



23-25 JAN.
2018
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The EGG
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MEAT: A New Philosophy for MedTech Commercial Models



A MedTech Europe grant

The MedTech Forum

bringing HealthTech stakeholders together

Moderator:

Richard Charter:

**Head of Market Access & Pricing, Diabetes Care EMEA,
Grant provider to the MEAT Community of Practice**

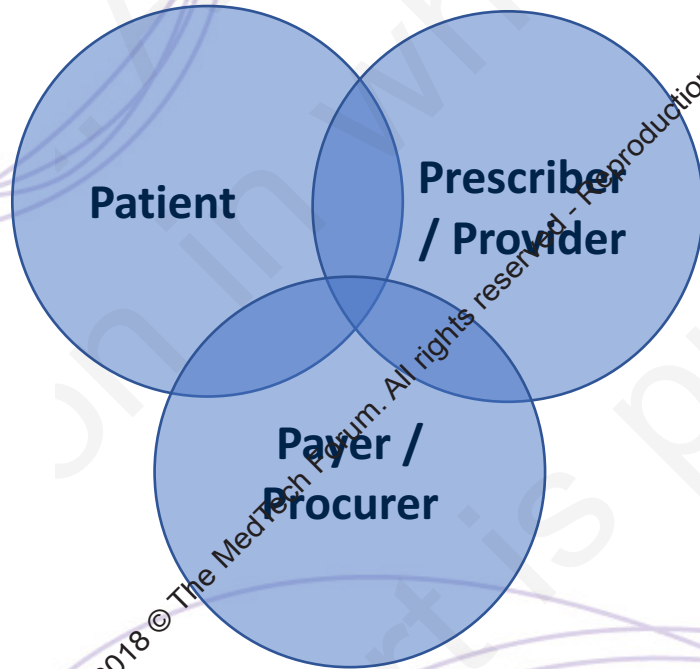
Speakers:

Ferran Rodriquez Omedes: Head of Clinical and Biomedical Engineering, Hospital Clinic de Barcelona

Eszter Kacs Kovics: Public Affairs Director, Health and Medical Solutions, Essity Hygiene & Health

Götz Gerecke: Partner & Managing Director, The Boston Consulting Group

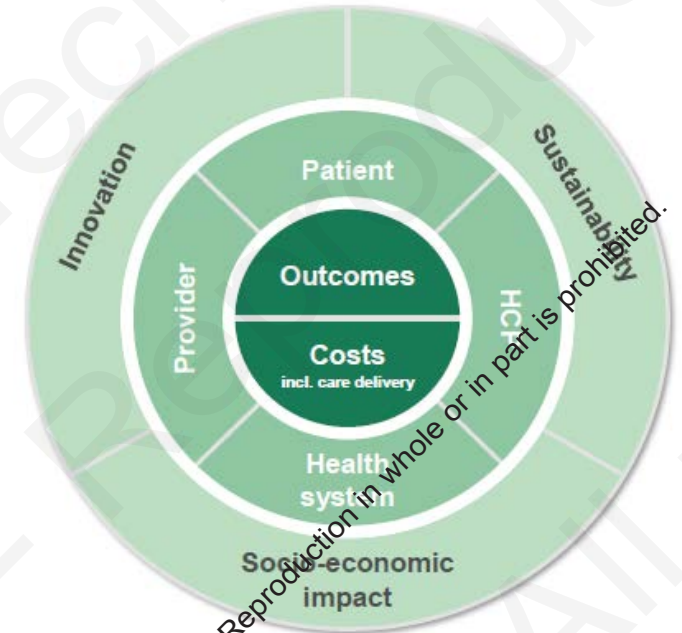
Why are we here?



As manufacturers we can align around these stakeholders:

- i. patient (user),
- ii. Prescriber/provider (decision maker),
- iii. Payer / Procurer (budget)

Value =



The commercial and sales model changes drastically when approach our industry through the lens of Value Based Healthcare.

'Value Based Healthcare' is not new...

