Global Counsel

ABHI

Unleashing innovation in the NHS

Barriers and opportunities for the adoption and uptake of Healthcare technologies

MAY 2024

Foreword

The transformative potential of HealthTech is immense. Medical devices, diagnostic tools and digital health solutions offer unparalleled opportunities to improve health outcomes and patient experiences.

However, the journey from innovation to adoption within the NHS continues to present significant challenges, impacting not only patient care but also the global standing of the UK's HealthTech market.

This matters, as the rapid integration of HealthTech innovations into the NHS has the potential to revolutionise healthcare delivery, offering earlier diagnoses, more precise treatments, and improved care pathways. Yet the current pace of adoption impedes these benefits, delaying the access to cutting-edge solutions that could not only benefit patients, but can also deliver operational efficiencies, and fundamentally ensure a more sustainable healthcare system that is better suited to the evolving needs of our population.

For UK businesses, these adoption challenges extend beyond the confines of domestic healthcare delivery. The global perception of the UK as a fertile ground for HealthTech innovation is intrinsically linked to how effectively these innovations are embraced by our healthcare system. A streamlined, efficient adoption process not only benefits patients and providers but also enhances the attractiveness of the UK market to international investors and innovators. This further supports patient access to the best technology, and for UK businesses, NHS adoption can lead to success on the international stage. A predictable and innovation-friendly regulatory environment underpins such opportunity, and if we can overcome these hurdles, we can position the UK as a world-leading exemplar in healthcare innovation.

Acknowledging the complexities and the imperative of accelerating HealthTech adoption, this report - facilitated by the invaluable insights from stakeholders across the sector and compiled with ABHI's support - is a call to action. It underscores the need for a concerted effort to refine procurement processes, foster a culture of innovation within the NHS, and establish clear, actionable pathways for integrating new technologies into patient care.

I welcome the findings laid out in this analysis by Global Counsel and look forward to collaborating on how these recommendations could be implemented.

Peter Ellingworth

CHIEF EXECUTIVE
ABHI

Executive summary

The UK medical device and healthcare technologies sector (HealthTech sector) is composed of a diverse range of companies including large multinationals and small and medium sized enterprises (SMEs). The sector is a critical partner in the delivery of healthcare within the NHS, supplying a range of products and services, from syringes and wound dressings to in-vitro diagnostics, surgical robots and the delivery of remote care.

HealthTech is a significant contributor to the UK's economic growth. As the largest employer in the broader Life Sciences sector, HealthTech employs 154,000 people in 4,465 companies, with a combined turnover of £34.3bn. The industry has enjoyed growth of around 5% in recent years. It is characterised by a very large number of small companies, start-ups, and spinouts, supporting the creation of high-quality jobs and sizeable manufacturing and R&D activity across the UK.

The potential that the HealthTech sector offers the UK is vast. Newer technologies such as AI, 3D printing and robotics underpin exciting and important developments in prevention, earlier and more accurate diagnosis and precision medicine. More traditional HealthTech continues to enable high-quality, cost-effective care for millions of NHS patients every day. However, adoption and uptake of innovation by the NHS can be slow, resource intensive and inconsistent. The procurement and use of innovative technologies needs to be optimised if we are to realise patient benefits, operational efficiencies, and tackle some of the most pressing challenges facing the NHS, such as the elective backlog.

Improving the adoption and spread of impactful innovation in the NHS is a well-trodden subject. From the 2011 Innovation of Health and Wealth and 2014 Accelerated Access Review to the ongoing Innovative Ecosystem Programme a decade later, increasing the speed of access and adoption of safe and effective innovation remains a key policy goal. The continued focus on this goal is testament to both the enormous positive impact that its achievement will have on the lives of patients and the operational efficiency of the NHS, but also to the size and complexity of the challenge.

With the support of the Association of British HealthTech Industries (ABHI), Global Counsel interviewed stakeholders from across the UK's HealthTech sector, including large and small companies, healthcare professionals, NHS Trust leaders and procurement managers, senior civil servants and regulators/technology assessors. This paper collates the key challenges and opportunities identified by interviewees and proposes several recommendations to policymakers for how these could be addressed. It builds on previous ABHI publications, including the HealthTech Innovation Adoption Survey and What's next for the NHS adoption landscape?

For the purpose of this report, we have defined 'innovation' in broad terms, as a new technology, device, tool or method that improves patient outcomes, patient experience, and/or makes easier or more productivity the tasks of healthcare professionals. In these terms innovations can represent both small incremental changes and significant step-changes to current pathways/processes – the former often enabling the latter. Respondents shared invaluable insights on what they see as the biggest barriers to adoption of innovation facing the sector, and potential approaches to overcoming them.

Summary of recommendations

01 Simpler procurement processes

Review delivery of NHSE Strategic Framework for NHS Commercial. Proposals for optimised frameworks, regional collaboration, category councils, better recognition of social value, and support for SMEs are welcomed and further detail on their delivery and the metrics to demonstrate their impact will be important.

