ADVANCED MEDICAL TECHNOLOGY ASSOCIATION

ADVANCED MEDICAL TECHNOLOGY
FOR NAFTA RENEGOTIATION

Overview

AdvaMed supports the NAFTA and believes that it is an important and foundational free trade agreement (FTA) for increasing U.S. economic growth and well-paying U.S. jobs. Maintaining the NAFTA’s market access should be the overriding U.S. objective in a renegotiation.

However, since the Administration has announced its intention to modernize the NAFTA, we believe improvements can be made that will support good, high-paying research and manufacturing jobs in the United States – helping to address the U.S. trade deficit in medical devices with Mexico. While NAFTA was the most comprehensive, cutting-edge U.S. FTA when it was negotiated, subsequent U.S. FTAs included some important improvements and enhancements. Every FTA the United States has negotiated has striven to set higher standards and cover more issues important to U.S. stakeholders. We believe strongly that this process of improvements should continue for FTAs – whether new or renegotiated, including NAFTA. Each successful FTA should include advancements that can be viewed as precedents for subsequent FTA templates.

In that same vein, we recommend that the NAFTA remain a trilateral FTA. After over twenty years, supply chains have developed that rely on the ability to achieve a dynamic interaction among the NAFTA partners.

Congress provided the President authority to negotiate trade agreements and listed specific objectives. AdvaMed supported Trade Promotion Authority (TPA). The negotiating objectives in TPA should drive the NAFTA negotiations, including opposition to price controls.

In terms of timing, we hope the renegotiation can be concluded no later than mid-2018. While we acknowledge that this is a very rapid pace for an FTA negotiation, we believe that ensuring continuity and stability is very important. By using the best of existing or proposed provisions in other FTAs as the foundation for modernizing NAFTA, we think this timetable can be achieved.

Outlined below are provisions which the medical technology industry requests be included in a renegotiated NAFTA. These provisions are important to the U.S. medical device
industry’s ability to grow, improve patients’ lives, make positive contributions to the U.S. economy, and create and sustain jobs in the United States.

**The Medical Technology Industry**

The medical technology industry, an American success story and a highly competitive global industry, is responsible directly and indirectly for nearly 2 million high-paying U.S. jobs and 9,800 manufacturing facilities, across the 50 states and around the world. Our industry’s wages are an average of 30% above those of other manufacturing jobs. We are a research intensive industry, with some members spending as much as 20 percent of revenue on R&D to provide patients the most innovative technologies and to compete in a highly competitive global market.

Our industry is the clear world leader and is one of the few U.S. manufacturing industries that has consistently run a U.S. trade surplus, with 2016 exports of almost $51 billion and imports approaching $50.3 billion. The industry also has substantial trade with our NAFTA partners. (Please see Annex I.) These flows represent a dramatic increase in trade with both Canada and Mexico since 1994, when U.S. exports to Mexico were about $382 million, and U.S. imports were $425 million; U.S. exports to Canada were $1 billion, and U.S. imports were $166 million.

Analysis by Charles Rivers Associates (CRA) of the composition of U.S. trade in medical technology shows that the final product of “complex high-tech products” (e.g., pacemakers, dialysis machines, orthopedic implants, imaging machines, *in vitro* diagnostic tests) tends to be manufactured in the United States, with intermediate components being imported. (Please see Annex II for a list of the HTS codes.) CRA also revealed that the majority of imports of final products “are lower-tech,” such as surgical gloves and instruments. CRA concluded that “continuing shifts in trade patterns have resulted in Mexico (and China) becoming significant exporters of mid to lower-tech equipment and supplies to the United States.”

The U.S. medical technology industry is global in scope – both in terms of our supply chain and the patients we serve. Our goal is to provide the patient – whether in the United States or in a foreign country – the best and highest quality product to treat his/her individual condition. The industry’s products, regardless of origin, are subject to internationally recognized quality processes and standards, including those supported by the U.S. Food and Drug Administration.

