

The Value of Innovative Medicines

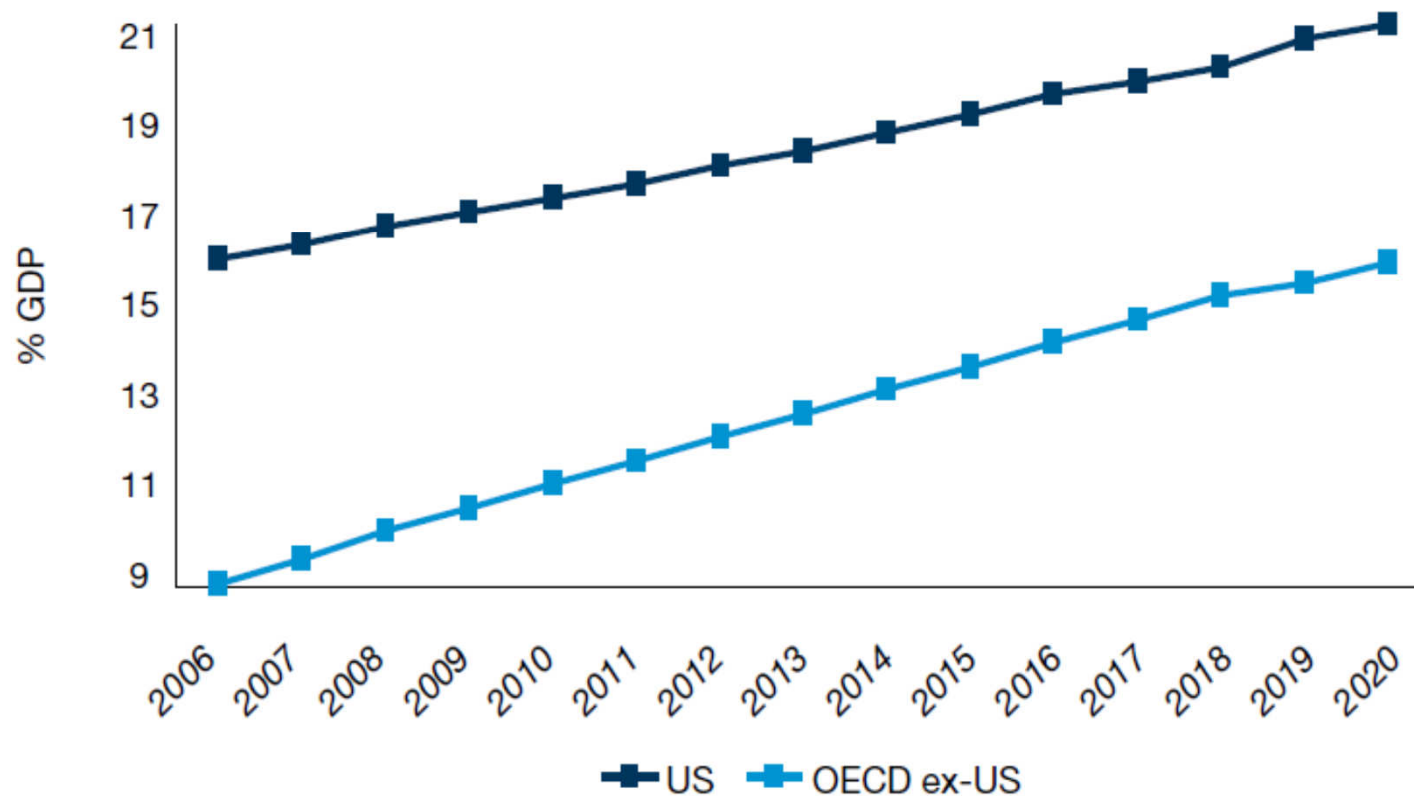
Πασχάλης Αποστολίδης
Managing Director
AbbVie Pharmaceuticals S.A.,
SfEE Vice President