Greater transparency in Specialised commissioning. Review of Specialised Commissioning to consider more frequent industry engagement, more regular meetings of committees and greater transparency on progress and decision making.

Development of national guidance and methodology for value-based procurement. Consistent methodology to support decision making at a trust level and at a national level. Work with NHSE to incorporate this methodology into the commercial strategic framework, building on the Central Commercial Function's existing work on consistent value and savings methodology. Work that is in train within NHSE and DHSC must stay on course to deliver and should not be deprioritised in the face of competing pressures or political change.

Explore expansion of the SME passport scheme. Ongoing work in DHSC proposes establishing assessment at national level against the procurement questions that companies will encounter at regional level. This recognises that SMEs lack the same resources to respond individually to multiple regions. Such an approach could even be helpful for larger companies navigating the NHS procurement landscape for the first time.

02 Improving adoption

Greater clinician involvement in procurement. For procurement managers and healthcare practitioners to establish formal partnerships and bridge the existing gap between budget holders and healthcare professionals.

Increased resource and training for pathway transformation. Greater support for clinical teams in pathway transformation. Support for a holistic understanding of the impact of adoption. Ring-fenced capacity to support regional teams manage pathway change.

Demand signalling. AAC Innovation Service to ask each NHS ICS, Trust and HIN its top three priorities and to make this available to innovators via the Innovation Service website.

Evidential standards. Clinically-led evidential standards for product categories aligned to NICE work on product category assessments.

Review NHS accounting processes. Explore alternatives to in-year accounting of costs and savings.

03 Accountability and funding

Establish a clearer mechanism for accountability on adoption of innovation. Establish clear, single-organisation accountability for the local delivery of a national strategy for adoption of innovation. This organisation should be funded to support local delivery of a national strategy for adoption of innovation, to support pathway change, allow for innovation in commercial agreements and accounting for the most transformative innovations. It should also be responsible for addressing the key barriers to uptake and spread of innovation for a broader range of products across the system.

The case for change

Improving the access to, and uptake of, innovative healthcare technologies by the NHS can transform the lives of patients and carers, support a beleaguered healthcare workforce, and improve the productivity and efficiency of the NHS. Getting access and adoption of innovation right will also drive growth in a critical sector of the UK economy.

Improving outcomes

Adoption of innovation in health technology improves patient outcomes. Developments in diagnostics, medical devices and treatment pathways have increased life expectancy and quality of life for patients suffering from a broad range of disease. In vitro diagnostics alone supports 70% of healthcare decisions across the average patient's health journey. Even simple tools, like the WHO surgical safety checklist, have been shown to reduce mortality by a third. In addition to improving outcomes, innovation in medical technologies have the potential to improve patient experiences. Cloud-based portals like DrDoctor and AccurRX make it easier and simpler for patients to access services and the development of digital tools, including the NHS app, are designed to enable patients to have greater autonomy over their own care and data. Equally, improving the adoption of HealthTech across the NHS can reduce variations in access to healthcare across the UK. Innovation can be a tool that alleviates health and socioeconomic inequalities and closes the digital divide across the country.

Supporting the NHS workforce

Improving outcomes and easing workloads can help to boost staff retention. For healthcare providers, balancing provision of the best care for patients whilst safeguarding a beleaguered workforce is a depressing reality. Health tech innovation has the potential to release providers from overly bureaucratic administrative tasks and focus on patient care. Advances in AI and Robotic Process Automation (RPA) have started to show real promise in triaging patients and maximising operational efficiency by rapidly performing repetitive administrative tasks, freeing up staff time to do more patient-facing activities. Moreover, the learning and development opportunities created by new technologies – as clinicians and practitioners develop new technological skills, become innovators themselves, or support research and implementation – not only act as a hook to retain more staff, but also foster a more creative, entrepreneurial, and commercially-minded workforce.

Unlocking efficiencies

For NHS practitioners, well-implemented innovations can increase productivity. For instance, part of modernising the NHS means embracing new technologies like AI-enabled cancer screening, recently shown to nearly halve radiologist workload whilst detecting a similar number of cancers. In the context of global inflation and a "super-aging" population, requiring more of NHS services, public spending on health continues to rise. But more investment alone is not a panacea. In this context, innovations that can support and simplify, rather than add to, existing workloads and pathways can play a vital role in better utilizing existing capacity, unlocking savings and spending taxpayer money effectively.

Driving growth in a critical sector

HealthTech is a key growth sector for the UK economy. In 2021/22 core medical technology sites accounted for 44% of sites in the core life sciences sector. The sector also accounted for 18% of the UK's service and supply sites. In total there were 4,900 medical technology sites across the UK employing approximately 150,000 people. The sector was responsible for £30bn in turnover. Improving UK procurement processes and addressing barriers to adoption and spread within the NHS will be key to supporting scaling innovative companies operating in this sector. Doing so will help to drive economic growth across diverse regions of the UK.