The value of medical technology to patients has increased dramatically in terms of the range of products available to diagnose and treat diseases and the vastly improved outcomes that patients experience; indeed, many medical technologies available today were not even invented, or were in a much more primitive stage, during the NAFTA negotiations. (AdvaMed’s website LifeChangingInnovation provides many concrete examples.) In the highly competitive U.S. healthcare market, since 1992 the share of medical device spending as a percent of U.S. healthcare costs has been essentially flat at about 6.0 percent. The growth of prices of medical devices has been about one-fifth of
overall annual increase in medical healthcare spending – 0.9 percent compared to 4.5 percent.

The U.S. medical technology industry has been able to achieve these remarkable results in part due to our global supply chain. AdvaMed members source from thousands of suppliers spread around the United States and abroad. This global sourcing model enables us to manufacture efficiently and serve patients effectively.

**AdvaMed NAFTA Proposals**

**Import Tariffs**

As a result of NAFTA, U.S. exports of medical technology to Mexico and Canada enjoy duty free treatment, and vice versa. Also, most medical devices entering the United States from Mexico and all other WTO members encounter zero duties on a Most Favored Nation (MFN) basis. AdvaMed opposes any change in this market access provision.

**Rules of Origin**

The rules of origin determine how products qualify for duty-free treatment in NAFTA. The NAFTA rules of origin for medical technology are based on an approach that may be outdated, especially since the medical technology industry has become much more diverse and sophisticated since the NAFTA negotiation. These rules are among the tightest of any FTA worldwide. As noted above, there are medical technologies on the market today that were not even invented by the conclusion of the NAFTA. The U.S. medical technology industry relies on a wide-ranging and complex supply chain to achieve efficiencies.

We oppose “tightening” the rules of origin criteria for medical technology products. More stringent criteria coupled with strict application of content requirements, including in public hospital tenders for medical devices for example, can adversely affect a company’s ability to sell products in the NAFTA markets. Stricter criteria could be particularly problematic for companies that source multi-component products from a combination of different countries to be manufactured as final products in the NAFTA region. This change would have the potential to undermine the sale of products containing U.S. content in Mexico, as well as the U.S. jobs that are responsible for manufacturing this content.

In addition, more stringent rules of origin requirements have the potential to impose significant compliance costs in the industry, including customs fees. Such costs might outweigh NAFTA benefits, leading to manufacturers foregoing any tariff preferences – especially for the many products that are MFN duty free.
Services

Parties to the NAFTA commit to national treatment and schedule their cross-border services commitments on “negative list” approach – i.e., the sector is assumed to be covered unless it is listed for exclusion under a “non-conforming measure (NCM). AdvaMed supports this system, as it ensures the maximum liberalization over time. (AdvaMed members recognize that government procurement provisions are treated in a separate chapter of NAFTA.)

However, all of the NAFTA parties exclude medical services from their services commitments (as well as in the WTO) if the service is delivered as a social service for public purposes. This means that U.S. medical technology companies’ protection under NAFTA’s national treatment obligations is subject to debate: if they sell their healthcare services: (1) from the United States into the other NAFTA parties; (2) to a Mexican or Canadian in the United States; or (3) to a Mexican or Canadian who has a presence in Mexico or Canada.

Many medical technology firms provide some services with the sale of their products. For example, firms selling cardiovascular or orthopedic implants train physicians on the latest surgical techniques. Capital equipment manufacturers maintain and repair and/or train local representatives. Some firms provide credit financing for purchases of their products. These services are “traditional” in the sense that they are provided as part of the sale of the product. Temporary entry of business people would also appear to be under the Parties’ NCMs, if the services are for “public purpose.”

An increasing number of U.S. medical technology companies are combining the provision of a range of services and the sale of products. This “new” model involves the medical technology company providing services, some unrelated to the sale of a specific product (and which the company did not manufacture), with the objective of improving the efficiency of the hospital setting. Annex III provides an indicative list of the services companies might provide – all not directly tied to the sale of the manufacturer’s own products. Some of these activities would involve visiting the foreign country (temporary entry) and some would require data transfers across borders.