Healthworld 2013
19 & 20 September 2013
Ledra Marriott



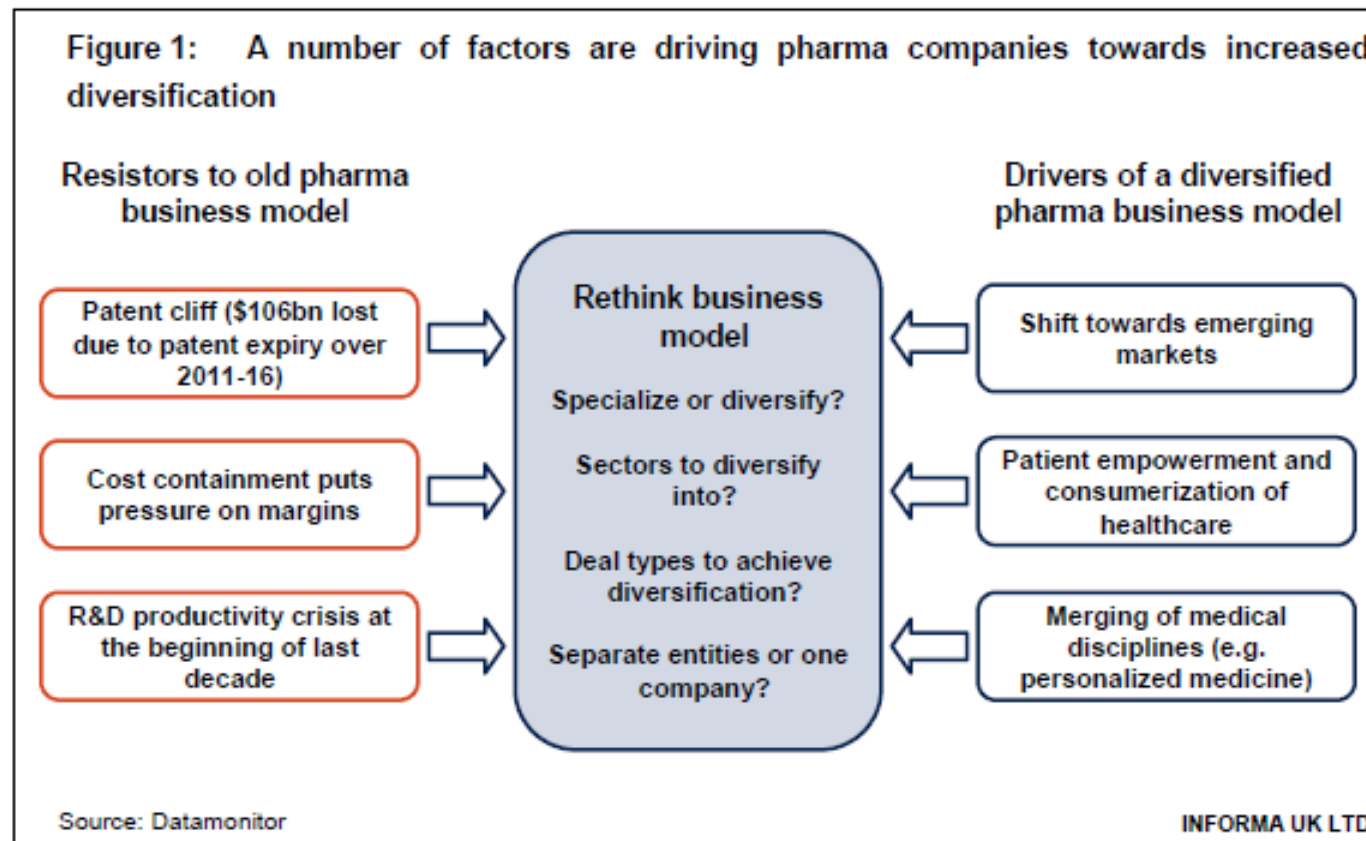
Αύξηση της φαρμακευτικής δαπάνης (προβλέψεις)

Figure 6: Health expenditure as a percentage of GDP is increasing rapidly in the OECD countries



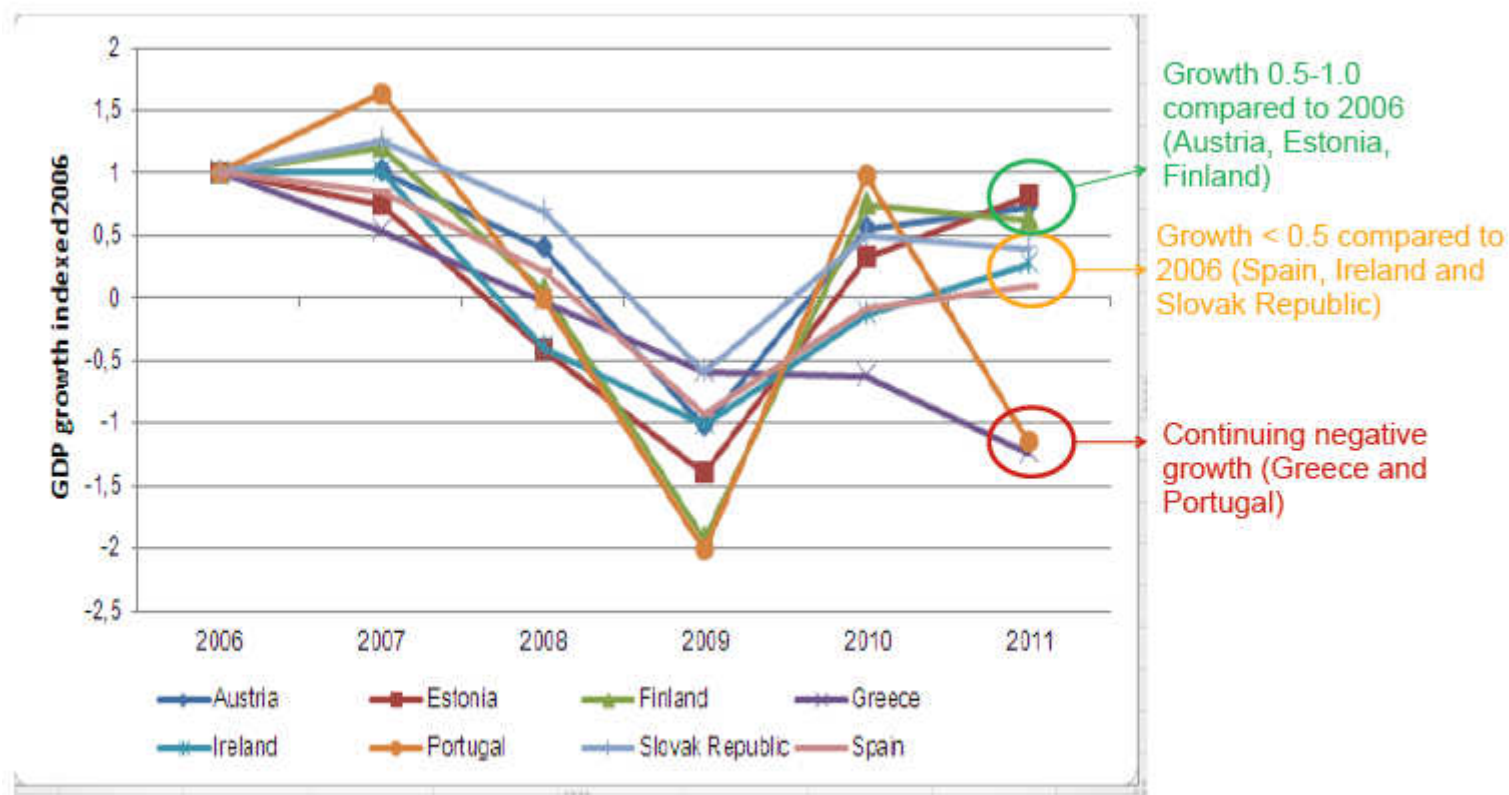
Source: PricewaterhouseCoopers Health Research Institute

