



BY EMAIL Montreal, January 17, 2023

Mr. Éric Girard
Minister of Finance
Ministry of Finance
390 Charest Boulevard East
Québec City, Quebec G1K 3H4

Subject: Recommendations and request for a meeting as part of the 2023-2024 prebudget consultations

Dear Minister Girard,

For over 40 years, Medtech Canada has worked and collaborated with governments, health care providers, and patients to improve the health of Canadians and create a sustainable health care system. In Quebec, this sector consists of 369 companies that provide equipment, instruments and services to diagnose and treat diseases and health problems. The medical technology sector represents nearly 14,000 jobs in the province.

Medtech Canada has promoted new medical technologies for over 40 years and is particularly interested in any change in the business environment that may affect the organizations that it partners with every day to improve the quality of care in Quebec.

As you know, the Quebec government has significant power to purchase and allocate contracts on behalf of public bodies. Public spending is a tool for strategic governance and economic growth.

From this standpoint, the Government plays a driving role in regulating the Quebec economy by generating economic activity through its different public tender processes. Government procurement creates massive “demand” that fuels the economy by creating potential opportunities, especially for all Quebec SMEs. It is especially important that the Government use this purchasing power to stimulate innovation given its monopoly in the health care sector.

The medical technology sector is therefore a strategic one for the Government of Quebec. In terms of population services, the Government has immense potential to improve the quality and value of services delivered to users in the health and social services network (HSSN).

This sector’s economic contribution comes from its high rates of investment, employment, and innovation, including from multinational subsidiaries that do business here or are active in different areas of the Quebec market. In terms of public finances, the Government has immense potential to improve the efficiency of public spending.

Medtech Canada is a key partner for the Quebec government in public finance, health procurement and innovation. Our association is proud to be involved in the reflection and tabling cycle of the Quebec government's budget.

As we have been doing for many years, Medtech Canada wants to keep working with the provincial authorities on concrete solutions to improve the efficiency and effectiveness of the HSSN and the use of public funds.

Our main goals remain the same regarding the medical technology industry's contribution to the HSSN and the Quebec government. Our aim is to encourage the sustainability of the health care system and the sector's economic development, promote efficient public administration, and foster the innovation and development of Quebec's SMEs.

Given the current climate due to the ever-present COVID-19 pandemic, we believe it is important for us to contribute to economic recovery efforts. We want to make the health technology sector a true vehicle for economic development and significant innovation for Quebec.

The idea put forward by Premier François Legault at the *Grand Rendez-vous de l'innovation québécoise* in November 2021 of having the Government become a "first buyer" of innovation must become a reality. It is imperative for the Government to become a better buyer in all areas, especially in health care. The same applies to the modernization of the *Act respecting contracting by public bodies* (ARCPB), as reaffirmed on multiple occasions by Ms. Sonia Lebel, Chair of the Conseil du trésor.

Renewed in May 2022, the *Quebec Life Sciences Strategy 2022-2025* sets out actions to capitalize on this key industry for the Quebec economy and help it expand. We believe that this Government initiative would be extremely invigorating for the Quebec economy and innovation, particularly for the medical technology industry. We look forward to its deployment and particularly to the measures that will enhance its impact on integrating innovation into the Quebec health and social services system.

Medtech Canada has reacted positively to the announcement of the *Government Procurement Strategy* as well as to Bill 12, *An Act mainly to promote Québec-sourced and responsible procurement by public bodies, to reinforce the integrity regime of enterprises and to increase the powers of the Autorité des marchés publics*. We believe that the announced strategy has the right goals. However, as adopted, Bill 12 does not include any binding measures that enforce the concept of "value" or innovation in procurement.

Medtech Canada is therefore submitting seven recommendations to the Ministère des Finances du Québec (MFQ) in three areas: government administration, health and social services, and economic development.

Government administration

- 1- Prioritize the deployment of the measures in the *Government Procurement Strategy* that can concretely contribute to:
 - a. Awarding contracts using new tendering methods based on aspects other than the lowest price.

