

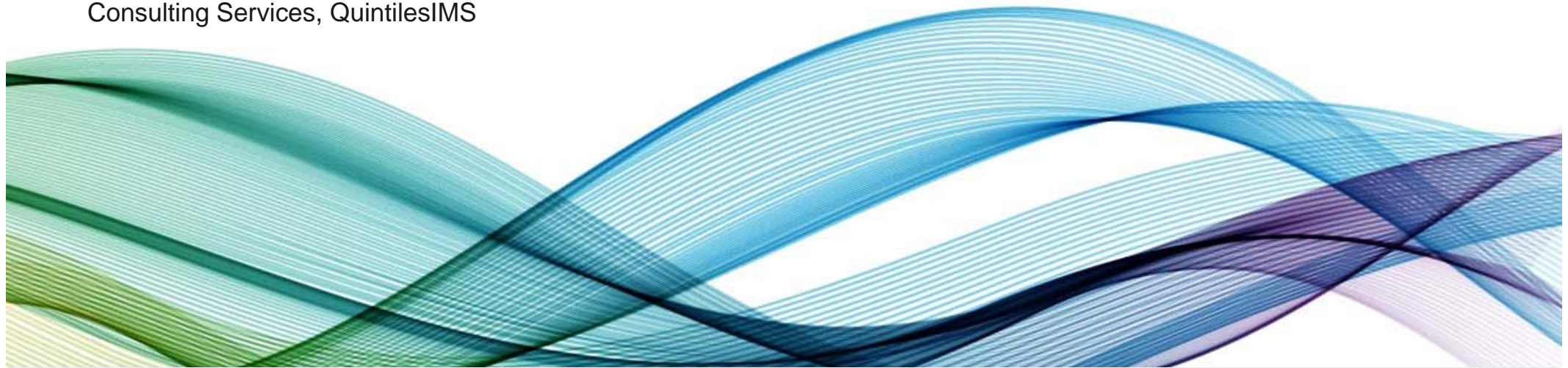


QuintilesIMS™

What are the business implications of the new Medical Devices Regulation

ABHI
Webinar
Thursday 10 November 2016

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Learning outcomes for today

- Understand the significant changes to the new Medical Devices Regulation and the impact it will have on your organization
- Be aware of the new issues which will require investment in terms of costs and personnel
- If you have not started, be able to start planning and budgeting for implementation of the new Regulation
- Impact of other parallel needs (ISO 13485:2016, MDSAP, MEDDEV 2.7.1 Rev 4)
- What discussions should you be having now with your Notified Body, Distributors, Suppliers and Authorised Representatives

The draft regulation

Have you read it?



Brussels, 8 August 2016
(OR. en)

10617/1/16
REV 1

Interinstitutional File:
2012/0266 (COD)

PHARM 41
SAN 278
MI 473
COMPET 394
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NOTE

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	9364/16 PHARM 30 SAN 211 MI 370 COMPET 316 CODEC 722
No. Cion doc.:	14493/12 PHARM 71 SAN 215 MI 597 COMPET 600 CODEC 2305 + COR 1
Subject:	Proposal for a Regulation of the European Parliament and of the Council on medical devices, and amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009

Delegations will find the consolidated text of the draft Regulation on medical devices in the Annex to this Note. This is a "clean" version without any difference between "new text" and text from the Commission proposal.

Medical Devices Regulation (MDR)

Final draft issued 27 June 2016;

Final draft after translation changes: 8 August 2016

What are the business implications of the new regulation

Agenda

- Timelines of entry into force and application
- Up-classification and legacy products
- Technical Documentation upgrade and conversion
- Reduced Notified Body capacity
- Economic Operators: distributors; importers; AR
- Vigilance and Post-market surveillance
- Unique Device Identification (UDI); labelling
- Transparency of information - EUDAMED
- Additional personnel and training
- Reimbursement, purchasing and Health Technology Assessment

