategic direction of the Ontario governments’ health care system improvement objectives.

Bill 160 is an opportunity to do so by formally establishing SSOs and GPOs as broader public sector organizations – and by enhancing the partnership between buying groups and the Ontario government.

As such, this would enhance the ability of the Ontario government to further all of their ongoing great work in health innovation and they would be able to do so through a strong partnership with SSOs and GPOs which would be subjected to the same high standards of transparency and accountability that is the original intent of Bill 160.
Why are Medical Technologies Different than Pharmaceuticals?

To understand the relationship between Bill 160, and our MEDEC recommendations – that purchasing groups should be held to the same level of transparency and accountability as physicians, industry and other healthcare system partners – it is important to understand the differences between the way pharmaceuticals are adopted into the healthcare system and the way medical devices are adopted and ultimately used to treat Ontario patients.

As stated earlier in this submission – pharmaceuticals are primarily prescribed by physicians and other clinicians. Prescribers are the “front lines” and primary decision makers of which drugs get used by which patients.

For medical technologies, it is a far more complex system. While clinicians play an important role in the adoption of some medical technologies – SSOs and GPOs play the primary role in those decisions. They are responsible for evaluating, contracting and determining which companies’ medical technologies are used in the healthcare facilities that they represent.

As such, it is important that the same level of public trust can be placed in those organizations. Significant revenues though “rebates and value-adds” are used to finance the operations of SSOs and GPOs – with no government or public transparency as to how those funds are used and managed on a day to day basis.

With the application of Bill 160 to the medical device industry, MEDEC believes that in order to realize its intent – the ultimate goal of ensuring that patients and the public can place their trust in our healthcare system and its providers – buying groups need to be acknowledged and legislated as integral partners in the healthcare system.
Section 1: Transparency and Oversight over Purchase Decision Making Organizations

MEDEC understands the importance of maintaining public trust in the organizations and people delivering vital healthcare services, and is a committed partner with the public sector in supporting openness and transparency.

As an association representing medical technology companies across Canada, MEDEC believes strongly in creating an environment that supports collaboration and innovation to foster high quality patient care. This can only be done when there is trust, transparency and a mutual commitment to fairness in how activities are conducted, with a focus always on supporting practices that reinforce patient safety and the best quality of care for all Canadians.

MEDEC has had a long history of involvement with government and other stakeholders in supporting initiatives for ethical conduct, including establishing an industry Code of Conduct more than 10 years ago, and collaborating to develop best practices for tendering, site visits and many other interactions. Such collaborations reflect the value of industry engagement to support transparency, recognizing the importance of facilitating appropriate interactions between medical technology companies and health services providers to advance patient care, while maintaining integrity and ethical conduct.

As such, MEDEC believes that there is an important and timely opportunity to work with the Ontario government to ensure that the intent of the transparency initiatives outlined in Bill 160 are extended to healthcare purchasing organizations, and that important reforms are implemented to ensure that organizations and individuals that are the primary purchasing decision makers of health technologies, have the necessary public transparency, accountability and government oversight to ensure that the best decisions are being made in the interest of patients and Ontarians.

The evolution of Ontario’s current health care purchasing system is as follows:

“In the 1990s, healthcare organizations in Ontario began efforts to leverage their collective buying power to negotiate lower prices. Two national group purchasing organizations (GPOs) for healthcare, HealthPRO and MedBuy, grew from these early collaborations and activities gaining economies of scale through large-scale tendering. A specialized group purchasing function was also created within the St. Joseph’s Health System of Hamilton in 1992 that focused on two main streams of procurement activity, capital equipment, and food and nutrition. Generally, GPOs negotiate contracts and prices for selected goods and services.
Further supporting the shift towards group purchasing, the provincial government introduced the OntarioBuys program starting in 2005. This initiative supported the expansion and creation of nine independent healthcare Shared Service Organizations (SSOs) throughout the province. The SSOs provide sourcing and procurement functions such as negotiating contracts, placing orders, receiving goods and products and paying invoices for their members. In addition, SSOs also retain membership in the GPOs to access greater buying power.”

“NOTE: In the last year, mergers and partnerships between some of the SSOs and GPOs took place, which has reduced the total number of GPOs and SSOs operating in Ontario.

