
PROGRAM GUIDE: ACCELERATING INNOVATIONS INTO CARE (AICE) – MARKET ACCESS

PROGRAM OVERVIEW

Background

Global health care expenditures are projected to increase at an annual rate of 5.4 percent between 2017-2022, from USD \$7.724 trillion to USD \$10.059 trillion.¹ In Alberta, approximately \$2.4M is spent every hour on healthcare – nearly 40% of the provincial budget.² Furthermore, growth in provincial healthcare spending per capita has been outpacing growth in GDP per capita by roughly 2% on average between the years of 1996 to 2016,³ which suggests that sustainability has been a persistent issue. An aging population, a higher prevalence of chronic disease, and a higher demand for multidisciplinary care sites suggest that the trend of rising healthcare costs will not be slowing down. The sustainability of the healthcare system will depend on innovations that can enhance the efficiency, safety, quality and productivity of healthcare delivery.⁴

With this challenge comes global opportunity, and innovative small to medium sized enterprises (**'SMEs'**) are a key component of success. The advent of digital and data-enabled technologies has the potential to offer patient-focused, clinical and operational solutions that will form the foundation of a more affordable, accessible, and high-quality health care system. However, SMEs face barriers when seeking opportunities to validate innovations with clinicians, patients, care providers and potential investors. In addition, health system partners often lack resources necessary for testing new technologies within the context of existing care pathways. In order to facilitate adoption of promising health innovations, meaningful partnerships must be created and supported among all stakeholders involved.⁵

¹ Allen, Stephanie (2019) *2019 Global Health Care Outlook*. Deloitte. Retrieved from: <https://www2.deloitte.com/global/en/pages/life-sciences-and-healthcare/articles/global-health-care-sector-outlook.html>

² De Cillia, Brooks (March 25, 2018) *Alberta spends \$2.4M an hour on health care — here's what's being done to reduce it*. Retrieved from: <https://www.cbc.ca/news/canada/calgary/alberta-spends-2-4m-an-hour-on-health-care-here-s-what-s-being-done-to-reduce-it-1.4589048>

³ Canadian Institute for Health Information. *Health Expenditures in the Provinces and Territories: Provincial and Territorial Chartbook, 2017*. Ottawa, ON: CIHI; 2017 (constant 1997 dollars)

⁴ The Conference Board of Canada (November 2017) *Canadian Conference Board of Canada's Council for Innovation Procurement in Healthcare*. Retrieved from: https://www.conferenceboard.ca/docs/default-source/network-public/nov2017_cip_brochure_web.pdf?sfvrsn=d384a7e5_2

⁵ MacNeil, M. et al (2019) *Enabling health technology innovation in Canada: Barriers and facilitators in policy and regulatory processes*. Elsevier. Retrieved from: <https://www.sciencedirect.com/science/article/pii/S0168851018305396>

Program Details

AICE – Market Access supports SMEs and Real-World Testing Sites (“**Testing Sites**”) in carrying out evaluation Projects of digital and data-enabled health innovations. Projects funded through AICE – Market Access are designed to generate evidence that will facilitate broad market adoption and diffusion of the innovation, based on evidentiary needs as expressed by key purchasing decision makers.

The partnership between the SME (“**SME Applicant**”) and Testing Site (“**Testing Site Applicant**”) must be established prior to applying for AICE –Market Access. Innovative SMEs or Testing Sites who are having difficulty locating a partner are encouraged to contact the AICE Program Manager for advisory support.

Alberta Innovates will contribute up to \$250,000 CAD of 1:1 matching funding to support approved market access Projects over a maximum term of 18 months.

AICE – Market Access provides a platform of engagement between innovative small to medium sized enterprises (SMEs) and Real-World Testing Sites (‘Testing Sites’). AICE facilitates market adoption and diffusion of digital and data-enabled health innovations through generation of customer-driven evidence.

HOW THE PROGRAM WORKS

Eligibility

Each Project funded through AICE – Market Access must involve an SME Applicant, a Testing Site Applicant, and a market-ready digital or data-enabled health innovation that faces an evidentiary hurdle in being adopted.

