# MINISTERIAL MEDICAL TECHNOLOGY STRATEGY GROUP (MMTSG)
# MINUTES OF THE MEETING HELD ON 23 NOVEMBER 2011

**In attendance:**

**Government members**

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| Earl Howe (co-chair) | Parliamentary Under Secretary of State for Quality |
| George Freeman MP | Life Science Adviser to the Minister of State for Universities and Science, BIS |

**Industry members**

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| Colin Morgan OBE (co-Chair) | Regional Vice President, Johnson &Johnson Medical Devices and Diagnostics |
| Gil Baldwin | Chief Executive Officer, Tunstall Group Lt |
| Bettina Fitt | General Manager UK & Ireland, GE Healthcare and Chairman, AXREM |
| Harry Keenan | UK General Manager, Baxter Healthcare |
| Johnny Lundgren | Vice President, Northwest Europe, BD and Chairman, ABHI |
| Ewan Phillips | Chief Executive, Deltex Medical Group plc |
| Herb Riband | Vice President, External Affairs International, Medtronic |
| Tony Davis | Medilink UK |
| Peter Ellingworth | Chief Executive, Association of British Healthcare Industries |
| Ray Hodgkinson MBE | Director General, British Healthcare Trades Association |
| Doris-Ann Williams MBE | Director General, British In Vitro Diagnostics Association |

**Government officials**

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| Sir Ian Carruthers | Chief Executive, NHS South of England |
| Richard Carter | Branch Head, Industry Sponsorship |
| Giles Denham CBE | Head of Medicines, Pharmacy & Industry Group |
| Bob Driver | UK Trade and Investment |
| Jonathan Mogford | Director of Policy, MHRA |
| John Warrington | Deputy Director (Policy & Research) Procurement, Investment and Commercial Division |

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| Dr Louise Wood | Head of NHS Research Infrastructure and Industry R&D Relations |

**Secretariat**

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| Simon Hiller | MPIG |
| Naseem Mahtey | MPIG |
| Andy Taylor | ABHI |

**Apologies**

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| Christine Bloor | Director, Life Sciences Team, BIS |
| Anna Floyer-Lea | HM Treasury |
| David Horne | Managing Director, Alere Ltd and Chairman, BIVDA |
| Mike Keoghan | Director of Skills and Office of Life Sciences, BIS |
| David Plotts | Vice President of Marketing, General Surgery, Covidien |
| David Willetts | Minister of State for Unitversities and Science, BIS |

## Item 1. Chair's opening remarks and introductions

1. Lord Howe welcomed all those attending and in particular Gil Baldwin, Harry Keenan and Ray Hodgkinson who were new to the Group. Lord Howe had unfortunately to leave the meeting at 10am to attend a select committee hearing at which David Willetts was also giving evidence. Colin Morgan would take over the chair at that point.

## Item 2. Minutes of 20 June 2011 meeting

2. The minutes of the previous meeting were approved. The matters arising from those minutes were:

### 2.1 Procurement

3. Lord Howe referred to concerns that had been raised about contractual terms, which he had drawn to the attention of Simon Burns as lead Minister, and these had been discussed between Bettina Fitt and Peter Coates, together with NHS Supply Chain and at the National Procurement Council. Peter Ellingworth noted that industry discussions earlier in the year with the Health Care Supply Association, of which the Minister was aware, were going ahead in pursuit of a concordat on procurement principles.

### 2.2 Telemedicine

4. Lord Howe reported on developments in this area. The Government was expecting shortly to publish the headline findings from the world leading research into telehealth and telecare – this would show that significant reductions in mortality and in admissions to hospital are possible. It was likely that there would be a commitment to scale up delivery of this technology to millions of people – an approach far ahead of anything the other countries have put in place. This was underway jointly with industry whose companies lead in the development and delivery of these technologies. The benefits were expected to go beyond health to include the potential for new jobs and export growth. Colin Morgan warmly welcomed this development and hoped it would go ahead quickly. Gil Baldwin noted that strategic frameworks were necessary to bring about the cultural shift that was required and that without this, practice on the ground might not change sufficiently quickly. Lord Howe commented that these issues were coming up during Lords debates on the Health & Social Care Bill, particularly as regards tariff.

**2.3 Prompt Payment**

5. Colin Morgan noted that this had been an issue for SMEs at the previous meeting and Doris-Ann Williams and Peter Ellingworth confirmed that this continued to be the case. Lord Howe said that NHS organisations had been encouraged to sign up to the Prompt Payment Code and 75% had done so. Problems were not thought to be widespread. The impact on SMEs was understood and he asked for any information on specific examples to be shared.

