Irish Medical Devices Association

Priorities for the next government

Innovating for Ireland’s future health and care, driving economic growth in the medical technology sector
Irish Medical Devices Association Manifesto

Our vision:

• Ireland will be a global leader in innovative patient-centric medical technology developments, products and solutions.
• Ireland will be a globally significant medical technology hub and the location of choice for the industry due to our expertise and pro-business environment.
• Irish medical technology developments, products and solutions will be major contributors to global healthcare and the global economy.

Our mission to shape and deliver the industry vision by:

• Driving significant agenda items towards the industry vision.
• Building awareness of the value of Irish medical technology for patients and the economy in Ireland and globally.
• Providing services, support and information which will add value to the businesses of our members.
• Facilitating interactions with other relevant sectors such ICT, pharmaceutical, biotechnology and materials to encourage new healthcare solutions through technology convergence.

Our commitment to work with Government:

Medical technology companies are confident about their businesses and the future. **Now is the time to act with ambition:** the sector is at the cusp of transformational change which will support a new era in healthcare.

The medtech industry in Ireland is committed to supporting these recommendations through communication, dialogue and partnerships. With the right policies and conditions, Ireland will be positioned to exploit the myriad of opportunities that this transformation will bring to both the industry and country for economic growth.
Dear Member,

The Irish Medical Devices Association (IMDA) is the Ibec group that represents the medtech industry in Ireland and as the extraordinary statistics on the opposite page demonstrate, the medtech industry is now one of Ireland’s premier employers, exporters and drivers of foreign direct investment.

And we want Ireland to continue to be at the forefront globally. With this in mind, IMDA fully supports the recommendations outlined in the broader Ibec Business Manifesto, Putting ambition to work, (see www.ibec.ie/ambition). To complement and build on this, over recent months we have listened to the medtech business community through a series of meetings to inform IMDA’s own key recommendations. We have organised these around two overarching pillars:

Section 1. Work better together to deliver a modern healthcare system for everyone
   1.1 Encourage changes to make Ireland’s healthcare infrastructure world class
   1.2 Promote innovation in healthcare settings to deliver better patient care and drive economic success
   1.3 Reduce healthcare costs by adding value and promote early adoption of new healthcare solutions

Section 2. Create a better business environment for Ireland’s world class medtech sector to succeed
   2.1 Help medtech business win
   2.2 Reward risk taking to encourage new medtech start-ups
   2.3 Equip people with the skills needed today for the medtech businesses of tomorrow

Medtech companies are confident about their businesses and the future. The global medtech industry is expected to grow (compound annual growth rate) by 5.5% over the coming three years. But now is the time to act with ambition. The primary aim of any medical technology is to improve medical care, making it easier to improve the overall health of users or patients. Working together Ireland can drive a new era in healthcare that will be good for patients, good for medtech and good for the Irish economy.

To ensure a suitable recovery for Ireland, the Government must support businesses that create growth and jobs. The medtech sector grew during the crisis, but more needs to be done so that it can continue to compete internationally, to attract R&D and expand the R&D mandate of Foreign Direct Investment (FDI) and indigenous companies. We are asking our members and the wider business community to choose a government that understands this – a government that puts ambition to work.

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A business association in Ibec.

Donal Balfe
Chairman, IMDA
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James Winters
Vice Chairman, IMDA
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Ireland is now one of the largest exporters of medical products in Europe with exports of €8.5 billion in 2014.

60% of the medtech industry is indigenous, with a significant proportion of small and medium size enterprises.

As many as 18 of the world’s top 25 medical technology companies have made Ireland their home.

Companies now directly export to over 100 countries worldwide.

More than 2,000 jobs and €652 million in investment has been announced in the sector in Ireland since 2014.

Ireland’s world class medical technology sector employs 27,000 people in over 350 companies.

The sector has a strong foothold regionally with business centres in Galway, Limerick, Cork, Waterford, Sligo, Shannon and Athlone.
Work better together to deliver a modern healthcare system for everyone
Encourage changes to make Ireland’s healthcare infrastructure world class.