NAFTA provisions should ensure that services can be provided under both the “traditional” and “new” models. However, given the ambiguity in the NCMs’ terms (e.g., “public purpose”) and governments’ sensitivity about services in the healthcare sector, we recognize the difficulties involved in explicitly covering some healthcare-related services. A possible approach might be to indicate in the overall services commitments (i.e., not a separate healthcare chapter) the specific and limited types of healthcare-related services that could be covered – i.e., a positive list of non-exclusions to the NCMs. Of course, whatever services covered under the NAFTA would have to conform to the regulations and standards in the receiving NAFTA party and not in any way undermine safety and effectiveness requirements.
AdvaMed members recognize that some ambiguity might be a better approach than precise clarity, as the latter might force a government to be more restrictive in the NAFTA than otherwise. If companies are not experiencing problems selling their goods and services, seeking specific NAFTA provisions might highlight and cause concerns about practices that would otherwise be implicitly permitted. We would welcome the opportunity to work with USTR on the most effective way to introduce some degree of security for their services under NAFTA.

**Technical Barriers to Trade (TBT)**

To address the challenge of non-tariff trade barriers, the NAFTA should contain provisions that build on the WTO TBT Agreement. These improvements should ensure that standards-setting, conformity assessment procedures, and technical regulations are developed in a fair and transparent manner, with opportunities for “bottom-up” participation by stakeholders.

These provisions are designed to reduce unnecessary testing and certification costs and promote greater openness in standards development. They would call for governments to increase public participation in the development of technical regulations, standards, and conformity assessment procedures by government bodies. They should also require the parties to increase the transparency of government decision-making by publishing new technical regulations and conformity assessment procedures, offering opportunities for public comment, and providing responses to substantive issues raised by comments.

Though not NAFTA specific, also we recommend that U.S trade agreements prohibit bans on the importation of refurbished or remanufactured medical equipment, at least for equipment that meet the specifications of the original manufacturer. This provision could serve as a template for future FTAs.

**TBT Medical Technology Annex**

In as much as the NAFTA is likely to provide precedent for future FTAs, we should seek a separate medical technology annex with the following regulatory provisions that would call on the parties to:

- improve the alignment of medical device regulations;
- consider relevant internationally-developed guidance documents when developing or implementing laws and regulations on the approval of medical devices;
- use a risk-based approach that distinguishes between classes of medical devices;
- base approvals solely on information related to safety, effectiveness, labeling, and design/manufacturing quality (and not pricing requirements);
• administer the approval process in a timely, reasonable, objective, transparent, and impartial manner; and

• allow decisions to be subject to an appeal process.

Good Regulatory Practices

We encourage the U.S. proposal to include a separate section which applies broadly to the development of regulations and other governmental decisions across the economy. This approach, similar to the U.S. Administrative Procedures Act, is designed to promote good governance through greater transparency, participation, and accountability in the development of regulations and other government decisions.

These provisions would go beyond NAFTA to require governments to promptly publish or update laws, regulations, administrative rulings of general application, and other procedures that benefit market access, trade and investment. They would also provide for policies that increase regulatory accountability and require evidence-based decision making. They should ensure opportunities for stakeholder comment on measures – and serious consideration of those comments by regulators – before they are adopted and finalized. Including such provisions in NAFTA would be an excellent foundation for other U.S. FTAs. We also believe that harmonization of good regulatory practices would improve administrative procedures that conduct intergovernmental coordination of rulemaking activity and impact assessment.

To be clear, these provisions are important to the medical technology industry because the development of regulations is always a work-in-progress in NAFTA members, as well as in most countries around the world. Having a sound foundation of good regulatory practices greatly helps structure improved regulatory systems for medical technology.

As an example of a specific regulatory convergence issue, we urge that labeling regulations be clear, concise and allow consumers to receive meaningful information about the safe use of products, while avoiding unnecessary requirements that provide little value to consumers. Labeling statements and contents should be aligned as closely as possible so consistent labeling can be used.

Regulatory Conformity Assessment

Medical technology products must be evaluated for safety and effectiveness in each of the three countries. Each country has a regulatory authority that oversees these requirements – U.S. FDA, Health Canada, and COFEPRIS. We believe all regulatory authorities could benefit from closer regulatory harmonization, which would reduce regulatory redundancy and industry’s costs.

The United States and Canada are participating in a Medical Device Single Audit Program (MDSAP). AdvaMed supports the MDSAP program, as it is being implemented in the
context of the International Medical Device Regulators’ Forum, and believes it should be included in the NAFTA. The single audit program for quality management systems would reduce time and cost of inspection with a single audit rather than separate audits to satisfy each country – encouraging global convergence of regulatory systems.