While the creation of GPOs and SSOs has transformed the medical technology purchasing environment in Ontario, we are unable to determine the potential value or financial benefits that these organizations have brought to the system – mostly due to the lack of government oversight over these organizations.

We have seen very clearly the risks in the past of the gap in transparency, oversight and accountability of SSOs and GPOs, which was demonstrated by the 2013 Diluted Chemotherapy Drug issue. As stated by MPP France Gélinas, a member of the Standing Committee on Social Policy that examined and submitted a report on the issue

"We tried really hard to follow the money," Ms. Gélinas said. "It was impossible to see where the money went back, was it used for patient care – I have no idea."³

We are also currently seeing other provinces in Canada, such as Quebec, addressing these issues through legislation that gives the Minister of Health authority over health care group purchasing organizations and providing recourse mechanisms for procurement participants.

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Part 1: Transparency over Financial Accountabilities (not captured in the current legislation)

Most Shared Services Organizations (SSOs) in Ontario function as not-for-profit, hospital governed purchasing groups – however their exact structure and governance model is not publicly known.

Additionally, SSOs do not currently have direct oversight from the government, and lack integral “connectivity” to be acknowledged as healthcare system partners. The Ontario government has no real authority to review their finances, implement and suggest best practices, and work in partnership to offer the Ontarians assurances that they are operating in a transparent and financially accountable way to Ontario taxpayers and patients.

The province of Quebec has recognized this gap and is taking measures to change this.

The government of Quebec recently passed Bill 130 which, among other things, gives the Health Minister direct oversight for healthcare “Joint Purchasing Groups” (Quebec’s GPOs), which includes:

- making all joint procurement groups “enter into a management and accountability agreement with the Minister” …which includes financial and other reports that the organizations must file with the Minister
- It also allows the Minister to determine “standards” for joint purchasing groups and “general terms governing the financing” of their activities

Recommendation: MEDEC recommends that Bill 160 provide the Ontario Minister of Health and Long-Term Care with authority and oversight over GPOs and SSOs that operate in the province.

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Part 2: Rebates and Value Adds

Almost all GPOs and SSOs include requests for volume based rebates in their Request for Proposal (RFP) documents. It is usually made very clear to suppliers that the potential dollar value of any rebates will be factored into the scoring of the proposal.

A value-add is a product, service, or funding of any nature that is solicited in a tender or offered by a supplier company as part of a tender response at no additional charge or on concessionary terms.

Mandatory rebates and value-adds create the perception that companies are expected to purchase the awarding of a contract through providing a financial gain to the purchasing organization that negotiates the contract.

In our opinion, these requests raise ethical and legal issues – to the extent that some suppliers (including those subject to the U.S. Foreign Corrupt Practices Act) may refuse to run the risk of accepting these conditions. It is important that these amounts are subject to the sound management/governance that we expect from the public sector. Since these mandatory rebates apply to all suppliers starting from the first dollar of sales, we can imagine that this amount is then at least partially included in the price, similar to a tax.

The revenues from the rebates typically go directly to the GPO or SSO. The public should be assured that there is strong financial oversight from the government as to what happens to this money.

As such, MEDEC believes that value-adds should always be optional (not mandatory) and should only be directly related to the product being procured in the tender. This would ensure that there are no misaligned incentives for the awarding of a contract and the purchasing of a particular medical technology. This would help keep the public trust in industry and purchasing groups intact.

It is MEDEC’s position that medical technology companies should not be expected to buy business, or be perceived to be buying business through a value-add or in any other form of transactional relationship. There should be no unlawful inducement through unrelated or indirect grants or donations.

*For additional information, please see the MEDEC position paper “Value-Adds in Competitive Tendering”.*

**Recommendation:** MEDEC recommends that rebates and value-adds should always be optional (never mandatory) and that any request for a value-add should be related to the product(s) or service(s) requested in the tender.

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Part 3: Employee and Executive Salaries

When SSOs began in Ontario, most organizations acted as members of the “Broader Public Service” and reported their salaries publicly as per the Public Sector Salary Disclosure Act, 1996. However, over the last few years it has been noted that many (if not most) of these organizations are no longer required to do so.

In a March 31, 2017 article in the Hamilton Spectator about the Sunshine List disclosure it was noted that:

One health-care organization disappeared from the list altogether. Mohawk Shared Services Inc., which is owned by a consortium of hospitals in Ontario, disclosed roughly $1.9 million in salaries in 2015 but nothing for 2016. Among its services are laundry and bulk buying for hospitals. A statement from the company says it “did not fall within the policy parameters of the Public Sector Salary Disclosure Act as set out by the Ministry of Finance”.

