

Masterclass 1 **Future Needs of Decision Makers within a varied and changing environment throughout Europe & Emerging Markets**



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Stephen Godwin, Synovate



Marc Yates, The Research Partnership

This Masterclass, reviewing the future needs of policy decision makers, was convened and facilitated by **Karl Mann** - Shire Pharmaceuticals and **Steve Grundy** - Marketing Sciences. The session was lively and very well attended; it illustrated how diverse the markets are from the perspective of market access and reimbursement. This diversity is true both across and within the continents we reviewed.

Radical change was a common theme in almost all markets. There are significant long term developments planned, particularly in China and Russia, and also cost cutting and containment measures due to the increasing costs of healthcare and the economic challenges many countries are facing.

The opening presentation, prepared by **Brian Lovatt** - Vision Healthcare Consultancy Ltd. and presented by **Stephen Godwin** - Synovate was dedicated to the core big five EU markets. It is important to not only understand them as a reference point, but also to recognise that significant change is happening in the top 5 EU markets which we need to be informed about. Generally, there is a trend of decentralisation for decision making, devolving power to regions and in some cases local areas, which presents both opportunities and challenges. This creates a broader stakeholder group who may be more accessible than a top level national body, but it also means that there is a need for multiple approvals and negotiations in order for your drug to be widely prescribed.

There was significant discussion about who the key influencers were and how these could be accessed. The consensus was that top level payers are not always accessible but that you can seek to understand their influence network and tap in to this as a source of information, understanding and guidance in developing arguments for market access negotiations.

There is increasing demand for 'value' demonstration with the new system in Germany. The challenge around 'value' is understanding the definition. The Masterclass delegates discussed the importance of understanding what 'value' means within your local country/area and making sure that you have the data and tools to address this. Clinical trials are designed long before the discussion on value demonstration, but clearly the two are linked and it is critically important that internal stakeholders are aware of the impact of clinical trial design. Involving the right team early on in the process can clearly assist these later discussions. Many drugs which are perceived by companies to be valuable/innovative are not meeting the criteria that are being applied by payers.

It was evident throughout the discussion that there are significant differences across the EU5 even though we often talk about these countries as a collective group. Local experts who truly understand the landscape and the changing needs of decision makers are vitally important and their local insights need to be communicated to global HQ's during the early stages of drug development.

The presentation and discussion on the developments in China, given by **Marc Yates** - The Research Partnership China, was a fascinating one. The potential impact and planned changes in the delivery of healthcare in China are quite incredible. China varied from the other markets in that radical changes to the healthcare system are being centrally controlled and investment is working towards a vision for 2020, to provide healthcare to rural areas as well as the larger cities.

Discussions centred on whether or not this was achievable. As with other markets the budgets in China are limited so the bold plan to make healthcare accessible to the mass population has to be balanced with the available budget. The government is encouraging the better off to take out private health insurance recognising that this will ease their burden.

The huge population in China and the expansion of their health system will provide for interesting viewing and potentially provides a great opportunity for many international companies.

A significant challenge for pharmaceutical companies will be to get their drug listed on the Chinese National Reimbursement Drug List. Drugs are favoured if they are for widespread life threatening diseases with clinical efficacy. However, centralised government lead procurement is driving costs down and companies without a physical presence or a joint venture with a Chinese company are at a significant disadvantage. So this remains a challenge for International companies. One benefit is that China is adopting GMP standards which International companies already adhere to, but which may require considerable investment by local companies.

Anna Grabara - PMR Corporate reviewed the four Central and Eastern European markets of Poland, Hungary, The Czech Republic and Russia. As with the 5EU discussed earlier there was incredible diversity in their current systems and the route forward.

Russia is the country with the most far-reaching expansion plans for the future. Along with China they have a vision for 2020. There will be significant investment with a focus on local manufacturers and local production. Russia is also pro-generic and even though there is potential for growth of innovative medicines this will be an area that continues to be a challenge. In the public sector there is an essential drugs list so as with the EU5 it is important to understand how your drug will be viewed and hence what role and reimbursement level it is likely to receive.

The 3 markets of Poland, Hungary and The Czech Republic are very pro-generic and looking at ways to contain and aggressively reduce pharmaceutical expenditure. Reimbursable drug lists are not necessarily updated as often as planned so even if you have an innovative medication it may take a while for this to be recognised. These are clearly important markets but the economic conditions make the challenges more acute and increase the need to really understand how the key stakeholders will view your drug and supporting package.



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