We believe that the three NAFTA partners could go further and adopt a mutual recognition agreement, allowing mutual recognition of their respective approval procedures. The ultimate objective should be a single North American market, in which a medical device approved in one of the NAFTA partners are accepted in all. Recognizing that Health Canada and U.S. FDA are more advanced than COFEPRIS, there could be a transition period for the latter, in cooperation to achieve that goal.

**Transparency and Procedure Fairness (TPF)**

Governments make decisions on whether to pay for specific products and, if so, the reimbursement levels for those products – i.e., the price the government is willing to pay, either directly or to the providers – for a specific device. In many cases, the government’s decision is not based on objective criteria but simply on a perceived need to save funds by cutting prices. Such decisions can adversely impact patient access and companies’ ability to sell the product.

The purpose of a TPF chapter for medical technology – like the provisions in KORUS – is to give the manufacturer the opportunity to understand the basis for a reimbursement decision and to provide evidence to the government body making the reimbursement decision. Consistent with previous AdvaMed positions, we should seek provisions that are designed to provide transparency to the process by which national (but not state or provincial) health care authorities in the NAFTA countries set reimbursement rates for medical devices at the national level. In the case of Mexico, these provisions should also apply to the Government’s decisions about which products to list on its national formulary, as no national reimbursement rate is possible until the product is listed. There are basically four broad agencies that purchase medical technology at the national level: (1) Mexican Social Security Institute (IMSS); (2) State Workers Institute for Insurance and Social Security (ISSSTE) (3) Public Health Insurance –Health Secretariat (4) the SOEs and military.

The NAFTA should also include as an objective that the value of the medical technology be taken into account and that market forces would be allowed to influence prices – i.e., similar to KORUS. However, the agreement would not require that covered products be reimbursed or that the reimbursement be set at specific levels. It would simply provide for procedural transparency and general criteria.

The procedures should require that:

- countries act within a reasonable time period in making reimbursement decisions;

- the rules they use to make these decisions are made public;
• applicants can provide comments at appropriate times in the decision process;

• the basis for decisions is made available to the applicants; and

• an appeals process be available to the applicants.

Government Procurement

AdvaMed supports a government procurement (GP) chapter that opens further the Mexican and Canadian markets. Both countries have government-run healthcare systems, with over half of patients treated in public facilities. Having access to procurement by these hospitals is an extremely important market access issue and can help improve U.S. exports. We also believe improved access is necessary not only for the NAFTA but also as a sound precedent for future U.S. FTAs. In this respect, the NAFTA should ensure that healthcare related entities are covered, and that medical technology goods and services supplied to these entities are not excluded.

A specific barrier our manufacturers face is that Mexico bans the procurement of refurbished medical equipment within its public hospitals. We recommend that this ban be lifted and all equipment that can meet the specifications of the original manufacturer should be admitted.

A GP chapter should be based on the most recent U.S. FTAs – so that NAFTA is updated accordingly – and should: (1) allow NAFTA parties to participate actively in each other’s government procurement purchases on a non-discriminatory basis; (2) ensure that government hospitals’ procurement of medical technology is not excluded from coverage; (3) reduce, or at least not raise, the threshold of $77,000; and (4) allow other services provided in the delivery of healthcare by any of the NAFTA parties, which Canada currently appears to exclude.

We recognize that many U.S. states are concerned about expanding government procurement to foreign participation, and that states were not covered in the NAFTA (but are in the WTO GPA). However, we recommend that U.S. state governments be brought under the NAFTA if it allows U.S. negotiators to expand sub-federal government procurement in other countries. Because medical technology tends to be purchased more by governments outside the United States than the U.S. government purchases here, the medical technology industry would greatly benefit from the U.S. precedent of comprehensive sub-federal level coverage.

