

MINISTERIAL MEDICAL TECHNOLOGY STRATEGY GROUP (MMTSG)
MINUTES OF THE MEETING HELD ON 25 JUNE 2012

In attendance:

Government members

Earl Howe (co-chair) Parliamentary Under Secretary of State for Quality

Industry members

Colin Morgan OBE (co-Chair) Regional Vice President, Johnson & Johnson Medical Devices and Diagnostics

Gil Baldwin Chief Executive Officer, Tunstall Group Ltd

David Horne Managing Director, Alere Ltd and Chairman, BIVDA

Harry Keenan UK General Manager, Baxter Healthcare
Ewan Phillips Chief Executive, Deltex Medical Group plc
Herb Riband Vice President, External Affairs International, Medtronic

David Plotts Area Director Northern Europe & UK
Managing Director Aerocrine Ltd

Tony Davis Medilink UK
Peter Ellingworth Chief Executive, Association of British Healthcare Industries

Doris-Ann Williams MBE Director General, British In Vitro Diagnostics Association

Government officials and others

Richard Carter Branch Head, Industry Sponsorship, DH
Jill Dhell NHS Research Infrastructure and Industry R&D Relations, DH

Giles Denham CBE Head of Medicines, Pharmacy & Industry Group, DH

Mike Keoghan Director of Skills and Office for Life Sciences, BIS

Steve O'Leary UK Trade and Investment
Mirella Marlow National Institute for Health and Clinical Excellence

Jonathan Mogford
Graham Reid
Isabel Summers
John Warrington

Director of Policy, MHRA
Deputy Branch Head, Innovation, DH
HM Treasury
Deputy Director, Procurement Policy and
Research, DH

Prof Sir John Bell

Regius Professor of Medicine, University of
Oxford and Life Science Champion
Director of Health Science and Bioethics,
DH

Mark Bale

Acting Head, Office for Life Sciences, BIS

Jane Belfour

Secretariat

Simon Hiller
Carl Glenister
Andy Taylor
Heather Thomas

DH
DH
ABHI
BIS OLS

Apologies

Nick Baird
Mark Collins
Sir Ian Carruthers
Bettina Fitt

UK Trade and Investment
HM Treasury
Chief Executive, NHS South of England
General Manager UK & Ireland, GE
Healthcare and Chairman, AXREM
Director General, British Healthcare Trades
Association

Ray Hodgkinson MBE

Vice President, Northwest Europe, BD and
Chairman, ABHI

Johnny Lundgren

David Willetts

Minister of State for Universities and
Science, BIS

Dr Louise Wood

Head of NHS Research Infrastructure and
Industry R&D Relations, DH

Item 1. Chair's opening remarks and introductions

1. Lord Howe welcomed all those attending and passed on apologies for absence from Sir Ian Carruthers and David Willetts. He made particular reference to the Health and Social Care Bill, which had become an Act of Parliament since the last meeting, and the Government's Strategy for UK Life Sciences launched on 5 December 2011.

2. Colin Morgan highlighted that the med tech sector needed to reshape, similar to the change pharma has undergone. He noted that DH and BIS should set the

strategic landscape and facilitate the partnerships that would allow the sector to flourish.

Item 2. Minutes of 23 November 2011 meeting

3. The minutes of the previous meeting were approved. Matters arising from those minutes were:

2.1 SME Sub Group

4. Lord Howe reminded the meeting that the sub-group had been proposed at the last MMTSG in order to explore the barriers preventing SMEs from realising their full potential. He noted that the sub-group had taken shape and referred the group to a background paper provided to MMTSG on the sub-group. Lord Howe was pleased that the group was delivery focused and called on MMTSG to agree to the continuation of the group; the meeting agreed.