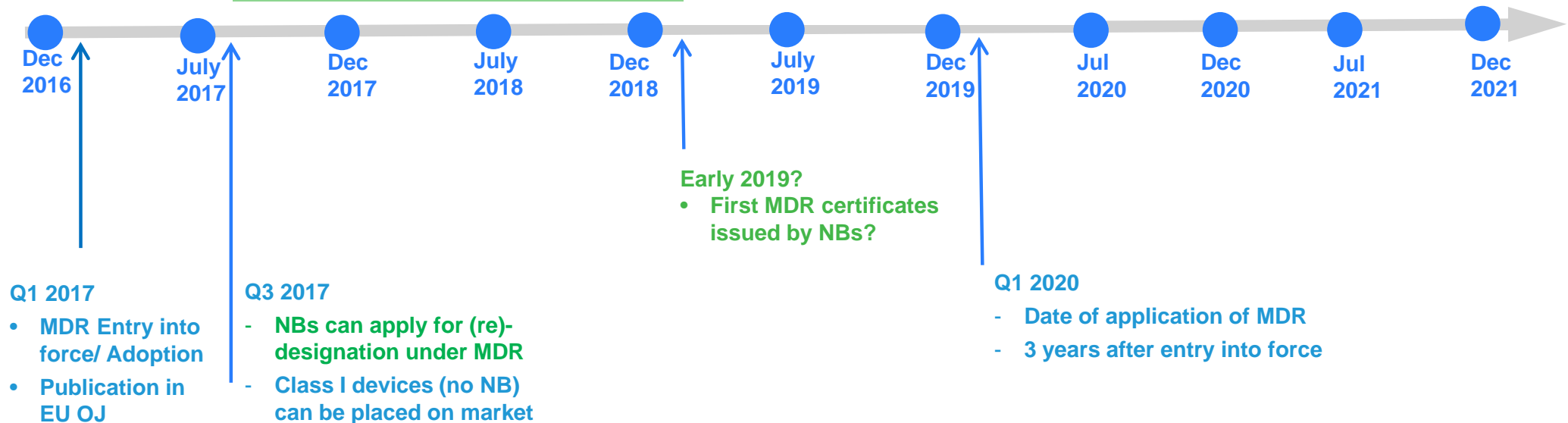
Timelines of entry into force and application

We have lots of time to get ready for the MDR, right?

EN ISO 13485:2016 transition period ends 28 Feb 2019

To be written: various Implementing and Delegated Acts, as provided for in the MDR

NB re-designation process confirmed early 2019



Outstanding issue – can NBs be designated for both MDD / MDR concurrently? Probably yes, but TBD