Finally, we believe the NAFTA tendering procedures, which are generally good, could be updated to incorporate WTO GPA provisions and along the following lines on the basis of new World Bank procurement principles:
• Ensure procurement opportunities are transparent and publicly accessible and stated in advance to prospective bidders;

• Enable the use of early market engagement with industry and key stakeholders (such as patient groups and physicians) in a process that is fair and transparent to identify the mechanisms best suited to address the particular problem and to ensure the procurement specifications are unbiased, fair and incorporate value for money principles;

• Ensure procurement specifications are appropriate to the particular technology and/or clinical issue to be addressed, and designated as flexible as possible to ensure that they support competition and do not inappropriately limit choice of technology or range of solutions — including to those products with components that might be researched, developed and/or made in multiple countries or regions with which NAFTA members have FTAs and which adhere to internationally-recognized quality processes and standards;

• Ensure value for money concepts (such as health/clinical outcomes, life cycle costs, quality, training and other factors beyond initial purchase price or cost) are utilized in contract selection criteria and processes;

• Enable the use of expert panels in transparent and fair manner in contract selection, when appropriate; and

• Enable post award performance monitoring of contracts as a mechanism to inform future procurements.

Investment

The NAFTA should include investment provisions consistent with newer U.S. FTAs. While there are no known cases of an AdvaMed member encountering investment restrictions or discrimination in Canada or Mexico, updated provisions – consistent with new FTAs – would set a good precedent going forward.

Investment protections are important for the way U.S. medical technology companies create their global supply chains. For example, a medical technology firm might need to invest in R&D, local call or support centers, and/or manufacturing facilities in another country as a way to maximize efficiency. If so, that firm should expect to be treated in a non-discriminatory way – either in terms of nationals of that country or other countries – and not be subjected to expropriation. In addition, it should be free to transfer its earnings out of the country. Similarly, the company should not have to use any specific percentage of domestic. Finally, the firm providing the service should be free to determine its senior
management and board in the other NAFTA parties. AdvaMed will examine NAFTA’s provisions to ensure non-discrimination.

The NAFTA contains provisions that should be preserved and probably updated for greater clarity. These provisions ensure that investment disputes are handled in a transparent and rules-based manner. They establish rules that provide basic protection against discrimination, such as requirements for national treatment and MFN treatment. These provisions also prohibit specified performance requirements, including local content requirements, export requirements, and technology transfer or technology localization requirements.

The NAFTA also includes an Investor-State Dispute Settlement chapter (ISDS). This provision allows private investors to bring specific investment disputes before a NAFTA arbitration panel. It was designed with Latin America in mind, as many Latin American countries would tie-up investor litigation in biased and corrupt judicial systems. However, in recent years, ISDS has become a lightning rod for FTA opponents – including in the TPP negotiations.

AdvaMed approves of ISDS provisions. However, these provisions would not be the litmus test for AdvaMed support for the NAFTA.

Intellectual Property (IP) Rights

AdvaMed supports strong IP protection for patents, copyright, and trade secrets. The IP chapter should be updated and clarified to reflect improvements in scope and coverage contained in later U.S. FTAs since NAFTA was concluded.

State Owned Enterprises

While members have not complained about monopolies or state-owned enterprises (SOEs) in Canada or Mexico, a new NAFTA should include provisions that address potential abuse – especially with an eye to China. In general SOEs should not be allowed to discriminate on the basis of nationality of the enterprise or product (except for purposes of government procurement, which is covered separately). Also, the NAFTA provisions should also apply to sub-central SOEs (again, considering provinces in China). The revenue threshold level should be sufficiently low to capture SOEs that a government might create, for example, to form a hospital consortium; in that respect, the $200 million threshold seems too high.

Electronic Data Flows and Privacy

Medical technology firms understand the sensitivity of private data and the need to protect privacy. In addition, confidential clinical data and proprietary business information must be protected. At the same time, the most efficient means to provide expert advice (either on the medical technology itself or directly to patients) might be by sending data across borders – which is especially the case as healthcare relies more on “big data” and medical
devices and diagnostics become even more connected to the cloud. The balance between smooth flow of data and protection of personal privacy should be struck in a way that allows efficiency and patient-centered outcomes to be realized in NAFTA. AdvaMed members are prepared to work with U.S. negotiators to obtain this balance.