5. Colin Morgan supported the group as a mechanism to deliver at pace the issues identified at MMTSG. He hoped the group would consider the measures being brought forward across Government as a whole to support SMEs, for example on SME competitiveness. Mike Keoghan agreed and noted that one of the specific priorities of the group was indeed to align med tech SMEs with those support measures. Heather Thomas noted that one of the priority areas identified by the sub-group for action was manufacturing, and that the BIS manufacturing team would participate in efforts to resolve barriers identified.

6. Tony Davis noted his support for the sub-group and committed to helping support BIS efforts to capitalise on the sector's potential.

2.2 Regulation

7. Lord Howe updated the meeting on progress on the revision of the EU Medical Devices Directive noting that legislative proposals are expected to be adopted by the Commission in September 2012. He noted that the delay had partly been as a result of the PIP breast implants issue: the Commission had undertaken a 'stress-test' of the proposed revisions in the light of this. Lord Howe commented that the broad thrust of the proposals was likely to be in line with previous expectations. The MHRA had established a stakeholder group on which the med tech sector was represented and which had met once to date. He noted that the group would meet more frequently once the final content of the legislation was known and negotiations start.

8. Jonathan Mogford highlighted that the Commission's proposal would not include pre-market authorisations (PMAs). Herb Riband recognised this and commended DH's well reasoned approach to the revisions. He called on the UK to remain vigilant as lobbying continued around Europe (including a European Parliament resolution) in support of PMA's. He highlighted the industry's concern that there was no

evidence to suggest PMAs would increase safety and that rather they would introduce barriers, especially for SMEs.

9. Colin Morgan noted that industry should use its international contacts to ensure a strategically aligned position on the revision.

Item 3. Procurement

10. Lord Howe referred to the Department's recent publications on this topic: *NHS Procurement: Raising our Game* and the accompanying standards, set out guidance and immediate actions for the NHS. The Government's ambition however was that should go further and for its procurement policy and practice to be as good as any internationally. To that end, Sir David Nicholson had issued a call for evidence and ideas that would contribute to a report a team led by Sir Ian Curruthers would publish in December. Lord Howe strongly encouraged the industry to respond to the call.

11. John Warrington said that information and leadership were two of the major procurement issues facing NHS Trusts. We needed to work out how we could help make Trusts more intelligent customers and to further understand the landscape. *NHS Standards for Procurement* would help in this area by providing metrics that would allow Trusts to compare their performance. In the future, it might be possible for DH to work with Monitor to create incentives for procurement and reward best performance financially. In addition, the Government was working on a package of measures on procurement pipelines and capabilities that would allow industry to react to demand over the next ten years.

12. Harry Keenan stated that industry supported the consultation process and appreciated the willingness to improve performance in this area. His concern was that the process could delay good ideas and innovation from coming through quickly. He hoped that whilst the consultation was running, the system would be able to continue to develop rather than be made to wait until the consultation period was over.

13. There was also concern about how the Health and Social Care Act would affect progress in this area. Gil Baldwin believed the Act would drive more fragmentation, with local commissioning hindering larger procurement deals being done at a national level. Lord Howe stated that this would be avoided by the improvement in the amount of information Trust boards would now have to work with, allowing them to make more informed decisions. Giles Denham added that it was also important to not forget SME's: it would continue to be sensible to have a mixture between integrated large scale and local models of procurement.

14. The Government would be giving patients a greater influence over procurement, with a drive towards further customer input into the supply chain. The customer board existed for this purpose and was a means for industry to influence decision

making. Alongside this, AHSN's would in the future provide a mechanism for new ideas to be shared.

Item 4. Growth

(i) Strategy for UK Life Sciences

15. Lord Howe said that it was 6 months since the Prime Minister had launched the Autumn package for life sciences. He noted that taken together, the *Strategy for UK Life Sciences*, and *Innovation Health and Wealth (IHW)* would ensure the whole environment for innovation is world class. He, Andrew Lansley, and David Willetts had been working closely together with the life science Champions to ensure early delivery against the Package, with excellent progress being made.