Healthcare systems globally are increasingly challenged by greater demands for healthcare services in the face of diminishing fiscal resources. The healthcare system in Ireland is no different. The medtech industry has a key role to play in addressing these challenges which the system faces and supporting its sustainable development. The adoption of innovative processes and healthcare solutions within the healthcare system would support better patient outcomes.

Innovation in the sector will increasingly align with new care models. New digitally enabled health applications have the potential to transform healthcare delivery models and introduce efficiencies. Data will become one of healthcare’s greatest resources and will drive better clinical decision making, improve outcome based accountability and promote patient empowerment. There is a significant opportunity to build a world class healthcare system in Ireland, supported by Ireland’s world class medtech industry. Progress can be made by working together.

IMDA recommendations:

• Develop a more efficient Irish healthcare system. Engagement with industry will help the Irish healthcare system to identify more efficient usage of limited resources by learning from best practice in lean processes that have already been adopted by industry.

• Move towards integrated health information systems. Much of today’s health information systems function as silos. We must create an opportunity for information to be globally integrated and readily available, whereby electronic patient records can travel with the patient. Due consideration of data interoperability and healthcare data standardisation is critical to allow a platform based approach to healthcare delivery. The roll-out of the national broadband plan is essential for integration to be possible.

• Develop an appropriate route map to guide business decisions within the healthcare system to take advantage of the fact that big data in healthcare is still at an early phase of development.

• Build Ireland’s reputation as a centre of excellence for clinical and surgical research, and for early adoption and investment in new, advanced medtech solutions.

There is a significant opportunity to build a world class healthcare system in Ireland, supported by Ireland’s world class medical technology industry.
Promote innovation in healthcare settings to deliver better patient care and drive economic success.

Excellence in patient care is dependent on innovation, without it clinicians would not be able to build the sound evidence base needed to underpin best practice. Whilst there are excellent examples of leadership within Ireland’s healthcare settings, hospitals and primary care centres, we must do more to leverage recent investments and progress made to develop a culture that values, promotes and rewards innovation and R&D practices.

The availability of state of the art research infrastructure for medtech simulation, testing and prototyping within our medical schools and teaching institutions is necessary to be able to attract global R&D and support our thriving indigenous base. Research centres will need support for investment in critical leading edge technologies such as robotics, surgery simulation, 3D printing and cell manufacturing. More companies will direct investment into clinical research in Ireland if our research centres are recognised internationally as world class.

A robust clinical research infrastructure would provide enormous value to Ireland’s patient population and to the economy. The level of medtech clinical investigations taking place in Ireland is currently low considering the number of medtech companies located here. We recognised the progress that has been made in recent years with the establishment of the National Healthcare Innovation Hub and recently announced Health Research Board Clinical Research Coordination Ireland, but more needs to be done.

IMDA recommendations:

• Promote, reward, and value a culture of innovation leadership within the Irish healthcare system. Encourage engagement with industry to understand best practice in innovation. Encourage clinical-industry engagement to support commercialisation of innovative medtech therapies.

• Appoint an Executive Director with responsibility to drive innovation and R&D within the Department of Health. Set and monitor relevant metrics across the health service.

• Attract and retain globally recognised key opinion leaders and researchers.

• Invest in hospital based state of the art facilities in areas such as surgery simulation, testing and prototyping.

• Reform the medical technology ethics approval process in Ireland. Align pharmaceutical trial and device investigation approval requirements, whereby the latter would only require recognised single ethics committee approval for multi-centre investigations.

• IMDA’s Code of Ethical Business Practice guidance was developed to safeguard the important relationships that companies have with healthcare professionals with whom they work closely in developing and improving medical devices. IMDA sees ethical compliance at the forefront of the sector’s business.
Reduce healthcare costs by adding value and promote early adoption of new healthcare solutions.