**Item 3. Growth**

**(i) The Plan for Growth**

6. Lord Howe highlighted the importance of the medical technology industry to the UK economy and gave a brief update on progress with the Plan. The sixteen healthcare and life sciences commitments were all either already complete or on track for completion. The Chancellor was expected to give an update on phase one of the Plan alongside his Autumn Statement on 29th November. Some of the recommendations on which the Department was leading were of course of particular interest to the industry, not least the package of measures to standardise procurement and to help SME's access NHS innovation procurement streams; and the recommendations around NHS Global and on assisted living technologies.

7. In the crucial area of research, Lord Howe said that the Department had announced the establishment of a new Health Research Authority which would combine and streamline the approvals for health research that were at present scattered across many organisations. Two NIHR Translational Research Partnerships, already working with life sciences companies on early and exploratory development of new therapeutics, had also been established. The £800m investment in NIHR Biomedical Research Centres and Units announced in August

would provide world class infrastructure to support further partnerships and other developments in experimental medicine.

### (ii) NHS Chief Executive's report on innovation

8. Sir Ian Carruthers provided an update on the NHS Chief Executive review and thanked industry colleagues for their contribution to it. He said that diffusion was a key challenge and although the NHS was full of brilliant ideas the spread of innovations within the NHS was often slow, and sometimes the best developments failed to achieve widespread use. The focus of the review was therefore on what could be done to accelerate the diffusion of innovation across the NHS. Sir Ian said that the feedback received from organisations and individuals had been consistent and positive.

9. The main themes that had emerged from the exercise centred on the need to: reduce variation in the NHS, and drive greater compliance with NICE guidelines; develop better innovation uptake metrics, and more accessible evidence and information about new ideas; establish a more systematic approach to diffusion and collaboration within the NHS; align financial and personal incentives and investment to reward and encourage innovation; bring about a major shift in culture within the NHS, and hard wire innovation into training and education for managers and clinicians; and strengthen leadership in innovation at all levels of the NHS, set clearer priorities for innovation, and sharpen local accountability.

10. The final report would recommend a limited number of 'high impact' actions that would deliver game changing improvements in the quality and value of care delivered in the NHS. There was more to be done to turn the themes and ideas into detailed, costed and credible policy proposals. To that end, the report would contain an implementation plan.

11. Sir Ian acknowledged the industry's active engagement and support during the review. It was important to get the narrative right so that the recommendations made in the report were consistent with NHS reform, would contribute to workforce productivity, and would make the NHS easier to do business with. The review would show the brand value of the NHS and help make the UK a preferred choice for research. The government was keen to work with the industry to make this a reality.

12. The operating framework for 2012-13 would require the NHS to take forward the recommendations made in the Report. In this and other ways the Government would keep up the momentum after publication on 5 December.

13. Harry Keenan said it was heartening to hear of the work underway. There should however be a clear message to key stakeholders about the importance of system change, not least in the area of procurement where silo budgeting continued to inhibit innovation.

14. Although not reflected in the themes, it was noted that NHS procurement had come up in discussion during the review. John Warrington said that DH was committed to developing a procurement strategy to be launched in March 2012 in response to the Public Accounts Committee report published in the summer. The strategy will seek to address the issues being raised, and will be discussed at the next National Procurement Council meeting in early January

15. Colin Morgan said that the quality of the dialogue with the innovation review team had been outstanding and agreed with the need for alignment of innovation policy with NHS management. Given the sense of optimism generated by the Review it was important the opportunity it presented to tackle the immediate as well as longer term challenges was taken. It was encouraging that the operating framework would require a response to the Report.

16. Sir Ian said that access to CQUIN payments would be dependant on delivery of aspects of the innovation agenda. The meeting recognised the significance of this and noted that implementation of the Report would call for a positive response from all sides. NHS bias against engagement with the industry, where it existed, had to be overcome; and the industry had to accept the fundamental necessity of demonstrating the value to the NHS of their products.

**(iii) Autumn Package**

17. George Freeman explained his role in support of David Willetts and Lord Howe on the Autumn Package project. The Package had been commissioned by Prime Minister and would be a response from Government to the challenges and opportunities facing UK life sciences. It would build on the Plan for Growth, and it would set out a long term vision.

18. The Government had engaged extensively with stakeholders, not least the medical technology sector. The industry contribution had been invaluable. The key message had been that the industry wanted clarity of purpose and direction. This would require all concerned to recognise and support what we already do well, and to work to strengthen business models that would succeed in the domestic market and enhance the industry's ability to compete globally.

