European Business Council (EBC) Medical Devices and IVD Committee

Meeting of Representatives

Report by IVD Subcommittee

December 8th 2022

Vice Chairperson in charge : Shinichi Eda
Subcommittee Chairperson : Miwa Nishida

Agenda

1. Outline of IVD Committee

- IVD Subcommittee Basic Activity Policy
- WG members
  - Regulatory Affairs WG
  - Reimbursement WG

2. Results of Activities in 2022

- Related to Regulatory Affairs WG
- Related to Reimbursement WG

3. Activity Plan for 2023

1. Outline of IVD Subcommittee

Basic activity policy of the IVD Subcommittee

- Working with the JACRI (Japan Association of Clinical Reagents Industries) and the AMDD IVD Committee, the three organizations in the IVD industry strengthened their appeal to the government.
- Active Participation in the Activities of Three Industry Organizations as EBC Representatives
- EBC-Led Proposals

2. Results of Activities in 2022

- Regulatory Affairs WG

Regulatory Affairs WG : Overview of activities in 2022

- **Regulatory Affairs WG**
  - Regulatory Affairs WG take place the meeting 8 times (all web meeting)

- **Activities of the Regulatory Affairs WG**
  - Exchange of Opinions on the Revision of the Pharmaceutical and Medical Devices Act
    - Handling of IVD in the Pharmaceutical and Medical Devices Act
    - Review of IVD definitions
  - Exchange of opinions on consultation for revision of IFU (Tempu-bunsho)
  - Exchange of opinions on "Drug-Agnostic Companion Diagnostics”
  - Exchange of opinions on PMDA consultation and inquiry

Activities as three IVD industry organizations

I. Periodic opinion exchange meeting on regulatory review and safety measures for medical devices and IVDs : 1 Sep 2022 » Page 9-12

II. Working Level Conference for Collaborative Plan » Page 13-16

- 2021 1st Working Level Conference : 9 Jan 2022
- 2022 1st Working Level Conference : 13 Jul 2022

III. Exchange of opinions on Drug-Agnostic Companion Diagnostics

- Notification issued : 31 Mar 2022
- PMDA guidance issued : 4 Jul 2022
- Pilot examination of operation is ongoing

IV. Regular meetings (monthly) with the Safety Division of MHLW and the office of Manufacturing Quality and Vigilance for Medical in PMDA

- Consideration of changing the reporting of adverse reactions to reporting of adverse events
- Consultation on revision of IFU (Tempu-bunsho) for in-vitro diagnostics

V. Exchange of opinions on the next revision of the Pharmaceutical and Medical Devices Act » Page 17

I. Regular opinion exchange meeting (1 Sep 2022) @ Web

Opinions and requests from the in-vitro diagnostic industry

1. Lessons from COVID-19
2. Review of categories for pathogen gene testing
3. Regulations tailored to the characteristics of IVDs - with a view to PMD Act revisions
    - 3-1. Revision of the definition of in-vitro diagnostics
    - 3-2. Review of qualification requirements for management representative

I. Regular opinion exchange meeting (1 Sep 2022) @ Web

1. Lessons from the COVID-19

Requests

- When considering system development, please involve the in-vitro diagnostic industry that takes charge of development and supply of test reagents.
  - ✓ It is considered that a more prompt and flexible response will be made possible by providing opportunities for system development on the side of the diagnostics industry at an early stage.
  - ✓ It is expected that more companies will contribute and the response will be speeded up by integrating the contact point of the administrative side and the industry side and developing a system to transmit and collect necessary information in a timely and efficient manner.
- Since it is necessary to promptly and widely obtain reagents and products at local and abroad in case of emergency, it would be very useful to. have specific notifications in both Japanese and English in order to clearly convey emergency response information to overseas companies
- Taking the opportunity of the establishment of the Japanese CDC as an opportunity, we would like to discuss how infectious disease-related tests including product reviews should be conducted in Japan.