Stocktake of recent policies

Several policies, programmes and structures have been established to address the perennial question: “how can we improve the adoption and spread of innovation in the NHS?” Many of these initiatives are relatively new, and time will tell if they can impact the barriers to adoption and spread identified in this report. They are included here as each is designed to directly address many of the barriers to adoption this report identifies and form important context for later discussion on mitigations.

Consolidating and centralising a fragmented landscape

NHS Integrated Care Systems (ICSs)

The biggest barrier to adoption previously reported by ABHI members was the NHS's fragmented national and regional systems. In July 2022, 42 ICSs were established across England, replacing over 200 clinical commissioning groups (CCGs). Made up of local partnerships between NHS organisations, councils and the voluntary sector, ICSs aim to: improve outcomes, tackle inequalities, enhance productivity and help the NHS support broader social and economic goals.

In consolidating different entities under larger umbrellas, ICSs could improve both the procurement and implementation of effective technologies on a larger scale. As a recent example, in October 2023, the Government announced a £30 million HealthTech Adoption and Acceleration Fund (HTAAF) that sought to nationally allocate funding for new HealthTech innovations through each ICS in England. It is still relatively early in the life of ICSs, but scepticism remains on how effectively they will reduce fragmentation and inconsistencies in procurement and adoption.

UK Department of Health & Social Care's Medical Technology Strategy and MedTech Funding Mandate

The establishment of a Medical Technologies Directorate in DHSC in May 2021 was designed to provide the strategy and leadership to support supply, regulation, innovation and value within the UK's HealthTech sector. In February 2023, the Directorate published the MedTech Strategy setting out how the Government aims to ensure how the NHS can access safe, effective technologies that support the delivery of care, patient safety and patient outcomes in a way that makes the best use of taxpayer money. The Strategy also seeks to drive the creation of innovative and dynamic markets for HealthTech, calling for better co-ordination of new and existing products in the market to ensure patients can access the best products more quickly. The Strategy has been well-received by stakeholders as an acknowledgement of the importance of HealthTech in supporting the NHS to deliver for patients. One year on, active coordination of various system partners to deliver the Strategy remains key to its successful implementation.

Before the Strategy, the MedTech Funding Mandate policy was launched in April 2021 by NHS England. It assesses technologies against three policy criteria, to be: effective, cost-saving, and affordable. Technologies that meet such criteria are selected for support and are typically funded by commissioners from their existing allocations. The supported technologies are NICE recommended and should make a return on investment within three years. The mandate is intended to drive adoption and spread of transformative technology. Since its launch in 2021 the Mandate has supported a total of 12 technologies. The Mandate has seen an increase in adoption of the selected technologies, although this varies significantly across those technologies.

Strategic Framework for NHS Commercial

Published in November 2023, the framework sets the strategic direction for NHS Commercial, which covers all procurement and supply chain activities across NHS England. This includes aligning commercial teams to the new ICS landscape, leveraging NHS collective buying power and providing guidance on how to contract with the NHS. Importantly, the framework has a focus on value and speeding up procurement processes for new effective innovations. The Strategic Framework aims to deliver a globally leading commercial function in healthcare. Time will tell whether the Framework can mitigate the challenges with existing procurement process highlighted by respondents in this report, but it is also clear from our research that improving uptake and adoption of innovation in the NHS will require efforts beyond improving NHS Commercial's procurement processes to address challenges with the adoption of new technologies on the ground.

Streamlining approvals Of new technologies

The Innovative Devices Access Pathway (IDAP) pilot programme

The IDAP programme aims to improve adoption of innovative medical devices by providing a more streamlined pathway for manufacturers to get their products to healthcare professionals and patients. The pilot phase, designed to test the main elements of the pathway, announced the eight technologies selected for the scheme in February 2024. Successful applicants will receive non-financial support to develop a product-specific Target Development Profile (TDP) Roadmap, which could include support with Health Technology Assessments (HTAs) for adoption and 'system engagement meetings' with ecosystem experts, facilitated by NICE, to address market access issues. The pathway builds on the government's intention to develop an end-to-end pathway for innovation as set out in the Medical Technology Strategy and aims to deliver on the ambitions set out in the Government's Life Sciences vision. The development of more rapid and joined up regulatory approval and NICE assessments will require system partners to work together to support rapid uptake. The IDAP pilot programme will provide valuable insights on the ability of the system to do this effectively.

National Institute for Health and Care Excellence (NICE) Early Value Assessment (EVA) Scheme

NICE announced the new EVA scheme in June 2022, aiming to enable the rapid assessment of new medical technologies. Similar to NICE's Technology Appraisal Guidance for medicines, EVAs should then inform the NHS in their decision to purchase such technologies. However, unlike medicines, Medtech selected for EVA will not be expected to have a complete evidence base before being recommended for use, and Medtech products are not required to secure a NICE funding decision in order to be sold into the NHS.

