

701 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20004-2654
Tel: 202 783 8700
Fax: 202 783 8750



AdvaMed
Advanced Medical Technology Association

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Communication Letter

Dear Valued Partner:

I am writing to introduce a new compliance initiative to ensure the highest-level of ethics among our members in China while continuing to support Chinese Health Care Providers (HCPs). I welcome your considerations on this critical topic as we work to enhance the ecosystem for HCP education in China.

The Advanced Medical Technology Association (AdvaMed) is the world's leading medical technology trade association. Headquartered in the U.S., AdvaMed represents manufacturers of medical devices and diagnostics all over the world – from the largest to the smallest companies – and has a global presence that includes China, Japan, India, Brazil and Europe. AdvaMed advocates for the highest ethical standards, timely patient access to safe and effective products, and economic policies that reward value creation, to help achieve healthier lives and economies in China and around the world.

AdvaMed has been closely working with the China Association for Medical Devices Industry (CAMDI) for several years to develop a China Code of Ethics (“China Code”) on Interactions with HCPs in China. We are pleased to announce that the China Code was jointly signed by the two associations in October 2016 in order to ensure that collaborative relationships between HCPs and medical technology companies meet high ethical standards and are conducted with appropriate transparency and in compliance with applicable laws. The Code of Ethics covers a broad range of beneficial interactions between HCPs and Companies, including those intended to enhance the safe and effective use of medical technologies, promote the advancement of medical technologies, encourage research and education, and foster charitable donations and giving.

The Code of Ethics allows companies to share educational materials, demonstration products and branded promotional items with HCPs but prohibits inappropriate gifts and entertainment. The Code of Ethics ensure that beneficial activities – such as consulting arrangements that spur innovation and training programs that increase expertise – are supported. The Code of Ethics sets guidelines for these activities so that they are not used as inappropriate inducements to HCPs to prescribe or recommend specific types of medical technologies.

AdvaMed and its members maintain a deep commitment to supporting the highest ethical standards in interacting with HCPs around the world. We recognize that collaboration and interactions with HCPs must be transparent and balanced against the need of HCPs to make independent decisions regarding the care and treatment of their patients. Even the appearance of impropriety should not taint these essential interactions.

AdvaMed and its members believe strongly in the value of providing robust education and training to health care professionals (“HCPs”), especially in rapidly expanding markets like China. Industry support for HCP education and training is mission-critical for the development of innovative and advanced technologies, and for ensuring that patients receive safe and effective treatment using medical technologies. Indeed, medical technology is complex and can include sophisticated electronic, in vitro diagnostic, surgical or other devices. Given the “hands on” nature of medical technologies, it is crucial for HCPs in China to receive education and training on the use of our companies’ frequently complex and highly technical medical devices.

In 2017, AdvaMed revised the China Code of Ethics to continue to strengthen its commitment to HCP education and to ethics and integrity in China. One provision of the new code examines third-party organized events. **Under the China Code, companies will no longer directly invite or sponsor HCPs to attend third-party organized events, also known as direct sponsorship. Effective January 1, 2018,** direct sponsorships to HCPs in China to attend third-party educational events will no longer be a permissible practice. Support for HCP education will instead be carried out through educational grants and donations where member companies sponsor educational events but are prohibited from directly deciding on participants. The transition to the use of educational grants and donations will enable our members’ full compliance with the 2015 Chinese Regulations on donations to healthcare entities. It is also in line with global trends. Namely, direct sponsorships are currently not permitted in the United States and in other countries, and are being phased out by MedTech Europe and APACMed, effective January 1, 2018.

Importantly, these changes will not affect the ability to support HCP education and training in China. AdvaMed believes that phasing out direct sponsorships will allow companies to devote more resources to more impactful HCP educational opportunities. Companies will offer educational grants and donations to third-party conference organizers in support of third-party educational events that educate HCPs on procedures and disease states. Companies will also host and support robust technical product and procedure training and educational meetings that instruct HCPs how to use safely and effectively our members’ complex, life-saving products.

Over the coming two months, AdvaMed members will have follow up meetings with their partners to provide a detailed introduction of the new grant model to ensure a smooth transition and continuity of their support for HCP education and training activities. As always, AdvaMed is committed to ethical collaboration and interactions between medical technology companies and HCPs, which we believe are essential to advancing new, safe and effective medical technologies that benefit patients. We look forward to working together with you for the continued advancement of HCP education in China, for the development of life-saving medical technology, and for the improvement of patient care.

Sincerely,

The Advanced Medical Technology Association

Annex 1: Introduction to AdvaMed

About AdvaMed

The Advanced Medical Technology Association (AdvaMed), founded in 1975 and headquartered in Washington DC, is the largest medical device industry association in the United States. AdvaMed leads the effort in advancing medical technology in order to achieve healthier lives and healthier economies around the world.

AdvaMed has over 80 employees and 300 members. Our members produce nearly 90 percent of the health care technology purchased annually in the United States and more than 40 percent purchased annually around the world.

AdvaMed acts as a common voice for 80 percent of medical technology companies in the United States producing medical devices, diagnostic products and health information systems. Our mission is to advocate on a global basis for the highest ethical standards, timely patient access to safe and effective products, and economic policies that reward value creation.

AdvaMed in China

AdvaMed first entered China in 2009 through a partnership with the American Chamber of Commerce in Beijing and in 2014 established a China representative office in Shanghai.

AdvaMed member companies have over 42,000 employees in China and have built 31 R&D centers in China. The total investment into the China market exceeds 6 billion RMB. Through partnership with the Chinese government, academia and industry associations, AdvaMed members have developed a variety of public health and medical education programs to promote advanced medical technologies and support China's healthcare reform. For example, our members have over 80 medical technology training centers and provide trainings to approximately 100,000 Health Care Professionals every year. In addition, our members have been active in developing CSR programs and supporting government-led philanthropy and charity initiatives.

AdvaMed Member Companies

Members of our China Board include: Coloplast, C.R. Bard, Curative Medical, Danaher, Edwards Lifesciences, Hill-Rom, Hologic, Integra LifeSciences, Johnson & Johnson, Livanova, Medtronic, NAMSA, Olympus, Ortho Clinical Diagnostics, Philips, Qiagen, Roche Diagnostics, Siemens, Smith & Nephew, Smiths Medical, St. Jude Medical, STERIS, Stryker, Sysmex, Terumo BCT, Thermo Fisher Scientific, Varian Medical Systems, Werfen and Zimmer.