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THE AMERICAN ECONOMIC REVIEW

VOLUME LIII

DECEMBER 1963

NUMBER 5

UNCERTAINTY AND THE WELFARE ECONOMICS OF MEDICAL CARE

By KENNETH J. ARROW

I. Introduction: Scope and Method

This paper is an exploratory and tentative study of the specific differentia of medical care as the object of normative economics. It is contended here, on the basis of comparison of obvious characteristics of the medical-care industry with the norms of welfare economics, that the special economic problems of medical care can be explained as adaptations to the existence of uncertainty in the incidence of disease and in the efficacy of treatment.

It should be noted that the subject is the *medical-care industry*, not *health*. The causal factors in health are many, and the provision of medical care is only one. Particularly at low levels of income, other commodities such as nutrition, shelter, clothing, and sanitation may be much more significant. It is the complex of services that center about the physician, private and group practice, hospitals, and public health, which I propose to discuss.

The focus of discussion will be on the way the operation of the medical-care industry and the efficacy with which it satisfies the needs of society differ from a norm, if at all. The "norm" that the economist usually uses for the purposes of such comparisons is the operation of a competitive model, that is, the flows of services that would be offered and purchased and the prices that would be paid for them if each individual in the market offered or purchased services at the going prices as if his decisions had no influence over them, and the going prices were such that the amounts of services which were available

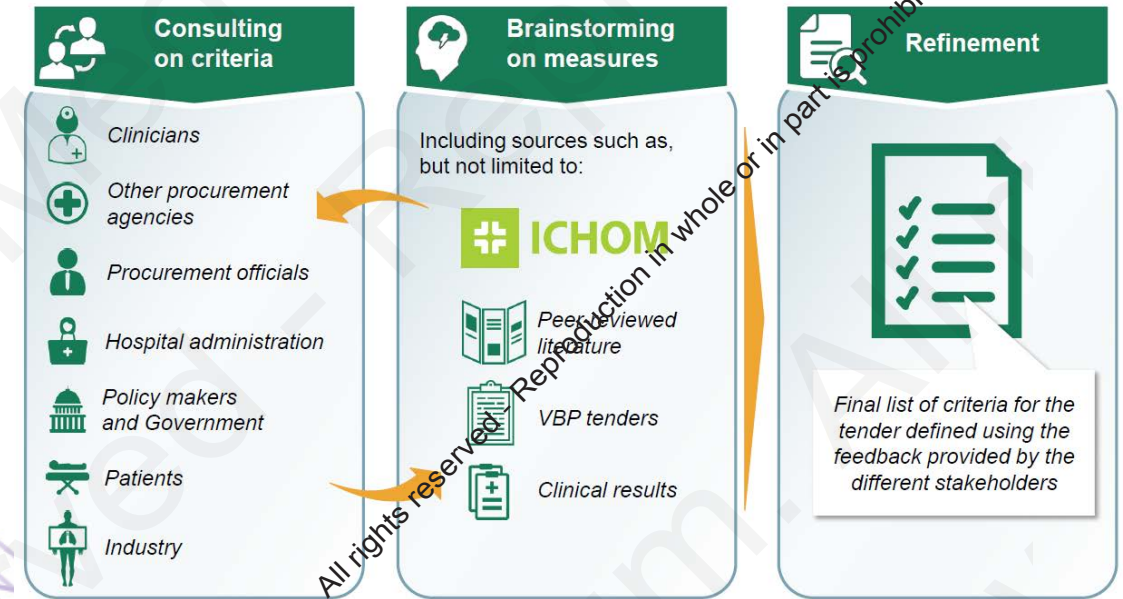
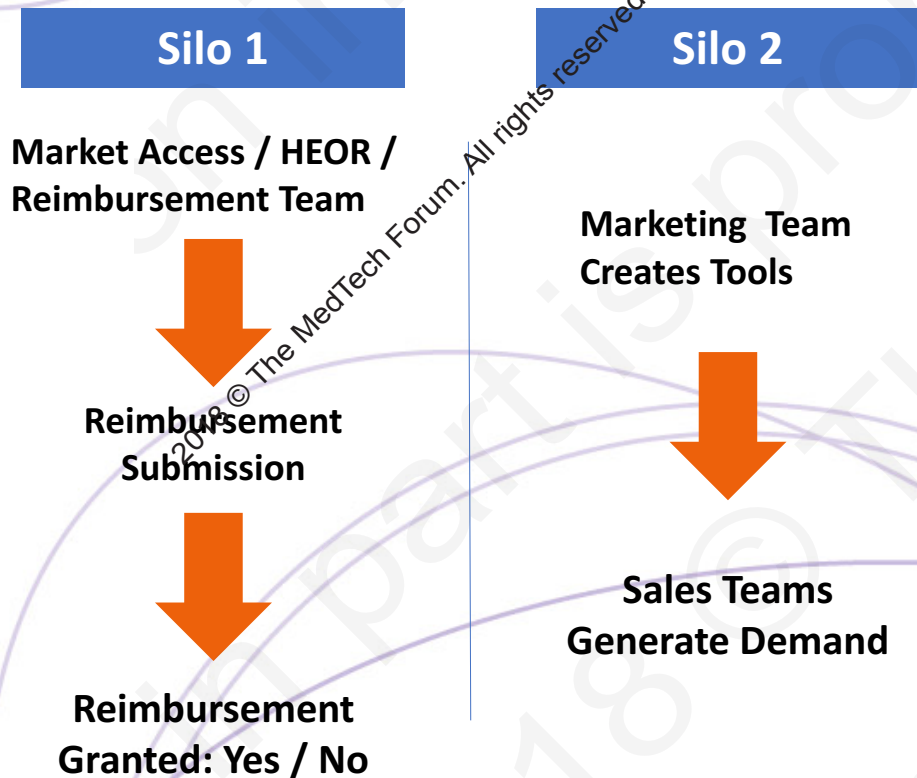
Uncertainty and the Welfare Economics of Medical Care. Kenneth Arrow, 1963

