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HIGH-LEVEL CONFERENCE

**"EXPLORING INNOVATIVE HEALTHCARE – THE ROLE OF MEDICAL  
TECHNOLOGY INNOVATION AND REGULATION"**

Tuesday, 22 March 2011, Brussels

**Opening statement of Dr. Alain Coudray, M.D., Vice Chairman of Eucomed**

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**Opening:**

- Good morning Commissioner, Ministers, Members of the European Parliament, ladies and gentlemen.
- My name is Dr. Alain Coudray and I am Vice Chairman of Eucomed, the European medical technology trade association.
- I would first like to congratulate Commissioner Dalli, the Commission and the Member States on this initiative, the first in what we hope will be a series of Ministerial-level conferences on health systems and the role of medical technology and innovation in Europe.
- Last year the Commission completed a first-ever, in-depth, multi-stakeholder "Exploratory Process" on the role and value of the medical technology industry in Europe.
- Now more than ever, it is critically important that we follow-up on this process with concrete actions.

**Core Message:**

- Our current healthcare delivery model does not generate sufficient value from what we spend, and will not enable us to overcome the challenges we face.
- We need to change our focus from just "cutting costs," to re-allocating spending to invest in innovative solutions that will deliver health and quality-of-life gains for patients, and higher quality and productivity for healthcare systems.
- Innovative medical technology and services can be a positive "catalyst for change."

**Agenda:**

1. Why our current healthcare delivery model is not generating sufficient value for European patients, healthcare systems and society.
2. How innovation and medical technology can be "part of the solution" for Europe as we work to achieve the Europe 2020 Strategy and, in particular, the Active and Healthy Ageing Innovation Partnership Initiative.

**Key Point #1:** Our current healthcare delivery model is not providing sufficient value for European patients, healthcare systems and society.

- Europe is facing some critical challenges today, including: increasing pressure on national and local healthcare budgets, ageing populations and a growing shortage of healthcare workers.
- Today, in the current model of healthcare delivery, Europe spends about 8% of GDP on healthcare.
- Let's look at this breakdown, which comes from a global study carried out by the L.E.K. Consultancy firm. Of this spending, between 2-5% is spent on medical devices, 10-15% is spent on pharmaceuticals and the remaining 80-85% of national healthcare budgets are spent on operating costs -- staff, facilities and administration.
- If we try to meet the growing demands of our ageing European populations with the "same old" healthcare delivery model, our spending will have to increase massively in the coming decades.
- Ladies and gentlemen, this is clearly not sustainable. All stakeholders, including industry, bear a responsibility to find solutions.

**Key Point #2:** Innovation and medical technology can be "part of the solution" for Europe as we work to achieve the Europe 2020 Strategy and, in particular, the Active and Healthy Ageing Innovation Partnership Initiative.

- Innovation and medical technology can contribute products, services and processes that get more and better outputs from the 80-85% of healthcare budgets that are spent on operating costs.
- How? By driving improvements in the quality and productivity of our healthcare systems, and empowering patients to manage their health better and live active, healthy, independent lives.
- Example (Apologies for using one from my company, I know it best): remote monitoring of cardiac device patients. My company's "Carelink" system is used by 600.000 patients in 31 countries. There is a growing body of very solid "real world" evidence to support the value proposition of this system for healthcare systems, professionals and patients. The data show that this system:
  - reduces patients' in-office visits by 38%
  - anticipates clinically-actionable health events and reduces time from event to clinical decision by 79%
  - reduces average length of hospital stay due to cardiovascular causes by 18%
  - reduces costs by 40%
- This is just one example – and there are many others in the areas of Community Care, Orthopaedics, Ophthalmology, etc. – of how innovation and medical technology can be a "catalyst for change" in our healthcare systems by enabling all stakeholders to get more value from what we spend.

- At the same time, the medical technology industry provides high-quality jobs in Europe (half a million employees) and contributes to the EU economy through significant R&D investments (8% of sales), training of healthcare workers and exports -- especially by SMEs, which represent 80% of the companies in our sector.
- Europe needs to support and leverage this unique industrial asset, rather than sitting back and waiting for innovation to happen elsewhere.
- We in Europe should not have to hope that other economies, such as China and India, solve the challenges facing European citizens and European health care systems;
- In my view these will NOT be sufficient to provide the outcomes we are seeking for Europe.

**Summary:**

- Our current healthcare delivery model does not generate sufficient value from what we spend, and will not enable us to overcome the challenges we face unless we change.
- We need to change our focus from just "cutting costs" to re-allocating spending to invest in innovative solutions that will deliver health and quality-of-life gains for patients, and higher quality and productivity for healthcare systems.
- Innovative medical technology and services can be a positive "catalyst for change."

**Action Steps:** This first-ever conference provides a critical opportunity for Europe to take 3 important steps forward:

1. We need to articulate a comprehensive vision that recognizes the value of innovation and medical technology in Europe, building on the outcome of last year's "Exploratory Process."
2. We need to create and maintain the necessary conditions to incentivize and reward innovation from concept through to adoption and use, via an appropriate regulatory framework; HTA & reimbursement systems; and procurement & purchasing practices.
3. We should initiate a series of programmes whereby all of us in this room will work together collaboratively in the coming months and years to achieve this vision, for the benefit of European patients, health system stakeholders and society.

I look forward to interesting and productive discussions today. Thank you very much.