Προκλήσεις της φαρμακευτικής αγοράς διεθνώς: Το περιβάλλον αλλάζει...



Η οικονομική κρίση

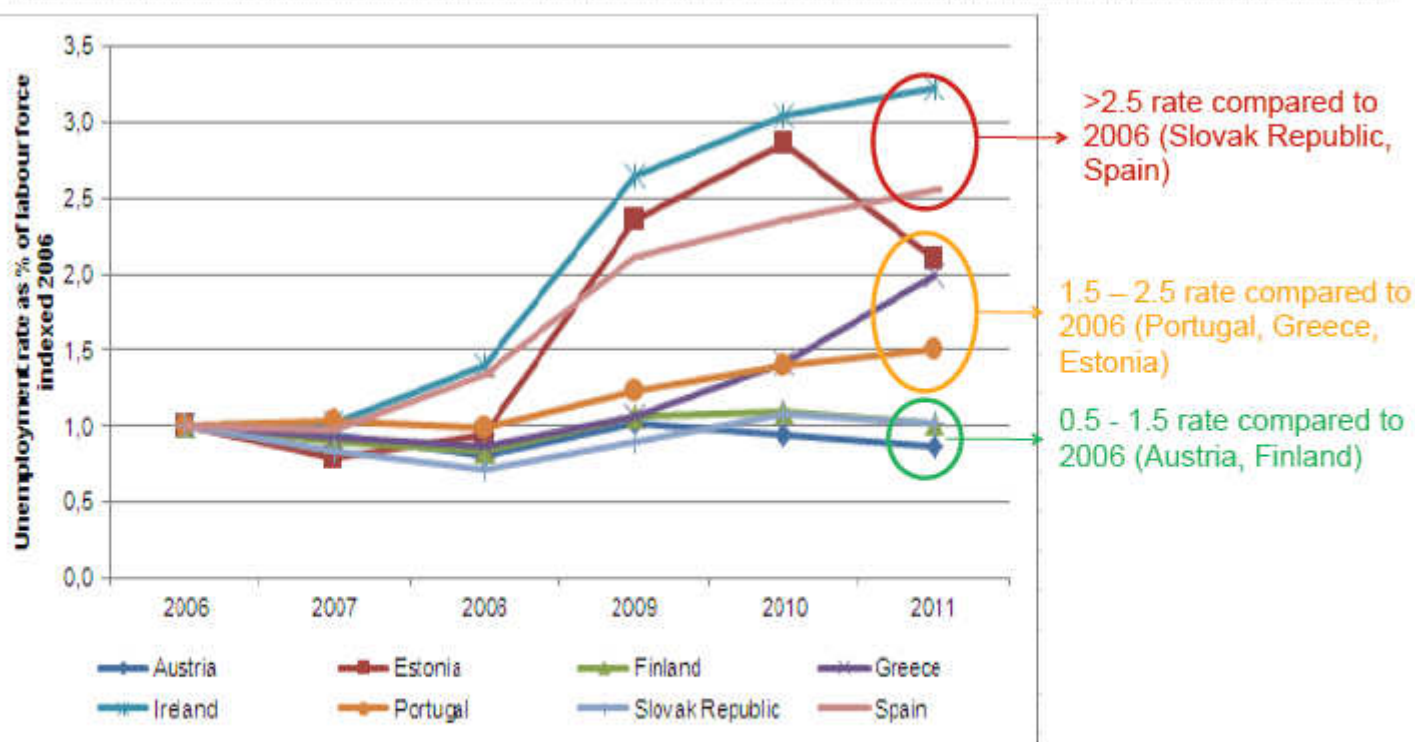
Results – GDP growth 2006–2011



Source: OECD database

Η οικονομική κρίση

Results – Unemployment rates 2006–2011

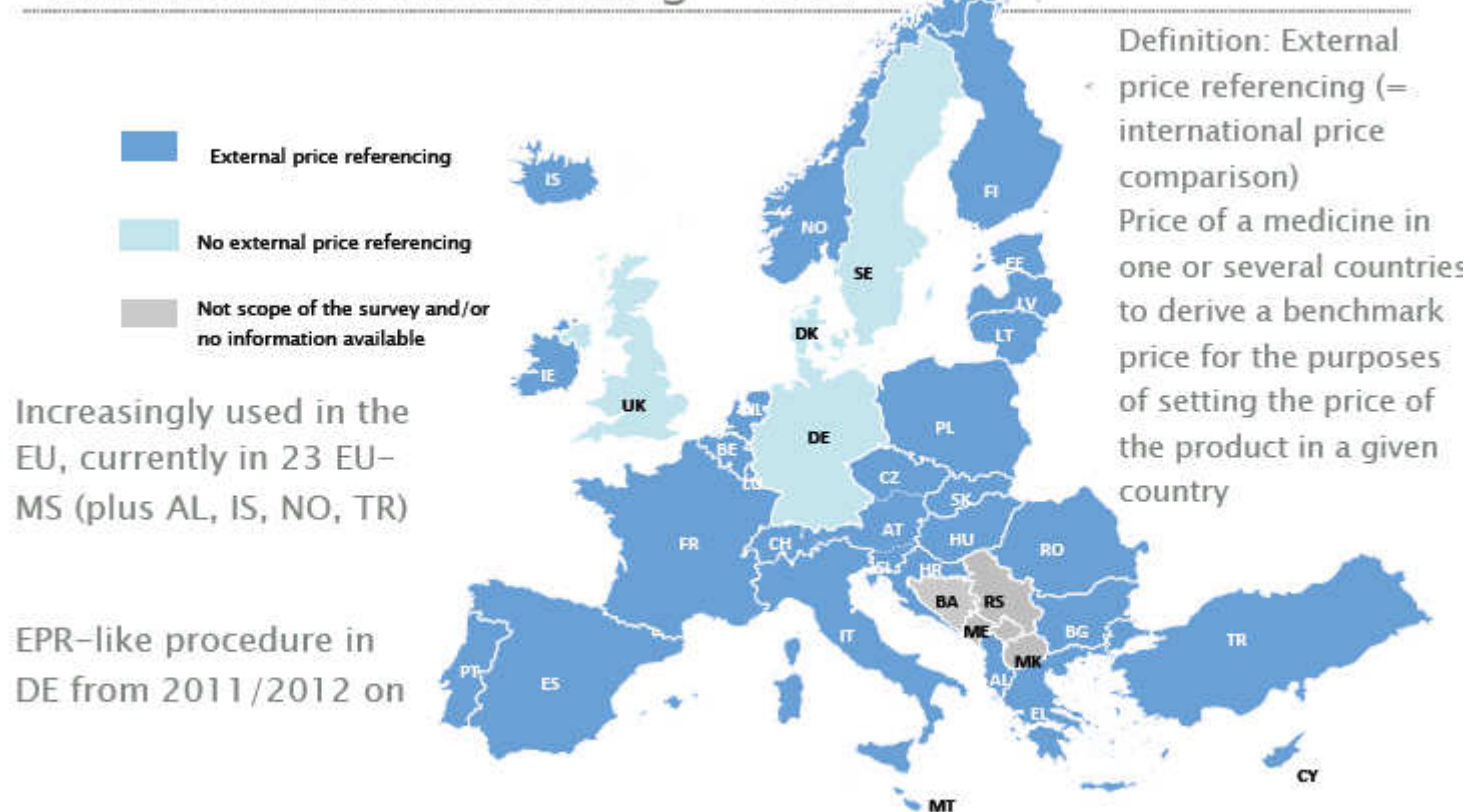


Source: OECD database



Μέτρα.....

External Price Referencing 2013



Source: PHIS Database by the WHO Collaborating Centre for Pharmaceutical Pricing and Reimbursement Policies, Vienna, based on PPRI and PHIS Pharma Profiles and national sources

14

Μέτρα.....

