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HOW CAN WE CREATE SUSTAINABLE HEALTHCARE SYSTEMS?

EVENT REPORT | 25 APRIL - 8 MAY 2018
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The healthcare systems of EU member states are under huge pressure to meet the growing demand for care and simultaneously support innovation in the sector.

Combined with an ageing population and the alarming burden of chronic illnesses, several experts emphasise the need to move towards a "collaborative" approach among healthcare stakeholders.

In an interview with EURACTIV.com, EU Commissioner for Health and Food Safety Vytenis Andriukaitis has said that backing innovation in the pharmaceutical market and developing new evidence-based economic models is the only way forward for future healthcare.

However, what should be done in practice in order to put the patient at the core of decision-making in health matters and create a more effective and sustainable healthcare system for all stakeholders involved?

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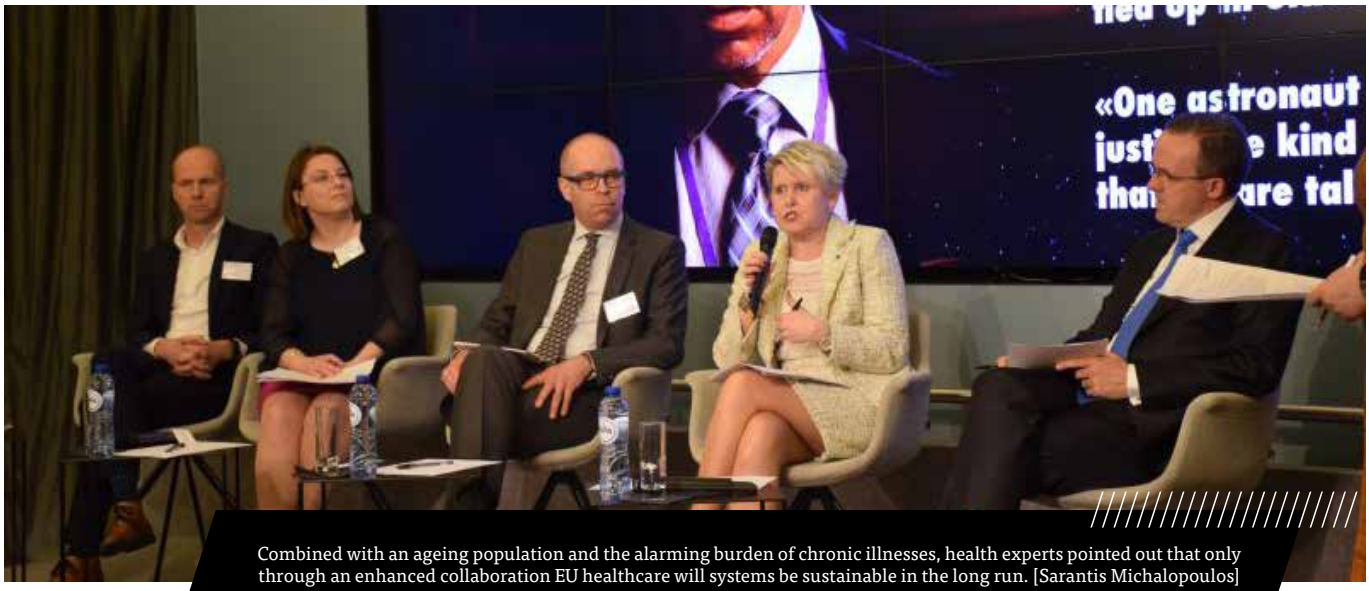
Time to end fragmentation of EU healthcare, experts say

By Sarantis Michalopoulos | EURACTIV.com



Combined with an ageing population and the alarming burden of chronic illnesses, health experts pointed out that only through an enhanced collaboration EU healthcare will systems be sustainable in the long run. [Sarantis Michalopoulos]

Experts are asking for a more collaborative approach in EU healthcare and greater involvement of the European Commission in order to face rising challenges and put patients at the core of decision-making.

Speaking at the "Life at what cost? Hard choices in healthcare" panel discussion organised on 2 May by the Friends of Europe, Celgene and the European Federation of Pharmaceutical Industries and Associations' (EFPIA), a number of health experts* pointed out the shortcomings in the sector, saying the fragmentation of EU healthcare is risking its long-term sustainability.

