



***Written Submission for Pre-Budget Consultations in  
Advance of the Upcoming Federal Budget***

**August 1, 2025**

Medtech Canada is the national association representing Canada's innovative medical technology (medtech) industry. Representing over 120 medtech companies (ranging from Canadian-owned to multinationals), Medtech Canada works closely with government and healthcare stakeholders to deliver a patient-centred, safe, accessible, innovative and sustainable universal healthcare system supported by the use of medical technology.

## MEDTECH CANADA RECOMMENDATIONS

### **Recommendation 1: Implement Innovative Solutions**

- a. Balance funding for healthcare R&D with sufficient investment in the implementation of existing and emerging innovations to support adoption across Canada's health systems.
- b. In collaboration with provinces and territories, establish policies and incentives to promote the uptake of medical technologies that improve efficiency and outcomes, by redirecting funding from costlier or less effective care models.
- c. Adopt value-based procurement (VBP) across health systems, as recommended by the Health and Biosciences Economic Strategy Table, to accelerate innovation uptake and system efficiency.

### **Recommendation 2: Promote Improved Canadian Healthcare Outcomes by Streamlining Regulatory Process**

- a. Regulate health products under a single framework - such as the Food and Drugs Act - to reduce duplication across federal and provincial platforms.
- b. Review regulations affecting medical devices, including the Public Release of Clinical Information (PRCI), which currently deter companies from launching products in Canada, leading to delays in submissions and approvals.

### **Recommendation 3: Strengthen the Security of Critical Medical Supply Chains**

Ensure the Biomanufacturing and Life Sciences Strategy is fully implemented by providing the Health Emergency Readiness Canada (HERC) Agency with the funding and mandate to coordinate investments, align policies, support domestic manufacturing, and respond to emerging health threats.

### **Recommendation 4: Digital Health, improving access to health information for research purposes & AI**

We recommend that the government support the momentum of deploying and scaling digital health technologies and solutions across Canada's healthcare systems by dedicating a portion of the Canada Health Transfer (CHT) funding to go towards these tools and services.

## INTRODUCTION

As the national association representing Canada's innovative medical technology industry, Medtech Canada welcomes the opportunity to submit recommendations for the 2025 federal budget. Our sector is a key pillar of the life sciences ecosystem, delivering technologies essential to patient care, system efficiency, and economic resilience. As Canada navigates the seismic shifts in global trade (e.g. tariffs), Medtech Canada urges the federal government to ensure health care remains fundamental to Canada's national security.

Medtech Canada was pleased to see the federal government's announcement on April 15, 2025, that health care related manufacturers will be relieved of tariffs on goods imported from the U.S. for a six-month period. The federal government must continue to maintain existing exclusions on medical technologies and related products from retaliatory tariffs and procurement sanctions. Canada's health care providers and patients are tremendously reliant on medical technologies to deliver care. The pandemic and post-pandemic supply chain challenges highlighted the importance of our sector. We must build health systems that are resilient and capable of responding to national risks.

A resilient medtech sector fosters strong Canadian manufacturing and globally integrated supply chains that encourage a diverse range of suppliers to reduce Canada's vulnerabilities in times of international crisis. The federal government has a critical role to play in securing access to essential health care infrastructure, as demonstrated during COVID-19. Medtech Canada and its members are eager to collaborate on any initiative to strengthen these systems. We propose the following federal actions to enhance patient care and reduce national security risks.

## DETAILED RECOMMENDATIONS

### Recommendation 1: Implement Innovative Solutions

While funding for research and development (R&D) in the health care sector is essential, it is equally important to provide adequate funding for the implementation of existing and new solutions. For example, funding should be allocated to the adoption of new clinical

pathways, digital health solutions, and advanced technologies that can drive efficiencies and enhance health care provider workflow, ease wait lists and improve patient care.

Medtech innovations such as digital health tools, point of care testing and robotic surgery technologies (to name just a few), have the potential to revolutionize the delivery of care. Government resources must support both development and integration into existing systems.

We applaud the recent commitment in the federal Liberal campaign platform to establish a Task Force for Public Health Care Innovation. Medtech Canada would welcome the opportunity to participate in this important work and collaborate with the government and other key stakeholders.

### Key Recommendations

- 1) Ensure that funding for health care R&D is balanced with sufficient investment for the implementation and integration of existing and innovative solutions, to ensure they can be effectively adopted within existing health care systems – allowing Canadians timely access to state-of-the-art care and enabling the country to realize the full health and economic benefits of a healthier population.
- 2) In collaboration with the provinces and territories, establish policies and incentives for adoption of newer techniques and devices that contribute to health system efficiencies and improved outcomes, while disinvesting in costlier options.
- 3) We encourage the government follow the recommendations of the Health and Biosciences Economic Strategy Table (HBEST, 2018) to adopt the use of **value-based procurement (VBP)** across Canada's health systems to increase innovation uptake and foster a more efficient health-care system.

### Recommendation 2: Promote Improved Canadian Healthcare Outcomes by Streamlining Regulatory Process

Medtech Canada applauds the federal Liberal campaign platform commitment to reduce wait times for public access to medications and strongly recommends the inclusion of medical technology as this policy is developed and implemented. One of the significant barriers to the growth of the medtech sector, and consequently improved outcomes for Canadian patients and providers, is the complexity and length of our regulatory processes. Medtech companies prioritize jurisdictions where they can bring innovations to market swiftly and where those products will be readily adopted by the health system.