I. Regular opinion exchange meeting (1 Sep 2022) @ Web

2. Review of categories for pathogen genes testing

Requests

Items related to genetic testing and measurement methods for pathogens should be classified not as products outside the approval standards only because of genetic testing, but as review categories according to their characteristics.

- ✓ New pathogen genetic test items are new items
- ✓ For items other than new products, classification is set according to the characteristics of the item.
- ✓ However, even if the inspection items are already known, but there is no correlation with the approved products or the measurement principle is clearly different, the product will be considered as " non-conforming product".

I. Regular opinion exchange meeting (1 Sep 2022) @ Web

3. Regulations according to the characteristics of in-vitro diagnosis - with a view to PMD Act revision -

3-1. Review of the definition of in-vitro diagnostics

Requests

discuss review the definition of in-vitro diagnostics and establishment of appropriate review requirements according to the intended use and risks taking into account the diversification of the purpose of clinical laboratory tests and the consistency with foreign regulations.

3-2. Qualification Requirements for Management representative

Requests

- It is once again requested that the criteria for IVD-MAH-general, manufacturing supervisors in the manufacturing industry, and managers in the wholesale business should not be limited to pharmacists, but should be defined in the MHLW ordinances that is a person who meet any of the following criteria,:
  (I) A pharmacist
  (ii) Physician, dentist, veterinarian, clinical laboratory technician
  (iii) A person who has completed a specialized course in clinical laboratory science, chemistry, biology, immunology, biochemistry, microbiology, or pharmacology at a university etc. ;
  (iv) A person who has experience in engaging in the work of quality control or post-marketing safety control of in-vitro diagnostics for three (3) years or more after graduating from a former secondary school, a high school, or a school equivalent or greater than the same by completing a specialized course in clinical laboratory science, chemistry, biology, immunology, biochemistry, microbiology, or pharmacology.
- discuss the role of the MAH-general of in-vitro diagnostics too in the ongoing " Study on Review of Qualification Requirements for the MAH-general of Medical Devices ".

