Marnix Denys – Managing Director, beMedTech



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Marnix Denys of beMedTech - the Belgian association for the medical technology industry - outlines the agenda priorities for the organisation that he hopes will lead to a more value-driven and sustainable healthcare system. He calls for greater recognition from policymakers on the role that medtech can play in this transition and for collaboration and unity within the sector to drive it forward



Can you begin by offering a brief introduction to the scope and mission of beMedtech and the panorama of its membership?

beMedTech is the organization that represents the medical technology industry in Belgium. Our primary goal is to emphasize the value of medical devices and their contribution to the continuum of care. Recently, our board redefined our mission to focus on making innovative medical technology accessible to more people, while also helping healthcare systems improve patient outcomes in a cost-effective and sustainable manner. It is essential to address the sustainability aspect because although the general public may perceive the healthcare system in Belgium in a positive manner, it will not be sustainable if we continue in the same way.

In terms of membership, beMedTech represents the entire spectrum of the medical technology industry, covering various product segments. This includes implants, in vitro diagnostics, medical equipment and systems used in hospitals and home care, consumables such as mobility aids, syringes, and wound bandages, as well as materials and services related to home care. Additionally, we have witnessed the rapid growth of digital technology in the industry, with software tools playing a crucial role in diagnosis, screening, monitoring, and therapy. This emerging segment is becoming increasingly significant.

We have a ten-person team at beMedTech which includes advisors specialized in each of the six areas mentioned, along with health economists. With regard to our mission of moving healthcare systems towards sustainability, we believe in assessing the value of healthcare investment. It is important to determine how much health can be achieved for every euro spent. This approach is crucial for ensuring the long-term sustainability of the healthcare system.

Given that beMedTech represents the full spectrum of medical device players, from those producing low-risk and low-cost instruments to the very advanced machines used in hospitals, how challenging is it to present a unified front?

Representing such a broad range of companies does come with challenges. Unlike pharmaceuticals, where you have innovator products and generic versions of them, medical devices don’t follow the same pattern. With engineering being the origin of medical devices, as opposed to chemistry in pharmaceuticals, smart engineers can find solutions to work around patents. This means that competitors can emerge within a few years, even for breakthrough ideas.

Innovation in the medical device industry often comes from smaller companies rather than larger ones. Startups and scale-ups play a significant role in driving innovation. However, it is important to note that beMedTech does not directly represent the startup segment. The regional clusters like Medvia (Flanders), BioWin (Wallonia) and Lifetech Brussels take care of those starting companies.

As a paid membership federation, our services are primarily targeted towards companies that are already commercializing their products. Our members seek support in reducing administrative burdens to operate effectively in Belgium and ensuring a smooth, efficient, and transparent process for financing products that require the authorities' involvement.

Our focus revolves around addressing these two main angles of support for our members. We strive to streamline administrative processes and minimize unnecessary burdens, enabling our members to operate efficiently. Additionally, we work towards facilitating a smart, quick, and transparent financing process for products that require authorities' support. Apart from these services, we also provide assistance with legislation, education, networking, and more, all aimed at supporting our members and advancing the medical device industry.

How would you characterise the business environment for larger multinational medtech companies in Belgium?

The medtech business environment has a different dynamic than the pharmaceutical sector. Among the approximately 200 members of beMedTech, representing both SMEs and multinationals, many of these companies operate as distributors in Belgium. Their main activities within the country are centred around sales and marketing. Strategic decisions, production, R&D, and clinical trial activities are primarily conducted outside of Belgium, with only a few exceptions.

This situation contrasts with the pharmaceutical sector in Belgium, where significant industry leaders drive the entire sector forward. It also differs from countries like Ireland, where multiple production sites have been established for tax reasons. The sales and marketing focus of Belgian medtech is something of a limitation because the more critical decisions are made outside of the country. Efforts are being made to change this situation and bring more decision-making and operations to Belgium. However, challenges such as bureaucratic red tape can make this process more complex.