Although the Canadian healthcare system is widely recognized for its high standards, there is an urgent need to streamline and expedite the Canadian regulatory process. As

demonstrated during the COVID-19 pandemic, streamlined approvals allow Canadian firms to remain competitive while improving patient access to innovations.

The following recommendations would help Canada become a more attractive market for innovation by reducing the time and cost associated with regulatory compliance. This would enable companies to innovate and respond quickly to emerging health care needs. Simplifying and expediting regulations will benefit the medtech industry, enhance innovation, ensure Canadian companies remain competitive in the global medtech market, and contribute to the overall health and safety of Canadians.

#### Key Recommendations:

Streamline and improve Health Canada's medical device regulatory processes to expedite approval and commercialization, while ensuring safety standards. Including:

- a) Regulating health care products through a single platform, such as the Food and Drug Act, rather than multiple federal and provincial platforms.
- b) Current regulations that impact medical devices, such as the Public Release of Clinical Information (PRCI) framework which includes the release of Business Confidential Information, should be reviewed. These regulations prevent many companies from launching their products first (or at all) in Canada, causing delays in submissions and approvals.

#### **Recommendation 3: Strengthen the Security of Critical Medical Supply Chains**

The COVID-19 pandemic exposed weaknesses in the global supply chain's just-in-time (JIT) delivery model. The medtech industry has a critical role to play in supporting Canada's preparedness for health emergencies, including pandemics, natural disasters, and other crises, such as the current trade war, that pose a threat to public health and national security. Our association can leverage our diverse base of companies to deliver meaningful contributions to increase the manufacturing footprint in Canada and build resilience in the face of health threats.

The federal government should continue to invest in the recently established Health Emergency Readiness Canada (HERC) Agency. The medtech industry has already benefited from the development of a collaborative partnership with this agency and looks forward to its continued work to ensure Canada improves its competitiveness within the life sciences ecosystem. The current trade war with the U.S., combined with Canada's retaliatory tariffs and provincial procurement sanctions in response to U.S. tariffs, has put pressure on access to raw materials and finished medical technologies that our health systems depend upon. Collaboration between our industry and HERC can ensure that

health systems across the country are properly equipped with new innovative medical technology and ready to respond to emerging health threats.

Additionally, Medtech Canada commends the Government of Canada for its work in advancing the Biomanufacturing and Life Sciences Strategy. The launch of this strategy marked a pivotal step in rebuilding Canada's domestic capacity in life sciences, strengthening health security, and driving innovation.

It demonstrated vision and commitment to ensuring that Canada is better prepared for future health emergencies while also fostering a thriving life sciences ecosystem that supports economic growth and competitiveness. While we recognize and support the government's broader efforts to streamline and reduce bureaucracy, it is essential that these efforts do not come at the expense of long-term investments in life sciences and biomanufacturing. This strategy is not a completed initiative — it is just getting started. Continued funding, interdepartmental coordination, and engagement with industry partners are needed to fully deliver on its promise. We urge the federal government to remain steadfast in its commitment to the Biomanufacturing and Life Sciences Strategy, and to ensure that Canada builds a resilient, world-class life sciences sector that can meet the needs of Canadians now and into the future.

Key Recommendation: The federal government should uphold its commitment to the Biomanufacturing and Life Sciences Strategy and ensure the Health Emergency Readiness Canada (HERC) Agency has the funding and mandate needed to coordinate investments, align policies, support Canadian manufacturing, and engage stakeholders to address emerging health security threats and drive economic growth in Canada.

#### **Recommendation 4: Digital Health, improving access to health information for research purposes & AI**

Medtech Canada applauds the federal government's continued prioritization of digital innovation across sectors, including the creation of the Ministry of Artificial Intelligence and Digital Innovation. We also commend the government's commitment to modernizing health care through standardized health data and digital tools, as outlined in the tailored bilateral health agreements with provinces and territories.

Digital health and interoperability efforts are long-term, collaborative undertakings that require sustained attention and consistent financial investment to realize their full potential. Continued funding is essential to support the development, deployment, and maintenance of digital health infrastructure—particularly interoperable platforms and AI-enabled tools,

as recommended by the Health and Biosciences Economic Strategy Table (HBEST, 2018) initiative.

To fully unlock the power of digital health and AI, Canada must also remove persistent barriers to data access and use. Improving access to anonymized, high-quality health data is critical to driving innovation, enhancing productivity, and enabling better care outcomes for Canadians.

Investments in digital health solutions, such as remote monitoring, virtual care, and generative AI models, are already improving patient access to care and driving efficiency within health systems. Canada now can build on this momentum by scaling safe and authorized digital and AI-powered technologies to support precision-based medicine, enhance clinical outcomes, and strengthen the sustainability of our health care systems.

Key Recommendation:

Medtech Canada recommends the government implement the goals outlined in Canada's Biomanufacturing and Life Sciences Strategy 2.0 (BLSS) that includes dedicating financial resources to support the ongoing development, implementation, and growth of digital health and AI-enabled solutions that support a more robust national digital health strategy.

## CONCLUSION

The medtech industry is an essential part of Canada's health care system and can be a powerful ally in securing the country's health infrastructure against emerging threats. By addressing trade barriers, implementing advanced technologies, and ensuring regulatory frameworks support efficient approvals, the medtech sector can help Canada lead in health care innovation and national security.

Collaboration between government and Medtech Canada is essential to safeguarding public health and improving outcomes. By supporting the medtech industry, Canada can build a more resilient and efficient health care system for the benefit of all Canadians. We look forward to collaborating with you to ensure the health and resilience of Canada's patients and the health care system. Medtech Canada appreciates the opportunity to contribute to the pre-budget consultations.