1. Executive summary

This consultation response outlines key areas of focus for the Scottish Government to focus its budget to ensure that healthcare provision and innovation in Scotland is world-leading. Key themes include:

- Significant health gains could be made through the greater provision of funding for Scottish Health Technologies Group (SHTG) approved technologies.
- Investing additional resources in targeted areas will create savings by reducing the burden in other parts of the health economy by mitigating long-term morbidity and allowing people to remain productive in their own homes for longer.
- NHS Scotland must take a longer term approach to procurement in the NHS in order to realise savings and efficiencies.

2. About Medtronic

2.1 Medtronic is the global leader in medical technology, founded in 1949 in Minneapolis, Minnesota, USA, by Earl E. Bakken and Palmer J. Hermundslie with our Global Head Office in Dublin. In the UK, Medtronic has been based in Watford for over 25 years and has a clear mission statement of alleviating pain, restoring health and extending life for millions of people around the world. In Scotland, Medtronic has a manufacturing site, a research and development site and a joint venture with the University of Dundee. These sites, in addition to personnel engaged in clinical work, customer support and sales, mean that Medtronic employs around 100 people living in Scotland, contributing to the economy.

2.2 Medtronic’s goal is to advance the ability to create meaningful innovations for hospitals, health systems, and healthcare providers so they can deliver the best care possible to patients and their families around the world.

2.3 Medtronic provides a wide range of products and services to cover a range of therapies with leading technology and innovative solutions so that, currently, every single second, somewhere in the world, two lives are improved by a Medtronic product or therapy.

3. Submission

3.1 This submission focuses on achieving the objectives of creating a fairer, smarter and healthier Scotland, with a focus on improving access to innovative technologies for the treatment of health conditions.

Do you consider that the Scottish Government’s health and sport budget for 2017-18 reflects its stated priorities (as set out in the National Performance Framework, the LDP standards and the National health and wellbeing
outcomes)? If not, how could the budget be adjusted to better reflect priorities?

3.2 The National Performance Framework sets out objectives relating to the creation of a fairer, smarter and healthier Scotland, an ambition which Medtronic fully supports. There are steps that can be taken to help achieve the objective of helping people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.

3.3 The draft budget states the intention to “continue to invest in research and development infrastructure and capacity building, supporting vital collaborative working between the NHS, academia, industry and the medical research charities and deepening Scotland’s global reputation as a destination of choice for health science”. Medtronic is pleased to see the reaffirmation of the objective for the Scottish Government to lead in healthcare innovation within the budget. It is crucial, however, to ensure that innovations are not just developed within NHS Scotland, but also adopted where it is deemed to be beneficial to patients. In order to achieve this, it is vital to ensure that adequate funding is given to technologies approved by the Scottish Health Technologies Group or assessed by other reputable bodies such as NICE in the absence of a Scottish assessment.

3.4 The Scottish Health Technologies Group (SHTG) is an advisory group set up to provide assistance to NHS Scotland boards when considering selected health technologies. Membership reflects a broad cross section of experts in the area of life sciences innovation. The work programme of the Group is designed to assess technologies and make recommendations for their use in order to facilitate improved patient outcomes as well as value for money for the Scottish NHS.

3.5 The expertise of this group should be recognised and the recommendations it makes with regards to technologies should be adopted in NHS Scotland in order to ensure that patients have access to the best treatments. This must be reflected in the budget, through making provision for the adoption and uptake of SHTG approved technologies. Medtronic would be pleased to provide further information on this.

3.6 Supporting the medical technology industry, which is one of the most agile growth areas in the UK, needs to be a crucial part of the Scottish Government’s health and social care strategy.

For the health and sport budget for 2018-19 where do you suggest any additional resources could be most effectively deployed and where could any further savings be found? What evidence supports your views?