In order to illustrate the everyday challenges the EU healthcare systems face as well as the need for all actor to act together, the organisers presented a short fictional film about an astronaut, Nozomi, who got lost in space and was fighting to find her way home.

When NASA ultimately got in touch with her, after she'd been lost for months, it turned out that it was "too costly" to save her and bring her back to the Earth as the funding for her mission had run out.

However, thanks to the insistence of some people, a solution was found through collaboration with other state space agencies which had activities in that space area.

Drawing parallels with the film, health experts emphasised that stakeholders should put an end to the fragmentation of the system and think differently, in a more collaborative way, to find solutions for the "seemingly unsolvable issues".

The healthcare systems of EU countries are under huge pressure to meet the growing demand for care and simultaneously support innovation in the sector, in the face of an ageing population and the alarming burden of chronic illnesses.

The experts pointed out that only through an enhanced collaboration will EU healthcare systems be sustainable in the long run.

THE EU ROLE

According to Lee Heeson, president Worldwide markets, inflammation & immunology at Celgene, the EU plays

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a "key role" in this direction.

An example of the EU contribution, Heeson said, is the Health Technology Assessment (HTA), which reduces the duplication of the clinical assessments among member states.

He noted it was crucial for the EU to understand what the countries and patients need, and this is where the system needs provide harmony.

Heeson explained that in order to achieve a sustainable healthcare system in the EU, all relevant stakeholders, ranging from the member states and hospitals managers to the pharmaceutical industry, should identify the common objective.

"One of the most important things is to really understand one each others' perspective so that we can visualise and understand the challenges that face each of us. And then we should take a step higher and see what are we aligning on as a whole group and how to find a solution together," he told EURACTIV.

FOLLOW-UP IS CRUCIAL

For Penilla Gunther, a member of the health and welfare committee in Sweden's Parliament, the European Commission should monitor more closely the implementation of the EU-wide strategies and guidelines it draws for certain diseases.

"What I have experienced is that no follow-up and real evaluation takes place at all because [...] these strategies need to be constantly updated," she said.

Gunther added that the healthcare quality differs among EU countries, because there may be very good treatments for a disease in one country, while in another one there is a good plan but not necessarily good treatments.

The Swedish politician stressed that EU healthcare systems should develop in such way that will finally "see the patient".

"I would like to see more collaboration among professionals in healthcare especially when there is a drug development or accessibility of patients in clinical trials. The life-science or the med-tech and the pharma industries should all cooperate and of course, it's of absolute importance the decision at the political level, saying that this is crucial for the population."

THE 'UNNECESSARY WASTE'

In June 2016, EU health ministers called on the European Commission to perform an overview of the current EU legislative tools and incentives that aim to facilitate investment in the development of medicinal products.

EU countries have targeted specific aspects of the incentives granted to the pharma industry in order to decrease drug prices.

On the other hand, many suggest that such an approach would have a detrimental impact on innovation in the pharma sector.

Instead, they say policymakers should focus on other healthcare fields to save costs, considering that official data indicate that the pharmaceutical expenditure has remained stable in recent years.

"Why are the public healthcare systems under huge pressure? Where is the money going? If there is a percentage of waste, and it's identified as approximately 20%, it needs to go. You cannot waste anything in healthcare," EFPIA's Director General Nathalie Moll told EURACTIV.

According to the OECD's Tackling Wasteful Spending on Health report, one in ten patients in OECD countries was unnecessarily harmed at some point during care, and more than 10% of hospital expenditures went toward correcting preventable mistakes or treating infections received by a patient during care.

Referring to the incentives discussion, Andrzej Rys, European Commission director for health systems, medical products and innovation, said it was a "complex issue".

He noted that a fair and in-depth evaluation will be made and "hopefully by the end of the next year we will be able to show the results".

Speaking to EURACTIV on the sidelines of the European Health Forum Gastein (EHFG) last year in Austria (October 2017), EU Health Commissioner Vytenis Andriukaitis said there was a need to understand innovation.

"It's a very broad understanding as we have a lot of different innovations that we need to develop new economic models," he said.

Asked whether a shift in incentives should still support innovation he replied: "No doubt. We need to discuss issues in complexity. Some incentives are old; some mechanisms need to be developed."