COVID-19 brought many challenges for the medical device industry, from deferred surgeries to a lack of cancer diagnoses. How significant a challenge was this period for Belgian medtech and what lessons were learned from this period to build on moving forward?

Interestingly, the period of COVID had varying impacts across different sectors within medtech. While some sectors experienced a drop in volume, others thrived. In vitro diagnostics, for instance, saw positive results, while suppliers of oxygen therapy had a successful year. The challenges that persist and have been particularly notable during and after COVID are related to the logistical chain. The production of medical devices involves combining various raw materials and components sourced from different parts of the world, making the supply chain more complex. Even a single missing component can disrupt the assembly process. Therefore, ensuring a robust and efficient supply chain remains a significant challenge.

Another aspect to consider is how healthcare is financed in Belgium. The financial aspect is directly linked to the actions of healthcare professionals and hospitals. If they provide healthcare services, they receive payment accordingly. This means that during the period of COVID, healthcare professionals and hospitals made efforts to continue providing services to receive payment. Unlike nurses in hospitals who have a guaranteed income, other healthcare professionals, such as surgeons, are paid based on their activities rather than a fixed salary. Although there was a decline in certain healthcare activities due to patients' reluctance to visit hospitals, measures were quickly implemented to separate COVID patients from others and ensure that healthcare services resumed. While some surgeries and cancer follow-ups were temporarily affected, the recovery process has been swift.

Sustainability can have many different meanings depending on the stakeholder discussing the topic. From a medtech perspective, what would a more sustainable Belgian healthcare system look like?

When considering sustainability from a medtech viewpoint, there are several key challenges that need to be addressed. Firstly, there is a growing demand for healthcare services due to the ageing population and the prevalence of chronic diseases. This increased demand will continue to escalate in the next 20 years. Additionally, patients are becoming more empowered and actively involved in their healthcare decisions, further driving the demand for services.

On the offering side, there are limitations in terms of budget and human resources. The budget for healthcare is not unlimited, and it becomes challenging to sustain the same level of growth in healthcare services as the demand increases. Moreover, there is a shortage of healthcare professionals, which is already evident in certain hospitals. This shortage will become more pronounced with the ageing population and the retirement of the current workforce.

To achieve a more sustainable Belgian healthcare system, we need to address these challenges. Firstly, we should focus on tempering the demand for healthcare by implementing preventative measures, screening, and monitoring. By identifying health issues early and providing appropriate interventions, we can avoid the escalation of diseases and reduce the need for acute care. Medical technologies can play a crucial role in supporting healthcare professionals in keeping patients outside of hospitals for as long as possible.

Secondly, we need to improve the offering of healthcare services. This can be achieved through the development of new and more efficient care pathways, such as home care. By shifting certain aspects of care outside of hospitals, we can alleviate the burden on healthcare facilities and provide more personalized and convenient care for patients. Additionally, leveraging data and technology can help identify individuals who require intervention before they reach the acute care stage, enabling early intervention and proactive healthcare management.

Ultimately, the goal is to transition from the current acute care business model, where patients primarily seek care in hospitals when they are already in need, to a model that emphasizes preventative and early intervention measures. This shift, combined with the opportunities presented by digitalization, has the potential to transform the healthcare system and make it more sustainable in the long run.

Do you feel that Belgium is heading in the right direction to be able to make this shift to adopting a value-based healthcare scheme?

The shift towards value-based healthcare is a complex process. Currently, the healthcare financing system in Belgium does not incentivize healthcare professionals or institutions based on outcomes or results. Instead, they are paid for activities and treatments. This traditional financing model creates a bias and may hinder the adoption of alternative patient pathways that could be more efficient and value-based, such as telemonitoring and homecare.

The decision-making process for allocating healthcare budgets in Belgium has historically focused on distributing funds among different players, rather than maximizing the health potential of the population within the given budget. To move towards a more sustainable healthcare system, a shift towards value-based healthcare is needed, where the emphasis is on achieving better health outcomes for patients.