Additional resources

3.7 Medtronic feels a helpful perspective to take would be that investing additional resources in targeted areas will create savings by reducing the burden in other parts of the health economy by mitigating long-term morbidity and allowing people to remain productive in their own homes for longer.
3.8 An example of this is in the area of stroke treatment. The Scottish budget should empower health services to commission life-saving innovations; in particular mechanical thrombectomy, a proven treatment for patients who have certain types of acute ischaemic stroke – a severe form of the condition where a blood vessel to the brain becomes blocked, often leading to long-term disability. If used within the first six hours of symptoms beginning to show – alongside other specialist medical treatment and care – the procedure has been shown in clinical trials to significantly improve disability-free survival rates and quality of life by restoring blood flow and therefore limiting brain damage. NHS England has recently announced that it will routinely commission mechanical thrombectomy.

3.9 Commissioning this sort of life-saving innovation is precisely the kind of investment which would lead to long-term savings for health services when commissioned nationally through multi-year budgets. For the single year 2018-19 health and sport budget, the long-term savings must be fully considered and a decision made accordingly. In order to facilitate this, investment must be made in specialised stroke services to ensure more lives are free of disability and money is saved in the long-term.

3.10 Stroke is a devastating disease for patients and their families, and is estimated to cost the NHS around £3bn per year, with an additional cost to the economy of a further £4bn in lost productivity, disability and informal care.

3.11 This example reinforces the belief that the only way to make rapid advances in provision of services is by direct government intervention with ring-fenced funding. Scottish Health Boards have a statutory duty to break even and thus they are often slow to invest as they have no surplus cash. Another reason is that when a Health Board has to break even in year and an investment will not repay itself within the year, that investment is unlikely to be made. The Scottish Government has the power to create an additional route to improve the health of the population, as it did by directly funding insulin pumps in the past.

Making further savings

3.12 NHS Scotland must take a longer term approach to procurement in the NHS in order to realise savings and efficiencies. Current NHS procurement mechanisms do not always acknowledge the full range of benefits that are accrued from a medical device:

- NHS procurement does not look at the full lifetime value of medical devices, focussing instead on upfront costs, which is not an economic way of operating.
- Recent Government initiatives in procurement have focussed on the short term transactional elements of industry-NHS relationships, something that has been to the detriment of industry, the NHS and patients.
- NHS procurement should take a ‘value-based’ approach to the use of medical technology, assessing the lifetime benefits of individual products, rather than the upfront purchase costs. This could lead to arrangements such as pay for
outcomes rather than input costs which would benefit the patients, the budgets and the life science sector.

- The Scottish NHS needs to find ways to operate more efficiently – to “do more with the same” as this will allow increases in efficiency and capacity to be realised which will lower the cost per patient. Commercial organisations have a lot of experience in improving capacity and realising efficiencies and perhaps NHS Scotland could be more open to collaboration with the private sector where there is the potential for system benefits.

3.13 The development of a procurement system that captures the full range of technologies will support the Scottish economy through the development of a thriving life sciences sector. It will also help to improve NHS efficiency and ensure patients are given access to proven and effective technologies that help them return to work, have a better quality of life and make a full contribution to the Scottish economy. The NHS in Scotland has experienced the slow uptake of technology for far too long, often lagging behind Europe and our southern neighbour; perhaps some form of benchmarking against other health economies would be beneficial.

3.14 Medtronic would be pleased to advise how this process could be streamlined to better support the medical technology sector and to achieve the Scottish Government’s vision of being a world-leading country for life sciences investment and innovation.

**Is sufficient information available to support scrutiny of the Scottish Government’s health and sport budget? If not, what additional information would help support budget scrutiny?**

3.15 The Scottish Government should use the information and recommendations made by the SHTG, which approves technologies based on the clinical and cost-effectiveness evidence available and in the absence of an SHTG assessment then NICE should be considered. This information can be found here: [http://www.healthcareimprovementscotland.org/our_work/technologies_and_medicines/shtg/shtg_publications.aspx](http://www.healthcareimprovementscotland.org/our_work/technologies_and_medicines/shtg/shtg_publications.aspx)