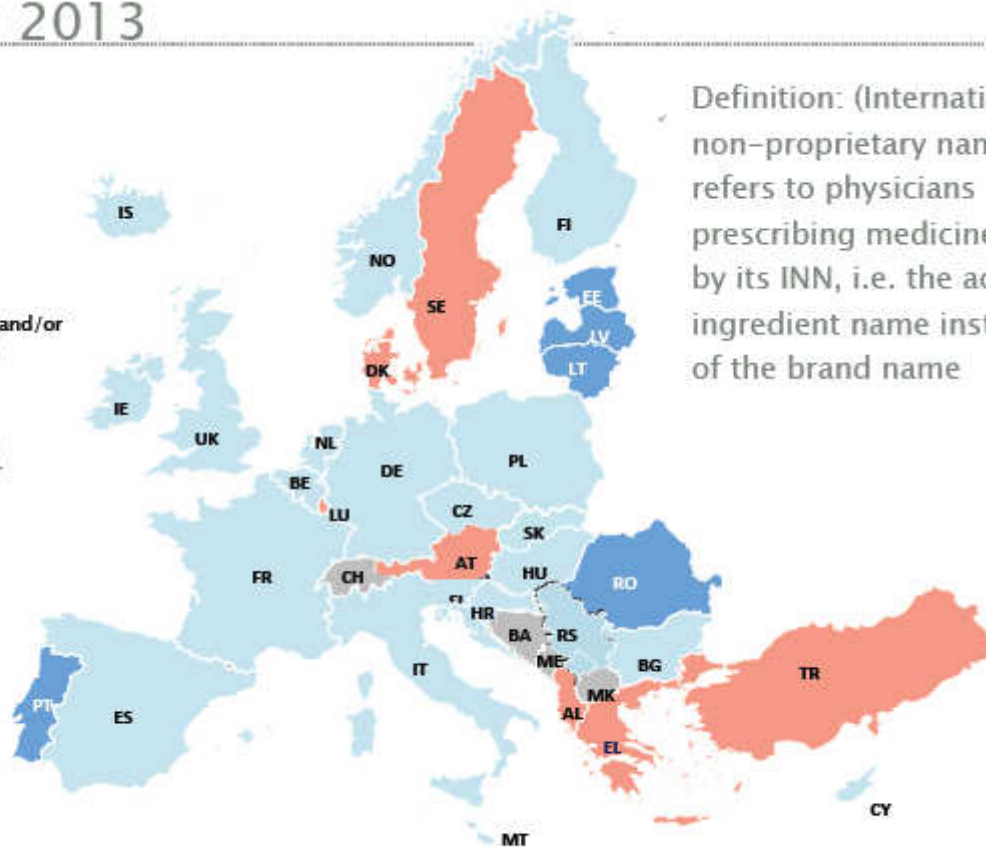
INN prescribing 2013

- Yes, mandatory
- Yes, indicative
- Not allowed
- Not scope of the survey and/or no information available

Definition: (International non-proprietary name) refers to physicians prescribing medicines by its INN, i.e. the active ingredient name instead of the brand name

Practice of INN prescribing in the EU

- Not allowed in five countries
- Allowed in 23 countries,
- Supported by electronic prescribing system



Sources: PHIS Database, the WHO Collaborating Centre for Pharmaceutical Pricing and Reimbursement Policies, Vienna, based on PPRI and PHIS Pharma Profiles and national sources.

Cyprus - Allowed in the public sector, not allowed in the private sector

17

Μέτρα.....