Over concern about the lack of transparency over health care purchasing groups, the Ontario government Standing Committee on Social Policy in its Diluted Chemo Drug report recommended that “the salaries of employees and executives of group purchasing organizations and shared services organizations are reported under the Public Sector Salary Disclosure Act, 1996”.

Recommendation: MEDEC recommends that all Shared Service Organizations (SSOs) and Group Purchasing Organizations (GPOs) be subject to the Public Sector Salary Disclosure Act, 1996.

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Part 4: Audits

A significant amount of time, effort and money has been put into group purchasing initiatives in healthcare, with a primary goal of saving money on the price of products that are being purchased. However, there is no direct line of sight by the Ontario government as to whether or not these efforts have resulted in financial benefit for the healthcare system and, if so, whether or not that money has made it back into the system to be reinvested into better patient care.

Again, the Ontario government Standing Committee on Social Policy noted:

“...the Committee believes that there is a need for greater openness and transparency in the way these bodies operate in the province of Ontario...”

The committee recommended that group purchasing organizations and shared services organizations be subject to audits by the Office of the Auditor General of Ontario.

A recent Ontario Government Healthcare Sector Supply Chain Strategy Expert Panel Report also highlighted that group purchasing efforts should be “rooted in stable, accountable and transparent business practices”.

In the same spirit that Bill 160 seeks openness and transparency in financial transactions between industry and health care providers, the Ontario government should seek the same level of public trust through transparency over the finances of organizations responsible for contracting and spending millions of dollars of taxpayer money.

Recommendation: MEDEC recommends that Group Purchasing Organizations (GPOs) and Shared Service Organization (SSOs) become subject to Audits by the Auditor General of Ontario.

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Part 5: Third-Party Dispute Resolution for Health Care Procurement

In order to ensure fairness, transparency and accountability for taxpayers and patients, MEDEC believes that third-party oversight is required for purchasing groups in health care.

Currently there is no third-party mechanism in place to ensure that the purpose and principles of the government legislative purchasing directives are complied with, which diminishes the effectiveness and original intent of the directives. When there is any issue or a challenge to the process or decisions of GPOs and SSOs, suppliers must take their challenge to the very organization that made the decision in the first place. It is unfair to both medical technology companies and to SSOs and GPOs to be put into the position of lacking the ability to have, and perception that, a fair third party arbiter is mitigating compliance with legislated purchasing directives in Ontario.

The benefits of having a third-party process for resolving disputes regarding the procurement activities of GPOs and SSOs in the health care sector are:

- Improved accountability and transparency for procurement decisions and processes
- Maximizes the value from the use of public funds
- Ensures a fair process for suppliers
- Improves patient care

Through its Broader Public Sector (BPS) Procurement Directive, the Ontario government has demonstrated a commitment to improving accountability and transparency for procurement decisions and processes, and maximizing the value that broader public sector (“BPS”) organizations receive from the use of public funds. However, beyond providing that “competitive procurement documents must outline bid dispute resolution procedures”, the Directive provides little guidance on how BPS organizations are to be held accountable for their decisions.

The government of Quebec – through the proposed Bill 108 “An Act to facilitate oversight of public bodies’ contracts and to establish the Public Market Authority” – is making changes to all public procurement in Quebec, to ensure proper 3rd party oversight.
The government of Quebec has decided to create a new body in charge of public markets surveillance – the Public Market Authority (AMP in French):10

- The powers and responsibilities of AMP are wide and encompass almost all public contracts, including (but not limited to) health.
- This type of model is much needed in terms “having a place to go” if there are procurement challenges and having “third party oversight” over public procurement.

MEDEC has previously proposed a solution in Ontario through our February 2016 position paper “Third-Party Review Process for Procurement in Ontario”11.

**Recommendation:** MEDEC recommends that the government set up a third-party arbiter for purchasing decision and process dispute resolution in Ontario.

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Section 2: Guiding Principles for Transparency over Interactions between Industry and Health Care Providers (Health Sector Payments Transparency Act, 2017)

MEDEC members have experience from jurisdictions all over the world on how governments are supporting transparency around industry and healthcare provider interactions. Observations from other jurisdictions are helpful in understanding how Canadian governments at all levels can ensure they are appropriately addressing ethical behavior here at home.