II. Working Level Conference for Collaborative Plan

2021 First Working Level Conference (9 Jan 2022) @ Web

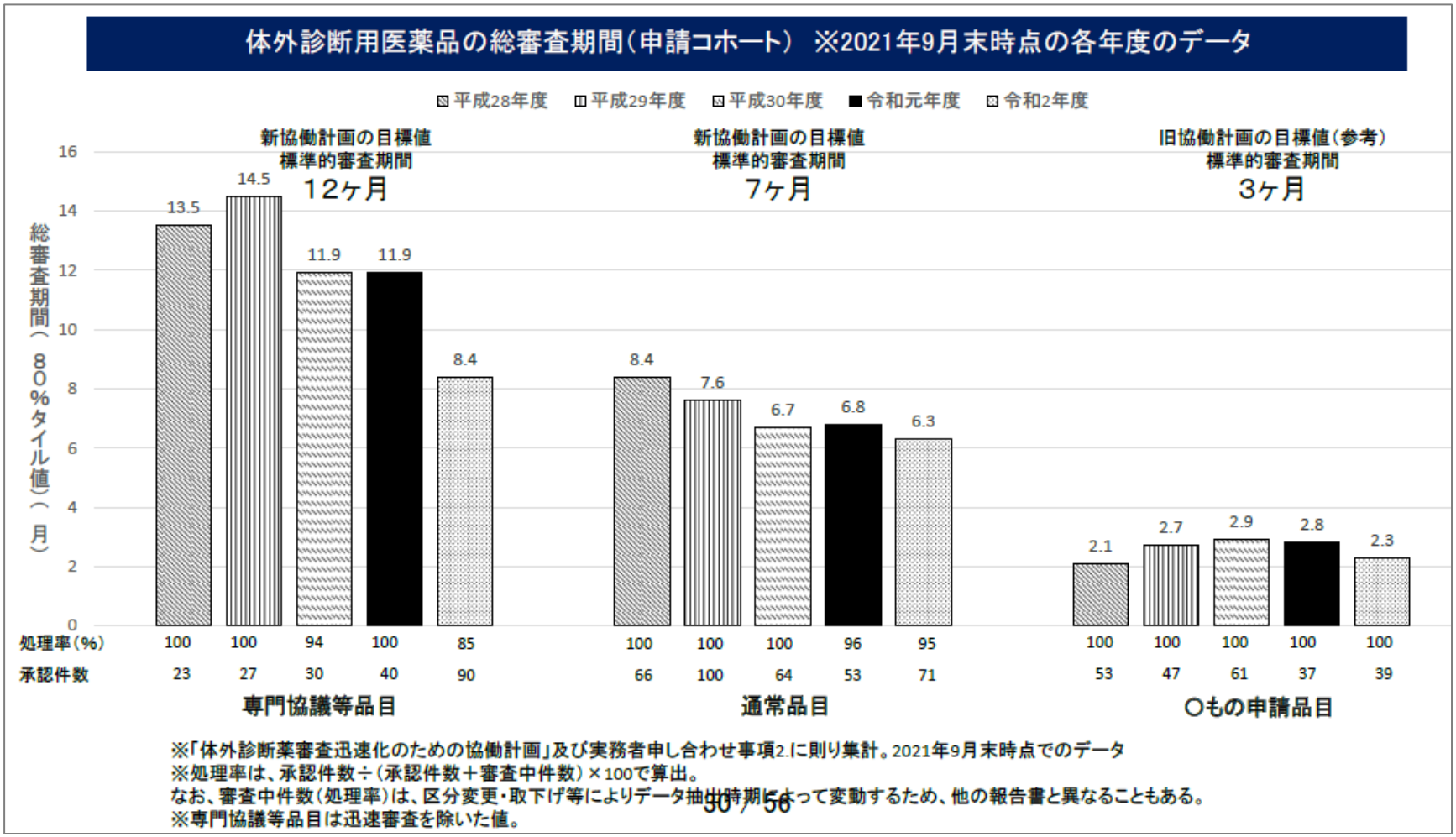
1. Confirmation of Progress of Collaborative Plan Efforts
2. Exchange of Opinions on the PMDA Consultation System
   - PMDA consultation satisfaction survey : Generally satisfied. There was a slight decrease from the previous time.
3. Exchange of opinions on the publishing system for publishing IFU (Tempu-bunsho) information
   - Request for system improvement so that it can be disclosed on the same day
   - Request to support XML file format
4. Time clock survey

