

Medtech Canada 2026 Ontario Pre-Budget Submission

January 2026

Executive Summary

As the national association representing Canada's innovative medical technology industry, Medtech Canada welcomes the opportunity to submit recommendations for the 2026 Ontario budget. Our sector is a key pillar of the life sciences ecosystem, delivering technologies essential to patient care, system efficiency, and economic resilience. Our members play a critical role in delivering high-quality, efficient, and accessible healthcare while supporting Ontario's economic growth, productivity, and life sciences ecosystem.

The medtech sector contributed a total gross value added of \$13.7 billion in 2023, comprising \$7.3 billion from direct impacts, \$3.0 billion (22.2%) from indirect impacts, and \$3.3 billion (24.4%) from induced impacts. Canada-wide employment totaled 88,394 full-time equivalent (FTE) positions, and research and development expenditures were estimated between \$404 million and \$445 million.

However, rising cost-of-living pressures and increasing job insecurity are contributing to broader fiscal strain across the health system, affecting healthcare facilities' ability to plan for and procure essential medical technologies. Investments in medical technologies improve patient outcomes, enable care to be delivered closer to home, reduce downstream system pressures, and generate long-term economic and fiscal returns for Ontario.

Medtech Canada's recommendations are aligned with the Ontario Chamber of Commerce (OCC) & Life Sciences Ontario in supporting life sciences growth and health system resiliency. To maximize the value of healthcare spending and strengthen system sustainability, Medtech Canada recommends that Budget 2026 focus on three priority areas:

1. Ensuring the Buy Ontario Act protects patient access, supports innovation, and recognizes the realities of global medical technology supply chains
2. Ensuring effective, system-wide implementation of Ontario's Health Innovation Pathway so proven global medical technologies can be adopted in a timely and consistent manner
3. Strengthening Healthcare Infrastructure to Improve Access and Deliver Care Closer to Home

These measures will help Ontario deliver better health outcomes, improve value for money, and reinforce healthcare as a foundational asset that underpins economic participation, productivity, and long-term fiscal sustainability.

1. Ensuring the Buy Ontario Act Strengthens Ontario's Health System

To ensure the implementation of the Buy Ontario Act strengthens Ontario's economy while protecting patient access and health system performance, Medtech Canada recommends that the government:

- a. Exempt critical health and medical technology products from restrictive procurement requirements
- b. Preserve access to global supply chains for advanced, specialized, and innovative medical technologies
- c. Align procurement policies with Canada's trade commitments to avoid unintended trade retaliation and supply disruptions
- d. Support domestic innovation through targeted investment incentives, commercialization supports, and partnerships, rather than rigid local-content mandates

As the national association representing Canada's innovative medical technology industry, Medtech Canada supports the government's objectives to strengthen Ontario's economy, protect workers, and improve supply chain resiliency in the face of global trade uncertainty. However, we are concerned that the broad application of the Buy Ontario Act will have unintended consequences for Ontario's health system, patient access, and the province's life sciences sector.

The medtech sector is an integral part of Ontario's and North America's health and life sciences ecosystem, driving innovation across advanced manufacturing, research and development, and highly skilled employment. Medical technologies span a wide range of products, including diagnostic and imaging equipment, surgical and robotic technologies, implants, pharmaceutical automation, software and AI-enabled devices, remote monitoring tools, and essential consumables, many of which are critical to daily patient care across hospitals, clinics, and community settings.

Ontario's medtech sector is a major economic driver, contributing \$13.7 billion in gross value (2023) and supporting 88,394 FTE positions. The sector's R&D expenditures between \$404 million and \$445 million, primarily focused on experimental development, underpin ongoing innovation and high-value employment in the province. Limiting supplier diversity through restrictive procurement policies risks undermining both economic and health outcomes.

Ontario's medtech sector relies on highly specialized, globally integrated supply chains. Components, sub-assemblies, software, and finished devices routinely cross multiple borders before reaching Ontario patients. Approximately 70 per cent of the medical technologies used in Canada are imported, reflecting the specialized nature of the sector. Procurement policies designed for other industries may not fully reflect the realities of healthcare delivery, and without appropriate exemptions or flexibility, the restrictions proposed under the Buy Ontario Act risk unintentionally limiting access to essential devices relied upon by patients and clinicians across Ontario.