Addressing issues across the wider ecosystem

Innovation Ecosystem Programme (IEP)

The IEP was commissioned by NHS England in Spring 2023 to understand how the NHS can best partner with the wider health innovation ecosystem to enable research, development, adoption, and spread of innovation in the NHS. Led by Roland Sinker, National Director for Research and Innovation at NHSE, the IEP has four key workstreams including to learn from localities that have successfully implemented innovations; to focus on immediate actions to improve the ecosystem such as boosting the new remit of the HINs; to develop a blueprint for NHS research and innovation; and to understand significant future trends to prepare for the NHS of tomorrow.

Challenges to adoption and uptake

Global Counsel interviewed stakeholders from across the HealthTech ecosystem to understand the key challenges, barriers and opportunities facing the rapid procurement, adoption and uptake of innovative HealthTech.

The results provide a snapshot of the challenges facing innovators, procurement teams and healthcare professionals as they all seek to use innovation to deliver the best possible care for patients, and a more efficient and productive NHS.

Our interviews highlighted three broad areas for action: simpler procurement processes; improving adoption; and a national institute for innovation adoption.

Simpler Procurement Processes

The Challenge

Challenges with procurement pathways and processes were highlighted as a key barrier to the adoption of innovation by almost all industry respondents.

> *We have a fundamental fault line between innovation and procurement.. our procurement system is hostile, if not a complete block on innovation."*

MANAGING DIRECTOR, INNOVATIVE SME

Barriers associated with three distinct pathways were highlighted: Supplying NHS trusts and hospitals directly; NHS Supply Chain frameworks; and Specialised Commissioning routes. Selling to ICSs, trusts and hospitals directly was often described as fragmented, short-sighted and, at times, disconnected with the needs and demands of clinicians. Frameworks, in part designed to reduce this fragmentation, were described as overly bureaucratic, slow in comparison to international comparators, and inaccessible for new products that fall outside of existing framework contracts. The Specialised Commissioning pathway was also criticised for its lack of transparency and flexibility. All three routes were described as too focused on cost, rather than value and longer-term economic savings found through improved outcomes or increased efficiencies.

Fragmented market

Difficulties in navigating the procurement landscape due to the fragmentation and complexity of the system were flagged by multiple stakeholders. This was particularly acute for new entrants and smaller innovators. Selling innovation directly to NHS hospitals and trusts was described as fragmented and confusing. Approaching 100s of independent trusts, hospitals or primary care settings is resource and time intensive for innovators, especially for the smaller companies without the marketing teams and budgets of larger players. The problem is even more acute in primary care where there are many more potential customers to get around and it is not always clear who is making the procurement decision.

The introduction of ICSs was noted as a positive step in this regard, but we still heard that this is not enough, and that 42 ICSs still represents fragmentation that is difficult for companies, especially SMEs, to navigate.

> *The ICSs coming on board has reduced the number of places to go around in order to sell a product but is still fairly fragmented."*

UK MANAGING DIRECTOR, INNOVATIVE SME

Given the relatively recent establishment of the ICSs, it was also noted that the impact they will have may not have yet been seen.

Different trusts and hospitals take different approaches to procurement and while the value of local knowledge of need and decision making in a local context was recognised by respondents, it was also seen as a barrier to widespread adoption of new technologies when it meant that innovators had to effectively adapt their approaches to multiple, different processes. We repeatedly heard of companies generating "acres of data" that they claim demonstrates improved clinical outcomes and efficiency savings in one trust or hospital, hitting local barriers to spread in other, often neighbouring trusts and hospitals.

> *Every trust wants to be an exemplar, wants to be their own thing, like the people that are sitting at the exec and IT level."*

CTO, DIGITAL HEALTHCARE FIRM

While the diversity of approaches to procurement across trusts and hospitals is clearly a challenge, respondents also noted that moving all procurement decisions to the centre was not the answer. The consensus amongst respondents was that there needed to be a national strategy with local leadership. For this to succeed, it needs to be better funded, with less burdensome reporting requirements. Research funding was highlighted as an example of how a fragmented system could still be highly impactful when well-funded and streamlined.

Supply Chain frameworks

NHS Supply Chain frameworks are designed to maximise the NHS's collective purchasing power but can also help to overcome the challenges of selling directly to a fragmented NHS. The importance of engaging NHS Supply Chain was flagged by several manufacturers.

> *Realistically, when you want to supply devices into the NHS, you have to cooperate with supply chain, it's highly unlikely you're going to get enough traction by working with independent trusts or ICSs"*
>
> **GM, UK DEVICES SME**

However, NHS Supply Chain was seen as slow and cumbersome by industry stakeholders. A multi-national manufacturer of medical devices described a 6-to-9-month process to add a new product to an NHS contract. Such delays mean that the UK is falling behind comparator countries in terms of patient access and is less attractive as a market for product launch. An SME supplier of surgical equipment described a system that was overly bureaucratic with little focus on value or clinical impact, where even a small mistake in form filling resulted in disqualification from the process. Respondents also noted that the restrictive and burdensome nature of frameworks that doesn't work for industry, also doesn't work for the public sector. Most agreed that there were opportunities to be more sophisticated with what is on frameworks, and to learn from industry procurement practices to make these more accessible, flexible, and work for both sides to allow rapid access to new products and services.

