Insights and Lessons Learned from 200 Healthtech Companies Selling into the Canadian System

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Our Goal Today

Fundamentals of entering the Canadian healthcare market:

1. Introduce **foundations** of the Canadian healthcare system structure, delivery and culture.

2. Build an understanding of health **innovation adoption**.

The Canadian Healthcare System

size – structure

Understanding Canadian Healthcare

- ~ 38 Million people
- $200B USD spent/yr. on healthcare
- Universal coverage intent but…
  - Public 70% hospitals, doctors, medication
  - Private 30% (½ out of pocket, ½ third party insurance) for dental, vision care
- Vast space; challenges with rural-urban service inequities.
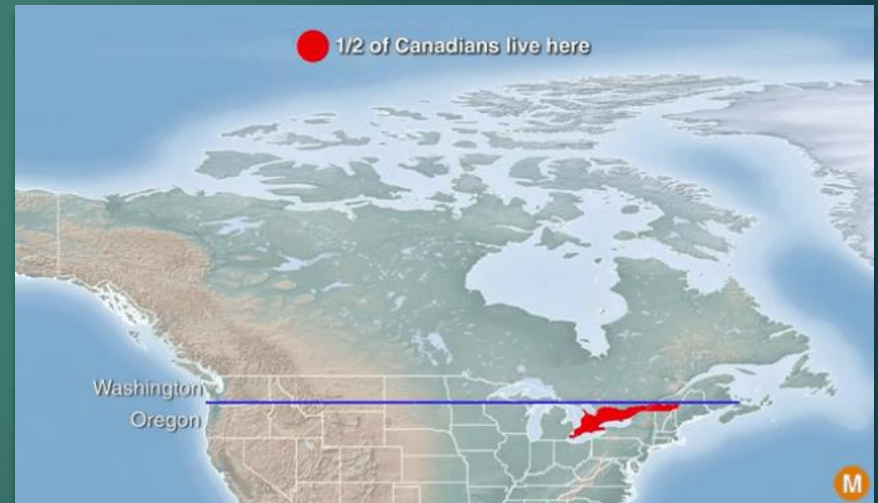
Understanding Canadian Healthcare

▶ Federal, Provincial/territory and municipal jurisdictions; **healthcare is largely under provincial control.**

▶ **Culture varies** widely from jurisdiction to jurisdiction

▶ **Health regions** are often organized within each provinces to drive local priorities decisions.

▶ Leaders follow proven standards and evidence-based medicine.

Each major area has its own Ministry of Health

Understanding Canadian Healthcare

General Organization:

▶ Federal / National Government

  ▶ Play the Regulator Role (Health Canada – see appendix) & Transfers funds to Provinces

▶ Provincial or Territorial Government

  ▶ System Steward, Regulator with the Power and Local Control to Distribute Funds across the continuum of care

▶ **Local healthcare continuum and structures** typically consist of:

Primary Care Clinics (General Practitioner Doctors)   **Ambulatory Care** Centres and Speciality Clinics   Acute Care and Specialty **Hospitals**   **Long Term Care**/Nursing Homes   **Home Care**

Understanding Canadian Healthcare

There is "good care" in Canada but deep, sustained innovation (or lack of) **has historically been impacted by challenges:**

- ▶ **Vision and management talent** to drive significant change

- ▶ **Culture** – silos and incentive structure i.e. procure at lowest cost

- ▶ **Access** to most appropriate technology for the patient case

- ▶ **Slow adoption** of knowledge transfer & leading practices adoption

- ▶ Innovation strategy as an add-on vs imbedded in DNA

Understanding Canadian Healthcare

Reasons for Optimism

- Health tech **entrepreneurs** are now everywhere, driven by consumerism.

- A movement to **liberate data.**

- Mindset is shifting to **value based, bundled care** and leveraging provincial spend capacity.

- Health **innovation ecosystem development** and knowledge explosion with international partners.

- The pandemic (while devastating) is **rapidly changing models** of care and collaboration.

