



HEALTHCOMMS
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The Department of Health and Social Care's Medical Technology Strategy

Healthcomms Consulting Summary and Analysis
03.02.2023



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Introduction

The Government has published the long awaited MedTech Strategy which will support the delivery of safe, effective and innovative medical technologies in the health and social care system. Please find a link to the strategy in full [here](#).

A link to the Department of Health and Social Care's press release can be found [here](#), with quotes from Minister of State, Will Quince, National Director for Transformation, Dr Tim Ferris, Chief Executive of NICE, Dr Sam Roberts and Chief Executive of ABHI, Peter Ellingworth.

The Strategy builds on the aims set out in the Life Sciences Vision, outlining the implementation of priorities moving forwards. The Government commits to resolving long term challenges through collaborative working with the health system, patients, clinicians, academics and industry partners.

The Government categorise medical devices into four areas:

- General medical devices
- Activity implantable medical devices (AIMDs)
- In vitro diagnostic medical devices (IVDs)
- Digital health software

A Vision for MedTech

The MedTech Strategy vision focuses on three objectives: right product, right price, and right place.

The Government will focus on ensuring products are clinically safe and effective for all patients, while reducing inequalities in access. The Government will promote the development of best-in-class regulations while upholding safety standards and encouraging innovative and sustainable product development.

The Government commits to cultivating an environment where the value of a medical device will be considered across the whole patient pathway, rather than in isolation. More emphasis will be placed on the long-term value of a device and its impact on patient outcomes.

The Government will look to position the UK as an internationally and domestically attractive hub for MedTech products with an aim to increase access diversity, and resilience in the supply market to ensure technology is delivered to patients and medical professionals.



The MedTech Landscape

The strategy outlines the value of the UK MedTech sector, which covers a number of unique and complex areas, with millions of patients using medical technology. The NHS spends an estimated £10 billion per year on medical devices. Total healthcare expenditure in the UK accounted for 12% of the UK's gross domestic product (GDP) in 2020, compared with 9.9% in 2019.

The Strategy highlights the following statistics about the UK MedTech industry:

- Annual turnover of £27.6 billion
- Provides 138,100 jobs in the UK
- Exports over £5 billion of products annually
- Comprised of 4,190 UK businesses, of which over 85% are small and medium sized enterprises (SMEs)

MedTech represents 31% of all turnover in the UK life sciences sector

These statistics shine a spotlight on the important role the MedTech sector plays in the UK economy, providing thousands of jobs and supporting the growth of the UK economy.

Priority One: Resilience and Continuity of Supply

Continuity of supply is essential for the consistent delivery of safe, high quality patient care. Increasing globalisation of production and supply chains has reduced resilience, exposed the sector to a broader range of threats and made it more vulnerable to global events.

This strategy places supply resilience at the forefront of sourcing, production and supply chain models and commits to working with NHS England (NHSE) on procurement policy to promote resilience.

This strategy promotes an increase in the use of circular economy models where reuse and remanufacture and material recovery infrastructure are located near to the point of use. The strategy outlines a DHSC commitment to calculate the manufacturing capability and capacity that is needed to ensure UK MedTech resilience.

The strategy also outlines a need to establish a range of resilience requirements for suppliers that reflects the risk to patient lives in the event of disruption. The strategy recommends the adoption of clinically appropriate and standardised specifications and working with industry to establish minimum supply resilience standards.

This section calls on the MedTech industry to design products in a way that makes better use of recycled materials and increases levels of reuse, remanufacture and materials recovery in order to promote long term supply resilience.



Priority Two: Innovation and Dynamic Markets

The strategy describes the current challenge of navigating the sheer volume of MedTech products on the market, particularly when so many of them claim to be “innovative”. This abundance of products has contributed to the “adoption challenge” whereby products reach the market, but struggle to be procured and used in the NHS when there are many competing products claiming similar innovations and differing benefits.

In order to address this, the strategy recommends a number of actions including applying principles of national clinical leadership across broad product classes. This is in the hope that a single national point of reference will bring clarity, alignment and prompt efficiency in the identification and promotion of particular technologies.