**Anti-Corruption**

AdvaMed has a strong code that delineates the practices members should follow when working with healthcare providers. The NAFTA should contain robust and detailed provisions to combat corruption and support the rule of law. These provisions should discourage corruption, including through enforcement of domestic anticorruption laws and regulations, as well as through international anticorruption efforts. They should also call for the establishment of codes of conduct to promote high ethical standards among public officials – consistent with AdvaMed’s work in this area. The Canadian medical technology industry association (MEDEC) and the Association of Innovative Medical Device Industries (AMID), in Mexico, have codes that are comparable to AdvaMed’s.

**Small and Medium-sized Enterprises (SMEs)**

About three-quarters of AdvaMed members are SMEs, and an even larger share of the industry in the United States would be so classified. The NAFTA should include a chapter that is specifically designed to address issues that create particular challenges for SMEs.

The SME provisions should be designed to:

- streamline complex technical and administrative barriers that make it hard for small businesses to access new markets;

- promote digital trade and internet freedom to ensure that small businesses can access the global marketplace;

- help small businesses integrate into global supply chains;

- make it easy for SMEs to access information on utilizing FTAs – a problem that SMEs have identified as a disproportionate challenge for them; and

- review how well SMEs are availing themselves of the benefits of NAFTA and consider recommendations on ways to further enhance the benefits for SMEs.
Conclusion

AdvaMed members support the NAFTA and want to see this important agreement continue. Lower trade barriers, whether in the United States or in other countries, help U.S. medical technology manufactures source most efficiently, provide patients high quality products, and compete effectively in a highly competitive global market. We have provided some proposals for US Government consideration as it seeks to modernize the NAFTA. If adopted, these proposals would have a positive impact on the U.S. trade balance in medical technology with Mexico and support good, high-paying research and manufacturing jobs in the United States. We would welcome the opportunity to provide additional information.
### Medical Technology 2016 Trade Flows with NAFTA Partners

<table>
<thead>
<tr>
<th>Country</th>
<th>U.S. Exports</th>
<th>U.S. Imports</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>$3,997,827,257</td>
<td>$1,442,019,505</td>
<td>$2,555,807,752</td>
</tr>
<tr>
<td>Mexico</td>
<td>$3,495,441,459</td>
<td>$7,670,558,715</td>
<td>$-4,175,117,256</td>
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<tr>
<td>Total NAFTA</td>
<td>$7,493,268,716</td>
<td>$9,112,578,220</td>
<td>$-1,619,310,256</td>
</tr>
<tr>
<td>Total U.S.</td>
<td>$50,932,590,745</td>
<td>$50,275,570,882</td>
<td>$657,019,863</td>
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</tbody>
</table>
## Annex I

### Medical Technology Harmonized Tariff Numbers

**Medical Devices – HTS Codes**

Refer to [http://hotdocs.usitc.gov/docs/tata/hts/bychapter/0701c90.pdf](http://hotdocs.usitc.gov/docs/tata/hts/bychapter/0701c90.pdf)

