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UNITED STATES SENATE COMMITTEE ON VETERANS AFFAIRS

HEARING ON PENDING LEGISLATION

AUGUST 1, 2018

STATEMENT FOR THE RECORD:

THE ADVANCED MEDICAL TECHNOLOGY ASSOCIATION (ADVAMED)

701 PENNSYLVANIA AVENUE NW, SUITE 800

WASHINGTON, DC 20004

AdvaMed is the leading trade association representing medical technology manufacturers and suppliers that operate in the United States. Our members range from the largest to the smallest medical technology innovators and companies. Collectively, we are committed to ensuring patient access to life-saving and life-enhancing devices and other advanced medical technologies.

The sacrifice our nation's veterans and their families make on our behalf cannot be overstated. We all have an obligation to ensure they receive the highest quality care and have access to the best medical technology available. AdvaMed and its member companies believe strongly in our collective relationship with the U.S. Department of Veterans' Affairs (VA) and share the Department's goal of providing our veterans with the highest quality health care possible.

There are approximately 8 million U.S. veterans of the armed services accessing the VA health care system, with another nearly 2.3 million currently serving in the military on active duty that may do so in the future. Through earlier diagnosis and intervention, less invasive procedures and more effective treatments, medical technology is revolutionizing health care across the continuum of service and enhancing the lives of America's troops in the field and beyond. Technologies include: spinal cord stimulation; joint/limb replacements; wound care products; neurological devices; cardiac technologies; and many others. Through these technologies, our companies can help provide the standard of care reflective of the respect and commitment we owe to our nation's veterans.

One person's experience exemplifies our industry's mission when it comes to our nation's veterans. Justin Minyard's story reflects the kind of people we are working every day to help – a combat veteran injured at the Pentagon while lifting and moving rubble in the search for survivors, who has found relief from his chronic back pain thanks to Boston Scientific's spinal cord stimulator.

However, recent changes in VA's procurement of these critical medical technologies have created new barriers within the veteran health care system. These changes have resulted in significant inefficiencies in veterans obtaining access to care and reductions in the quality of health care accessible to veterans. In the long term, these changes risk pushing high caliber providers and suppliers of innovative products out of the VA system.

Our overarching concern is that, collectively, these problems will severely restrict timely patient access to critical technologies and quality care, delay access to the right product at the right time and in the right setting for veterans and their providers, and possibly impact the ability of VA to attract and retain medical professionals.

Thankfully, Congress has begun to address some of these issues and work with both the VA and industry on constructive solutions. H.R. 5418, the Veterans Affairs Medical-Surgical Purchasing

Stabilization Act authored by Rep. Bergman, is an important step in improving one component of the VA's procurement process. This legislation would place procurement decision-making for the Medical-Surgical Prime Vendor (MSPV) in the hands of clinical experts who are best equipped to advise the VA on the most appropriate medical technology to meet the health care needs of our nation's veterans. At the same time, it would preserve the ability of the VA to obtain a range of products at a competitive price from multiple suppliers. AdvaMed supports the Committee's review of this legislation today and looks forward to working further with Congress on its adoption into law.

A well-managed MSPV program would have significant benefits, make the VA a more efficient medical system, and reduce overall costs. More specifically, a well-run MSPV will give the VA: 1) a full spectrum of critical medical products for clinicians to be able to meet every veteran's needs that does not exist in today's MSPV program, 2) reduce the instances of procedure delays and cancellations at Veterans' Affairs Medical Centers (VAMCs) due to lack of needed devices in the current MSPV program, 3) reduce excessive and costly medical supply inventory levels that currently exist at VAMCs, 4) reduce costs to procure products, especially the rampant government purchase card use that exists today in VA Medical Centers due to a poorly run MSPV program, 5) reduces the time that VHA physicians and nurses are now required to spend away from veteran medical care in order to perform medical logistics functions, and 6) reduce the risk of gray market medical devices being procured by VA when products are not available in the MSPV.

It is important for the VA to have an efficient procurement system across the board that allows for faster adoption of new medical technologies and standards of care, while also ensuring appropriate reimbursement times for those critical products. Improvements to the MSPV program are just one aspect of ensuring veterans have access to these life-saving and life-enhancing technologies. It is just as important to consider similar improvements to the implant procurement program, which includes permanently implantable products not available through the MSPV program, like joint replacement technologies, stents, etc.

We welcome today's hearing as another opportunity to understand on how the VA, Congress, and industry can take a solutions-oriented approach to these issues and work together on the most effective resolution. We support efforts to ensure the VA, Congress, and industry to work together to review and seek ways to better implement processes and to ensure that all procurement policies evaluate technologies based on the value to patients. Ultimately, the most important measure of the success of the VA's new procurement policies is whether the veterans that they serve are getting access to the best medical care in a cost-effective manner.

Again, we are grateful for the Committee's leadership on this issue and especially appreciate the work of Chairman Isakson, Ranking Member Tester, and their staff.