



# Medical Device Industry's Perspective on the Adoption of Innovation in Canada

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# Goals of Healthcare & MEDEC

## TRIPLE AIM



Improve patient care



Improve population health



Reduce per capita cost

## MEDEC STRATEGIC FRAMEWORK



Demonstrate Value of Medical Tech



Promote Strategic Procurement



Support Canadian Innovation

+ *Serve as a Thought Leader*

# Monopsony

*noun* mo·nop·so·ny \mə-'näp-sə-nē

Definition of MONOPSONY:

a market situation in which there is only one buyer



# Monopsony



BUYER

The diagram illustrates a monopsony market structure. At the top, a green rectangular box is labeled 'BUYER'. Below it, there is a cluster of circles representing sellers. Four larger blue circles are labeled 'Large Seller', and eight smaller purple circles are labeled 'SME'. The circles are arranged in a way that suggests the buyer is interacting with a group of sellers, with the 'Large Seller' circles positioned slightly above and to the sides of the 'SME' circles.

## Benefits:

- Increased purchasing power
- Fiercer competition
- Streamlined procurement



- Lower prices/lower cost


# Monopsony



BUYER

The diagram illustrates a monopsony market structure. At the top left is a green rectangular box labeled 'BUYER'. Below it are two overlapping blue circles, both labeled 'Large Seller'. To the right of the diagram is a list of drawbacks, with a large blue arrow pointing from the list above to the list below.

## Drawbacks:

- Drives competitors out
  - SMEs unable to compete
  - Creates an oligopoly
  - Reduces access to innovation
- 
- Limited supply & minimal savings

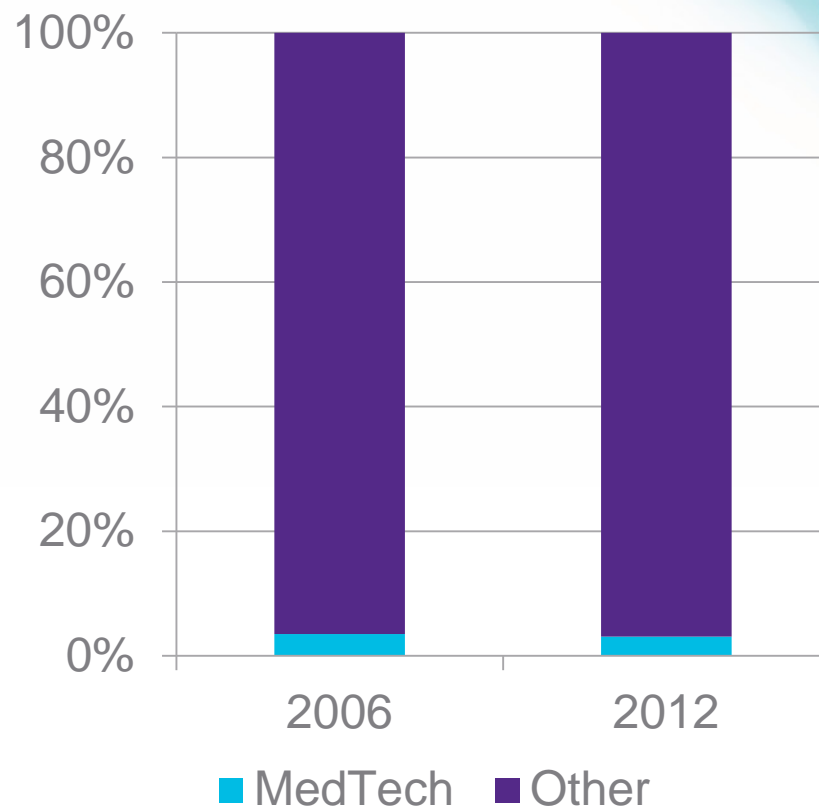
# Savings Are NOT The Most Impactful

## Healthcare Spend

- Spend on Healthcare<sup>1</sup>
  - 2006: \$151B
  - 2012: \$207B
- Spend on Medical Devices
  - 2006: 3.5%<sup>2</sup>
  - 2012: 3.1%<sup>3</sup>

