MINISTERIAL MEDICAL TECHNOLOGY STRATEGY GROUP (MMTSG)
MINUTES OF THE MEETING HELD ON 26 JUNE 2013

In attendance:

Government members

Earl Howe (co-chair)	Parliamentary Under Secretary of State for Quality, Department of Health
Rt Hon David Willetts MP	Minister of State for Universities and Science, Department for Business, Innovation & Skills

Industry members

Harry Keenan (co-chair)	UK General Manager, Baxter Healthcare
Gil Baldwin	Chief Executive Officer, Tunstall Group Ltd
Tony Davis	Chair, Medilink UK
Mark Dawson	Country Business Leader, 3M Health Care
Peter Ellingworth	Chief Executive, Association of British Healthcare Industries (ABHI)
David Horne	Managing Director, Alere Ltd
Sarah Lepak	Director of Governance and Policy Development, British Healthcare Trades Association (BHTA)
Ewan Phillips	Chief Executive, Deltex Medical Group plc
Pinder Sahota	General Manager, UK & Ireland, Smith & Nephew Healthcare Ltd
Doris-Ann Williams MBE	Director General, British In Vitro Diagnostics Association

Government officials

Jane Belfourd	Head of Health Policy and Projects, Office for Life Sciences, BIS
Richard Carter	Branch Head, Industry Sponsorship, DH
Giles Denham CBE	Head of Medicines, Pharmacy & Industry Group, DH
Jill Dhell	Research & Development Directorate, DH
Sir Andrew Dillon	Chief Executive, National Institute for Health and Care Excellence
Jonathan Mogford	Director of Policy, MHRA
Richard Stubbs	NHS England
Isabel Summers	HM Treasury

Mark Treherne	Chief Executive, Life Science Investment Organisation, UKTI
John Warrington	Deputy Director, Policy & Research, Procurement Investment and Commercial Division, DH
Martin Williams	Director, Education and Government Procurement Industrial Strategies, and Office for Life Sciences, BIS

Secretariat

Andy Taylor	ABHI
Carl Glenister	DH
Simon Hiller	DH
Laura Rivkin	BIS
Luella Trickett	Baxter Healthcare

Apologies

Abbie Lloyd	Head, Office for Life Sciences, BIS
John Wilkinson	Director of Devices, MHRA
Dr Louise Wood	Head of NHS Research Infrastructure and Industry R&D Relations, DH
Miles Ayling	NHS England
Ray Hodgkinson MBE	Director General, British Healthcare Trades Association
Karl Blight	General Manager UK & Ireland, GE Healthcare
Johnny Lundgren	Vice President, Northwest Europe, BD. Chairman, ABHI
Jackie Fielding	Regional Vice President, UK & Ireland, Medtronic
Sophie Dutilloy	Regional Vice President Global Surgery and Shared Services UK, Ireland & Nordics, Johnson & Johnson Medical Limited

Item 1. Chair's opening remarks and introductions

Lord Howe welcomed all those attending and in particular Harry Keenan in his new role as co-Chair. He acknowledged on behalf of the group how much it owed Colin Morgan who had stepped down as co-Chair after retiring from Johnson and Johnson. Colin had brought commitment, insight and a highly engaging style to the job, and would be missed. Thanks were also due to Bettina Fitt and David Plotts who had stepped down from the industry side.

Lord Howe commented on recent developments, mentioning the Francis Report and the Health and Social Care Act and the major implications they had for all parts of the healthcare system, for social care and for central government. Their impact would inevitably be felt in groups like the MMTSG. The Group would need to deal with that alongside the shared interest and shared responsibility it had for the future of the life sciences industries in this country. It was no surprise in these circumstances that the meeting had matters of real substance and long term significance to discuss.

Item 2. Minutes of the meeting held on 19 November 2012

The minutes of the previous meeting were approved

Item 3. UK medical technology industry – growth and prosperity – policy and practical actions

Harry Keenan introduced his paper, highlighting that the industry side of MMTSG represented a sector of the economy in which a large number of companies employed over 64,000 people, and that was keen to play a role in shaping healthcare.

The need for a clear understanding of the relationships between the Department of Health, NHS England and the Department for Business, Innovation and Skills was an important challenge, as was the need for the Group to focus on high level issues. He suggested that second order topics could be dealt with by a new MMTSG sub group that would mirror the Group's structure and would meet on a regular basis. This would allow issues to be addressed and action taken between the main meetings, and would give clarity to separate stakeholder agenda.

The sub-group might deal for example with supply side issues such as helping to create an environment supportive of SMEs; conditions for growth and so for wealth creation; and topics that would have to be navigated through the more complicated government structure that now existed.