At least one party – the SME Applicant or Testing Site Applicant – must demonstrate a significant legal and physical presence in Alberta. All Applications must demonstrate positive impact for Alberta and will require close collaboration between the SME Applicant and Testing Site Applicant.

(a) SME Applicant Eligibility Criteria – To qualify as an SME Applicant, the following criteria is required:

- be a for-profit SME;
- demonstrate the relationship between the SME Applicant and Testing Site Applicant does not create a conflict of interest;
- be a legal entity:
 - incorporated in Alberta; or
 - incorporated in another jurisdiction; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership registered in another jurisdiction; and
- meet the following definition of an SME: a private company with fewer than 500 full-time employees and less than \$50,000,000 annual gross revenues; and

- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-FER Technologies.

(b) Testing Site Applicant Eligibility Criteria – to qualify as a Testing Site Applicant, the following criteria is required:

- be a for-profit, not-for-profit organization, or government affiliated entity;
- demonstrate the relationship between the Testing Site Applicant and SME Applicant does not create a conflict of interest;
- be a legal entity:
 - incorporated in Alberta; or
 - incorporated in another jurisdiction; or
 - a registered not-for-profit with or without charitable status in Alberta; or
 - a registered not-for-profit with or without charitable status in another jurisdiction; and
- possess the resources and infrastructure required for supporting the proposed implementation Project in a real-world health delivery setting; ability to involve key purchasing decision makers in providing clear and testable parameters for adopting the innovation; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-FER Technologies.

(c) Innovation Eligibility

For the innovation to qualify, it must:

- include either a digital or data-enabled component;
- be market ready, defined as having met any required regulatory and/or certification approvals, and having achieved a high level of technology readiness whereby no immediately necessary product iteration is foreseen prior to initial sales; and
- be accompanied by a compelling business model including:
 - a value proposition;
 - key partners, activities and resources required for delivering the value proposition;
 - plans for managing customer relationships, communication and distribution channels;
 - identification of target customer segments; and
 - clearly identified cost structures and revenue streams.

SMEs with innovative, early-stage technologies who do not meet criteria for AICE – Market Access are encouraged to contact the AICE Program Manager for advisory support.

(d) Project Eligibility Criteria

To qualify for funding all Projects must:

- include at least one testable business hypothesis based on evaluation criteria provided by key purchasing decision makers;
- present sound methodology that will test the business hypotheses and inform any barriers to adoption;
- include key Project milestones based on metrics and deliverables, stepped with critical “go/no-go” decision points;

- include clear Project governance structures that delineate SME Applicant and Testing Site Applicant expectations, roles and responsibilities, decision making processes and communication channels;
- be completed within the 18-month term; and
- submit to other criteria that Alberta Innovates may develop from time to time.

Program Objectives and Performance Measurement

AICE – Market Access aims to achieve health, social and economic gains for Alberta. The Program provides a platform of engagement between innovative SMEs and Testing Sites. AICE – Market Access facilitates market adoption and diffusion of digital and data-enabled health innovations through generation of customer-driven evidence. Specifically, AICE – Market Access seeks to:

- Build a network of flexible and nimble healthcare delivery partners that can engage in activities related to innovation testing and adoption.
- Provide advisory and “match-making” support for SMEs seeking engagement and input with healthcare delivery professionals and patients.
- Link SMEs into the business advisory services provided by our [Technology Development Advisors Program](#) and [Regional Innovation Network](#) partners.
- Support the accelerated testing and evaluation of innovations through real-world evaluation Projects that can generate the evidence necessary to inform innovation adoption.
- Promote the entry and diffusion of made-in-Alberta health innovations into local and global markets to boost success of health-based SMEs.
- Cultivate a high performing R&I ecosystem by contributing to a diversified economy and enhancing the health of Albertans.