16. Mike Keoghan (MK) repeated apologies that David Willetts could not attend the meeting and highlighted the Minister's commitment to the sector and to the Strategy for UK Life Sciences. MK felt that the Strategy and IHW were exemplars of how Government and industry could work together to drive improvements. He noted that Lord Heseltine was now looking at competitiveness more generally. His review was assessing Government capacity to deliver pro-growth policies; the capacity of the UK business community, including its representative bodies, to deliver growth; and local capacity, with 'place' as a driver of economic growth. MK encouraged companies to get involved with this work, noting that Lord Heseltine was interested in new ideas.

17. On the Strategy for UK Life Sciences, MK noted that good progress is being made on delivery, and the key role of the Champions (Sir John Bell and Chris Brinsmead) in driving this. He highlighted the measures that have already been delivered: bids were being received under the BioMedical Catalyst (available to med tech), and the Clinical Practice Research Datalink (CPRD) and the Clinical Trials Gateway had been established and launched. He noted also that Government was delivering improvements to R&D tax credits, was reducing the UK corporation tax rate, would introduce a Patent Box from 2013, was creating Academic Health Science Networks to act as a focal point for NHS, academic and industry collaboration, was establishing an advice service for medical technology companies, and, through Cogent, was taking a number of measures to increase the uptake of industry placements in the UK, particularly for undergraduate and postgraduate students, and to deliver a tailored mentoring scheme to help SMEs increase their business and management skills.

18. MK thanked the sector for their contributions to the Life Sciences Exhibition that ran from 18-28 June at 1 Victoria Street to showcase the best in innovation within the health and life sciences sector.

19. Peter Ellingworth noted that ABHI would offer a candidate in response to an OLS call for an industry secondee. He asked what more ABHI could do to help OLS understand the industry.

20. Doris-Ann Williams noted that BIVDA would be meeting with Chris Brinsmead in July.

21. Jonathan Mogford explained further that the CPRD was building up its NHS and wider data portfolio. It would enable studies around drug and devices safety, and outcomes and risk benefit, across a wide range of disease and therapeutic areas. He noted that plans were in hand in conjunction with the MHRA to use the increased access to larger population data to aid the interpretation of adverse incident reporting. The intention was that CPRD could support vigilance undertaken by the MHRA, largely by providing more detailed information on the usage of medicines and devices. There would also be an increased capability to undertake post-market surveillance of devices and track patients on medications new to the market.

22. On the Olympics, Steve O'Leary said that three business related events to promote the UK's world-leading position in healthcare and life sciences were being held during the Olympic and Paralympic Games. A Global Investment Conference would take place on 26 July. This would be followed by a Healthcare and Life Sciences Global Business Summit on 2 August. Finally, on 3 September an *Advances in Assistive Medical Technologies* Global Business Summit would take place.

(ii) Innovation Health and Wealth

23. Lord Howe gave a brief update on current progress. The Government had to date delivered 11 of the 31 recommendations made in the Innovation, Health and Wealth (IHW) report. He made particular reference to the AHSNs, where initial guidance had been published inviting expressions of interest by 20 July. MMTSG members were already engaging with the NHS and academia on establishing AHSNs and Lord Howe expressed his thanks for industry's input and support in delivering the whole of Innovation, Health and Wealth.

24. It was accepted that the Task and Finish groups were a new way of working that brought industry, the Department of Health and NHS colleagues together...The challenge for the groups was to identify and eliminate barriers to innovation uptake. The industry was keen to see results which, they suggested, had yet to materialise. The oesophageal Doppler technology was, in their view, an example of a product endorsed by NICE that the NHS continued to fail to embrace. The 3 million lives initiative was similarly moving more slowly than the industry would had expected to see.