With NHS framework contracts running up to 4 years, respondents also raised concerns about being 'locked out' for extended periods once a relevant framework had closed, "If you're not on the list, you are locked out". Given that innovation is not timed to coincide with 3-4-year framework contract periods, if a new product is released after a contract has closed, it will not be able to enter the framework until it is reopened, even if it represents a considerable improvement on existing technology. While efforts within NHS Supply Chain, the Accelerated Access Collaborative (AAC) and NHS Innovation Service to address these issues were noted, the scale of their operation was criticised as being too small, often focussing on picking a small number of winners rather than fixing the broader system. The recent announcement by NHS Supply Chain of a new £500m Dynamic Purchasing System for innovative medical technology is designed to overcome many of these challenges. It aims to deliver a simpler approval process, increased accessibility for SMEs, and overcomes the problem of being 'locked out' of frameworks by keeping the contract open to suppliers throughout the agreement period (January 2024 to January 2031).

Specialised commissioning

Respondents noted Specialised Commissioning as an important route to market that can support adoption of complex technology across regions. However, issues with the current process for Specialised Commissioning were highlighted. In particular, the role played by the Clinical Priorities Advisory Group (CPAG). The CPAG makes formal recommendations to NHSE in areas where commissioning could lead to a substantial change in service provision. The Group was criticised for a lack of transparency in decision making, being too large a committee to make effective decisions and for meeting too infrequently to be able to keep up with rapid technological change.

> *Transparency is a disgrace; the published membership is out of date. Elective care backlog is a priority, yet there is only one meeting [of the CPAG] per year. It is baffling as to where products are in the process"*
>
> **DIRECTOR, GOVERNMENT AFFAIRS, MULTI-NATIONAL DEVICE MANUFACTURER**

Recommendations

NHSE to commit to review delivery of NHSE Strategic Framework for NHS Commercial. Proposals for optimised frameworks, regional collaboration, category councils, better recognition of social value and support for SMEs are welcomed and further detail on their delivery and the metrics to demonstrate their impact will be important.

Explore expansion of SME passport scheme. Ongoing work in DHSC proposes establishing assessment at national level against the procurement questions that companies will encounter at regional level. This recognises that SMEs lack the same resources to respond individually to multiple regions. Such an approach could even be helpful for larger companies navigating the NHS procurement landscape for the first time.

Development of national guidance and methodology for value-based procurement. Consistent methodology to support decision making at a trust level and at a national level. Work with NHSE to incorporate methodology into the commercial strategic framework, building on the Central Commercial Function's existing work on consistent value and savings methodology. Work that is in train within NHSE and DHSC must stay on course to deliver and should not be deprioritised in the face of competing pressures or political change.

Greater transparency in Specialised commissioning. Review of Specialised Commissioning to consider more frequent industry engagement, more regular meetings of committees and greater transparency on progress and decision making.

Improving adoption – clinician role, pathway change, demand signalling, evidential standards

The Challenge

The culture of procurement, whether that be the different agendas and relationships between procurement managers and clinicians, the lack of commercial interest or mindset within the clinical workforce, or the reluctance to adopt new technology that will require significant resource to change pathways and roles of healthcare professionals, was highlighted as a key barrier to adoption and spread of innovation. These barriers were often compounded by patchy demand signalling of clinical need, a lack of clinician-agreed evidential standards, and a confusing array of products and claims of innovation due to a reluctance to de-list legacy products and a tendency for even basic iterations of products to be marketed as innovation.

Stakeholders from industry and within policy making roles agreed on the need to simplify the decision making of procurement teams and provide dedicated support for pathway transformation. Clearly defined needs from clinical leads, independent assessment of products, clinician-led evidential standards, and a willingness from industry to de-list legacy products to make room for innovation were also highlighted as levers, that if used effectively, would support better procurement decisions.

Disconnection between clinician need and procurement priorities

Respondents identified competing pressures on NHS procurement managers and a focus on in-year savings as notable barriers to the procurement of innovation in the NHS. This was particularly true for innovations designed to support early diagnosis and prevention of illness where the economic impact of adoption might not be recognised for several years.

> *Because if I'm a Financial Director, I've probably got a bit of my building falling down, and that is probably going to be more important than buying technology X, which saves me money in three years' time when I'm probably not going to be in post"*

SENIOR UK POLICY OFFICIAL

NHS accounting rules, the focus on in year cost, paying upfront with an inability to account for costs daily or monthly were seen as a barrier to value-based procurement. While capital budgets are not in year, the NHS is incredibly under-capitalised. Portugal's approach was highlighted as one that the UK could look to. It has followed the UK in implementing an ICSs-type structure but has also implemented a 10-year capitated contract. All respondents agreed that multi-year funding would make a significant impact in the UK. Respondents also highlighted the need to explore alternative value and savings methodologies to the maximum three year accounting timeline in the MedTech Funding Mandate (MTFM), through an academically-led peer reviewed paper.

