



CANADA'S MEDICAL TECHNOLOGY COMPANIES
LES SOCIÉTÉS CANADIENNES DE TECHNOLOGIES MÉDICALES

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Hon. Victor Fedeli, Minister of Finance
Frost Building South
7th Floor, 7 Queen's Park Crescent
Toronto, Ontario
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MEDEC 2019 Budget Submission

Dear Minister Fedeli,

Medical technologies diagnose and treat patients with varying health needs. These devices can range from simple technologies, such as a basic thermometer, to very complex ones, such as a laser surgical device or implantable pacemaker. Medical technologies contribute to improved patient outcomes every day. They save lives, improve productivity to keep people at work and add to people's quality of life.

The Ontario health care system invests billions of tax dollars each year, but we still don't have the health care system we need to have optimal patient outcomes – especially considering the amount of money spent. Hospital over-crowding, long waits for medical tests or surgeries, confusion for patients about their treatment options, lack of electronic medical records, no access to new procedures and medical treatments that are successful in other countries or provinces – are all among the issues that plague our health care system daily, negatively impacting patients' experiences with the health care system and patient outcomes.

At the same time, we need to grow the economy in Ontario and focus on the industries of the future – not the jobs of the past. In a province where companies like GM are closing manufacturing plants, we need to change the momentum and figure out how to replace those manufacturing jobs and provide diverse job opportunities like research & development, distribution, supply chain, engineering, and many other areas that the medical technology industry offers.

The Doug Ford government has made clear its focus on Ending Hallway Medicine and making Ontario Open for Business. To be successful, the government should be working directly with the medical technology industry to grow the sector and drive value-based innovation in health care.

Ending Hallway Medicine

- MEDEC members create the medical technologies that can help to end hallway medicine by enabling:
 - Reduced Wait Times
 - Lower hospital re-admissions
 - Care at home
 - Shorter post-surgery recovery times
 - The use of health care data to make the system more efficient
- Medical technology must be embraced and used appropriately if we want to end Hallway Medicine

Reducing Red Tape

- Medical technologies are primarily purchased through group purchasing organizations called “Shared Services Organizations” (SSOs) in Ontario.
- There a number of regionally based SSOs in Ontario
- Each SSO has its own processes, and methods of procuring medical technologies
- There is currently no direct government oversight over SSOs, which is an impediment to streamline these processes
- With no direct government oversight, SSOs are not accountable to taxpayers
- Their finances are not transparent and their employees do not appear on the Sunshine List, despite these groups spending millions of public dollars each year
- SSOs often focus on buying medical technologies at the “cheapest price” instead of buying technologies that deliver better patient value or save money across the continuum of our health care system
- Procurement reform in health care should be a priority for the Doug Ford government

Open for Business

- The medical technology sector is part of the Life Sciences industry in Ontario
- We employ thousands of people in a variety of jobs – including research & development, manufacturing, and many others – providing a wide range of employment opportunities for Ontarians
- Unlike many other sectors, the success and growth of the sector is closely connected to our publicly funded health care system
- The government needs to work with the sector in order to better understand how to grow the industry and create good jobs for Ontarians
- We need to support opportunities to highlight the Life Sciences industry—and especially the Ontario’s innovative medical technology industry— to the rest of the world

To that end, MEDEC provides the following recommendations:

- 1) Medical Technology should be at the forefront of the strategy to End Hallway Medicine and to improve patient care in Ontario**
- 2) Health Care Procurement should be reformed in Ontario to focus on better patient outcomes and to walk the talk about being Open for Business**
- 3) The Ontario Government needs to focus on growing the Medical Technology Sector in Ontario by:**
 - a. Working with Stakeholders to develop an Ontario Lifesciences Strategy**
 - b. Supporting and showcasing Ontario’s leadership by bringing new investment to Ontario at The Medtech Conference 2019 (in Boston) and The Medtech Conference 2020 (in Toronto) – the largest medical technology conference to ever come to Canada.**

Rationale and Background Information

- 1) Medical Technology should be at the forefront of the strategy to End Hallway Medicine in Ontario to improve patient care:
 - The Ontario Government is currently developing a strategy to End Hallway Medicine in Ontario
 - MEDEC and its members should be working with the Ontario Government to suggest technologies and innovations that can help
 - MEDEC and its members should be engaging with the Ontario Government on a regular basis to work together to remove barriers that prevent medical technologies that help end hallway medicine from getting into the healthcare system

- 2) Health Care Procurement should be reformed in Ontario for the benefit of patients and to show that Ontario is Open for Business:
 - There should be a review and streamlining of the Broader Public Sector (BPS) Directives to reduce red tape and burdensome processes and procedures
 - Shared Services Organizations (SSOs) should have direct oversight from the Ontario Government
 - The finances of SSOs should be transparent, and audited by the Ontario Auditor General
 - Employees of SSOs should be part of the Ontario Sunshine List
 - Ontario should utilize Value-Based Procurement to deliver better patient outcomes, improve system sustainability and get better value for each dollar spent.