In regulation, MEDEC would like to work with the Ontario government to focus on the following guiding principles that can be drawn based on global trends and observations:

1) Ensure measures to support transparency are based on evidence and in alignment with provincial imperatives
2) Confirm what is appropriate in terms of scope
3) Build Upon Collaboration
4) Foster Positive Impact on Patient Care
5) Review and Update

MEDEC has a robust position paper that can be used as a guide during the implementation phase of the regulations.12

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Part 1: Ensure Measures to Support Transparency are based on Evidence and in alignment with Provincial Imperatives
In looking at actions to support transparency, be clear on what problem is to be solved and align the actions with the outcomes desired. It will be important to avoid unintended impacts on innovation and economic growth, privacy legislation, procurement requirements and patient care.

Part 2: Confirm what is Appropriate in terms of Scope
Ensure the actions capture the specific areas of interest where there is concern to avoid casting a wide net with unintended impacts. As such, consideration should also be given to ensure proposed actions align with provincial and federal procurement policies and procurement/tender requests to support healthcare system needs around areas such as education, training and research. In addition, it is important to leverage existing transparency initiatives and enhance others where evidence indicates to ensure the right activities are captured, in an efficient manner for both industry, health care providers and government.

Part 3: Build Upon Collaboration
Involve industry and other stakeholders actively to get the best insight on the current landscape, interdependencies and potential consequences of proposed actions. It is important to build on existing Code of Conduct initiatives, share best practices, lessons learned both here and globally in enhancing transparency to ensure confidence in the approach government takes.

Part 4: Foster Positive Impact on Patient Care
Don’t create barriers to innovation for patients, or try to solve one problem and create another. A critical part of any enhancements to transparency will be ensuring appropriate communication to ensure industry, health care providers and even patients understand why change is happening, why it is important and what will be the path forward.

Part 5: Review and Update
Ensure any policies or actions are reviewed regularly to confirm the outcomes are appropriate, and revise as needed to improve them. In particular, reviews should ensure that limits are reasonable, reporting and monitoring requirements are simple, easily enabled and minimize costs for both government and vendors, clinicians are able to access the education and training they need to use medical technology appropriately, innovation opportunities are not lost (research, clinical trials, product development, early access to emerging technology), patients are able to access medical technologies in an efficient and effective way, and privacy and professional practice are respected.

Recommendation: MEDEC recommends that the government should set up an implementation working group to bring industry and healthcare providers to the table to help determine appropriate scope, timelines and parameters that will be set in regulation for the Bill.
Section 3: Oversight of Health Facilities and Devices Act, 2017

Changes in Bill 160 in relation to the “Oversight of Health Facilities and Devices Act, 2017” potentially cause some unintended issues with Vendor demonstration units with the current way the legislation is written.

Part 1: Vendors and Demonstration Equipment
Bill 160 expands the requirement for registration from only diagnostic equipment that releases ionizing radiation (X-Rays, CT Scanners) to all diagnostic imaging equipment that releases energy of any kind (Ultrasound, MR, Nuclear Medicine, PET scanners).

Our industry believes that for the majority of equipment, registration is a worthwhile goal. However, the combination of expanded registration with the lack of a vendor exemption for demonstration units creates a significant, unnecessary regulatory burden for suppliers.

The “Healing Arts Radio Protection Act, 1990” (HARP Act) currently defines the owner as:

“owner”, when used with reference to an X-ray machine, means the owner or other person who has the management and control of the X-ray machine; (“propriétaire”)

In discussions with the Inspectorate, we have received confirmation that they currently define vendors as “owners” under the HARP Act for the purposes of registration. However, this only applies to X-ray equipment.

In Bill 160’s interpretation section (part 1), Licensees are defined similarly to the way “Owners” are defined in the HARP Act.

“licensee” means,

(a) in respect of a community health facility, the holder of a licence to operate the facility, and

(b) in respect of an energy applying and detecting medical device in respect of which a licence has been issued, the owner or other person having management and control of the device; (“titulaire de permis”)

In short, vendors will have to register each demonstration device. The Inspectorate has confirmed that this is their tentative interpretation. MEDEC believes that this is an unnecessary, unintended impact of the wording of the legislation.