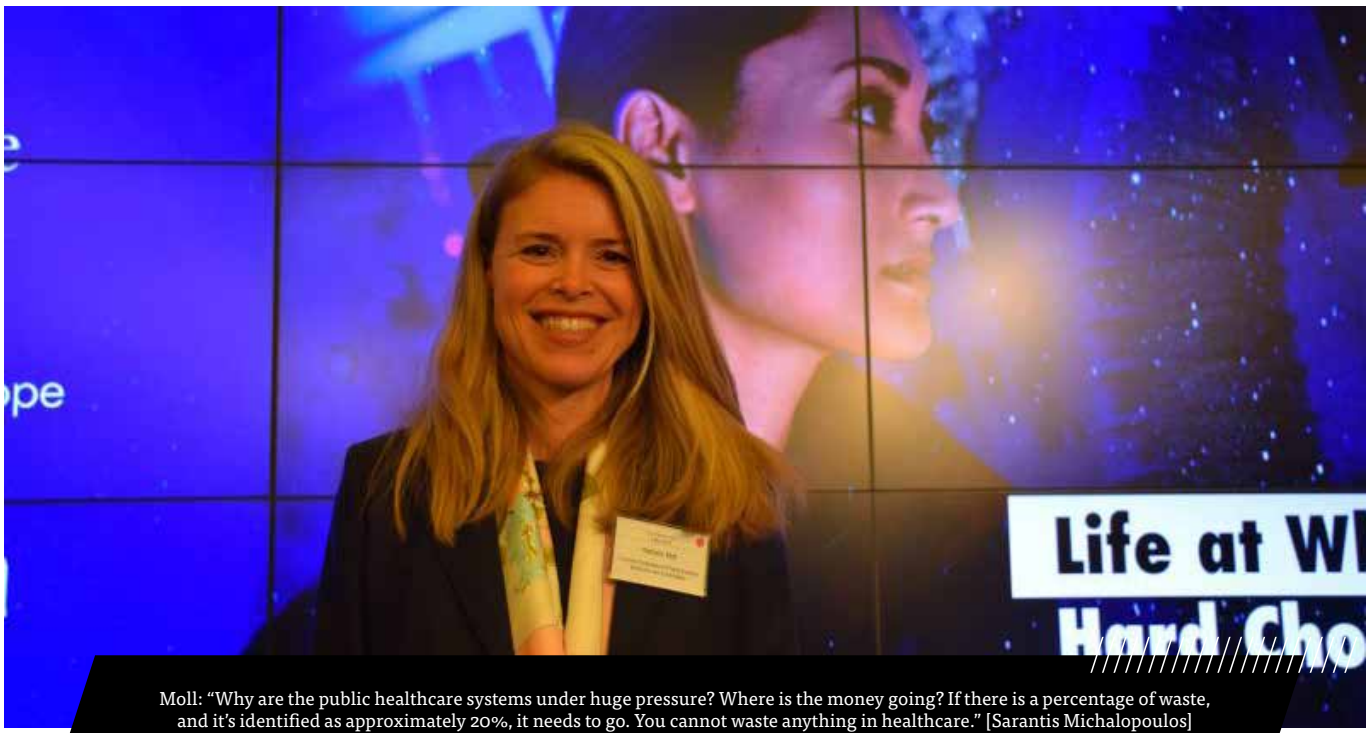
"There is only one way – to support innovations and use evidence-based economic models," Andriukaitis said.

**Penilla Gunther (Member of the Health and Welfare Committee, Swedish Parliament), Lee Heeson (President, Worldwide Markets, Inflammation & Immunology at Celgene), Renaud Mazy (Chief Executive Officer of the University Hospital of Saint-Luc), Nathalie Moll, Director-General of EFPIA, Bettina Ryll (Founder of the Melanoma Patient Network Europe and Chair of the Patient Advocates Working Group of the European Society for Medical Oncology), Andrzej Rys (European Commission Director for Health Systems, Medical Products and Innovation) and Gert Van Assche, (Gastroenterologist and Professor at the University of Leuven).*

INTERVIEW

Pharma boss: Incentives based on outcomes will optimise EU healthcare

By Sarantis Michalopoulos | EURACTIV.com



Moll: "Why are the public healthcare systems under huge pressure? Where is the money going? If there is a percentage of waste, and it's identified as approximately 20%, it needs to go. You cannot waste anything in healthcare." [Sarantis Michalopoulos]

An outcomes-based approach for incentives in the pharmaceutical sector would help optimise the entire healthcare systems, Nathalie Moll told EURACTIV.com in an interview.