19. Exploiting the strength of the UK science base and the potential for the NHS to drive and support innovation and creating a cohesive system of collaboration across the life sciences ecosystem from discovery through to translation were some of the key principles of an approach the Prime Minister would set out and underwrite in a speech in early December. The speech, and the policy documents that would accompany it, would set a direction of travel for the next 10-15 years.

20. Colin Morgan welcomed the Government's initiative and fully recognised its potential to increase both health and wealth. The industry was keen to continue its involvement. Implementation would need to connect to existing structures as well as develop new: continuity was important. In any event, openness and a willingness to

collaborate – including collaboration between those traditionally seen as being in competition – would be unavoidable.

21. These sentiments were echoed by others. The meeting saw the potential for the Autumn package and the NHS CE review to overcome the less helpful aspects of health services localism and encourage integration at all levels.

**(iv) Support for medtech SME's**

22. George Freeman said that growing SMEs was likely to be one of the fastest ways of supporting growth in the economy and a sub-group to focus on this was desirable. Tony Davis endorsed this view and noted that a range of issues had been addressed within previous SME workstreams, including for example support for SMEs in understanding export markets and how to build an evidence base. Re-energising those work areas would be warmly welcomed. The Office for Life Sciences would coordinate this involving the full breadth of the sector and all associations, to ensure that SMEs were knowledgeable, as well as compliant with regulation. Herb Riband commented on the importance of this for large companies, which needed SMEs to be successful in order to help grow the sector.

**Item 4. UKTI's activity to support the healthcare and life sciences industry**

23. Bob Driver summarised how UKTI was supporting the life sciences industry in global markets, and working to attract inward investment into the sector. The four 'pathways to growth' that formed the basis of UKTI's 5-year strategy, Britain Open for Business were set out in the accompanying paper and were concerned with:

i. getting significantly more high-growth and innovative SMEs exporting;
ii. supporting companies seeking to win high-value opportunities overseas, with supply chain opportunities for SMEs;
iii. creating a pipeline of high-quality inward investment projects;
iv. key account management of the most significant inward investors and the UK's top exporters to offer a seamless, "one-stop" service.

24. The strategy had identified life sciences as a priority sector, and the activities UKTI were undertaking to support the sector reflected that. They included trade related activity such as supporting UK companies at the leading global trade shows for the sector (Medica and Arab Health for example); and finding creative ways of helping life sciences companies access emerging markets (through creating intergovernmental platforms to support UK companies in doing business).

25. A recently signed MoU between UKTI and China to promote collaboration in biopharmaceuticals was a good early example of this, and consideration was being given to a similar agreement in the med tech area.

26. UKTI were actively looking for the big, high value opportunities, which offered significant opportunities to the UK to engage across the entire healthcare supply

chain, and to engage with key decision makers by supporting the formation of consortia to access those opportunities. The Saudi NHS Global pilot project was one example of this.

**Item 5. Med tech regulatory – an update**

27. Jonathan Mogford introduced the paper on legislative proposals to revise the medical devices directives. Proposals were expected in the second quarter of 2012 at EU level, with the outcome likely to be two Regulations in place of the current three Directives. A complete overhaul was not expected and changes would retain a pro-innovation aspect to the regulation and remain distinct from pharmaceutical regulation.

28. The key changes were likely to mean improving the consistency of oversight by Notified Bodies; improving the functioning of the safety surveillance systems for products on the market; and improving the speed and reliability of decision making within the regulatory system.

29. Key questions were flagged to the meeting including the need to work towards improved governance of the operational system through a stronger role for the heads of regulatory agencies, and the principle of keeping regulation at the inter-governmental level as much as possible.

30. Looking ahead, a system was required that would assure robustness and resilience. 6-7 Member States had already started charging fees unilaterally and it would be sensible to work towards a unified system for resourcing. This needed to be done well in order to maintain public confidence and to reduce the risk of EU legislative intervention.

31. Colin Morgan welcomed this summary and Herb Riband noted the strong and effective dialogue that the industry had with MHRA. Market access in Europe was 2-4 years faster than in the US and it was important not to lose this advantage, whilst avoiding setting up a fee system which risked worse performance. The objective was agreed, further work was required on the detail of how to achieve it over the next six months, which would need to work well over the next decade. With new delivery models and the growth of biologics for example, improvements to the current system were even more essential. The location of expertise in the Joint Research Centre rather than the European Medicines Agency would support this.

**Item 6. AOB**

32. There was no other business.

**Item 7. Closing remarks**

33. Colin Morgan said it had been a very helpful meeting and thanked all participants for their candour. The next meeting would be held on 20 June 2012.