<table>
<thead>
<tr>
<th>HS Heading</th>
<th>HS Description</th>
</tr>
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<tbody>
<tr>
<td>3005</td>
<td>Wadding, gauze, bandages and similar articles for medical, surgical, dental or veterinary purposes</td>
</tr>
<tr>
<td>3006.10</td>
<td>Sterile surgical catgut, similar sterile suture materials and sterile tissue adhesives for surgical wound closure and similar sterile material</td>
</tr>
<tr>
<td>3006.20</td>
<td>Blood-grouping reagents</td>
</tr>
<tr>
<td>3006.30</td>
<td>Opacifying preparations for X-ray examinations; diagnostic reagents designed to be administered to the patient</td>
</tr>
<tr>
<td>3006.40</td>
<td>Dental cements and other dental fillings; bone reconstruction cements</td>
</tr>
<tr>
<td>3006.50</td>
<td>First-aid boxes and kits</td>
</tr>
<tr>
<td>3407</td>
<td>Preparations of dental wax or dental impression compounds; other dental preparations of plaster</td>
</tr>
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*Excluding 3407.00.2000*
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>3821</td>
<td>Prepared culture media for development of micro-organisms</td>
</tr>
<tr>
<td>3822</td>
<td>Diagnostic or laboratory reagents on a backing and prepared diagnostic or laboratory reagents</td>
</tr>
<tr>
<td>4015.11</td>
<td>Surgical gloves, of vulcanized rubber other than hard rubber</td>
</tr>
<tr>
<td>4015.19.0510</td>
<td>Medical gloves, of natural rubber</td>
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<tr>
<td>4015.19.0550</td>
<td>Medical gloves, other</td>
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<tr>
<td>4206.10.30</td>
<td>Articles of gut for use in the manufacture of sterile surgical sutures</td>
</tr>
<tr>
<td>6115.12.00, 6115.12.10</td>
<td>Surgical panty hose of synthetic fibers</td>
</tr>
<tr>
<td>6115.19.00, 6115.19.20</td>
<td>Surgical panty hose of other textile materials</td>
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<tr>
<td>6115.92.00, 6115.92.30</td>
<td>Surgical stockings of cotton</td>
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<td>6115.93.00, 6115.93.30</td>
<td>Surgical stockings of synthetic fibers</td>
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<td>6307.90.60, 6307.90.65, 6307.90.68, 6307.90.72</td>
<td>Surgical drapes of fabric, paper, or man-made fibers.</td>
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<td>6307.90.8610, 6307.90.8710, 6307.90.89, 6307.90.9010</td>
<td>Surgical towels</td>
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<td>8419.20</td>
<td>Medical, surgical or laboratory sterilizers</td>
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<tr>
<td>8419.90.5040, 8419.90.9040</td>
<td>Parts and accessories for medical, surgical or laboratory sterilizers</td>
</tr>
<tr>
<td>8543.89.85</td>
<td>Electrical machines and apparatus for electrical nerve stimulation</td>
</tr>
<tr>
<td>8713</td>
<td>Carriages for disabled persons, whether or not motorized or otherwise mechanically propelled</td>
</tr>
<tr>
<td>8714.20</td>
<td>Parts and accessories of carriages for disabled persons</td>
</tr>
<tr>
<td>9001.30</td>
<td>Contact lenses</td>
</tr>
<tr>
<td>9001.40</td>
<td>Spectacle lenses of glass, unmounted</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9001.50</td>
<td>Spectacle lenses of other materials</td>
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<tr>
<td>9018</td>
<td>Instruments and appliances used in medical, surgical, dental or veterinary sciences, and electro-medical apparatus and sight-testing instruments; parts and accessories thereof</td>
</tr>
<tr>
<td>9019.20</td>
<td>Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus; parts and accessories thereof</td>
</tr>
<tr>
<td>9020.00.60, 9020.00.80, 9020.00.90</td>
<td>Breathing appliances and gas masks; parts and accessories thereof</td>
</tr>
<tr>
<td>9021</td>
<td>Orthopedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; parts and accessories thereof</td>
</tr>
<tr>
<td>9022</td>
<td>X-ray equipment</td>
</tr>
<tr>
<td></td>
<td>Excluding 9022.19.0000, 9022.29.4000, 9022.29.7000, and 9022.29.8000 (non-medical equipment; smoke detectors and parts thereof)</td>
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<tr>
<td>9025.11</td>
<td>Liquid filled clinical or veterinary thermometers</td>
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<tr>
<td>9025.19.00.40, 9025.19.80.40</td>
<td>Other clinical thermometers</td>
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<tr>
<td>9402</td>
<td>Medical, surgical dental or veterinary furniture and parts thereof</td>
</tr>
<tr>
<td>9810.00.85.00</td>
<td>Cellulosic plastics materials for use in artificial kidney machines or apparatus by a hospital or a patient (by prescription)</td>
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</table>
Annex III

List of Medical Technology Services Under “New” Model

- Turn-Key Hospital Technology Management (i.e. - provide solutions to support access to infrastructure and technology)
  - Capital Equipment Financing, Purchasing and Installation
  - Infrastructure Design and Room Fitting

- Non-Clinical Management (i.e. - manage non-clinical operations to enable patient care; Provide consultancy services to improve operational performance)
  - Enhanced IT services
  - Patient clinical pathway development and optimization
  - Surgical Materials Management
  - Capital Equipment Management and Repair
  - Planning and Scheduling
  - HR Consulting and Best Practices

- Clinical Management
  - Physician Training
  - Clinical Service Setup and Expansion
  - Patient Experience Optimization
  - Demand Generation (i.e. hospital marketing, referral chains to increase patients to the hospital)