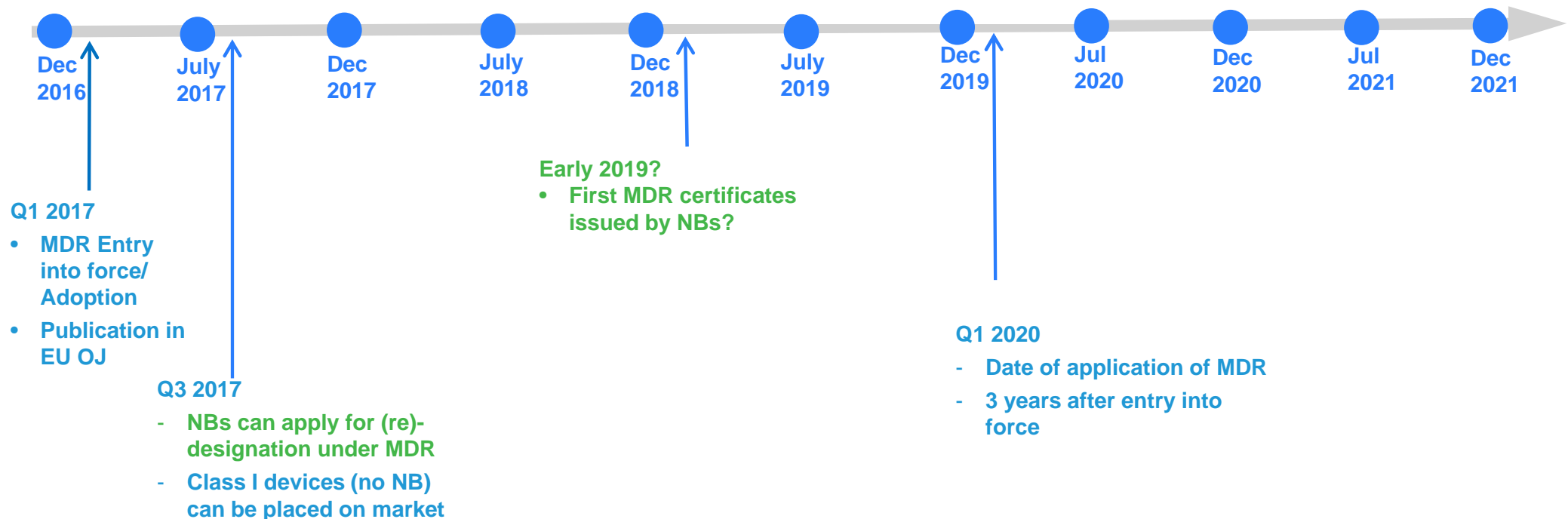
Timelines of transition

We have lots of time to get ready for the **MDR**, right?

Devices placed on the market under 93/42/EEC **before** MDR Date of Application may continue to be made available on the market or put into service for 5 years after DoA (MDR Art. 94.3a)

Certificates issued under 93/42/EEC **after** MDR Entry into Force: valid max 5 years, but void at latest 4 years after Date of Application (MDR Art. 94.2 para 2)

Certificates issued under 93/42/EEC **before** MDR Entry into Force: valid as per certificate, **max. 5 years** (MDR Art. 94.2 para 1)



Up-classification and legacy products

An opportunity to rationalize?

- There is no grandfathering – all products have to be CE marked under the MDR, to be placed on the market or put into service (MDR Article 4;)
- Some small changes in MDR classification criteria: have any of your products been re-classified? (MDR Annex VII)
- If they are up-classified, is your current conformity assessment route adequate?
- Does sales volume justify the costs of bringing legacy products into MDR compliance?

Business impact:

- ***Is the MDR a good opportunity to rationalize the product portfolio and remove poor performers in the market-place?***
- ***Close engagement with marketing at early stages***
- ***Some savings possible by avoiding costs of upgrading low turnover products to MDR compliance.***
- ***Especially important if new data is an issue due to up-classification***

Technical Documentation upgrade and conversion

MDR is more specific about content of technical documentation

- New requirements for technical documentation – the Regulation prescribes a detailed format for the first time, but this is different from the current norm (MDR Annex II)
- Essential Requirements are now “General Safety and Performance Requirements” – all checklists will need revising (MDR Annex I)
- (To include labels and IFU in accepted languages of countries where distributed)
- Many current technical files are sub-standard, and are simply not “caught” by Notified Bodies in sampling
- Annex VIII gives detailed requirements for the QMS (additional to EN ISO 13485)

Business impact:

- ***All product/family files will need some conversion - perform careful estimation of time to convert***
- ***Need to review the underlying data and documentation to justify compliance check in General Safety and Performance Requirements***
- ***Do legacy products have the supporting data to meet the MDR***
- ***Additional personnel to be allocated to task, or existing personnel diverted from other tasks***
- ***Notified Body charges may increase to take account of increased scrutiny on them, and additional time to review files***

Technical Documentation – standards, CS, guidance etc.

Some current issues on standards which will impact on MDR

- Presumption of conformity still applies for devices in conformity with relevant harmonised standards (MDR Art. 6) (prepared with industry input)
- Commission (with MDCG) can prepare Common Specifications (CS) where no harmonised standards exist or they are insufficient, and presumption of conformity applies (MDR Art. 7) (MDCG members are appointed by Member States)
- Delays in Commission publishing references for harmonised standards – issues with Annex Zs written by industry (approx. 124 now waiting for listing)
- Is there a danger that CS will replace harmonised standards?
- Note also that in its conformity assessment activities *“The notified body shall, when relevant, take into consideration harmonised standards, even if the manufacturer does not claim compliance, available CS, guidance and best practice documents.”* (MDR Annex VI, 4.6.1 – Requirements to be met by NBs)

Clinical evidence – tighter requirements

MDR is more specific about clinical evidence and clinical evaluation

- Increased restrictions on literature route - tighter definition of “equivalent”, and manufacturers must show they have access to the data on the devices for which they are claiming equivalence
- For Implantables and Class III devices, may use other manufacturers’ data if contract is in place for full ongoing access to data
- Is new or additional clinical data required e.g. from lengthy and costly clinical trials?
- Expect additional scrutiny e.g. of Clinical Evaluation Reports by Notified Bodies (and CAs) (already ramping up following MEDDEV 2.7.1 rev. 4)