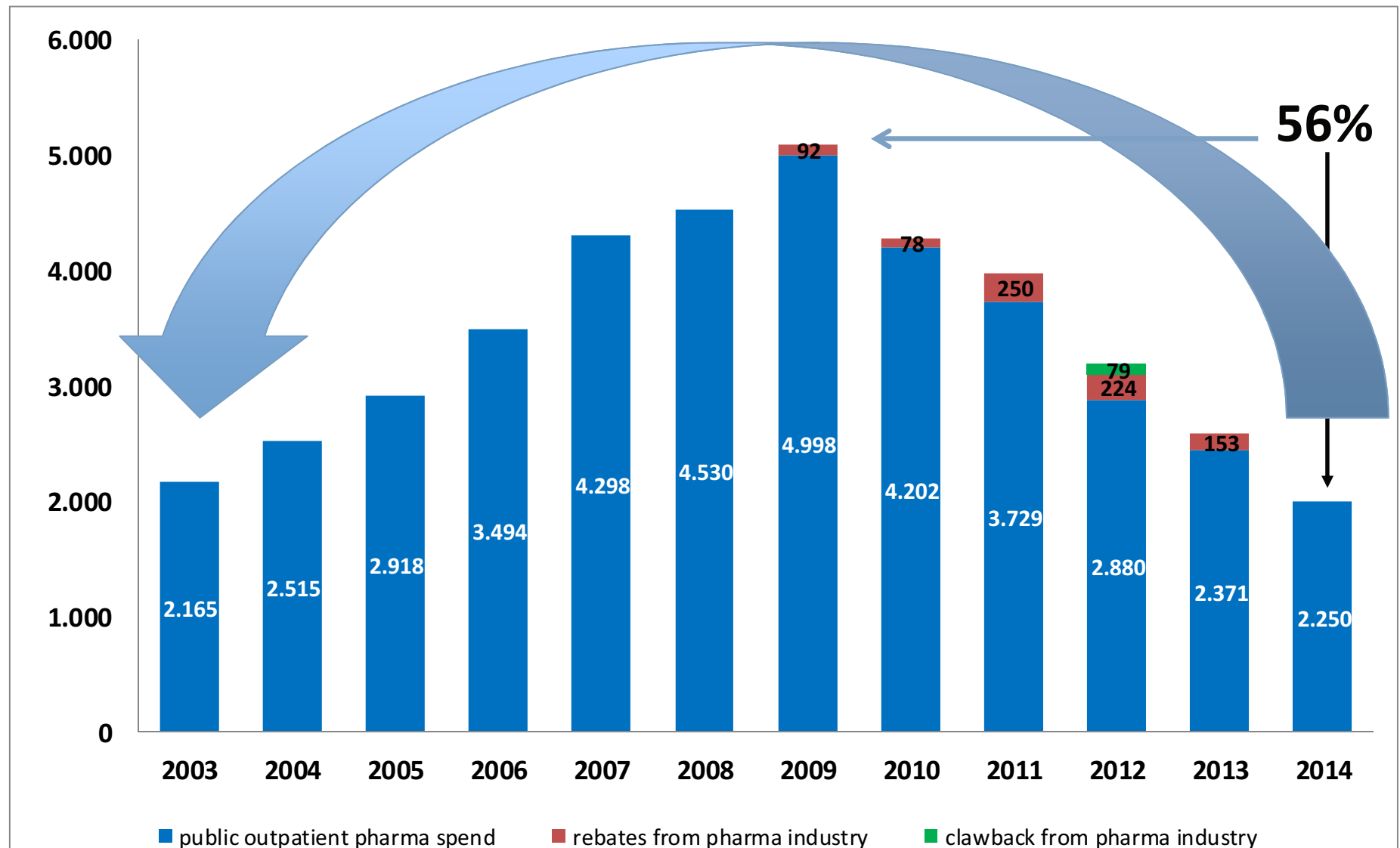


The 2013-16 MTFs include important fiscal reforms to rationalise and reduce expenditures. The government embarked on major expenditure reforms covering the whole range of government activities, while pursuing a fair distribution of the burden across the population through stronger targeting and by protecting lower incomes. These reforms include significant reductions in pensions, other social programmes, defence and operational spending. The