**0.4% Reduction  
after 6 Years**

## Med Device as % of Total

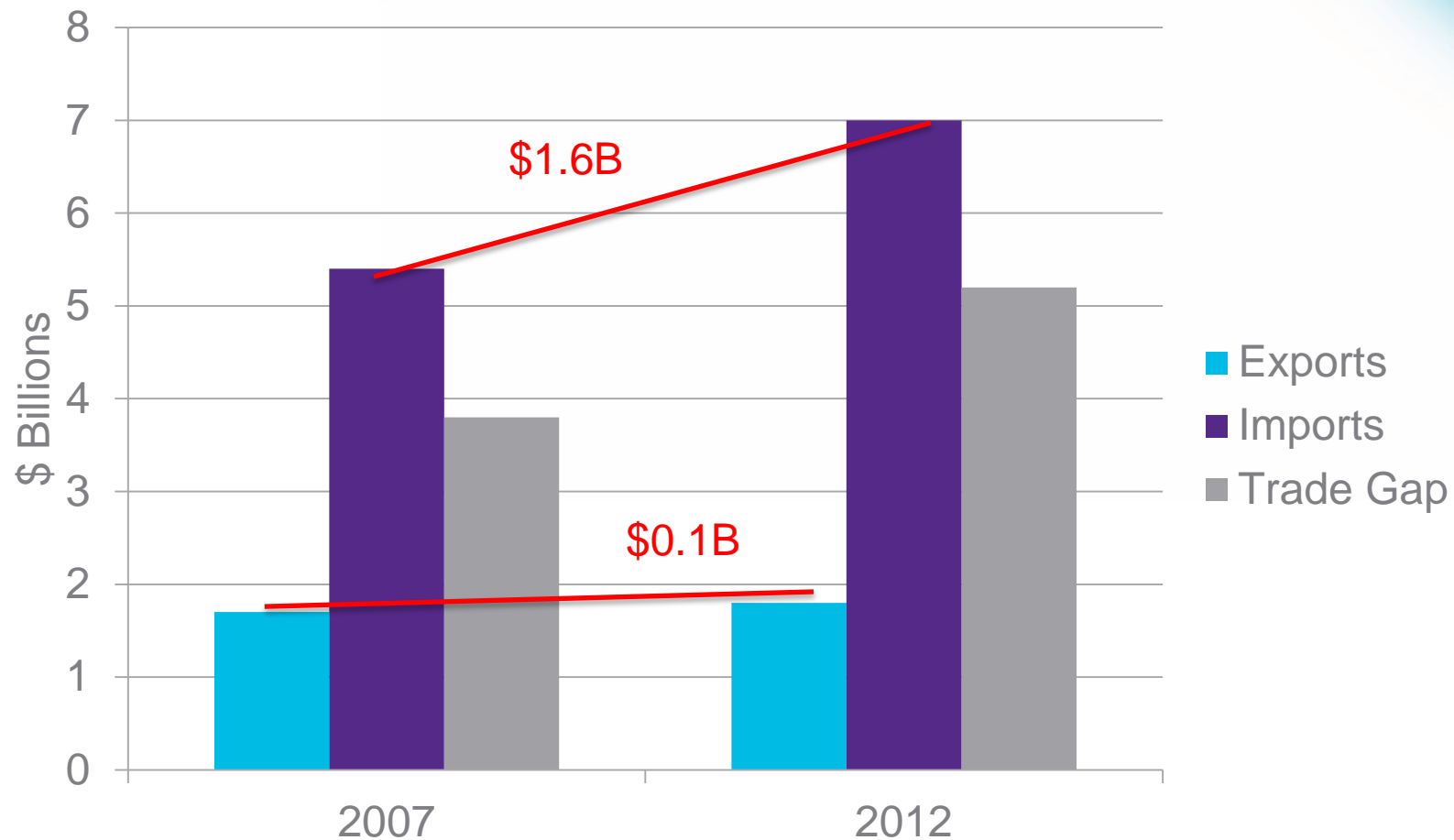


1) CIHI - National Health Expenditure Trends, 1975 to 2012

2) CHPI - Medical devices and healthcare costs in Canada and 65 other countries, 2006 to 2011