"The 'norm' that the economist usually uses... is the flow of services that would be offered and purchased and the prices that would be paid for them..."

...but how we commercialise innovation is

The old 'silo submission' model:

The new 'collaborative dialogue' model:




Source: MedTech Europe, BCG


..based on a MedTech Value Framework & Procurement Community of Practice


Pilots and learning projects


Learning projects - Pilots


Oulu Hospital district area
Stent – Balloon 

Hospital Clinic Barcelona
TAVI 

Hospital clinical Barcelona
Diapers/underpads 

UNIHA - Lyon
Hypothermia – system 

Sykehusinnkjøp HF (*) 

Children's Hospital Group
Imaging equipment 

Completed MEAT VBP

Running MEAT VBP

Confirmed to start MEAT VBP



Priority Countries Industry : France, UK, Italy, Spain, Nordics, Germany

* Updated on 26 Jan 2018


Pilots in discussion – interest but not yet confirmed

Network of E17 hospitals 

Ankara Hospital 

Hospital KFSHRC 

NHS Wales 

DIFI Collaborative training (*) 

A Defined Community of Practice (CoP) has been built, and there are clear learnings for MedTech Companies

Eszter Kacskovics
Essity Health and Hygiene AB

Manufacturer's Perspective on Value Based Procurement

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Why is this so difficult and slow?

- hard to disagree with the principles, but when details addressed, it gets complex, difficult to define what does it really mean for a specific technology
- most stakeholders prefer to „wait and see” what others do and learn from it
- new perspective -> requires new way of looking at things, new value propositions, maybe new developments
- „lonely fighters” in companies are not enough, internal change agents , and top management commitment is needed

How to make it happen?

- Stakeholders needs to take a more active role:
 - ✓ industry needs to define and communicate clearly what outcomes their technology can deliver (not technical specifications)
 - Procurers need to define their REAL needs, and be open and listen to the industry's possible solutions

Götz Gerecke
Partner & Managing Director
The Boston Consulting Group

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Seven steps to get ready internally

- 1 Join the **Community of Practice** to become part of shaping the journey
- 2 Package MEAT Value-Based Procurement materials into **your own branded tool kit**
- 3 Involve cross-functional team including **market access, medical affairs and marketing**
- 4 Define specific **value propositions and related evidence** around new framework
- 5 Engage in **pilot tenders** and refine approach based on insights derived
- 6 Train and enable your **local commercial teams** to enter into dialogue
- 7 Systematically **roll out and track impact** of new tender excellence approach