Healthcare is a critical investment, not a discretionary expense. Procurement policies that limit supplier diversity risk undermining patient care, increasing costs, and weakening system resiliency. Multi-supplier arrangements are common and essential in healthcare, particularly where many technologies have no Canadian-made equivalents. While Medtech Canada supports Canadian-based medical device innovators, the most effective way to grow domestic capacity is through targeted investment, commercialization supports, and full implementation of Ontario's Life Sciences Strategy rather than rigid local-content mandates that risk harming patients and the broader economy.

Budget 2026 presents an opportunity to ensure the implementation of the Buy Ontario Act advances economic and supply-chain objectives while safeguarding patient access and health system

performance. A balanced, healthcare-informed approach will help Ontario strengthen its life sciences sector, protect patient care, and maintain a resilient and competitive health system.

2. Advancing the Health Innovation Pathway in Ontario

Medtech Canada applauds Ontario's Health Innovation Pathway and recognizes the government's leadership in establishing a framework to support the adoption of innovative health solutions. As Ontario moves forward, it is essential that this pathway be implemented in a way that enables timely, consistent, and system-wide access to innovative medical technologies including globally developed technologies that are critical to patient care to accelerate adoption. The pathway should be designed to maintain competitive procurement and supply resilience, with appropriate safeguards to mitigate unintended consequences of Buy Ontario policies, particularly where limited domestic supply could create monopolies, increase costs, or restrict clinical choice.

Budget 2026 should prioritize strong implementation supports that enable the generation and use of real-world evidence across the system. To realize the full potential of the Health Innovation Pathway, Budget 2026 should support implementation that:

- a. Ensures clear, transparent, and predictable processes for evaluation and adoption of health care services and medical devices.
- b. Enables consistent application across hospitals, community care, and home care settings
- c. Supports timely decision-making to avoid unnecessary delays in patient access to proven technologies
- d. Facilitates pilot-to-scale pathways, allowing successful innovations to be adopted more broadly across the system

Importance of Implementation

The success of the Health Innovation Pathway will depend on effective, predictable, and well-resourced implementation ensuring the framework moves smoothly from policy into action. While the Pathway has been announced, its impact will be determined by how quickly and effectively it is put into practice. Stakeholders across the Medtech sector are eager to understand how the Pathway will operate day-to-day, including clear guidance on processes, evaluation criteria, and timelines. A strong, timely rollout is essential to ensure the Pathway delivers tangible benefits for patients and the health system.

Speed and Evaluation Timelines

A major value proposition of the Health Innovation Pathway is the accelerated evaluation of promising technologies. Fast and efficient evaluations will allow Ontario to adopt innovations in real-world care settings more quickly, improving patient outcomes while strengthening the province's competitiveness as a destination for health innovation. Predictable timelines for evaluation and decision-making are critical to avoiding unnecessary delays in patient access to proven technologies including defined data acceptance thresholds that are communicated in advance and applied consistently across technologies.

Partnership with Industry

Medtech Canada and the broader sector stand ready to collaborate closely with the Ministry to support rapid implementation of the Pathway, share data, and provide insights from other jurisdictions. A strong implementation phase grounded in collaboration will help position Ontario as one of the most innovation-friendly health systems in Canada and globally.

Healthcare innovation should be treated as a strategic asset supported by evidence, not as a one-time pilot activity. Effective implementation of Ontario's Health Innovation Pathway must therefore include a Coverage with Evidence Development (CED) pathway that would enable timely patient access to promising health technologies while ensuring robust evidence development to support long-term decision-making. This model enables conditional, time-limited coverage of promising technologies and structured local real-world evidence generation to address clinical and/or economic uncertainty and system-level evidence to inform coverage, reimbursement, and scale-up decisions.