There is recognition of the need for value-based healthcare, and there are individuals who understand its importance, such as NIHDI's Pedro Facon, a key figure in the healthcare sector. However, resistance to change exists among parties that have been historically financed in a certain way. There is a debate on how to implement value-based healthcare and make decisions based on maximizing health outcomes within the available resources.

One potential approach is the "cappuccino model," which combines fixed monthly payments to healthcare professionals, activity-based incentives, and a component based on the quality of care provided, measured through outcomes. This model attempts to strike a balance between rewarding activities, ensuring healthcare professionals are active, and linking payments to the quality of care and outcomes achieved.

Overall, while progress may be slow and there are challenges to overcome, there is a growing awareness of the need for a shift towards value-based healthcare in Belgium. The discussions and debates around this topic are indicative of the ongoing efforts to move in the right direction.

Your colleagues from the pharma industry have been keen to highlight Belgium's important role as a European and global hub for R&D and advanced manufacturing. Do you see any potential for Belgium to also play a key role with medtech in a similar way?

Belgium has the potential to become a significant player in the medtech industry and establish itself as a medtech valley. However, certain conditions need to be fulfilled for this to happen. The primary challenge lies in the assessment and acceptance of medical technologies, as well as the way healthcare funding is structured.

Currently, startups in Belgium face significant obstacles due to red tape and lengthy approval processes. This hinders their chances of success in the domestic market. As a result, many startups either give up and seek opportunities abroad or fail altogether. To establish Belgium as a medtech hub, it is crucial to address these challenges and create a more conducive environment for startups and innovative solutions.

Belgium possesses the necessary academic expertise and talent in fields like nuclear medicine. The country also has ample financial resources available. However, the key lies in creating a favourable home market where new solutions, especially game-changing technologies, can be accepted and implemented efficiently.

Game-changing medical technologies often require a shift in the healthcare process, such as introducing home care or point-of-care testing. This poses a challenge within the current financing system, which primarily rewards activity rather than outcomes. The existing system may create disincentives for healthcare professionals to embrace new methodologies and technologies.

To overcome these hurdles, it is important to involve health economists in the decision-making processes, alongside healthcare professionals. This helps mitigate bias and structural issues within the current decision-making framework. By addressing these concerns and fostering a more supportive environment, Belgium can harness its academic expertise, talent pool, and financial resources to become a key player in the medtech industry.

Do you have any closing statements you would like to share on behalf of beMedtech regarding current priorities or the sector in general?

There are several areas of focus for beMedTech, the medtech sector, and policymakers in Belgium to be concerned with. It is important to have an open-minded and proactive approach to managing medtech. This includes having specialized personnel in the Ministry of Health dedicated to medical technologies and increasing the knowledge of middle management in federal and regional organizations about the business models and value of medtech in healthcare.

To support new healthcare models, policymakers should recognize the positive role that medtech can play and have regular horizon-scanning moments to stay informed about upcoming innovations. Objective and independent evaluation of game-changing technologies is crucial to improve access and avoid basing evaluations solely on existing processes. Engaging independent health economists can bring more objectivity to the evaluation process.

Within the medtech sector, collaboration and unity are vital. Unlike the pharmaceutical sector, medtech companies understand the value of working together rather than competing. They focus on providing solutions for healthcare as a whole, recognizing that different companies may thrive at different times. By utilizing available resources effectively and avoiding simple price cuts, the industry can ensure sustainable production, innovation, and a wider range of quality products for patients and healthcare professionals.

Advocating for value-based healthcare and avoiding a scenario where outcomes and quality is not part of the equation is important to maintain innovation, product choice, and high-quality solutions. The medtech sector has a responsibility to ensure that the industry moves in a direction that benefits both patients and society as a whole, avoiding monopolistic practices and preserving a

thriving and innovative landscape.

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