2022 First Working Level Conference (13 Jul 2022) @ Web

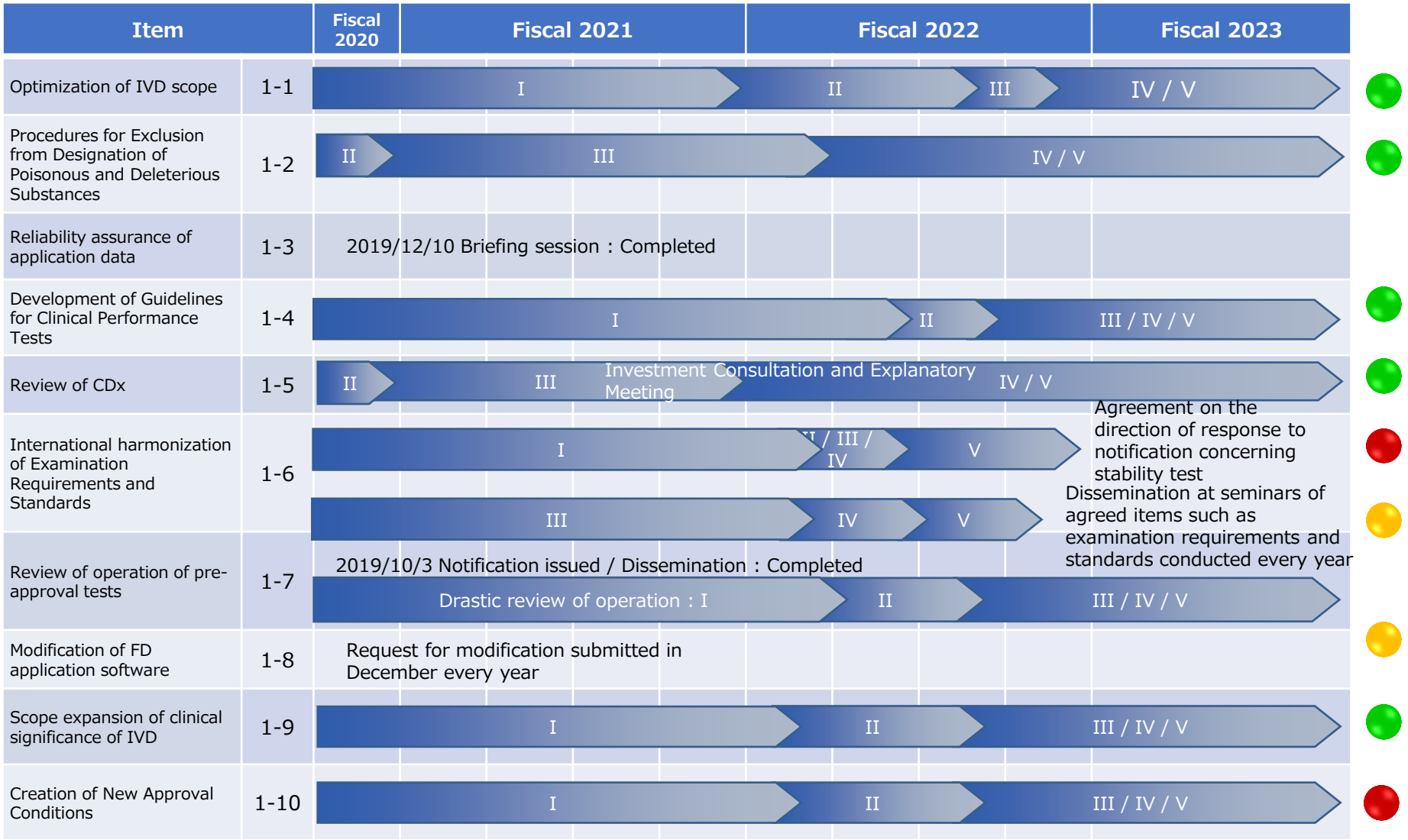
1. Confirmation of Progress of Collaborative Plan Efforts
2. Proposal for Review of Review Categories for Pathogen Gene testing

II. Working Level Conference for Collaborative Plan

Time clock survey



II. Challenges of the Collaborative Plan
~ Roadmap ① ~



II. Challenges of the Collaborative Plan ~ Roadmap ② ~

Item		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Review of Classification	1-11			I / II / III → IV / V	
Approval system based on the characteristics of IVD	1-12		I → Indication of presence or absence of IVD applicable products		
Development of items for overseas epidemic infectious diseases	1-13		II → III		
Indication of common reagent	2-1		II → III / IV / V		
Achievement of targets for the standard total review period	3-1	Full year			
Improvement of consultation system Effective utilization	3-2	Full year			
On the review and application sides Skill Improvement	3-3		III / IV / V	III / IV / V	III / IV / V
PMDA Operational Efficiency / Rationalization	3-4	Full year			

Matters agreed upon, such as examination requirements and standards Holding seminars (annually)

[Image of phase]

I analysis of current situation → II Formulation of plan → III. Draft Preparation → IV . Completed → V . Publicity and effect measurement