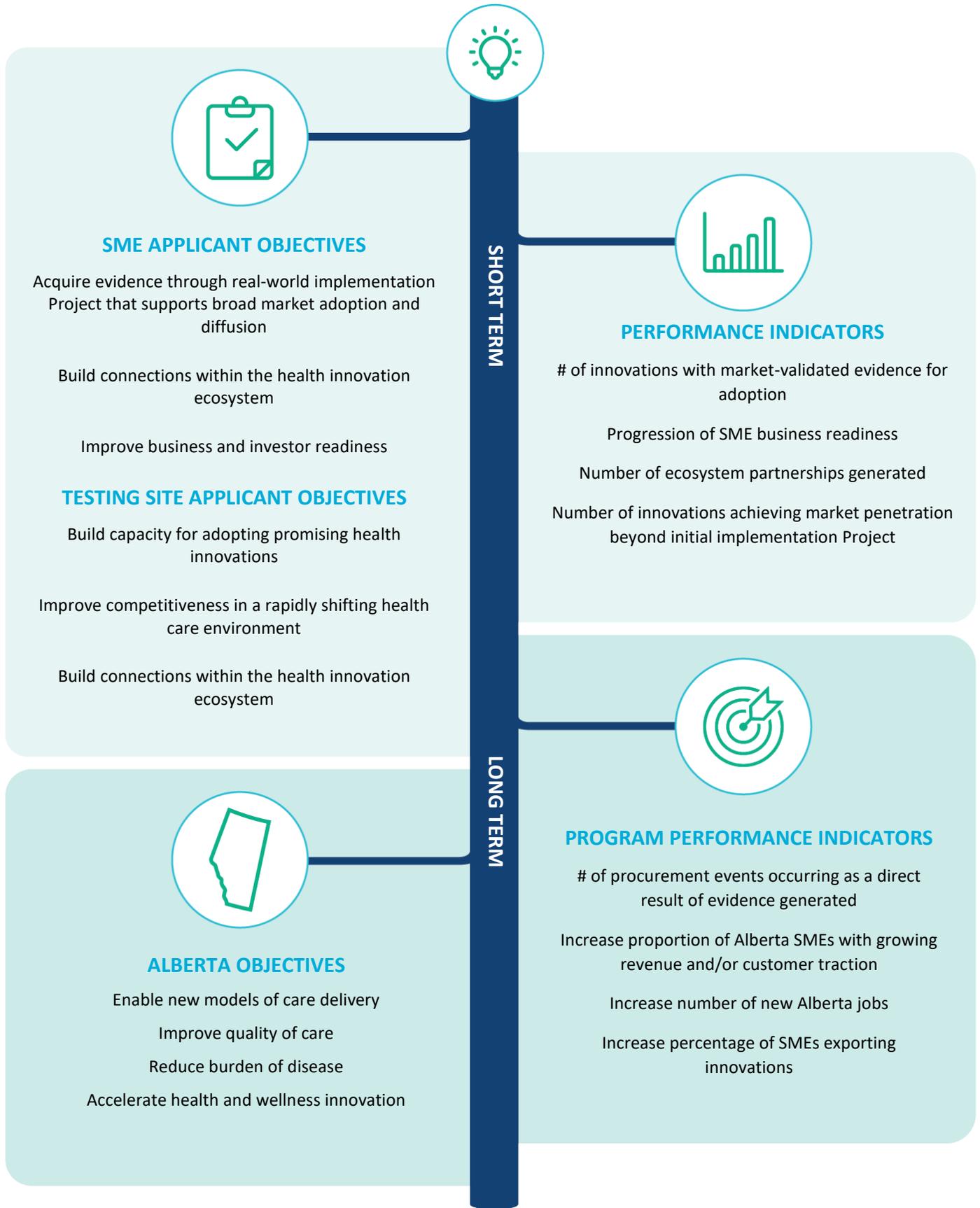
Over the life of a Project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the SME Applicant and Testing Site Applicant to reach their objectives. Funding is tied to outcomes and achievement of results. For this reason, Alberta Innovates funds on a milestone completion basis. This means the SME Applicant and Testing Site Applicant are expected to submit a Progress Report before Alberta Innovates advances the next tranche of funds.