> *As a company, we would be open to validating our premium prices with longevity, but the way the budgets are, you buy the product now, and you know, you get the benefit over 10 years. But that isn't the way we fund things."*

DIRECTOR, INTERNATIONAL MEDICAL DEVICES MANUFACTURER

The requirement for cost release within 12-months was seen by all we spoke to as a major barrier to the adoption of innovation. But the process of purchasing anything from within the NHS was also described as very difficult, with the release of funds within Trusts slow and burdensome. One respondent told us that they had kept a copy of an email from a clinician that told them, "The procurement structures within my trust mean that trying anything new is a waste of time". A risk aversion within procurement teams to new, innovative solutions and preference to stick with what is known was also highlighted as a barrier.

New value-based procurement guidance coming from DHSC was welcomed but many noted that it will need finance directors to follow it. Finance directors need to be recognised and rewarded by NHSE for adopting innovation.

Respondents highlighted that the difference between successful uptake or not could be the support of tenacious clinicians willing to knock on the door of management to fight for a new technology. When building a case for adoption of new technologies, innovators and the procurement teams they are engaging, must fully understand and assess how new technologies will impact the patient pathway and experience, and how the innovation will impact the existing routines of care givers.

Larger companies with more resource will often work with panels of clinicians and healthcare professionals in the development of new products, and initiatives such as NHSE's Clinical Entrepreneur Programme aim to 'bake-in' clinician and healthcare professional support for innovation. But we also heard that accessing clinicians to seek this support was becoming more difficult for innovators with procurement teams seen as a "gatekeeper" to accessing clinicians.

This is perhaps more a COVID thing, very similar to trying to get a face-to-face GP appointment, trying to get face-to-face time to sell to a hospital is borderline impossible... What we're seeing now is much more resistance, where people will say, sorry, you've got to go to procurement first. And procurement inevitably will say, sorry, we're not interested if you're not on a contract"

UK MD, INTERNATIONAL DEVICES MANUFACTURER

Clinician workload and pathway transformation

The time, skills, and resources needed to make changes to pathways was flagged as a challenge and barrier to the spread of innovation. Others told us that the NHS was so focused on reducing waiting lists and elective recovery, that it was unable to speak to them about technologies that are proven to reduce waiting lists.

If I'm running the oncology service at hospital X, and there's a new thing that comes along, it's basically just adding workload to me and to my team and I get no extra resource to actually do the pathway transformation"

SENIOR UK POLICY OFFICIAL

Support for pathway transformation, change management skills, and the headspace for clinical teams to consider innovation were seen as key requirements to help drive adoption. Even if financial hurdles to procuring innovation can be overcome a question remains around whether there is the quality and volume of operational managers within the system to oversee pathway transformation. The AAC's Pathway Transformation Fund was noted by interviewees but was seen as having been too small to make a meaningful impact. In addition, the role of Health Innovation Networks (HINs) in supporting adoption of innovation and the changes to pathways it can require was highlighted by respondents, but it was also noted that the HINs had gained new responsibilities over time which impacted their ability to focus on adoption.

Tied to the resources and skills required to support system change, the system also needs to be able to show and evidence the outcomes of implementing these innovations. To do this it needs more analytical support and better use of data. We heard from respondents that there is a lot of data in the system, but it is not always being used. Work to study the impact of innovation on patient care and service delivery has been conducted by AHSNs and the NIHR ARC, for example assessments programmes such as PReCEPT[1] and in Stroke AI Imaging[2]. However, we also heard from respondents that AHSNs (now HINs) did not always commission impact assessments, because they often had inadequate resource to do so. There is an opportunity to link clinical databases to the impact of innovations over time. There is often a value change with the adoption of innovation: more value generated by an innovation as it is used more. An innovation might not make a saving in 12-months, but it will do over a longer time frame. It is important to recognise and measure this.

In addition to the time and resource constraints facing clinical adoption of new technologies, respondents also told us that a culture of "not invented here" and a conservative approach to pathway change amongst clinicians could act as a barrier to adoption across hospitals and trusts.

But then when you look at a department, with all due respect, you've got some old school people in there who don't want to change. Our job is to find those who bring the others on the journey"

DIRECTOR, DIGITAL HEALTH FIRM

1 https://www.healthinnowest.net/our-work/transforming-services-and-systems/precept/
2 https://www.gov.uk/government/news/artificial-intelligence-revolutionising-nhs-stroke-care

The challenge of balancing access to new products with continued access to the existing products still widely used by clinicians was clear. There is a huge number of highly capable clinicians across the NHS each with their own opinions and experience of using a range of available products. This diversity of clinician approaches to the use of technology in their fields can mean that getting wide-spread agreement that a new product offers improved outcomes can be difficult. A procurement specialist told us, "if you offer 100 products in a given category then it is likely that clinicians will continue to pick one hundred products as they will have their own unique experiences and patient needs". This can make procurement teams' need to delist older products to make way for innovation more difficult.