Lord Howe thanked Harry Keenan for such a comprehensive and thoughtful paper. He commented that a sub group of the sort described could be useful and was in

favour of doing whatever was necessary to support day to day industry and government engagement. An arrangement of this sort could helpfully identify the big topics that deserved full MMTSG attention. He observed that it would be important to get membership right with it being inclusive without it being unwieldy. Lord Howe asked the Secretariat to work up the detail of the group and to put a proposal to himself and Harry Keenan for sign off.

Lord Howe invited David Willetts to comment on the industry side paper. David Willetts said that BIS saw medical technology as a classic British business sector and wanted to engage with the sector so it could state clearly what its needs were. He highlighted the manufacturing agenda as one area which might need focus. His aim was for the UK to be a world leader and place of choice for manufacturing and would like to hear from industry what was required to ensure that happened.

Mr Willetts mentioned the Technology Strategy Board (TSB) and asked how BIS best could use TSB resources for social care and to promote the use of assistive technology. His final point was on SME's and he asked for industry views on why companies were in some instances struggling to export from the UK.

Gil Baldwin's view was that adoption into the NHS was difficult especially when compared to the United States where there were multiple routes into separate health systems. Once a product was adopted by the NHS it was then much easier for that product to be exported, Peter Ellingworth supported this view. David Willetts wondered if strategic partnerships could be set up with particular Trusts to demonstrate use of products.

Lord Howe stressed the importance of creating mechanisms to accelerate uptake and that this was being taken forward with Academic Health Science Networks (AHSNs) and more generally through Innovation, Health and Wealth implementation. The aim was to have every Trust in the country part of a network. Peter Ellingworth agreed that AHSNs could help with uptake in particular Trusts. Richard Stubbs described how AHSNs would start looking for early wins in this area.

Pindar Sahota felt that if uptake of innovation was improved there would be a balanced environment for new products coming into the market as other products went off patent. This would help keep manufacturing in the UK.

There was agreement in the group that the US was an important market to crack and UKTI had efforts focussed on this. Harry Keenan requested that the sub group pursue the export question outside of the meeting.

Andrew Dillon noted that there were different incentives for adoption in the US than the UK, but thought that both sets of decision makers would need business cases for adoption. NICE could help in this by putting more resource into producing business cases in the future. These could help to get the message clearly across to the NHS and encourage Trusts further to disinvest in old technology and re-invest in new.

There was then a discussion around utilising the 'integration pioneer' scheme to try to create incentives in local authorities for technology adoption. David Willetts also mentioned BIS were in the process of negotiating city deals, which included parts of the country like Oxford and Cambridge. This would be used as a driver for areas to become pioneers in adoption of new healthcare technologies.

Ewan Phillips raised an issue with intellectual property, noting that from his perspective the NICE approach could be seen as anticompetitive because it encouraged the uptake of generics. David Willetts agreed it was a challenging issue, and reflected that it pointed to a wider issue about the relationship between intellectual property, regulatory approvals, and uptake. In future meetings, it would be worthwhile exploring these issues further as they were important aspects of the commercial environment.

Peter Ellingworth was concerned that Innovation, Health and Wealth implementation lacked impetus. Industry colleagues agreed and Richard Stubbs undertook to relay the comment to the NHS England people concerned.

Item 4. Industrial Strategy

The earlier wider ranging discussion had touched on the industrial strategy, and Earl Howe noted that the first meeting of the BIS Industrial Strategy Sector Council had taken place. The strategy was a collaborative, long-term partnership between government and key economic sectors, to build confidence for growth. Harry Keenan agreed that the industrial strategy approach provided a good opportunity for spreading learning between sectors.

Item 5. Health service reform and Government/industry relations

(i) NHS England

Lord Howe thanked Richard Stubbs for his paper which focussed on NHS England's engagement with the life science industry. Richard Stubbs said that his focus was on implementation of the necessary high level engagement. His major concern was to ensure that NHS England's operating model for an industry council added value and a distinctive additional element to the process of engagement which already existed with industry. He was keen to hear industry colleagues' views.

Richard Stubbs outlined the model NHS England had designed. It was based on three tiers of engagement: the Council - a cross industry forum chaired by the National Medical Director and consisting of trade association leads and NHS England National Directors; sub groups - sector specific working groups established by the industry council designed to address and develop solutions for specific business, operational or healthcare opportunities and challenges; and bilateral relationships - one to one relationships between industry and NHS England national Directors.