V. Exchange of Opinions on the Next Revision of the Pharmaceutical and Medical Devices Act

Meeting with the Evaluation and Licensing Division of Medical Devices, Pharmaceutical and Food Safety Bureau, MHLW

- First meeting : August 31
- Second meeting : October 5
- Third meeting : November 16

Timeline for Revision of the Pharmaceuticals and Medical Devices Act
- R4 : Determination of direction of legal revision
- R5 : System Committee
- R6 : ordinary session of the Diet

Participants : MHLW, PMDA, IVD industry representatives

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- Currently, in-vitro diagnostics are classified as "pharmaceuticals". However, from the viewpoint of substantial regulations and international consistency, it is considered to exclude them from " pharmaceuticals"
- Consider separate classification as " In-vitro diagnostic products (tentative name) " instead of classification as " medical devices "
- In principle, what is currently being done shall be kept as is. After that, we will improve where we can improve.
  - ✓ Administrator requirements, IVD definitions, clinical performance test guidelines, etc.
- Investigate the affected parts / impacts inside and outside the Pharmaceutical and Medical Devices Act when products are removed from " pharmaceuticals " and consider countermeasures.

2. Results of Activities in 2022

- Related to Reimbursement WG

Reimbursement WG : Overview of Activities in 2022

- **Reimbursement Working Group**
  - WG meetings held three times (all web meeting)
- **Activities of the Reimbursement Working Group**
  - R4 Reimbursement revision : Confirmation of related notification
  - Identification and proposal of issues to be addressed for the R6 Reimbursement revision
  - Participate in joint working group of JACRI/ AMDD/EBC and consider request for R6 Reimbursement revision
    - Working Group A : Innovation Evaluation (Challenge Application)
    - Working Group B : Innovation Evaluation (Usefulness of test and Evaluation axis of Innovativeness)
    - **Working Group C : Value and Evaluation of POCT Testing** ← EBC Lead
    - **Working Group D : Handling of tumor-related genetic tests** ← EBC Lead
    - Working Group E : Value of Test in AMR Measures
    - Working Group F : Rationalization of insurance application examination (process)

Activities as three IVD industry organizations

- **JACRI/AMDD/EBC: Joint Medical Insurance System Committee**
  - Participation in 10 meetings of the committee
  - Identification of issues / requests as an IVD industry group toward the R6 Reimbursement revision
  - Agreement to establish a joint working group of the three organizations to study the matter
  - Administrative Response as IVD Industry Organizations

- **Exchange of opinions with the Pharmaceutical Industry Promotion and Medical Information Planning Division, Health Policy Bureau, MHLW for the regular meeting** : 22 Sep 2022

- **The 3rd Public-Private Dialogue for the Creation of Innovative Medical Devices**

  : 28 Nov 2022 » Page 21-23

  A) Innovation Assessment for Clinical Laboratory testing

  B) Measures against the next infectious disease crises

  C) Measures for Stable Supply in Times of Price Increases

Public-Private Dialogue for the Creation of Innovative Medical Devices

A : Evaluation of innovation for clinical laboratory testing

As stated in the Recommendations Concerning a Proper Implementation System for Clinical Laboratory Tests, " Definition of Innovation of Test, Transparency based on it, and Introduction of Valid Evaluation Criteria " are very important for the creation of innovative in-vitro diagnostics.

Current status

- Even if innovative products are developed for in-vitro diagnostics, the mechanism for evaluating them has not been clarified.

  (Medical Device: Innovative premium, improvement premium, marketability premium, etc.)

Status

- Motivation to develop next-generation products cannot be maintained because the development costs for continuing to develop innovative in-vitro diagnostic reagent accompanying recent advances in science and technology that can contribute to patients and medical facilities cannot be secured and the predictability of incentives for development cannot be secured.
- At the statement of General Assembly of Chuikyo on May 18, 2022, according to the opinion attached to the report, the evaluation of innovations such as testing will be considered by the Insurance Medical Materials Subcommittee.