Once Projects are completed, Alberta Innovates continues to monitor performance for five (5) years to accurately evaluate the economic, social and environmental benefits realized for the province.

All Investment Agreements outline performance indicators tracked over the course of the Project and the responsibilities of the SME Applicant and Testing Site Applicant to report on outcomes subsequent to completion of the Project.

Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregate Program.

Program Objectives and Performance Metrics



SME APPLICANT OBJECTIVES

Acquire evidence through real-world implementation Project that supports broad market adoption and diffusion

Build connections within the health innovation ecosystem

Improve business and investor readiness

TESTING SITE APPLICANT OBJECTIVES

Build capacity for adopting promising health innovations

Improve competitiveness in a rapidly shifting health care environment

Build connections within the health innovation ecosystem

ALBERTA OBJECTIVES

Enable new models of care delivery

Improve quality of care

Reduce burden of disease

Accelerate health and wellness innovation

SHORT TERM



PERFORMANCE INDICATORS

of innovations with market-validated evidence for adoption

Progression of SME business readiness

Number of ecosystem partnerships generated

Number of innovations achieving market penetration beyond initial implementation Project

LONG TERM



PROGRAM PERFORMANCE INDICATORS

of procurement events occurring as a direct result of evidence generated

Increase proportion of Alberta SMEs with growing revenue and/or customer traction

Increase number of new Alberta jobs

Increase percentage of SMEs exporting innovations

How Funding Works

(a) Project Funding

Alberta Innovates' Investment for successful Projects within AICE – Market Access will be a maximum of \$250,000 per Project. A minimum of 50% of total Project Costs must be provided from other sources in the form of In-kind or cash contributions (the “**Contribution**”). Contributors may include the SME Applicant, the Testing Site Applicant or another grant funding program; however, the SME Applicant must contribute at least 25% of the total Project Costs in the form of cash, In-kind support, or a mix of both. No such minimum Contribution applies to the Testing Site Applicant.

(b) In-Kind Contributions

In-kind Contributions are defined as the non-cash provision of goods or services by either the SME Applicant or Testing Site Applicant valued in monetary terms according to rules agreed upon beforehand by all parties, and within the purview of generally accepted accounting principles. The value placed on In-kind Contributions may not exceed the fair market value of the product or service.

In-kind Contributions may include provision of any products or services deemed to be Eligible Expenses as outlined in the next section. They are regarded as necessary to carry out the tasks and achieve the goals and milestones of the Project as put forward in the Project methodology. These costs would have to be paid for if they were not provided by either party. In-kind resources will only be recognized as an Eligible Contribution where the costs incurred are directly attributable to the Project and easily auditable.

Alberta Innovates' Investment is dispersed upon receipt and approval of a Progress or Final Report, over the maximum eighteen (18) month term.

Alberta Innovates will contribute up to \$250,000 CAD of 1:1 matching funding to support approved market access Projects over a maximum term of 18 months.

(c) Eligible and ineligible expenses

Alberta Innovates only funds reasonable costs incurred, subsequent to a signed Investment Agreement between Alberta Innovates, the SME Applicant and the Testing Site Applicant. Any costs incurred prior to the signing of the Investment Agreement, or costs greater than market prices are deemed ineligible. Costs must be incurred between Arm's Length entities.

The chart on the next page provides a high-level summary of eligible and ineligible expenses.

