A brief introduction to the healthcare system and market for medical technology in Norway (2016)

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Background

- Sparsely populated and challenging geography
- The health care is public funded and “semi-decentralized”
- The Ministry of Health is in charge of regulation and supervision of the system
- The responsibility for specialist care lies with the state
- Municipalities are responsible for primary care
- Future changes in demography and economy
Overview of the structure:

- **Parliament**
- **Government**
- **Ministry of Health and Care Service**
  - **Specialist care**
    - 4 Regional Health Authorities (Hospitals)
    - 100 Hospitals
    - 19600 beds (2015)
    - 139 bill. NOK
  - **Primary care**
    - 428 Municipalities
    - 5500 GPs
    - 40708 beds (2015)
    - 101 bill. NOK
  - **National Insurance Scheme (NAV)**
    - Rehab products
    - 5 bill. NOK
  - **Reimbursement (Helfo)**
    - Medicines, medical disposals, nutrition etc.
    - 30 bill. NOK

In addition: 45 bill. NOK private spending for health services
Hospital / Specialist healthcare

- RHA – State owned corporations
- Decentralized hospital structure
- Model is up for evaluation
**Authority**
- Ministry of health and care services
- HINAS – The health trust’s procurement service
- Regional health authorities
- Health trusts

**Description**
- Helse- og omsorgsdepartementet is the government ministry in charge of health policy, public health, health care services and health legislation in Norway
- Helseforetakenes Innkjøpservice (HINAS) is a company owned by the RHAs that manages joint purchasing agreements for all hospitals to optimize market conditions and use its total purchasing volume to generate savings
- The company manages agreements worth approximately NOK 2.6 bn annually, including non-medical supplies and services
- Focused on general consumables that are used at majority of healthcare institutions, e.g. basic syringes and needles
- Regionalt helseforetak (RHA) are responsible for specialist healthcare in the four health regions, including patient treatment, education of medical staff, research and training of patients and relatives
- Areas covered include hospitals, psychiatry, ambulance service, hospital pharmacies, emergency telephone number and laboratories
- Procurement is focused on consumables and general equipment commonly used by all hospitals in the region
- Typically uses framework agreements, but can also do investment-type procurement for things that need to be shared within the region, e.g. IT system
- Health trusts (HT) are owned by one of the RHAs and are responsible for performing geographic and/or specialist activities of operations, including a major part of medical procurement
- There are 25 HTs in Norway, of which most are responsible for one or more hospitals, though some are only responsible for pharmacies
- Procures equipment and supplies that are either specialized or non-consumables
- Medical equipment is typically procured as investments

**Role**
- Policy maker
- National procurement service
- Overall responsible for healthcare services
- Performs healthcare services

**Procurement focus**
- Consumables
- Equipment
Primary Health Care

- 428 municipalities (decreasing)
- Primary care services
- Freedom in organizing
- GPs – gatekeepers
- Purchase pattern vary - tendency of bundeling - a few major players
- High focus on increasing patients opportunities to stay in their homes
NAV and Assistive technology/ aids
Helfo (reimbursement)

- Direct payments & reimbursement in homecare situation
- GP gatekeeper
- Patient recruitment through hospitals, pharmacies and municipal nurses
- Market entry by application and acceptation NOT by tender
- www.helfo.no
Tender process in Health

www.anskaffelser.no

PREPARATION
Assessing needs and Specifying criteria

EXECUTION
Tender competition

CONTRACT
Follow up contract
# Key market drivers

<table>
<thead>
<tr>
<th>Key market drivers</th>
<th>Market impact 1)</th>
<th>Trend 2)</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Economic &amp; demographic development</td>
<td>+</td>
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<td>- Overall economic outlook is considered strong; share of population over 65 years (15%) is low compared to Northern Europe</td>
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<tr>
<td>Hospital construction &amp; replacements</td>
<td>++</td>
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<td>- Underinvestment in healthcare despite very strong public finances</td>
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<td>Technology development</td>
<td>++</td>
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<td>- Trend mainly regards technology upgrades and replacement projects for medical capital goods – hospital construction relatively stable</td>
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<td>Private healthcare &amp; lab market</td>
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<td>- High dependence on position in the investment cycle</td>
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<td>Centralization of procurement</td>
<td>-</td>
<td></td>
<td>- Growth above GDP levels is considered to require introduction of new technology or product development, e.g. automation</td>
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<tr>
<td>Intensified competition</td>
<td>-</td>
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<td>- Norwegian healthcare historically conservative regarding technology</td>
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<tr>
<td>Private healthcare &amp; lab market</td>
<td>+</td>
<td></td>
<td>- Share of private providers is low compared with rest of Nordics</td>
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<tr>
<td>Centralization of procurement</td>
<td>-</td>
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<td>- Some growth is expected in specialized care (e.g. cosmetics) and laboratories</td>
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<tr>
<td>Intensified competition</td>
<td>-</td>
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<td>- Intensified competition in some areas is a direct result of centralized procurement which attracts new entrants</td>
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1) Indicates positive/negative impact (+/-) and importance  
2) Arrow direction indicates whether driver is going up or down, or flat
Market access

- Regulated by the Directorate of Health, according to the EU Medical Device Directive
- Two official registers
  - a register of medical devices
  - a reporting system for technical failure and adverse events
- Public tenders and framework agreements published in TED and Doffin (https://www.doffin.no/en)
- HTA (so far only for Specialist care) https://nyemetoder.no/english
Opportunities

- Public funding - Wide selection of products included
- Growing market
- Several market channels
- Innovation focus growing rapidly - Welfare technology
Challenges

• Professional and demanding customer
• « Monopoly»
• Local presence is important
• Price sensitivity
Medtek Norge

- Medtek Norge is the Trade Organization for Health and Welfare Technology in Norway (established 1945)
- Member companies manufacture, distribute, sell or otherwise take an interest in medical technology, devices and disposables
- Medtek Norge consists of approximately 100 member companies, which represents nearly 10 billion NOK in turnover in Norway,
- The diversity of the medical technology industry is reflected in the wide selection of products offered by our member companies.
Overall goals

1. To position the medical technology industry as a prerequisite for an effective Health Care

2. To strengthen the premises of the medical technology field in order to attain the best possible climate for research, innovation, investment, production and enhanced know-how in Norway

3. To improve business conditions for our members in the medical technology field on the Norwegian market

4. To create the best conditions for our members to interact with Health Care customers
Vielen Dank!
www.medteknorge.no

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