«Proposal »

- consider to evaluate innovation and reflect it in medical fee points for in-vitro diagnostics by the Insurance Medical Materials Subcommittee.

  Step1 : Agree on the definition of innovation for clinical testing

  Step 2: Institutionalize additions to items that meet the definition of innovation

Public-Private Dialogue for the Creation of Innovative Medical Devices

B Measures for the Next Infectious Disease Crisis (Lessons from COVID-19)

As a measure against the next infectious disease crisis, it is extremely important to continue to develop and strengthen the examination system, including the maintenance of measuring instruments and human resources that have been developed and secured in medical institutions.

Current status

As preparation for the next infectious disease crisis, the COVID-19 Response Headquarters has raised the following issues for the purpose of " Strengthening the Testing System " .

- In order to ensure that tests are conducted smoothly from the initial stage of infection, the testing system will be drastically strengthened by developing the necessary systems by prefectures and promoting the utilization of private clinical testing labolatories.
- Develop a framework for taking appropriate measures for the production and import of reagents, test kits and other goods necessary for tests in emergencies.

«Proposal»

- When considering the establishment of a system, we are in charge of the development and supply of test reagents and the diagnostics industry would like to participate in the discussion at an early stage.
  - It is expected that more companies' contribution and the response will be speeded up by unifying the contact points for administrative and industry sides and developing a system to transmit and collect necessary information in a timely and efficient manner.
  - Providing opportunities for the development of systems on the part of the diagnostics industry at an early stage will enable a more prompt and flexible response.
- As a risk management measures implementation of " maintenance of testing instruments, etc. " and " recruitment and training of clinical laboratory specialists and clinical laboratory technicians " in medical institutions in peacetime (including maintenance of equipment and human resources that have been improved recently) is recommended.

Public-Private Dialogue for the Creation of Innovative Medical Devices

C. Measures for Stable Supply in the times of Price Increases

Recent environmental changes such as rapid exchange rate fluctuations

Background

- Increased costs for imported goods and raw materials procurement due to the sharp depreciation of the yen
- Even for member companies of the JACRI, the impact of fluctuations in foreign exchange rates and consumer prices will increase costs by about 10-30%.
- Under public medical insurance with reimbursement prices, it is difficult to pass on these cost increases to medical institutions by raising selling prices.

Recent changes in the environment

- Effects of COVID-19
- High commodity prices due to disruption of distribution networks
  (Cost increases of 2-4 times for airfreight and 2-5 times for sea freight)

Request for Immediate Measures

- Development of an environment that facilitates the use of Temporary Subsidies for Reginal Development by medical institutions
- This is within the framework of public medical insurance, but we would like to pass on increased costs to sales prices.

3. 2023 Activity Plan

Regulatory Affairs WG : Activity Plan for 2023

- **Promotion of Efforts under the Second Collaborative Plan**
  - International Coordination of Regulatory Requirements and Standards
- **Next review for revision of the Pharmaceutical and Medical Devices Act**
  - Handling category of in-vitro diagnostics
  - Scope / Definitions and Application Requirements for In-Vitro Diagnostics
- **Initiatives for the implementation of Drug-Agnostic Companion Diagnostics**
  - Participation in Pilot Operations
- **Deepening understanding of overseas regulations and promoting international harmonization**

Reimbursement WG : Activity Plan for 2023

- **Strategic Activities for the R6 Reimbursement Revision**

  Participation in Joint Working Groups of the Three IVD industry Organizations

  - ◆ Innovation Assessment for Clinical Laboratory Testing :
    - (1) Challenge application
    - (ii) Evaluation of usefulness and innovation
  - ◆ Rationalization of Insurance Application Examination
  - ◆ Appropriate Evaluation of tumor-related genetic testing
  - ◆ Contribution to AMR Measures
  - ◆ Evaluation of the POCT test

With the cooperation of EBC for one year
Thank you very much.