Relying on local clinical champions rather than designated clinical resource to identify needs and assess innovation was seen as a major barrier to clinical support for innovation. A stronger role for National Clinical Directors was proposed as one way to ensure clinician leadership in procurement processes and clinician support for new technologies. Respondents suggested that a full-time role with responsibility for disease area-specific strategies would provide clear demand signals to innovators and help to deliver clinical buy-in to new technologies. It was noted however, that cultural and local barriers will likely remain. For example, one respondent questioned whether the Category Councils approach proposed in the Strategic Framework for NHS Commercial would succeed when "Each council cannot be truly representative of all clinicians' views. A Council of 8 will not convince the differing view of 8,000".

Evidential standards and demand signalling

The relationship between industry and procurement teams was described by multiple respondents as adversarial, lacking in trust, and needing to be far more collaborative in nature. A combination of industry marketing practices and a lack of agreed evidential standards for product categories was identified as leaving procurement teams with a lot of 'innovation' to choose from and little way to independently assess product claims. In addition, respondents noted that industry is not always good at understanding and communicating their value proposition. What will the clinical outcome be? The impact on workforce?

Respondents were concerned that basic iterations of existing products were often marketed as innovation and that this practice could hamper the identification and adoption of 'real' innovation. Mistrust of industry claims could be addressed by the adoption of clinician-led, widely agreed evidential standards for products, supporting both product comparison and clinical community buy-in. Industry also needs to know and ensure it has the right evidence base to support adoption. Respondents believed, that to be widely accepted, such standards should be clinically led via colleges / professional bodies.

Respondents also highlighted ongoing work by NICE in product category assessments and work by DHSC on a standard methodology for value-based procurement as being important factors in supporting procurement teams to navigate a crowded marketplace.

There is a clear need for an independently assessed and visible pipeline of innovation with clarity on where technologies are within this. If ICBs don't have this, they can't see what is coming through, they don't have visibility of the pipeline, and they can't prepare for adoption of new technology. But this is only half of the challenge. Hand in hand with pipeline visibility, evidential standards, and support in assessing value and industry claims is a need for better demand signalling from the NHS itself. Adoption of innovation requires a system that can clearly define its priority challenges and needs, what potential solutions must be able to do, and the evidence that industry must collect to demonstrate this.

Recommendations

Greater clinician involvement in procurement. For procurement managers and healthcare practitioners to establish formal partnerships and bridge the existing gap between budget holders and healthcare professionals.

Increased resource and training for pathway transformation. Greater support for clinical teams in pathway transformation. Support for a holistic understanding of the impact of adoption. Ring-fenced capacity to support regional teams manage pathway change.

Demand signalling. NHS Innovation Service to ask each NHS ICS, Trust and HIN its top three priorities and to make this available to innovators via the Innovation Service website.

Evidential standards. Clinically-led evidential standards for product categories aligned to NICE work on product category assessments.

Review NHS accounting processes. Explore alternatives to in-year accounting of costs and savings.

Funding and accountability for adoption of innovation

Stakeholders interviewed for this report were unanimous in believing that without funding and clearer accountability for improving the adoption of innovation in the NHS, the current situation would not be improved. However, opinions differed on the form that this accountability should take: Innovation reports to boards to ensure it is a priority? Beefing-up existing structures and organisational roles to focus on adoption? Creation of a new national institute with a ring-fenced budget and sole focus on driving adoption of innovation?

Most agreed that a key role for the centre is to enable, support and hold to account regional adoption of innovation. Regional autonomy with accountability to a national strategy aimed at driving the adoption of key technologies. Some respondents argued that this should be delivered by a new independent body with real power to drive the adoption of truly transformative innovation nationally across the NHS, while from others we heard the same argument for the need for a new route, but with this being delivered by a beefed up AAC and building on existing structures to support innovation in the NHS such as the HINs. Respondents pointed to the establishment of NIHR and the transformative impact this had on research within the NHS as an example of the impact a properly funded body could have on innovation in the NHS.

The HealthTech market is vast. A new approach to supporting uptake of innovation such as that outlined above would not be able to support every technology under development. It would require a clear definition of what constitutes innovation such as: Addresses a national priority; Removes steps from a pathway; Reduces friction for patients and/or clinicians; Cash release in year; RWE that it works, not just RCTs. It would use these criteria to focus on rapid adoption of only those truly transformative, impactful innovations, from across product categories, while also taking a whole system approach to working across AAC, HINs and NHSE to address the generic barriers to adoption of a broader range of products highlighted in the first two sections of this paper.

It was suggested that the MHRA's Innovative Devices Access Pathway (IDAP) could be aligned to this approach and act as a funnel for potential technologies. Respondents also suggested that the new pathway be integrated with research grant funding. Effectively using funding to signpost the areas of technological need and providing a clear route to commercial uptake for those that could demonstrate that they meet the evidential standards required.