Recommendation: MEDEC recommends that the following additional clause be inserted, stating: “A vendor of EADMDs, selling an EADMD that has been licensed by Health Canada, and demonstrating or loaning that EADMD for the purposes of sales to either community health clinics or the broader Ontario Health System, is exempt from licensing requirements for the purposes of that unit.”
Part 2: Ultracompact Ultrasound Probes

Ultrasound technology has been getting more compact in recent years. In fact, the FDA recently approved the first ultracompact ultrasound probe which works in conjunction with a commonly available smartphone as a monitor.

These probes offer very significant benefits – they are very safe, exceptionally mobile and much cheaper than traditional Ultrasound technologies. They can offer exceptional benefits in places like Northern Ontario, where there is a significant diagnostic imaging deficit.

Some key companies in this environment are concerned that the expansion of registration to such technologies could significantly slow down the uptake of these devices, specifically in communities that need them most.

Recommendation: MEDEC recommends that the legislation establishes an exemption of registration for “portable Ultrasound technology”, and establishes a list in the regulations through Incorporation by Reference so that, as new technologies are developed, the list can be easily updated.
Conclusion

MEDEC is supportive of the Ontario governments’ push for greater transparency in health care and we look forward to working collaboratively with the government on the implementation of the initiatives put forth in the Health Sector Payments Transparency Act.

This legislation provides an excellent opportunity for the government to also significantly enhance the transparency of critical players (GPOs and SSOs) who bear the responsibility of the majority of medical technology purchases in Ontario. Recommendations to enhance the transparency of these entities were put forth by MPPs on the Standing Committee on Social Policy in their 2014 report following the chemotherapy under dosing issue, and can be further enhanced through adopting recent initiatives in other jurisdictions such as those taking place in the province of Quebec.

As outlined in this submission, purchasing groups should be considered essential partners in the healthcare system, and should be legislated accordingly in an effort to offer the same standards of public trust being offered to clinicians and health system partners through Bill 160.

Bill160 also provides an opportunity for the medical technology industry and the Ontario government to work closely together to ensure that best practices and lessons learned from other jurisdictions are incorporated into the regulations of this legislation with regards to health sector payments and transparency initiatives.

MEDEC would like to thank the Ontario government for taking the time to consider our recommendations, and for the strong, collaborative positive relationship the government continues to foster with the medical technology industry.

Enhancing transparency and accountability in Ontario’s health care system has the potential to improve patient care, enhance patient safety and provide greater value to Ontarians. MEDEC looks forward to our continued work and partnership with the Ontario government to achieve these common goals.
List of recommendations

Section 1 Recommendations
(Transparency and Oversight over Purchase Decision Making Organizations)

1. MEDEC recommends that Bill 160 provide the Ontario Minister of Health and Long-Term Care with authority and oversight over GPOs and SSOs that operate in the province.

2. MEDEC recommends that rebates and value-adds should always be optional (never mandatory) and that any request for a value-add should be related to the product(s) or service(s) requested in the tender.

3. MEDEC recommends that all Shared Service Organizations (SSOs) and Group Purchasing Organizations (GPOs) be subject to the Public Sector Salary Disclosure Act, 1996.

4. MEDEC recommends that Group Purchasing Organizations (GPOs) and Shared Service Organization (SSOs) become subject to Audits by the Auditor General of Ontario.

5. MEDEC recommends that the government set up a third-party arbiter for purchasing decision and process dispute resolution in Ontario.

Section 2 Recommendation
(Guiding Principles for Transparency over Interactions between Industry and Health Care Providers)

6. MEDEC recommends that the government should set up an implementation working group to bring industry and healthcare providers to the table to help determine appropriate scope, timelines and parameters that will be set in regulation for the Bill.

Section 3 Recommendations
(Oversight of Health Facilities and Devices Act, 2017)

7. MEDEC recommends that the following additional clause be inserted, stating: “A vendor of EADMDs, selling an EADMD that has been licensed by Health Canada, and demonstrating or loaning that EADMD for the purposes of sales to either community health clinics or the broader Ontario Health System, is exempt from licensing requirements for the purposes of that unit.”

8. MEDEC recommends that the legislation establishes an exemption of registration for “portable Ultrasound technology”, and establishes a list in the regulations through Incorporation by Reference so that, as new technologies are developed, the list can be easily updated.