Business impact:

- ***Detailed analysis of clinical data available – is the literature route still available?***
- ***Can you still use data on devices deemed equivalent under MDD?***
- ***Will additional clinical data be required?***
- ***Potential costs and lengthy delays to gain additional clinical data***
- ***Potential increased costs for NB review of clinical evaluations***

Transparency of information – EUDAMED

Need for more data, available to a wider audience

MDR EUDAMED

Art. 27

Database/
E-system
Notified
Bodies and
Certificates
Open to public
(Art. 45a)

E-system
Vigilance &
Post-Market
Surveillance
**Some public
access**
(Art. 66a)

E-system
Registration of
Devices
Open to public?
(Art. 24b (3a))

E-system
UDI
Open to public
(Art. 24a)

E-system
Clinical
Investigations
**Some public
access**
(Art. 53)

E-system on
Registration of
Economic
Operators
Open to public
(Art. 25)

E-system
Market
Surveillance
**Limited public
Access**
(Art. 75b)

Article 27 MDR: European databank on medical devices

1. The Commission, after consulting the MDCG, shall develop and manage the European databank on medical devices (Eudamed) for the following purposes:

- (a) to enable the public to be adequately informed about devices placed on the market, about the corresponding certificates issued by notified bodies and about the relevant economic operators;
- (b) to enable unique identification and to facilitate traceability of devices within the internal market;
- (c) to enable the public to be adequately informed about clinical investigations and to enable sponsors of clinical investigations to comply with obligations under Articles 50 to 60;
- (d) to enable manufacturers to comply with information obligations under Articles 61 to 66

Article 26 MDR: Summary of Safety and Clinical performance (Class III and implantable) to be made

Transparency of information - EUDAMED

Need for more data, available to a wider audience

“Transparent” / “transparency” mentioned in 7 preamble statements. Key is Preamble 35:

(35) Transparency and adequate access to information, appropriately presented for the intended user, are essential in the public interest, to protect public health, to empower patients and healthcare professionals and to enable them to make informed decisions, to provide a sound basis for regulatory decision-making and to build confidence in the regulatory system.

Business impact:

- **Need to provide more data in more formats and keep it up to date – additional resource needed?**
- **Vigilance and clinical data will be open to public, to some extent – additional scrutiny from public and users**
- **Summary of Safety and Clinical Performance to be made public (Class III and implantables) – outside Eudamed**
- **Labels and IFU to be available on company web-site (if company has one) – resource implications**
- **Company culture may have to change**

Reduced Notified Body capacity, but more work

Fewer NBs already have more work and increased surveillance from Competent Authority

- Notified Bodies have themselves been subjected to additional scrutiny by the authorities, plus an increased workload since 2013 (EU Reg. 920/2013)
- We are seeing a reduction in numbers of NBs, so shortage of capacity and expertise
- Will require parallel designation to both MDD and MDR
- Low NB supply and high demand can push up costs, especially for good NBs and quick turnaround - already seeing delays in reviews, audits and certifications
- Smaller companies and start-ups, in particular, face being pushed to the back of the NB queue, as they have little power to dictate scheduling
- Delays may affect manufacturer reputation in the market-place
- May cause some companies to alter research strategy

Business impact:

- ***Additional costs for quick turnaround NB service***
- ***Potential for cash-flow problems due to delay in releasing product***
- ***Potential for reputational damage***
- ***Smaller companies face proportionally greater impact and may be less resilient***

Distributors and importers are now regulated (and AR)

Need to ensure they are aware and have capacity for the new roles and responsibilities

- Distributors and importers are now specifically regulated (MDR Arts 11 – 14)
- Authorised Representative (AR) role also more clearly defined (MDR Arts 9, 10)
- They all become “Economic Operators”, with regulatory commitments
- All economic operators (except distributor) need their own Single Registration Number (SRN) (MDR Art. 25a)
- Essential to have good communication to avoid conflicting actions for product in the market e.g. on field actions
- Increased needs in reviewing AR / distributor / importer contracts and additional costs for auditing distributors, importers and AR

Business impact:

- ***Additional costs for legal review of contracts and distributors passing on costs to manufacturer for additional scope of services and liability***
- ***Potential need to train AR, distributors, importers and internal personnel on new requirements***
- ***Additional costs for auditing operators in the supply chain***
- ***Greater impact on SMEs who potentially rely more on independent distributors than large manufacturers with in-country offices and own distribution network***

Vigilance and Post-Market Surveillance

Importance of vigilance and PMS cannot be under-estimated, reduced timelines mean added pressure

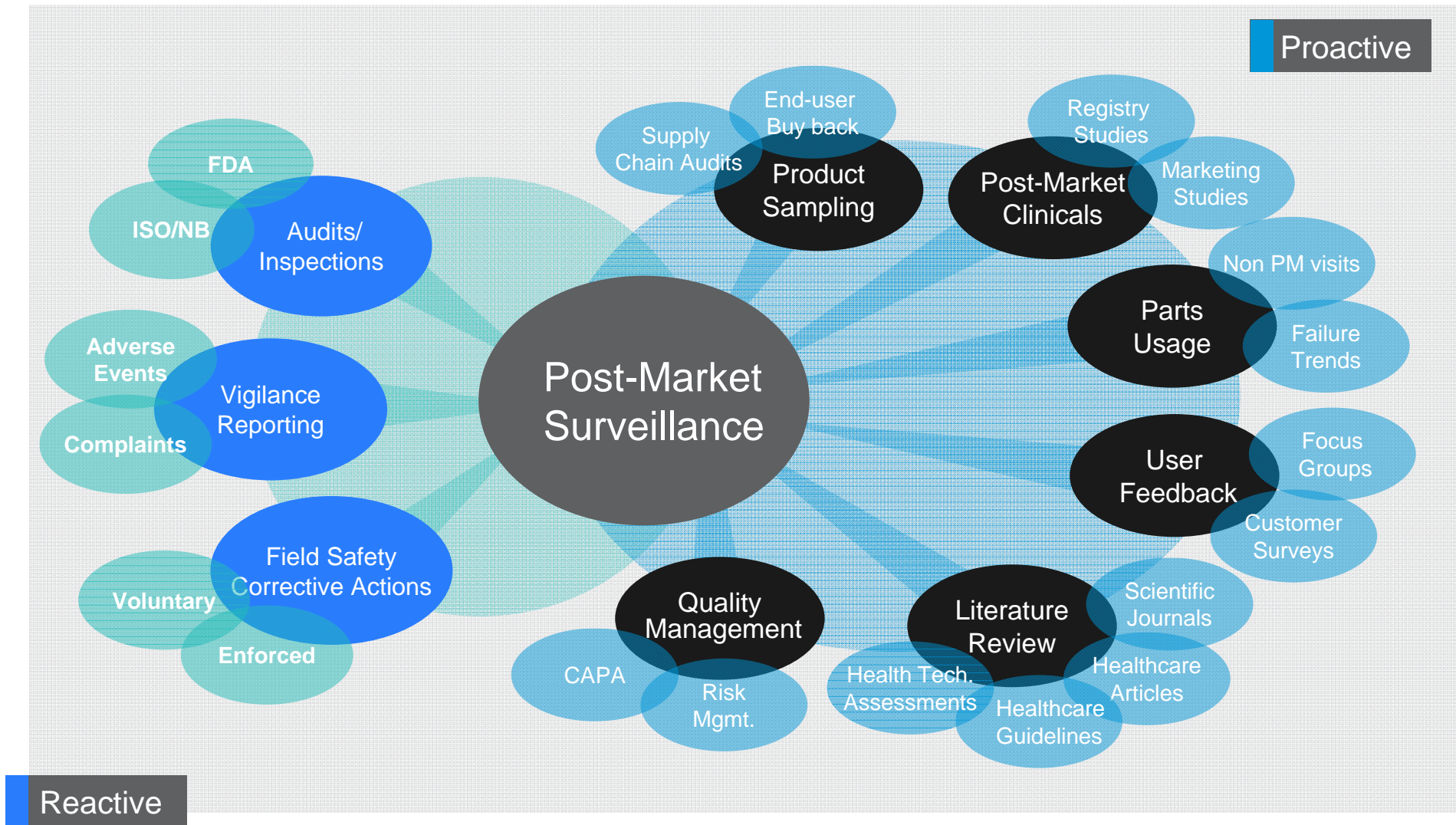
- Additional costs to develop a robust and proactive PMS approach (MDR Chapter VII)
- The reduced timeline from 30 days to 15 days for reporting serious incidents adds pressure to have a good, functioning system (MDR Art. 61). (Note: 15 days will now be mandatory – included in Regulation)
- Provision for Implementing Act to establish, inter alia, new electronic vigilance reporting forms, likely to be more comprehensive, with product problem and adverse event codes (MDR Art. 66)
- Periodic safety update report for all devices (PSUR) (MDR Art. 60c)
- PSUR Class IIb and III – updated at least annually; others at least every 2 years