The Council would hopefully meet for the first time in September. Harry Keenan asked industry members of the group to pass views back to NHS England via the new MMTSG sub group. Lord Howe stressed the importance of these groups having a distinctive role that would minimise overlaps with other industry engagement fora. Tony Davis hoped they would help take forward delivery issues with Innovation, Health and Wealth.

(ii) Department of Health

Giles Denham introduced this item at Lord Howe's request. He talked the meeting through the interrelationships set out in the "Our Purpose" leaflet which had been tabled. He highlighted the importance of ensuring the fora for stakeholder engagement were continued where appropriate, including MMTSG.

He mentioned the Francis Report, and particularly the initiative to bring policy makers into closer touch with the service delivery frontline.

Gil Baldwin asked about the consequences for public expenditure of greater independence on the part of commissioners. Lord Howe set out the levers the Department could use, highlighting particularly the NHS mandate. Giles Denham added that NICE activity would be a further guarantee of value for money. NHS England would meanwhile ensure coherence and alignment of commissioning activity.

Harry Keenan asked how CQuIn worked. Richard Stubbs said this was now being handled by NHS England, who were now considering how to broaden its effect, and assessing the proper balance between national and local. Peter Ellingworth said it would be important to feed industry views into this process, which Lord Howe agreed should happen in response to a forthcoming review of incentives, rewards and sanctions.

Item 6. Future priorities for MMTSG

Peter Ellingworth said that it was clear that the strategic dialogue with government needed to be about technology adoption. Gil Baldwin commented that when it came to adoption there remained a cultural barrier preventing government from engaging properly with businesses. However, it was noted that there was an opportunity to work in partnership to identify these barriers. Harry Keenan noted that perverse incentives in the system tended to encourage patient admission to hospital, rather than community based services. SMEs also faced particular difficulties in developing business cases and pulling the data together. Tony Davies agreed that this process could be particularly burdensome for SMEs.

Pinder Sahota asked whether the Government had any intention to enter into pricing negotiations for medtech (similar to those taking place with the pharmaceutical industry). Giles Denham assured the meeting that there was no intention to introduce a national pricing system for medtech.

Earl Howe noted that the discussion about the future priorities for MMTSG could be captured by the Secretariat when drafting revised terms of reference.

Item 7. Updates

(i) Regulation – Revision of the medical devices directives

Jonathan Mogford said that EU negotiations to improve the regulatory system for medical devices were on-going. The government was engaging with other Member States and the European Parliament in an effort to ensure that the final legislation improved patient safety, fostered innovation and increased transparency. He thanked everyone for engaging with the MHRA on the public consultation on their negotiating position. They had received a lot of evidence which had helped to inform and strengthen their policy development. New legislation would not come into force until at least 2018: MHRA were meanwhile in the process of collaborating with other member states to raise standards amongst all Notified Bodies and strengthen vigilance.

Doris-Ann Williams had found the MHRA process to be very helpful and transparent and Harry Keenan agreed and was happy to offer his support.

(ii) R&D – NIHR Diagnostic Evidence Co-operatives

Tony Soteriou said that the NIHR had created a new NHS research infrastructure programme, NIHR Diagnostic Evidence Co-operatives (NIHR DECs) focussing on generating evidence on in-vitro diagnostics. The Department had taken the initiative following a request from the diagnostics industry.

Four NIHR DECs had been designated and funded for 4 years from September 2013, with the total funding awarded being £4million.

The involvement of the IVD industry would be key to the success of the programme. Carla Deakin, Chairman of British In-Vitro Diagnostic Association had been on the DEC selection panel; and the Co-operatives would work with industry to become national centres of expertise

Doris-Ann Williams said she had been working with the selected DECs and they were very enthusiastic. Jill Dhell highlighted that the DEC's would help generate data and evidence that would feed into the NICE diagnostic evaluation programme.

(iii) Procurement

John Warrington said that following Sir Ian Carruthers' work to review NHS procurement last year, the Government would be announcing a new strategy in August. The strategy had sought to take on board the many comments made during

the consultation process, and would seek to speed up the process of reform through a combination of national support and appropriate incentives.

There would be four planks to the strategy: action to improve data, information and transparency; creation of a new national 'enabling function' to support leadership and build better capability throughout the system, primarily focused on Trust capability and their work with intermediaries; a series of shorter-term efficiency initiatives designed to drive out savings to bring the QIPP procurement initiative back on track; and an initiative to fundamentally re-think clinical engagement in procurement of high-value medical devices and the subsequent relationship with the device industry, initially focussing on orthopaedic implants.

Item 8. Closing Remarks

21. Lord Howe thanked all participants for their attendance and contributions. He noted that the group would meet next in November 2013.