- b. Allowing tenderers, and particularly SMEs, to propose innovative or alternative solutions.
 - c. Introducing more flexibility into procurement processes given that the current global supply chain crisis requires significant improvements in procurement practices.
- 2- Invest the necessary funds to transform the Government's procurement role from a purely administrative function into a strategic one:
- a. Training suppliers; developing expertise; creating information and management systems; optimizing administrative processes; adopting best practices, etc.
- 3- Review the mission, goals, and practices of the *Centre d'acquisitions gouvernementales (CAG)* so that:
- a. Its activities are fully aligned with the objectives set out in the *Government Procurement Strategy* and do not aim merely to save money.
 - b. It has performance indicators that demonstrate its activity volume, the quality of its procurement files, the time required to complete them, the satisfaction of its mandataries, and its ability to attract the interest of suppliers and competition.

REQUIRED INVESTMENT: The cost for changes to the regulatory framework and administrative practices is zero. Less than \$1 million would be required to develop training and expertise. For IT systems activities, the amounts may already be budgeted as part of the *Québec Infrastructure Plan*.

POTENTIAL ROI: High if based on increased value from value-added procurement and gains for the Quebec economy.

Health and social services

- 4- Prioritize the implementation of patient-centred funding as outlined in the Quebec plan to implement necessary health changes.
- 5- Incorporate recent initiatives and funding to cut down on wait lists for specialty medical services into a coherent action plan with specific goals, indicators and timeframes.
- 6- As a member of the [LabCANDx Laboratory Medicine Coalition](#), Medtech Canada also wants to take this opportunity to add specific recommendations for this important part of our healthcare system:
 - a. Given the importance of laboratory medicine,¹ we must continue reinvesting in these activities whose critical role was demonstrated during the pandemic.

¹ 60% to 70% of medical decisions are based on laboratory medicine (Source: Ministère de la Santé Biologie médicale, France (Updated Sep. 5, 2022): <https://solidarites-sante.gouv.fr/soins-et-maladies/qualite-des-soins-et-pratiques/biologie-medicale/article/biologie-medicale>)

- b. Precision, patient-tailored medicine has the potential to transform lives. Making new digital and data processing technologies more accessible in diagnostics would increase how often patients get the right medication at the right time.
- c. Invest in a strategy to address antimicrobial resistance (AMR), a serious threat to our health care system.² To change how antibiotics are used, rapid diagnostic tests can indicate whether an infection is viral or bacterial, identify the type(s) of bacteria causing the infection, and assess their antibiotic resistance or susceptibility.
- d. Increase and facilitate access to point-of-care testing (POCT) to act quickly when pharmacological solutions, such as antivirals for certain respiratory diseases (influenza, COVID-19), can prevent complications and reduce emergency room crowding.

REQUIRED INVESTMENT: None. These recommendations regarding the Quebec plan to implement necessary health changes and ways to cut down on waiting lists essentially involve an administrative prioritization of already allocated resources. Reinvestment in laboratory medicine would need to reach \$100 million per year to make a significant impact.

POTENTIAL ROI: Significant increase in the service level for the public that would better meet people's legitimate expectations.

Economic development

- 7- Prioritize measures in the different government strategies that pertain specifically to the medical technology sector:
 - e. Conduct international business prospecting and development.
 - f. Make the HSSN a better "first buyer" via the deployment of the *Government Procurement Strategy*.
 - g. Re-evaluate financing programs available to businesses.
 - h. Create a venture capital fund dedicated to medical technologies (announced but not yet implemented).

REQUIRED INVESTMENT: The funding for these recommendations is already covered by the announced policy directions. However, it must be ensured that the necessary funds are allocated to this file.

POTENTIAL ROI: Significant growth in investment in Quebec's medical technology sector with spin-offs for the health and social services sector.

As a follow-up to this letter, we would like to meet with you and participate in the 2023-2024 prebudget consultations, which we believe would help all of us move toward our common goals.

² <https://www.canada.ca/en/public-health/services/reports-publications/canada-communicable-disease-report-cdr/monthly-issue/2022-48/issue-11-12-november-december-2022/hospitals-related-costs-associated-antimicrobial-resistant-infections-canada-2019.html>

Sincerely,

Vice-President, Quebec



Benoît Larose

Encl. Position paper, "Adoption of Medical Technologies and Innovation to Address the Medical and Surgical Backlog in Canada," November 2022

Position paper, "Alleviating the Global Supply Chain and Transportation Crisis," March 2022

c.c.: Ms. Sonia Lebel, Chair of the Treasury Board
Mr. Christian Dubé, Minister of Health and Social Services
Mr. Pierre Fitzgibbon, Minister of Economy, Innovation and Energy