The ability to adopt new and advanced technologies is essential for best practice in patient care. The establishment of the National Healthcare Innovation Hub as a first step to enable Ireland’s indigenous SMEs to introduce new product into the health system is welcomed. There is an opportunity for Ireland to be recognised as an ‘early adopter’ of medtech, this is a measure of international best practice in modern healthcare systems.

Ireland needs to acknowledge the transformational change that can be achieved through a pragmatic approach to public procurement. Ireland is still struggling to move procurement to a strategic activity to support innovation and adoption of new technology.

IMDA recommendations:

- Adopt best in class economic models such as the Most Economically Advantageous Tender model for healthcare provision. The impact of new technologies on the longer term outcome and total cost of a patient’s illness needs to be considered, as opposed to tendering purely on the basis of short-term prices. Value for money mechanisms should be modified to take into account other evaluation criteria such as quality and patient outcomes.

- Support clinical input as an important element of effective procurement of medtech. Early engagement with industry can be mutually beneficial.

- Simplify tendering processes to encourage greater participation of indigenous companies. In particular administration burdens and public procurement costs for SMEs should be addressed.

- Nominate a lead person within the HSE to have specific responsibility for SMEs to inform market-engagement strategies, procurement procedures, as well as identifying potential barriers preventing SMEs from bidding for contracts.

- Introduce a Small Business Innovation Research fund for health, similar to the fund set-up for energy and transport to support the adoption of new and advanced technologies into the healthcare system. Similar programmes have proven to be effective in the UK and the US for medtech adoption in hospitals.

There is an opportunity for Ireland to be recognised as an ‘early adopter’ of medtech, this is a measure of international best practice in modern healthcare systems.
Create a better business environment for Ireland’s world class medtech sector to succeed
Help medtech business win.

The medtech sector in Ireland is internationally recognised as one of the top five emerging global medtech hubs. The global medtech industry is expected to reach €475 billion in 2018, registering a compound annual growth (CAGR) of 5.5% over the next three years. Companies in the sector face challenges and opportunities on many fronts from healthcare spend, changing market dynamics, to new technologies and much more. Given our existing and proven capacity to adapt in Ireland, Ireland is well placed to address these challenges. IMDA’s vision is that Ireland will be a global leader in innovative patient-centric medical technologies. Irish-based medtech companies already develop some of the world’s most innovative healthcare products and solutions. Ireland should maximise opportunities with growing demand to become major contributors to global healthcare and the global economy.

IMDA recommendations:

• Increase investment in process and product R&D in Ireland. Ireland must remain an attractive place to conduct R&D and facilitate the emergence of indigenous medtech firms. Intellectual Property (IP) for medtech is generated in many ways other than product IP or patents. The recent announcement of the Knowledge Development Box is welcomed in Budget 2016; however it is imperative that the unique nature of innovation in the medtech sector falls within its scope.

• Support efficiency improvements and investments in advanced manufacturing technologies by establishing an industry-led advanced manufacturing research and technology institute.

• Work towards a centralised and equitable pan-European approach to fund medtech regulatory activity. Funding of medtech regulatory activity needs to be agreed at EU level, this will benefit the sector both here and across the EU. The sector in Ireland is committed to an ecosystem of regulatory excellence which will maintain and grow innovation both and home and in Europe.

• Provide support for Irish based companies of all sizes to access Horizon 2020 R&D grants for health research and manufacturing.

• Create and promote an appropriate knowledge network for the medtech ecosystem to incorporate the ICT, software, telecoms sectors and other stakeholders.

• Leverage Ireland’s recognised excellence in the areas of data processing, compliance and security to support the convergence of medtech with IT to establish Ireland as a global destination for health data and data analytics activity.
2.2 Reward risk takers by supporting medtech start-ups.

Entrepreneurship and start-ups are a vital part of the medtech ecosystem. IMDA welcomes initiatives such as BioInnovate, aimed at fostering start-ups and the development of entrepreneurial skills for the sector, but we need to be more ambitious. Over half of the companies working in the industry are indigenous and many are SMEs. The Irish tax system must help to reduce uncertainty about potential returns for these companies and encourage entrepreneurs to embrace risk and start new businesses.