Nathalie Moll is the director general of the European Federation of Pharmaceutical Industries and Associations (EFPIA).

She spoke to EURACTIV's Sarantis Michalopoulos on the sidelines of the "Life at what cost? – hard choices in healthcare" panel discussion organised by Friends of Europe together with Celgene and EFPIA.

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Many speakers today talked about the need for all relevant stakeholders in healthcare to come closer and coordinate. What is the best way to achieve that?

To start the conversation around the desired outcome that everybody shares. So rather than saying as an industry our objective is the following, the hospital matters are these ones etc, we need to seek the best outcome, meaning the best possible solution for patients. A solution that is sustainable also for the future generations with the least possible cost.

That's the shared objective. And around that, we need to see what is the treatment we need to deliver, when, who needs to deliver and how, what is the waste.

Moreover, what are the incentives that are being given to every different piece of the healthcare system, are they the right ones or we are incentivising interventions instead of outcomes?

If we have very clear the end point, then we can have a conversation around optimising the healthcare delivery and sustainability for the future.

You insist on an outcomes-based approach, but are you sure EU member states can be convinced to turn to this model?

Some member states are already doing it really successfully. In Italy, for instance, they have adopted an outcomes-based approach on oncology for years; they have registries, they get data and they incentivise success in treatment in oncology. They don't incentivise non-success.

Other countries are using it for individual indications or individual companies are proposing it, so it's happening already. In the US, I know there is one, which is quite revolutionary, where the whole system is incentivised for the care of the patients- the hospital treatment, every carer in between- have to get it right to get reimbursed and therefore everybody has to do the best possible. This will lead to the optimisation of the whole system.

The good news is that there are already examples out there that are successful and sustainable. We just need to make it more of a general practice.

Considering that the EU public healthcare systems are already under huge pressure, what's the fine line between sustainable innovation in the pharmaceutical sector and drugs affordability?

Why are the public healthcare systems under huge pressure? Where is the money going? If there is a percentage of waste, and it's identified as approximately 20%, it needs to go. You cannot waste anything in healthcare.

In addition, are you incentivising intervention or the final result? I think it's not only about the method, because treatment on its own is not the solution. A patient gets the treatment, but then does he take the treatment? Is it [treatment] given properly and at the right time?

Thinking that there is a patient and a medicine is really limiting the conversation to something which is unrealistic and this is the problem with the one-sided approach. We each discuss our own budgets, our little silos and we forget this is a journey and there are no silos for the patient.

How do you see the role of the European Commission in enhancing the coordination among EU member states in this direction?

I think the European Commission has had incredible results in terms of some of the directives and regulations that put out to incentivise healthcare.

Today they talked about the cross-border healthcare; there are also creative things like the European Reference Networks, but also the regulation on orphan drugs. So, they have a stimulating role they can play in areas of unmet medical need and where incentives are needed. They also have an important coordinating role in order to ensure that as much as possible healthcare is universal.

We saw a particular focus of the EU's next long-term budget for 2021-2027 on health issues. How do you interpret it?

I see it as a re-assuring message that health is also a value for society in terms of a healthy population, a population that can contribute to society.

It's great to see that the Commission recognised the value of health in the general democratic set up of the EU. I understand there is an element of health in environment, industrial policy and in research. This will be the change that we are looking for. We want to see that reflected in all policies where the health element is and how we can make sure that we are not creating policy for one area that is then going to be harmful for health.

How about the Supplementary Protection Certificates (SPC) manufacturing waiver discussion?

It is right that the Commission has a conversation on the incentives that exist in Europe today for the pharmaceutical industry because you have to look back and see what you have developed is the right thing to do.

We have two big studies coming up, the Copenhagen Economics and Max Planck Institute. But I would have hoped that any decision on incentives would have been made after those studies were published and debated and the analysis was done.

The SPC manufacturing waiver seems to come out on the side and I am not sure we have all the information that we need in order to make policy decisions in an isolated area without looking at the broader picture.

OPINION

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV.COM Ltd.

Innovation doesn't happen by accident

By Mark J. Alles | Celgene

Air pollution hangs over the roofs of Krakow. [Shutterstock]

Most of our life's significant accomplishments require hard work. Innovation in healthcare is no exception, and it is clear that as a society, we must all work together to achieve the longer, healthier lives we envision for future generations. Innovation and progress will not happen by accident; we must pursue them relentlessly and with passion in order to help people live longer and better lives.