Business impact:

- ***Consider need for additional personnel to support shorter reporting times, more robust PMS system and PSUR***
- ***Future new reporting form likely to require considerable training on coding with additional cost implications***

Comprehensive Post-Market Surveillance

Developing a Future State System for Proactive Safety Surveillance



Effective Post Market Surveillance

A centralised group for Safety Surveillance and Medical Affairs ensures proactive management of safety data



Liability

Financial coverage

- Manufacturers must be able to provide sufficient financial coverage for their potential liability under 85/374/EEC, so product liability insurance
- Based on risk class, type of device and the size of the enterprise (MDR Art. 8.13)
- Note also that AR is liable for defective products if manufacturer does not comply with financial coverage requirements (MDR Art. 9.4)

Business impact:

- ***Will be a legal requirement to have coverage for liability***
- ***Authorised Representatives face potential increased responsibility and cost for liability insurance. Independent ARs may be re-considering***

OBL/OEM Requirements

The role of the Own Brand Labeler is changing

- Under the MDR and for the current MDD, the OBL is required to have full access to the product Technical Documentation supporting the conformity assessment for CE-Marking
- Critical to start having discussions with OEM and other contract manufacturers now, on their planning for the change to the MDR. What discussions are they having with their NB/ISO Certifiers, are they considering changes that could impact on product availability?
- If the OEM manufactures similar products for other Legal Manufacturers, will they make post-market surveillance data available to you for similar products?
- MHRA's revised guidance on OBL/OEM is expected soon...

Business impact:

- ***OEM/contract manufacturers may decide to terminate supply if they are required to make documentation available***
- ***Increased costs to the suppliers to meet the regulations, and audits of the suppliers will add costs to Legal Manufacturers***
- ***New PMS requirements, faster complaint investigations have to be factored in to OEM/legal manufacturer agreements***

Unique Device Identification (UDI), registration

Last steps in compliance chain, but need long-lead time for planning

- UDI – the EU system will hopefully not be too different from the US system, but there will be a separate EU database, with potentially different data requirements (MDR Art. 24 plus Annex V Part C)
- Manufacturer to notify all products to Eudamed database (MDR Art. 24b plus Annex V Part A)
- Importers to add their details to product registration (MDR Art. 11)
- Concerns over speed of development of Eudamed database and date of availability

Business impact:

- ***Additional time and costs for inputting data to the EU UDI database and Eudamed database***
- ***UDI depends on an implementing act, so timing of publication of details is uncertain***
- ***Late UDI database may require different phasing to cover additional labeling needs for MDR***

New labelling requirements – lots of new detail

Long lead times dictate early action – aim to revise labels only once

- MDR Annex I section 19: specific details for label and for sterile package;
 - UDI – timing of implementing act will be key for manufacturers
 - If no expiry date, must provide date of manufacture
 - Indication that the device is a medical device (new symbol in preparation)
 - MDR Annex I section 7.5.4: Devices containing CMRs and/or endocrine disruptors to be labelled on the device itself and/or on the packaging for each unit, with the list of such substances
 - Inclusion of information on residual risks for vulnerable patient groups (e.g. children, pregnant or nursing women) and, if applicable, on appropriate precautionary measures in instructions for use
 - Information supplied by the manufacturer shall be made available and kept up to date on the manufacturer's website (MDR: Annex I, 19.1)

(Note that ABHI is already active in inputting to new symbols with BSI / ISO)

Business impact:

- ***Need to plan early to ensure availability of label stock when needed***
- ***Planning will reduce wastage of old redundant label stock***
- ***Potential for delays and/or corrective actions***
- ***Implications for staff to keep information on website updated, if not already done***