A CED policy would balance two competing needs:

- Expedited Patient Access to promising new treatments, especially conditions with high unmet needs, that might not yet meet the full "reasonable and necessary" standard for unconditional funding.
- Evidence Generation to determine if the product or service improves health outcomes for Ontarians

Under CED, the technology would only be covered if the patient is enrolled in an Ontario Health approved study or registry. Once enough evidence is gathered and reviewed by Ontario Health, the conditional requirements may be removed, leading to full provincial coverage, modified coverage, or even revoked coverage if evidence does not support its use. This approach to CED strengthens Canada's capacity for applied health research and creates sustained opportunities for health researchers to train, work, and remain in Canada. This Evidence into Action approach will support responsible adoption of innovation and ensure investments in health technologies deliver meaningful value for patients and the health system.

Effective implementation of the Health Innovation Pathway will help Ontario modernize care delivery, improve patient outcomes, and maximize the value of health system investments by ensuring innovative medical technologies are integrated into care where they can deliver the greatest benefit. By strengthening data and real-world evidence within the Health Innovation Pathway, Ontario can reinforce healthcare innovation as a long-term asset supporting better outcomes, system sustainability, and economic productivity.

3. Strengthening Healthcare Infrastructure to Improve Access and Deliver Care Closer to Home

Improving access to healthcare remains a top priority for Ontarians and a central objective of the provincial government's strategy to build a more connected and modern health system. Ontario's *Your Health: A Plan for Connected and Convenient Care* emphasizes the importance of connecting people to the care they need, when and where they need it, and delivering services closer to home, whether in community settings, pharmacies, primary care teams, or through virtual care.

To advance Ontario's *Your Health: A Plan for Connected and Convenient Care*, Medtech Canada recommends that Budget 2026:

- a. Prioritize the adoption of medical technologies that safely shift appropriate services from in-patient hospital settings to outpatient and day clinics, as well as community-, home-, and virtual-based care.
- b. Continue to scale the adoption of medical technologies to expand capacity for key services, including diagnostic imaging and surgical care, to reduce wait times and improve access across the province.
- c. Invest in the adoption and scaling of artificial intelligence (AI) to strengthen healthcare infrastructure and enable care delivery closer to home by supporting solutions that expand

clinical capacity, reduce wait times, shift appropriate care from hospitals to community and home settings, and improve equity while avoiding the need for new physical infrastructure.

Medtech Canada strongly supports this vision and believes that medical technologies are essential infrastructure, on par with buildings, workforce, and foundational systems, in enabling the shift toward convenient, connected care. A modern health system must extend beyond physical facilities to include the technologies that enable diagnosis, monitoring, treatment, and data connectivity across settings from primary care and community clinics to home-based and virtual care environments.

Investments in medical technologies are not operational costs alone; they are strategic capital assets that generate measurable returns by improving patient outcomes, enhancing productivity, and reducing long-term system pressures. When integrated into infrastructure planning, medical technologies enable technologically enabled models of care including remote monitoring, point-of-care diagnostics, digitally enabled home care, and virtual follow-up that reduce avoidable hospital utilization, shorten lengths of stay, and deliver value-for-money outcomes. This approach is particularly critical for rural, remote, and northern communities, where geographic barriers and workforce shortages persist.

Budget 2026 should prioritize healthcare infrastructure investments that embed medical technologies within Ontario's "convenient care, closer to home" framework, with targeted support to ensure equitable access across all regions of the province.

Conclusion

Ontario's medical technology sector is a vital driver of both health system performance and economic growth. With a contribution of \$13.7 billion in gross value added, nearly 90,000 FTE jobs, and significant investment in research and development, the sector underpins innovation, high-quality patient care, and long-term fiscal sustainability.

Budget 2026 presents a critical opportunity to build on this foundation by:

- Ensuring the Buy Ontario Act strengthens the provincial economy without compromising patient access, supplier diversity, or global supply chain resilience.
- Implementing the Health Innovation Pathway effectively, providing clear, predictable, and evidence-driven processes that accelerate patient access to proven, innovative medical technologies.
- Investing in healthcare infrastructure and technology adoption, including AI-enabled solutions and community-based care, to improve access, reduce wait times, and deliver care closer to home.

Strategic support in these areas will allow Ontario to realize the full value of medical technology investments. By treating medical technologies as essential infrastructure and innovation as a long-term asset, the province can strengthen its health system and ensure Ontarians receive timely, high-quality care today and into the future.