Summary of Eligible and Ineligible Expenses

Category	Eligible Expenses	Ineligible Expenses
Salaries and Benefits	<ul style="list-style-type: none"> ✓ Salary and benefits for staff, students or contractors who are specifically working on the Project 	<ul style="list-style-type: none"> ✗ Salary, consulting fees or honoraria support for physicians, academic faculty members or company executives/senior management involved ✗ Salary and costs of administrative and/or indirect support staff ✗ Salary and costs associated with proposal development
Travel (up to 5% of Total Project Costs)	<ul style="list-style-type: none"> ✓ Project specific out-of-pocket travel expenses for work at the test-site that is directly associated with the Project ✓ Other reasonable out of pocket expenses for field work and dissemination activities 	<ul style="list-style-type: none"> ✗ Costs to cover conference fees, travel, hotels and food to attend events or meetings unrelated to Project ✗ Entertainment expenses, gifts, awards and alcoholic beverages ✗ Reimbursement for airfare purchased with personal frequent flyer point programs ✗ Commuting costs between residence and place of employment
Equipment, Materials and Supplies	<ul style="list-style-type: none"> ✓ Cost of equipment, materials and supplies needed to support Project if they are not already provided by the SME Applicant or Testing Site Applicant 	<ul style="list-style-type: none"> ✗ Cost or rental equivalents exceeding accepted values had the equipment been donated or sold ✗ Development costs incurred prior to the start of the Project ✗ Depreciation costs associated with equipment donated to the Project
Software, New Technologies and Databases	<ul style="list-style-type: none"> ✓ Costs of purchasing licenses needed for the Project, if not already provided by the SME Applicant or Testing Site Applicant ✓ Costs of collecting, de-identifying and archiving data (if the data is critical to success of Project; there is commitment to archive data; and the database remains in the public domain) 	<ul style="list-style-type: none"> ✗ Cost of new software and technologies that go outside the scope and/or duration of the Project ✗ Development cost of new technologies related to the Project

Use of Facilities

- ✓ Meeting rooms, space or facilities for which a fee is charged by the Test Site Applicant, SME Applicant or sub-contractor
- ✓ Rental costs for specialized equipment needed
- ✗ Indirect or overhead costs associated with facilities (utilities, repair of office furniture, admin fees, insurance, telephones, etc.) that do not contribute directly to the Project
- ✗ Revenues that are forgone by the contributor because of participation in the Project and related programs

Other Expenditures

- ✓ Other expenditures which are directly associated with meeting the deliverables and milestones in the Project
- ✗ Other expenditures which are not directly associated with meeting the deliverables and milestones set out in the Project
- ✗ Other expenditures which are incurred well outside the scope and/or duration of the Project
- ✗ Indirect or overhead costs of any kind

HOW TO APPLY



STEP 1 Intake Form

Interested SMEs and Testing Sites who meet the Program Eligibility requirements defined earlier are encouraged to submit an Intake Form.

Prospective Applicants are free to contact the AICE Program Manager with any questions or concerns prior to submitting the Intake Form.



STEP 2 Pre-Application Meeting

It is recommended to hold a pre-application meeting between the SME Applicant, Testing Site Applicant, and Alberta Innovates.

This meeting will ensure that the SME Applicant, Testing Site Applicant and Alberta Innovates are aligned in terms of the desired Project objectives, deliverables and outcomes.



STEP 3 Full Application

Full Applications ('Applications') will be accepted at any time, subject to available funds.

Applications will be reviewed by external reviewers with relevant commercialization and clinical expertise.

Evaluation Process

During the different phases of the Program, Alberta Innovates leverages internal staff and external expert reviewers to evaluate the Applications submitted. Alberta Innovates evaluates promising innovations based on criteria related to the innovation opportunity, Project implementation, business readiness, and potential for Alberta impact.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

An Applicant whose Application is declined by Alberta Innovates may, on a one-time basis, re-apply to Alberta Innovates to address and correct any deficiencies or issues. Where a shareholder of an SME owns 51% of any other SME, as indicated by the corporate search, the SMEs will be considered one in the case of a re-application where the Project or technology is the same.

The assessment criteria for AICE – Market Access and all investment decisions are at the sole discretion of Alberta Innovates.

TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested applicants with a roadmap of what to expect over the lifecycle of an AICE Project, from the announcement of the program, through the Application stage, during the Project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the persons named in the application form as the one authorized to speak for the SME Applicant and Testing Site Applicant respectively.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require both the SME Applicant and Testing Site Applicant to sign our standard form Investment Agreement. The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

CONTACT INFORMATION

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