Additional personnel and training

Several new tasks identified – need to allocate them to trained personnel

- Person responsible for regulatory compliance (PRRC)
- New personnel are likely to be needed: Responsible Person for product release, and with duties for clinical products and for vigilance (similar to pharma QP) (MDR Art. 13)
- New regulatory personnel for the additional workload; and quality personnel: concurrently with the new Regulations device manufacturers are facing a challenge of complying with the newly revised quality systems standard: EN ISO 13485: 2016 (first revision in 13 years), with some major changes. MDSAP requirements also a factor if manufacturer distributes in Canada
- An already competitive market-place for trained regulatory and quality professionals – competition for skilled staff also from NBs

Business impact:

- ***Additional costs of hiring, training and getting up to speed***
- ***Need to plan now to ensure availability of skilled people in both regulatory and quality***
- ***Potential for delays and/or reputational damage if the right people are not in place***

Reimbursement, purchasing and Health Technology Assessment (HTA)

Potential issue for market access

- Reimbursement, purchasing and HTA approvals are linked to product codes in many cases (e.g. France LPPR; Germany Hilfsmittelverzeichnis; UK Drug Tariff)
- Need to plan ahead to ensure continuity of coverage for inventory with new product codes indicating compliance with MDR, and seamless transition
- A new task requiring dedicated personnel
- Increased clinical needs of MDR will most likely be favoured over MDD products

Business impact:

- ***Additional costs for market access personnel***
- ***Potential for delays and interrupted market access during switch-over***

Ripple effect beyond EU

Impact of changes to RoW registrations based on CE Marking

- Do you have registrations in Rest of World which depend on CE Marking, DoCs and NB certificates?
- Audit and document which registrations depend on which MDD documentation
- Put in place a plan to transition to MDR, ensuring that products supplied match the documentation supplied

Business impact:

- ***Additional work involved in audit and planning***
- ***Aim to avoid scrapping inventory***

Be ready early or watch and learn

Important to be ready to go when Notified Bodies are ready to act under MDR

- Potential advantages of early readiness for transition to MDR may increase the marketing potential of products as commercial tenders may favour products under the Regulation over those that stay under MDD certification
- Big question remains: When will NBs be able to grant certificates under MDR to meet your product requirements
- Leaving it late may devalue products in the market place, running the risk of losing market-share
- Same applies to earlier adopters of EN ISO 13485:2016 over 2003 version. **Annex VIII of the MDR gives further information on the needs of the manufacturer's QMS; being ISO 13485:2016 compliant is not enough**

Business impact:

- *Potential for being squeezed out of tenders if late in the game*
- *Potential for reputational damage, if competitors move to MDR*

Suggested action steps – where are you on the journey?

Several new tasks and steps identified – ensure a plan is in place

Stage 1 – awareness; identify gaps; quantify needs

Phase 1

- Assemble a multi-disciplinary team to take charge of MDR transition
- Know all the requirements, in detail
- Monitor events – adoption of MDR; development and adoption of detail in implementing and delegated acts; harmonised standards

Phase 2

- Check classification rules – do any changes impact your products?
- Confirm appropriate conformity assessment procedures
- Notified Body – need to contract / change? Act soon to avoid disappointment

Phase 3

- Technical documentation – gap analysis; assess standards available
- Clinical evidence – gap analysis
- Review product portfolio, is it economical to transfer all products in to MDR
- Plan clinical trials if necessary

Phase 4

- Consider impact on RoW registrations
- Quantify and identify personnel, training and other investment needs
- Establish time-line
- **Establish your additional RA&QA budget for 2017 and beyond**

Next steps?



QuintilesIMS has a long and successful track record of supporting companies in regulatory and quality compliance and can support with:

- developing budgets and plans for transition to MDR compliance;
- providing business focus, guidance and regulatory expertise;
- training existing staff, bringing them up to speed quickly, providing third party expertise;
- Providing independent 3rd party objective review of quality and regulatory planning to migrate to the MDR, taking into consideration other needs (ISO 13485:2016, MDSAP)



How can I find out more about ABHI?

For information on ABHI please visit our website www.abhi.org.uk or contact enquiries@abhi.org.uk



QuintilesIMS™

Any questions?

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