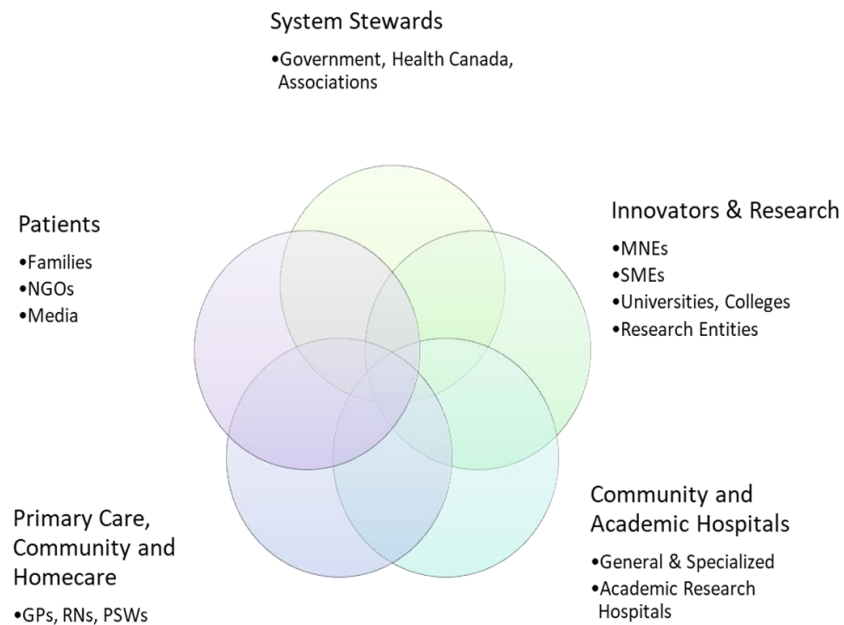- **Scientific advancement**: biotech, genomics, AI, computing power.

Pathways for health innovation adoption (*keys to selling success*)

stakeholders - business model – communicating -

Understanding Canadian Healthcare

- Stakeholder and system navigation is complex
- **Essential for companies to study:**
  - *Who influences* care decisions (doctors & patients)
  - *Who decides* what technology to adopt (government and hospitals)
  - *who pays* for technology / how purchasing decisions are made
  - *Who creates* the technology

System Stewards
- Government, Health Canada, Associations

Patients
- Families
- NGOs
- Media

Innovators & Research
- MNEs
- SMEs
- Universities, Colleges
- Research Entities

Primary Care, Community and Homecare
- GPs, RNs, PSWs

Community and Academic Hospitals
- General & Specialized
- Academic Research Hospitals

Keys to Selling Success in Canada

▶ Business Model:

"… assumptions on resources, activities, value proposition, customer relationships, channels, customer segments, cost structures and revenue streams… *how you plan to make money*" HBR

Uncovering the Right Business Model:

1. Can you validate the **impact**/**value** of your service?
2. Are you **special**?
3. **Workflow** the current state of patient flow/data flow, vs the future state with your product/service.
4. Are public and/or private **payors** willing to pay?
5. Are your processes established in a repeatable, scalable model?
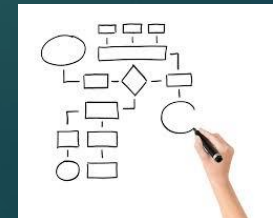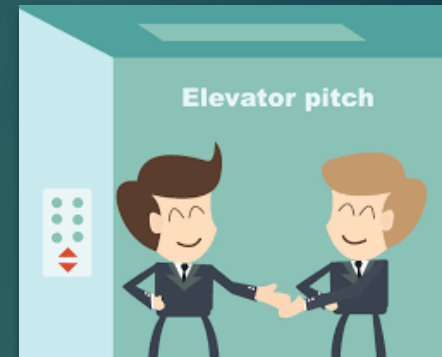
Keys to Selling Success in Canada

Effective Communications

3 pieces in your toolkit:

1. <u>30 second pitch</u> (elevator & email)

2. <u>The 1 pager</u>; who you are, what you are offering, proof points.

3. <u>The 10 slide ppt deck</u> for customers (B2C) + 5 more for partners (B2B).

▶ **Speak the language of your audience**, listen actively, learn from each meeting and refine your message.