reform of the healthcare sector will be strengthened by additional measures on pharmaceutical spending and hospital costs. The sustainability of the pensions

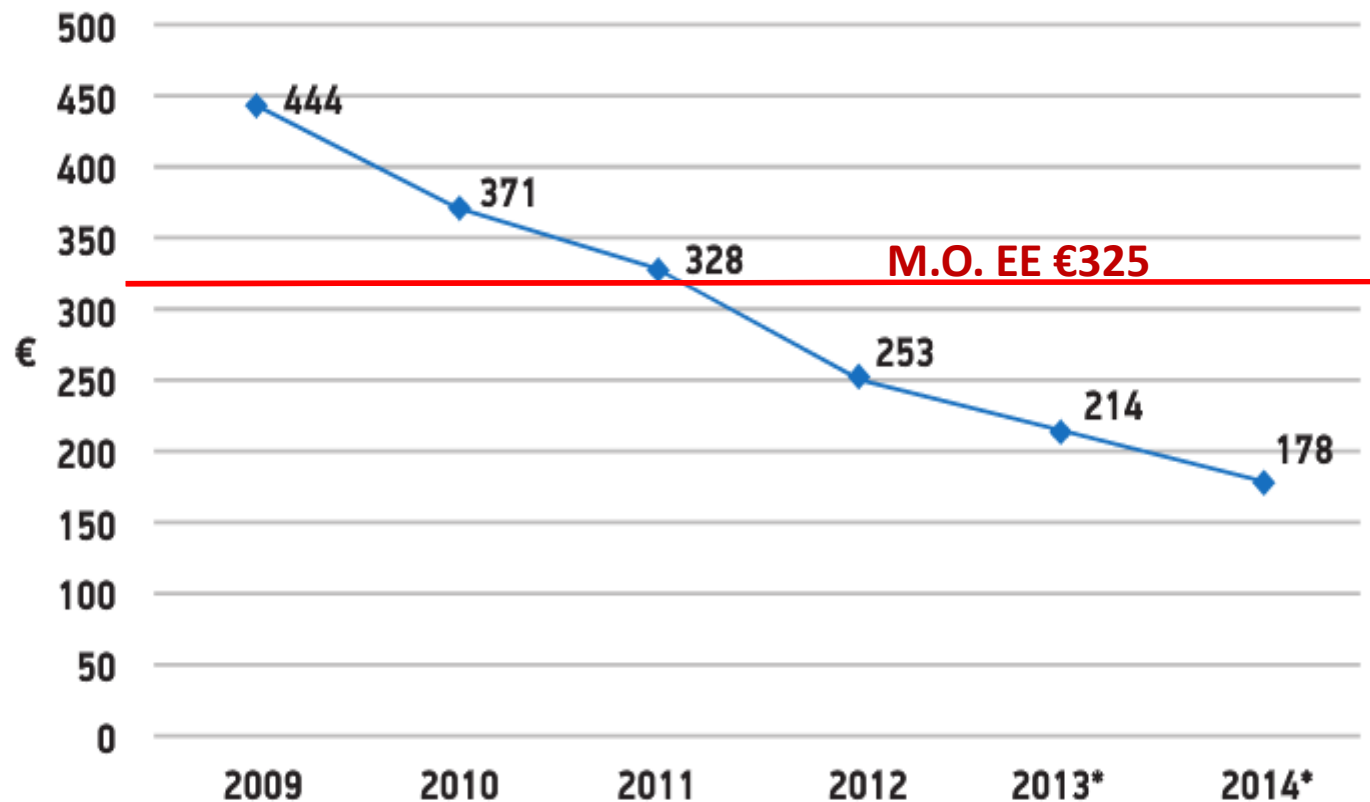
spending. However, there were slippages in the main social health insurance fund (EOPYY), mainly due to an underestimation of contributions revenues and overspending on medical services vis-à-vis the projected original budget, which have resulted in a higher deficit for 2012.