3) Industry Canada - Medical Device Industry Profile 2013

# Savings are NOT Helping Our Economy



Source: Industry Canada

# Savings Are NOT Helping Patients

Photo Not for Distribution

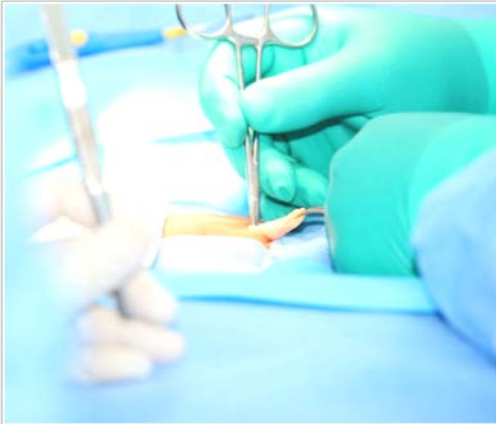


# We Need to Break the Mould



*Breaking the Mould: Ideas for Change*

# How Do We Procure Value & Outcomes?



Minimally  
Invasive



Faster  
Diagnosis



Compatible

# How Do We Procure Virtual Care?

Photo Not for Distribution

Care



Monitoring

Photo Not for Distribution

Diagnostics

# How Do We Procure Solutions?



**Beyond Products**



**Beyond Treatments**



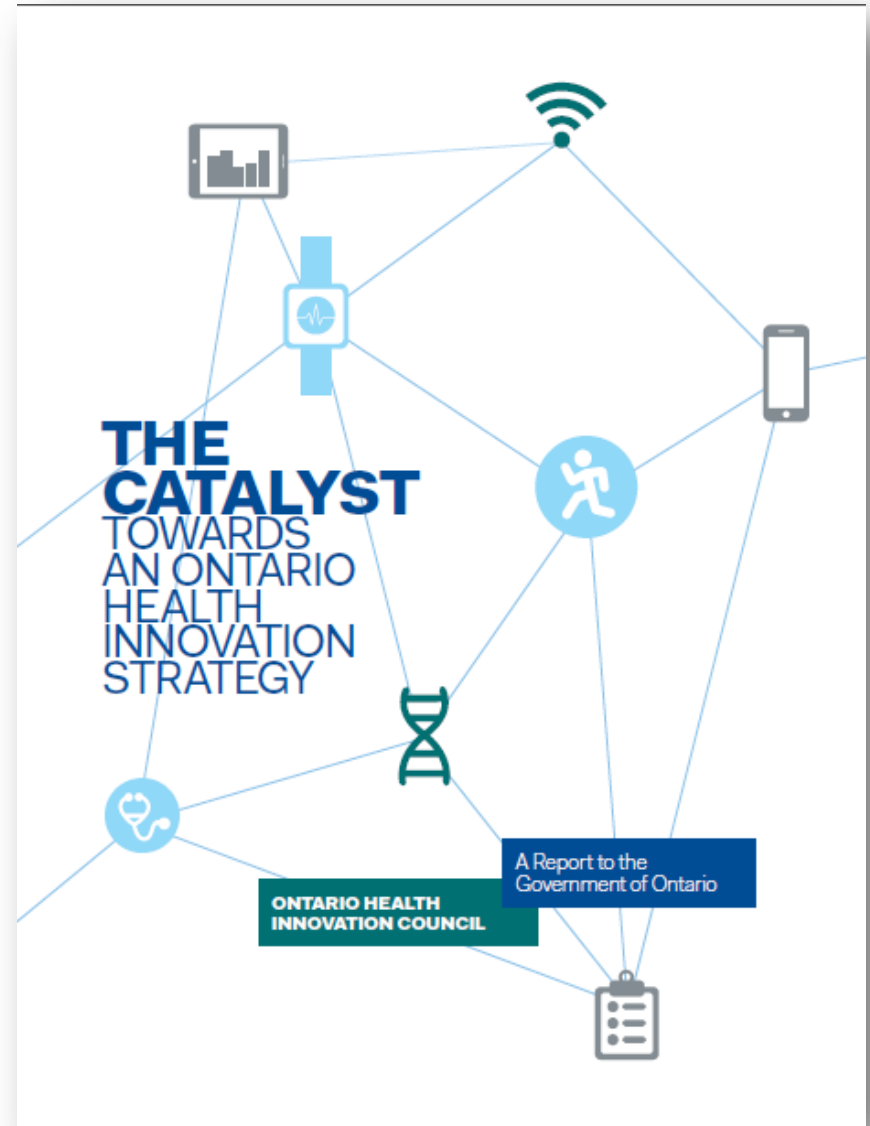
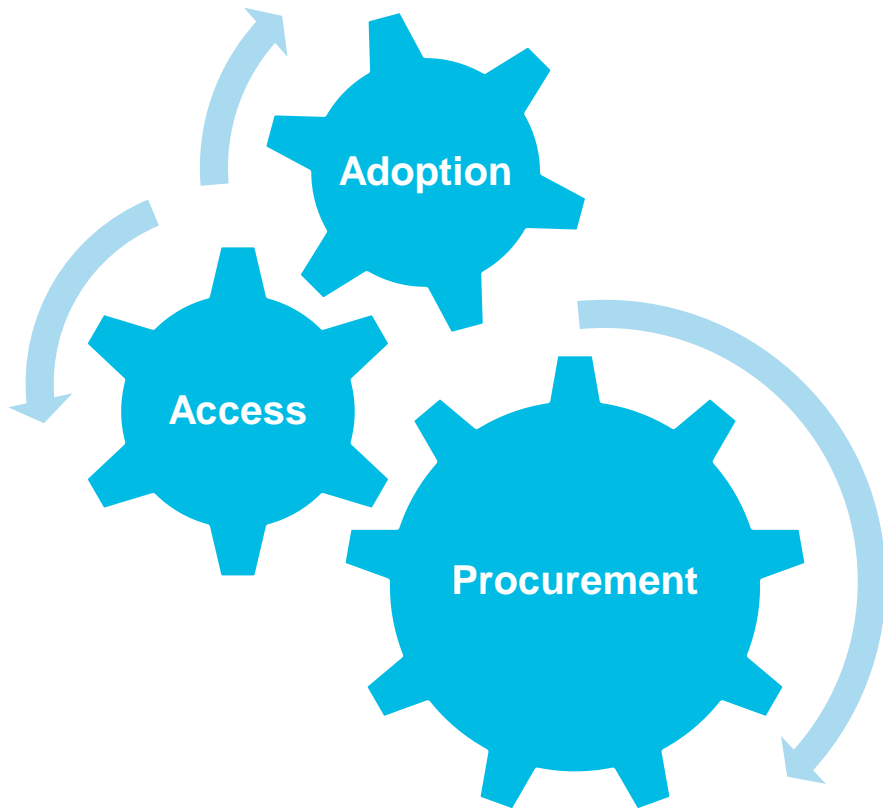
**Beyond Hospitals**



We are starting to move in a new direction



# Ontario Health Innovation Council



# Advisory Panel On Healthcare Innovation

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## **Established in 2014 to:**

1. ID 5 most promising areas of innovation with potential to reduce growth in health spending while improving quality & access.
2. Recommend 5 ways the federal government could support these areas.

# Leading Change in Alberta



**Alberta  
Innovates  
Health  
Solutions**



# Strategic Clinical Networks

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## Incredible Start

- Delivers need for focus
- Clear outcomes to date
- Model for other provinces

## Going Forward

- Translate momentum
- Drive decisions into practice
- Procurement at the table
- Local adoption of SME innovations



# Experts in Spread & Scale





*“I skate to where the puck is going to be, not where it has been.”*

Photo Not for Distribution

*“The value [of Alberta Innovates] lies in the potential of our assets, mobilising collaborations to capitalise on them and working collectively for long-lasting, sustainable results.”*