▶ **ROI impacts** must be clear, validated and repeatable:

  ▶ Impact on patients …

  ▶ Impact on the hospital …

  ▶ Impact on the system …

▶ Give them an ROI calculator online

Elevator pitch

Keys to Selling Success in Canada

Process Essentials:

▶ Create a **deep local network**. Secure and leverage KOLs (Key opinion leaders ie Leading doctors) to help run initial pilot projects. (See appendix)

▶ **Diversify the risk**: If it's a hospital product, sell throughout the hospital. (See appendix)

▶ **For large scale & volume selling,** investigate public procurement and key group purchasing organizations vary by province

  ▶ Plexxus@Ontario & several other large entities

  ▶ Public Health Service Authority@ British Columbia

  ▶ Alberta Health Services@ Alberta

  ▶ Biddingo, MERX and online procurement systems

Keys to Selling Success in Canada:

Establish an independent clinical trial or demonstration project to create a base of evidence to drive adoption.

Validation and evidence to drive your adoption:

Generated through the development and launch of:

- **A Clinical Trial or Pilot Study**

  - innovator engages a Principal Investigator to lead an unbiased, independent study related to the value of your innovation.

  - They may endorse or adopt post-process

- **Health Technology Assessment**

  - conducted by a recognized independent entity(Canadian Agency for Drugs and Technology in Health (CADTH) or Ontario Health Technology Advisory Committee (OHTAC)) charged with the responsibility of leading an assessment of the impact of your innovation and the most appropriate use of your technology.

  - Sets the stage for reimbursement from provincial/public insurance reimbursement systems i.e. OHIP in Ontario

Thank you!

Bio

- Martin (Marty) works with health-tech entrepreneurs, multinationals, hospital leaders, clinicians, scientists, business accelerators and governments, in Canada and internationally, to identify and translate new ideas that improve patient outcomes, health system performance and generate economic opportunity. The past 2 decades have been dedicated to improving healthcare, innovation ecosystems and driving change through roles as Sr. Economist at the Ontario Hospital Association, Director of the Council of Academic Hospitals of Ontario, the Director of Business Development and Innovation and Vice President of Sunnybrook International, at Sunnybrook Health Sciences Centre. Over the past few years, Marty worked with the Ontario Ministry of Health as an Innovation Broker, and through his consultancy, Metamor Health Inc., supporting >250 digital health, medical device and life sciences start-ups, scale-ups, multinationals, hospitals and business accelerators. Marty has been on the University of Toronto MBiotech Advisory Board, has served in guest roles akin to entrepreneur-in-residence for health-tech ventures at Communitech, Waterloo, VentureLab, Markham, Telus Technology Accelerator, Calgary, SFU's VentureLab, Vancouver and Bounce Innovation, St. John's. He is currently helping create and scale several high-impact, healthtech companies and advising health system leaders in North America and Europe.

Appendix

Understanding Canadian Healthcare

Health Canada's Role:

- ▶ ensure the safety, effectiveness and quality of the medical devices used by Canadians.

  - ▶ https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-devices.html

  - ▶ Medical Device License or medical Device Establishment licence may be required

  - ▶ Software as a medical device: see https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-devices/application-information/guidance-documents/software-medical-device-guidance/examples.html

Health Canada   Santé Canada

Keys to Selling Success in Canada

Diving Deeper on Key Stakeholders – Clinical Leaders:

Clinical leader definition = a hospital, a C-suite administrator, or a leading doctor but can also be a nursing leader, allied health leader (such as a pharmacist), a respected research scientist or a Scientific Committee.

They have influence over markets or purchasing decisions because of their positive standing in the healthcare community.

You need a Clinical leader who sees ahead into the future and how your product can bring value to patients or the system.

How do you find them?

▶ National or provincial government committees;

▶ Industry sub-sector associations and representative bodies, and/or;

▶ Heads of departments or programs at recognized hospitals or universities.

Keys to Selling Success in Canada

Diving Deeper on Key Stakeholders – Hospitals:

Hospitals are a main destination for innovators. Stakeholders in a hospital who may be engaged to provide feedback <u>before a decision to purchase your product:</u>

- ▶ Program Chiefs, Operations Directors, specific clinicians within programs

- ▶ Corporate-wide clinical support services - Imaging, Labs, Microbiology, Infection Prevention and Control, Quality and Patient Safety

- ▶ Corporate-wide business support functions - Finance, Procurement Departments, Decision Support, Health Data Records, Information Technology, Legal Counsel, Privacy Officers

- ▶ The Research Institute in academic hospitals

- ▶ The Foundation, if funding partnerships for the innovation are desired

- ▶ Corporate – level committees review teams such as Ethics, Medical Advisory, Senior Leadership teams

- ▶ The hospitals' current technology vendors, to ensure alignment