pharmaceutical producers. The latter will guarantee that the outpatient pharmaceutical expenditure does not exceed the targets of EUR 2 440 million in 2013 and EUR 2 000 million in 2014, to be in line with the overall target of about 1.0% of GDP by 2014. Reductions in

Δημόσια εξωνοσοκομειακή Φαρμακευτική Δαπάνη: μείωση κατά €2,7 δις (2013 vs. 2009)

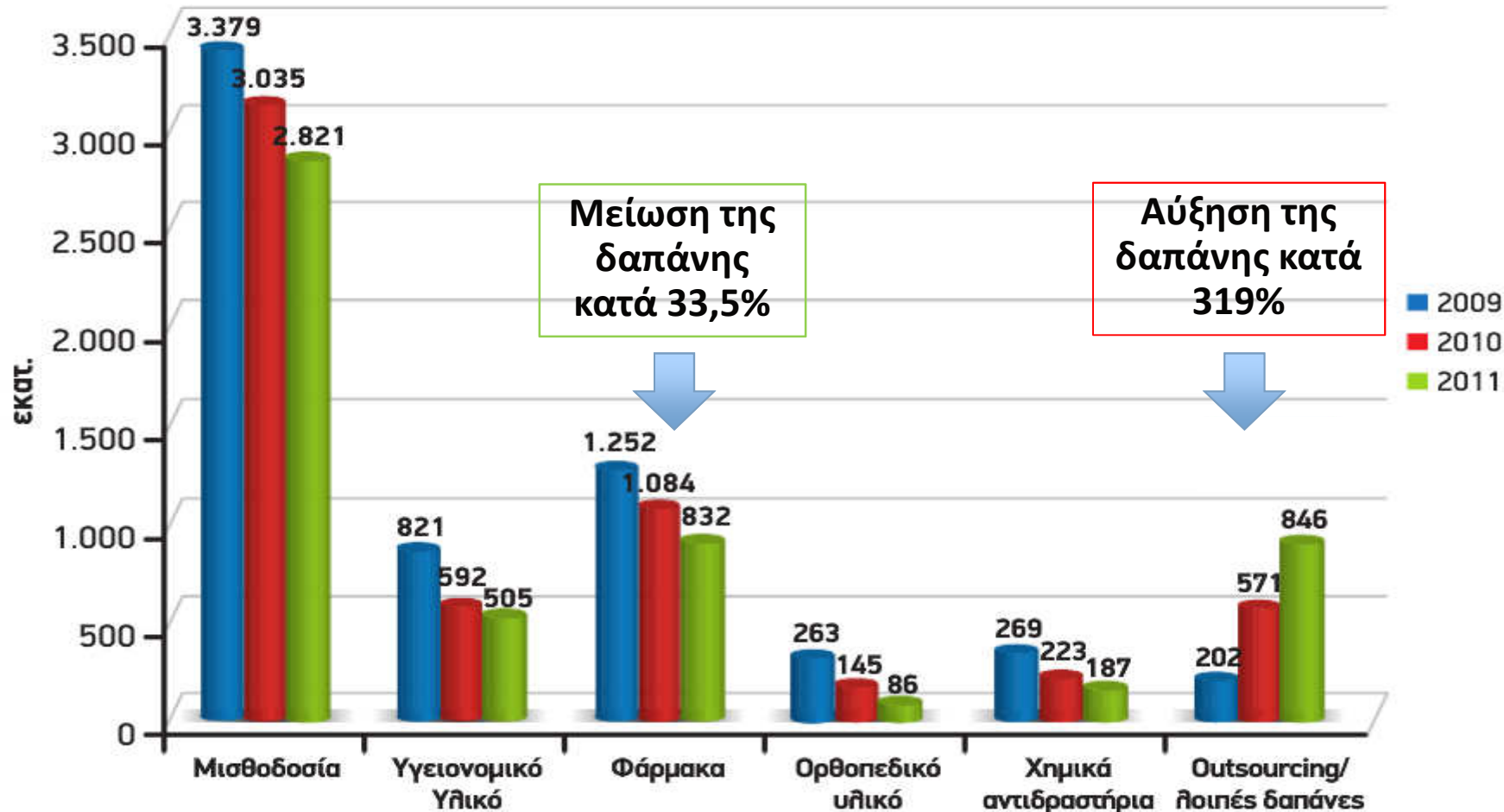


Κατά κεφαλήν δημόσια φαρμακευτική δαπάνη 2009-2014: Συνεχής μείωση – κίνδυνος για το επίπεδο υγείας



Πηγή: IOBE, 2013

Πλειοψηφία παρεμβάσεων στο φάρμακο - Άλλα κέντρα κόστους αυξάνουν τις δαπάνες την τριετία 2009-2011



Πηγή: ESYNET, 2012.