This strategy also commits the Government to providing clear demand signalling to industry by exploring options for volume commitments or purchasing at scale in order to support industry confidence in bringing new innovations to market while securing the best value for the health and care system.

The Government will also look to develop a streamlined system of product evaluation in collaboration with health partners and industry, in order to focus on a smaller number of products that represent the best options for patients and the best value for money.

Priority Three: Enabling Infrastructure

The strategy outlines that current MedTech data is “decentralised” and lacks a “data standard” to enable cross-referencing across different sources and at a national scale.

The key emphasis of increased standardisation of MedTech data is a comparison and selection of products for commissioning purposes. The strategy proposes the development of a National Equipment Tracking Information System (NETIS) which will seek to standardise MedTech data collection in line with the above.

The Government’s relationship with Industry

The strategy outlines the need to build a broader strategic relationship between industry and Government, “centered around the needs of the MedTech sector”. The report outlines the Government’s commitment to,

“strengthen our collaborative working with industry increasingly over time, building from specific moments of engagement into systems and processes that guide both health and care system and industry activities.”

The strategy identifies current relationships with industry as transactional, failing to agree on a shared vision and strategy for the sector. It commits to the following two actions to rectify this situation:



- Stakeholder agreement on the data picture will enable coordinated action making it easier to use data across different datasets, forming a basis for more insights and proactive action to be taken.
- A shared vision and direction for government, industry, and the health and care system will make sure the best MedTech gets prioritised for patients and reaches them more quickly.

Priority Four: Specific Market Focuses

The Government commits to work at “a more granular level” with parts of the MedTech market that, at present, aren’t key sites of NHS investment relative to some other areas. It identifies MedTech in the community and Diagnostics in this regard.

The report highlights the contrasting ways in which products are supplied in the acute and community and remarks that “the mechanics by which appliances are provided to patients in the community have changed little since they were established in the 1980s”.

The Government commits to:

- Make it easier to compare, contrast, and select the most appropriate products in the community.
- Modernise systems to streamline supply between acute and community, and to embrace new commercial and service models for the supply of MedTech in the community.

The Government outlines its commitment to “improve and expand diagnostic capacity” through Community Diagnostic Centres (CDCs), and through advancing diagnostic technologies through AI.

The Government commits to:

- Establish up to 160 CDCs by March 2025, supported by appropriate workforce plans.
- Build pathology network maturity and to build on COVID19 acceptance of self-administered testing.

Finally, in this section of the Strategy the Government commits the NHSE Demand Signaling Programme to work with a clinical advisory group to drive innovation in early diagnosis. There will also be a NHS-led review of diagnostics commissioning to ensure that “benefits across the pathway are recognised and that regulatory and evaluation processes are simplified and clarified.”



Analysis

This long awaited strategy is an introduction to the future purpose of the Medical Technology Directorate in the Department for Health and Social Care. This strategy represents a reaction to the experience of COVID-19 in its emphasis on supply chain resilience and in boosting the UK's manufacturing capability.

It also represents the Government's attempt to better understand the medical technology landscape through a standardisation of data collection and the development of methods for quantifying and defining what is deemed to be "innovative" and consequently promoted for adoption. Through this market mapping exercise the Government has indicated that it is open to the adoption of innovation at scale in order to encourage industry investment and R&D.

The theme of net-zero and the future environmental sustainability of the MedTech sector also runs throughout this strategy. The Government directly challenges the sector to take greater effort towards ensuring that the ability to reuse and decontaminate devices is a central consideration in their production and manufacturing.

A key challenge to this strategy is likely to be the lack of detail as to how its key ambitions will be implemented. However, confidence should be taken from the Government's signaled intent to develop "systems and processes" to better engage with industry and to engage more holistically in terms of the direction and strategy through clearer market demand signaling. Again, the success of this intention and how it is realised in practice, will be a key litmus test for the Medical Technology Directorate and its added value to the MedTech landscape more broadly.

Contact

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