IMDA recommendations:

- Reform Capital Gains Tax (CGT) to differentiate and reward medium-high risk investments. Changes to the rate of CGT to 20% in Budget 2016 are a step in the right direction. Ireland’s competitors in the UK have made strides in recent budgets to improve its attractiveness and we must continue to bridge the competitiveness gap.

- Introduce an equivalent to the UK’s Seed Enterprise Investment Scheme (SEIS) to remove barriers to trade for small start-up businesses and help get more first time investors into the market.

- Reform employee share options with a similar scheme to the Enterprise Management Incentive (EMI) scheme in the UK where share options are given relief from income tax and USC.

- Introduce an SME tax credit for small firms to help them overcome the burdensome costs associated with the R&D tax credit scheme.

- Increase the availability of suitable incubator space in targeted locations for indigenous and foreign direct investment start-ups, to support new projects.
Equip people with the skills needed today for the medtech businesses of tomorrow.

It is vital that the future talent pool is equipped with the skills needed to adapt to a rapidly changing medtech business model. Advanced and additive manufacturing and the emergence of convergent medtech will fundamentally impact the skills needed to work in the industry. We must embrace the skills revolution, adopting strategies to ensure continuous upskilling and development of Ireland’s workforce so that they have the skills needed today for the medtech businesses of tomorrow. There is huge potential for future growth, but this will only be possible if suitably qualified and skilled people are readily available.

IMDA recommendations:

• Conduct a future skills needs analysis for the sector taking into account the changing business models which include advances in manufacturing and convergence of medtech with other sectors such as ICT, pharmaceutical, biotechnology, and materials. Ensure Ireland’s higher education institutions are aligned and sufficiently resourced to meet the future skills needs of the medtech sector.

• Change the thinking around entrepreneurship by embedding key aspects such as resilience, critical thinking, intelligent risk taking and collaboration across the curriculum from primary level to higher level education.

• Establish a medtech international graduate placement programme in key areas such as sales and marketing as well as introduce a new accredited internship programme. These will help people get the necessary experience to start careers in the sector.

• Establish a ring fenced fund to support the development of new apprenticeships for advanced manufacturing.

• Restore Skillnets funding for upskilling to €23 million to support successful programmes which can respond quickly to emerging and new skills demands in sectors such as medtech.
Ibec is the national voice of business in Ireland. The organisation and its sector associations, work with government and policy makers nationally and internationally, to shape business conditions and drive economic growth.

From the dynamic, modern manufacturing of the high-tech, life sciences and food sectors to the vanguard of quality services provision, including financial, software, retail and tourism; from companies operating in small villages to those serving a global customer base, and those doing both at the same time; from those managing 5 employees, to those managing 50,000. Ibec's strength lies in our diversity. We offer our members a range of professional services and training on human resource management, occupational health and safety, employee relations and employment law.

www.ibec.ie/ambition
Join the conversation by tweeting #Ibecambition
The Irish Medical Devices Association (IMDA) is the Ibec group that represents the medtech industry in Ireland. IMDA has more than 180 members located throughout the island of Ireland. IMDA’s broad focus is to promote and support an environment that encourages the sustainable development and profitable growth of our multinational and small to medium size medical device and diagnostic companies.

By forging close working relationships with ministers, government agencies, policy makers and other relevant governing bodies IMDA helps members navigate the challenges facing both multinational and indigenous medical device and diagnostic companies.

On behalf of our members, we work to bring together clinicians, industry leaders, academia, government and health stakeholders to foster an environment of growth, innovation and convergence in developing the medical devices and diagnostic products and solutions of tomorrow.

The Board of IMDA

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Vice President of Operations, MITG, Medtronic
(Chairman IMDA)

James Winters
Vice President Manufacturing, Global Joint Reconstruction Ireland, DePuy Orthopaedics Worldwide (Vice Chairman, IMDA)

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