Mark J. Alles is Chairman and CEO of Celgene.

But today, some question the real impact of innovation in healthcare and if it is worth it. The European Commission is currently considering modifications to the intellectual property framework in Europe, partially in response to the chronic sustainability and affordability challenges among healthcare systems. But some of these proposals likely put the healthier future we all envision at risk by stifling innovation that is critical to economic growth and improving healthcare.

There is no doubt that we face challenges in healthcare, but solutions must address these challenges while still fostering growth and progress. Too often, this debate is reduced to a single issue: the perceived high cost of medicines. However, this is a massive oversimplification of a much bigger picture. The complexities of managing healthcare expenditures in Europe while driving health gains and economic prosperity over the long term are great. In this effort, incentives must encourage innovation, not deter it. Understanding the facts is an important start:

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First, medications account for less than 15% of overall EU healthcare spending, and several recent studies refute the long-held belief that medicine costs are rising uncontrollably. A recent study on the projected impact of medicines in the UK, France, Germany, Spain and Italy shows that the net pharmaceutical expenditure is projected to rise just 1-2% over the next five years, in line with projected economic growth. These modest increases should not be blamed for long-term sustainability issues across the entire healthcare system.

Second, we must consider the role of today's intellectual property framework, which aligns appropriate incentives to drive innovation with continuing value for generations through the availability of lower-cost generic medicines when novel medicines lose their exclusivity. Of course, we need to collaborate on solutions for short-term affordability issues, and the biopharmaceutical sector has shown its willingness and ability to advance positive solutions. But we must also preserve what is working: today's incentives framework stimulates transformative research, ensures competition, and rewards innovators for investing in the challenging research required to discover new medicines.

The incentives framework in the EU has proven itself, successfully driving innovation and reducing the financial impact of diseases across many therapeutic areas. For example, in rare diseases, the Orphan Regulation was introduced precisely to spur innovation in some of the most difficult-to-treat diseases affecting small numbers of people. As a result, people with life-threatening and seriously debilitating rare diseases in Europe have benefitted from significant investment and a dramatic increase in available medicines to treat their conditions – from just 8 medicines for orphan indications 15 years ago to more than 140 medicines today.

At Celgene, more than ten years of research focused on multiple myeloma, a rare, life-threatening, blood cancer, allowed us to develop three novel medicines that have helped contribute – along with other therapies – to the doubling of the five-year survival rate for patients living with multiple myeloma. The first of Celgene's multiple myeloma medicines will lose market exclusivity later this year, joining the medicine cabinet of generics that will continue to deliver value for society at low costs for as long as they remain necessary for the treatment of a specific disease.

Beyond offering a tested and proven framework, incentives are also responsible for encouraging investment in high-risk research that has the potential to one day cure diseases like cancer, dementia and heart disease. At Celgene, we invest nearly 40% of our revenues on average back into R&D annually. This investment is risky. In fact, we recently stopped clinical studies on a compound for Crohn's Disease, because our investigational medicine did not show enough impact on the disease to support continued clinical development in this setting. We will never recover our investment on this compound, but we took this risk because patients need new and better options. This decision and others like it are possible because we currently work within an innovation framework that rewards those successful medicines that do make a difference for patients.

Finally, we are very aware of how innovation incentives impact industrial policy, including job creation and economic investment. For instance, Celgene, a U.S.-based company, chose to establish operations in Europe 11 years ago because of the confidence created by the EU incentives environment. Without such support, Celgene may not have established operations in Europe, that brought more than 2000 jobs, significant R&D investment, and, of course, innovative medicines to patients in Europe.

The EU's decisions about the future of incentives for biopharmaceutical innovation will have broad implications. Global competition to attract investments is increasing. Maintaining a competitive environment is critical to continue attracting investment as well as stimulating the creation of new ones. And while medical technologies have advanced over the past 30 years, reimbursement models have not. Appropriate reimbursement models can also align the right incentives and allow us to seize the opportunities that science is delivering.

All that to say, innovation doesn't happen by accident; it is the result of high-risk, long-term investment which is only possible when companies and investors are confident that they will be able to make reasonable returns if successful. The limited period of exclusivity within today's incentives framework is key to this virtuous cycle of investment. With the right incentives in place, biopharmaceutical companies can continue to invest in R&D and enable broader access to innovative medicines that can have a life-changing impact on patients and the healthier world we are creating together.

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