25. Graham Reid gave an update on the progress that had been made. This reflected the Department's genuine commitment and was tangible, even if progress was slower than the industry would ideally like. The 3 million lives initiative had

begun its rollout in the North of England; and the process of identifying the next group of high impact innovations was underway. Lord Howe stressed the importance of IHW implementation to government, while acknowledging the challenges faced in eliminating the barriers.

Item 5. NHS reform: relationships between industry and the NHS

26. Lord Howe thanked industry for its paper noting that it raised some important and interesting questions. He agreed that there was potential for commissioners and industry to work together in ways not seen previously.

27. Colin Morgan (CM) challenged his industry to think differently in how it interacts with the NHS. It should lead NHS procurers to be more intelligent customers, including thinking more strategically and in the longer term (the NHS procurement strategy call for evidence was an opportunity to educate the NHS on this). In doing so, industry should become more creative and innovative. He noted that venture capitalists want to see returns on their investments and as such companies had to make sure their ideas were good. But the market was also critical; industry needed to see pace and scale from the NHS as an adopter of innovation.

28. Lord Howe agreed with CM's points but thought it was probably necessary to wait until the Commissioning Board Authority was further ahead with its work before MMTSG could have a full discussion. He suggested that the subject should be revisited at MMTSG's November meeting, and that someone from the Commissioning Board should be invited to that meeting. In the meantime, the NHS Procurement Review offered a means of working out what procuring for outcomes would mean in practice.

29. Andy Taylor raised the issue of whether therapies and procedures are delivering what they claim. He noted there were parallels to value-based pricing and that this was new territory that the sector should be tackling.

30. Mirella Marlow noted that NICE could help with evidence gathering, commenting that NICE's specific role was to help the NHS determine if value is being delivered. NICE was about to commission a project to establish how a technology's claims to achieve specific outcomes could be validated at the procurement stage.

Item 6. Human Genomics Strategy Group (HGSG) report and recommendations: industry engagement

31. Professor Sir John Bell introduced the paper on the Human Genomics Strategy Group. The UK is renowned for life science research and excels in genetics: some landmark moments such as the discovery of DNA are from the UK. The Government therefore wanted to ensure the NHS positions itself to take advantage of this fact and utilises it as an opportunity for growth in the life sciences and diagnostic sectors.

The Group had convened two years ago and had been tasked with making recommendations to prepare the NHS for the future.

32. There were three areas to highlight from this; Bioinformatics, Pharmacogenetics and Stratified Medicine. It was recommended that a central repository for storing genomic and genetic data should be set up. This would be an open, anonymous database that industry could access. The NHS was able to achieve this, as it did not have the same fragmented system as for example the USA did. Industry colleagues questioned the timeframe for this work, Sir John was happy with the current progress, with large parts of the country already collecting the information, and felt that in the next 12 months industry could have access to at least some of the data available.

33. Pharmacogenetics and Stratified Medicine were connected areas where genomic technologies were likely to have their greatest impact. Stratifying cancer to target treatment is underway and genomic technology could be applied for the development and better targeting of prescription drugs using genomic and genetic data to inform treatment decisions. This should bring great benefit to the diagnostic industry and could allow pathology services to be grouped in particular locations in a cost effective way. The implementation committee was meeting in March 2013 when a more detailed plan that looked in detail at the health economics of the proposition would be considered.

34. Doris-Ann Williams welcomed the report, and raised the issue of intellectual property – a key point for the diagnostics industry – and how the issues dealt with needed to be better understood. The laboratory was changing and the key was how industry worked alongside in-house testing. Having these issues recognised in the report was helpful and she was keen to support the group further. Mirella Marlow added that NICE was able to use its diagnostic assessment programme to take a nuanced view of the value of particular tests, with downstream costs and benefits taken into account. It was on the other hand true that larger macro economic benefits were difficult to measure.

Item 6. AOB

35. There was no other business.

Item 7. Closing remarks

36. Lord Howe said it had been a very helpful meeting and thanked all participants for their attendance and contributions. The next meeting would be held on 19 November 2012.