- 3) The Ontario Government needs to focus on growing the Medical Technology Sector which will improve patient outcomes, contribute to health system sustainability and grow Ontario's economy by:
 - a. Creating a forum to work with stakeholders such as MEDEC, Life Sciences Ontario (LSO), the Council of Academic Hospitals of Ontario (CAHO), the Ontario Chamber of Commerce (OCC) and Clinical Trials Ontario (CTO) to develop an Ontario Lifesciences Strategy
 - The Life Sciences industry presents the largest economic growth opportunity in Ontario
 - As a sector that contributes \$38.5 billion to the province's GDP and ranks among the top clusters in North America, the economic growth potential for Ontario life sciences is enormous.
 - We have the science, talent, and infrastructure to grow globally-competitive companies and create high-value jobs for Ontarians.
 - To create and sustain these success stories, we need a roadmap and a forum to bring together all the key stakeholders in the sector

 - b. Attending and supporting The Medtech Conference 2019 and The Medtech Conference 2020, by making a minimum investment of \$150,000 into the conference in 2019 to showcase Ontario as desired location for medical technology company investment and expansion, and plan to budget for an investment and promotion of Ontario being Open for Business into the 2020 conference*
**see additional information next page*

Ontario's Presence at the 2019 AdvaMed MedTech Conference

The United States medtech market is important for Ontario companies. It is the world's largest medical device market and it shows no signs of slowing. The US medical device industry was valued at US\$147.7 billion in 2016 and is projected to grow significantly through 2019, when it should increase to US\$173 billion. Ontario companies focus on this market.

In the past, Ontario has had a significant presence at the conference. Canada had the largest International Delegation with approximately 140 Canadian participants in 2018. Each year Ontario provides support for Canadian companies to attend the conference via a trade mission. In 2017 & 2018 support was provided through the Ministry of Economic Development, Job Creation and Trade.

In addition, in 2017, Ontario was a sponsor at the conference. That sponsorship included, exhibit space, speaking opportunities, medtech C-suite level meeting opportunities, exclusive niche event sponsorship, several complementary conference registrations, and partnerships with the Quebec and Federal governments to promote the Canadian medtech industry and ecosystem. Several Ontario government investment/economic development staff attended the event. The Ontario investment was approximately \$100,000 USD (\$130,000 CAD), which included a gold-level sponsorship package.

The Quebec government is supporting the AdvaMed MedTech Conference. In the past two years, Quebec has invested approximately \$100,000 USD (\$130,000 CAD) per year in support, including the presence of Quebec government officials. Quebec will have a significant presence in 2019 as well (Quebec matches its investment in the MedTech Conference to its investment in the BIO conference).

In fall 2020, the AdvaMed MedTech conference will be held in Toronto (the first time the conference is being held outside of the US). In 2018, this 3-day event hosted more than 1000 MedTech companies, 3000 thought leaders and entrepreneurs and 730 exhibitors from the healthcare-medtech industry from 35 countries. Through this event, Ontario has an unparalleled opportunity to showcase the Ontario-based medtech industry, research capabilities and medtech ecosystem to the global industry.

<http://blog.themedtechconference.com/the-medtech-conference-heads-to-toronto-in-2020>



Understanding the Value of Medical Technology

The following videos provide some examples of how Medical Technologies are an essential part of the Ontario health care system, and:

- Improve patient outcomes and the patient experience;
- Optimize effective treatment, diagnosis and monitoring of diseases and medical conditions;
- Provide value for investment, lowering health system/social costs through improved health;
- Play a vital role in Ontario's Open for Business vision.

Value of Medical Technology - Anterior Supine Hip Procedure

https://www.youtube.com/watch?v=O_j6HjL3Qa0

Issue

- Long recovery time for hip replacement surgery, suboptimal patient experience and high cost to health care system

Patient

- Darcy Tucker, former Toronto Maple Leaf, received an innovative anterior supine hip procedure
- Less dissections through traumatic tissue = less pain and faster recovery; increase mobility and independence
- Savings to system = hundreds of thousands of dollars

Location

- Humber River Hospital and Ottawa Hospital

Value of Medical Technology - Total Contact Cast

<https://www.youtube.com/watch?v=RoYP10FL1LU>

Issue

- In Ontario, there is an amputation every 4 hours in Ontario due to diabetic foot ulcers.

Patient

- Stan Porter, patient with diabetes received a total contact cast to treat his wound, speeding up recovery and preserving foot to prevent amputation
- Savings to system = thousands of dollars in hospital stays; prosthetics; decreased mobility.

Location

- Waterloo Diabetes Education Program

Value of Medical Technology - Y90 Radioembolization

<https://www.youtube.com/watch?v=3agmQAR8LFU>

Issue

- Liver cancer with patients not able to be treated invasively with medical technology

Patients

- Ralph Grouso; Norm Jamison, former Ontario MPP, was treated with Y90 Radioembolisation technology
- For Ralph Grouso, this life saving technology essentially cured the him by destroying a large tumour in a patient that was not a surgical candidate to remove the tumour

Location

- London Health Sciences Centre

About MEDEC

MEDEC is the national association representing the Canadian medical technology industry. Our member companies employ well over 20,000 Ontarians in communities across the province and are committed to supporting the Government's efforts to ensure a sustainable and prosperous provincial economy.

MEDEC members create technologies that save lives, improve patient outcomes, reduce costs in the health care system, and create thousands of high paying jobs.

Conclusion

The people of Ontario want sustainable first-class health care and a growing economy. The Doug Ford government has made clear its commitment to both. We have provided your government with solutions that will contribute to these goals and we are looking forward to working with you and your government to provide better health care for Ontarians, saving money in the system and creating good jobs and growing Ontario's economy.

Thank you for your consideration of our recommendations. If you have any questions or would like to discuss further, please contact me directly at blewis@medec.org or (416) 641-2750.

Sincerely,



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Attachments:

- Medtech 2020 Toronto Announcement
- About MEDEC
- What is a Medical Technology?