The approach would need the capacity to be able to look broadly at the impact of a given innovation across the whole of the NHS, including social care and would need to work with national clinical bodies to provide clear guidance to innovators of the evidence types and standards required to ensure clinical buy-in. It would need to fully understand impacts on pathways and staff as well as patient outcomes and long-term economics and be able to support pathway change and transformation. It could play a role in professionalising innovation within the NHS by supporting the provision of protected time for innovation in clinical timetables, requiring senior innovation roles within trusts and hospitals, encouraging industry partnerships, and a role in measuring adoption and uptake of innovation. Respondents proposed a disciplined rules-based pathway for the small number of technologies that the pathway would support. To do this effectively, it would need to work with existing initiatives across the system to support innovation, bringing them together under a single, central umbrella.

A national funding mechanism such as Specialised Commissioning was proposed for the new pathway, helping to de-risk procurement for trusts and in doing so support uptake. But respondents were also clear that the Institute should have the power to hold to account trusts that were not adopting technologies from the pathway, through an adopt or explain mechanism.

Recommendations

Establish a clearer mechanism for accountability on adoption of innovation. Establish clear, single-organisation accountable for the local delivery of a national strategy for adoption of innovation. This organisation should be funded to support local delivery of a national strategy for adoption of innovation, to support pathway change, allow for innovation in commercial agreements and accounting for the most transformative innovations. It should also be responsible for addressing the key barriers to uptake and spread of innovation for a broader range of products across the system.

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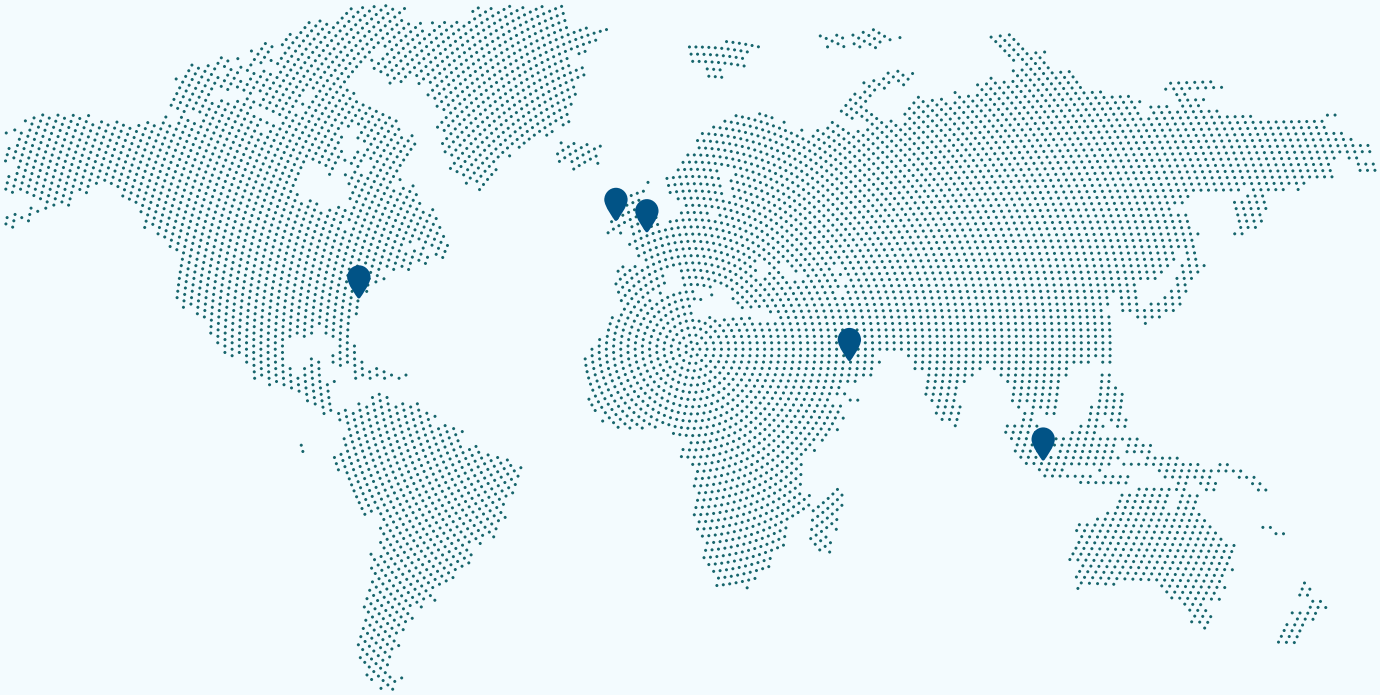

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The Association of British HealthTech Industries (ABHI) supports the HealthTech community to provide products and services that help people live healthier lives. As the voice of the industry, we show the value of health technology and overcome barriers to people benefitting from it now and in the future.

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