Κατάρρευση του κοινωνικού ιστού...



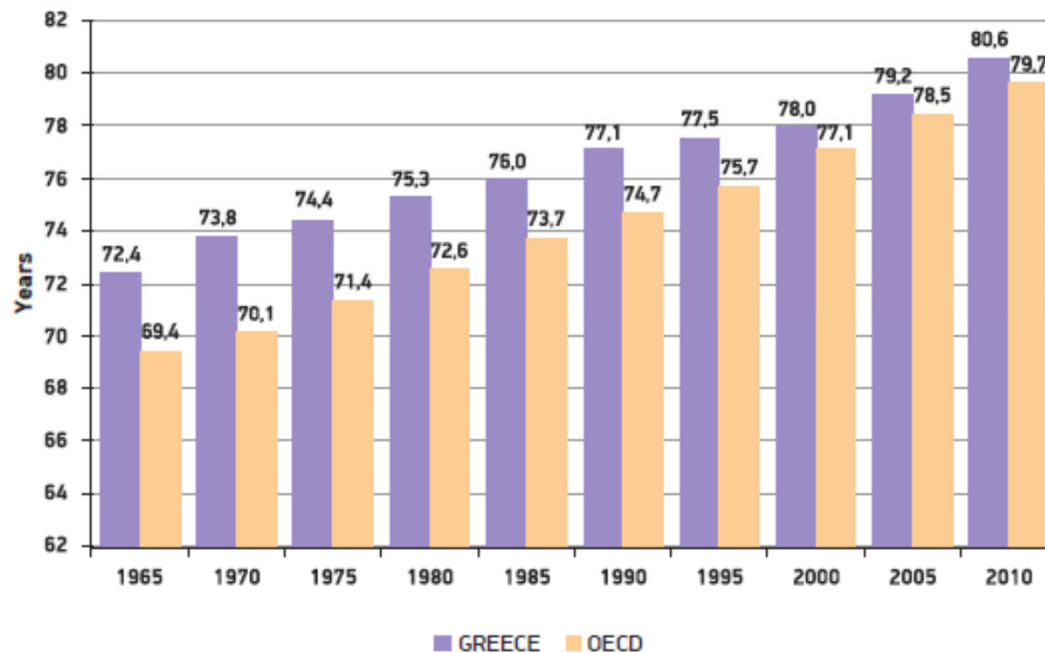
alternative®

«Εκείνοι που είναι τόσο τρελοί ώστε να πιστεύουν ότι μπορούν να αλλάξουν τον κόσμο είναι εκείνοι που τον αλλάζουν»

Steve Jobs, 1997

Innovative medicines have contributed significantly to life expectancy and quality of life

Figure 2: Evolution of life expectancy at birth in Greece and in the OECD countries



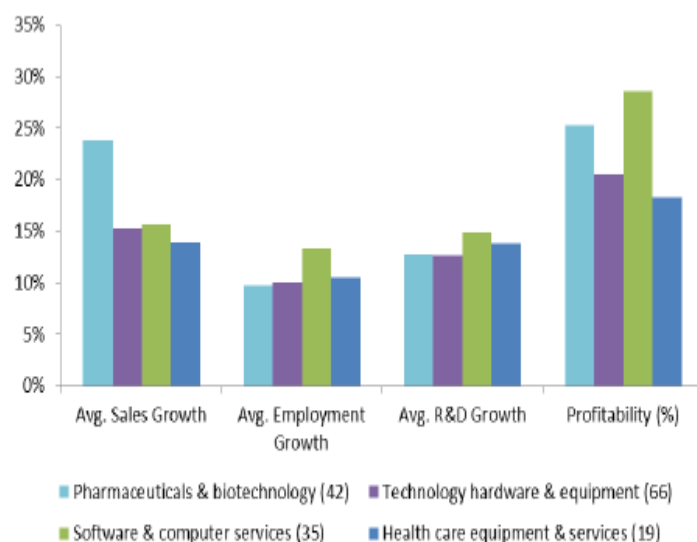
Source: OECD, Health Data 2012

- 100 years ago life expectancy was 47
- 80s/90s; new drug launches contributed 40% to increase life expectancy*
- Demand for new medicines as high as ever (Alzheimer's, diabetes, cancer, etc)

* Frank Lichtenberg 2005

Η Συνεισφορά της Φαρμακοβιομηχανίας στην ανάπτυξη

Figure S.3: High-tech industries' performance indicators

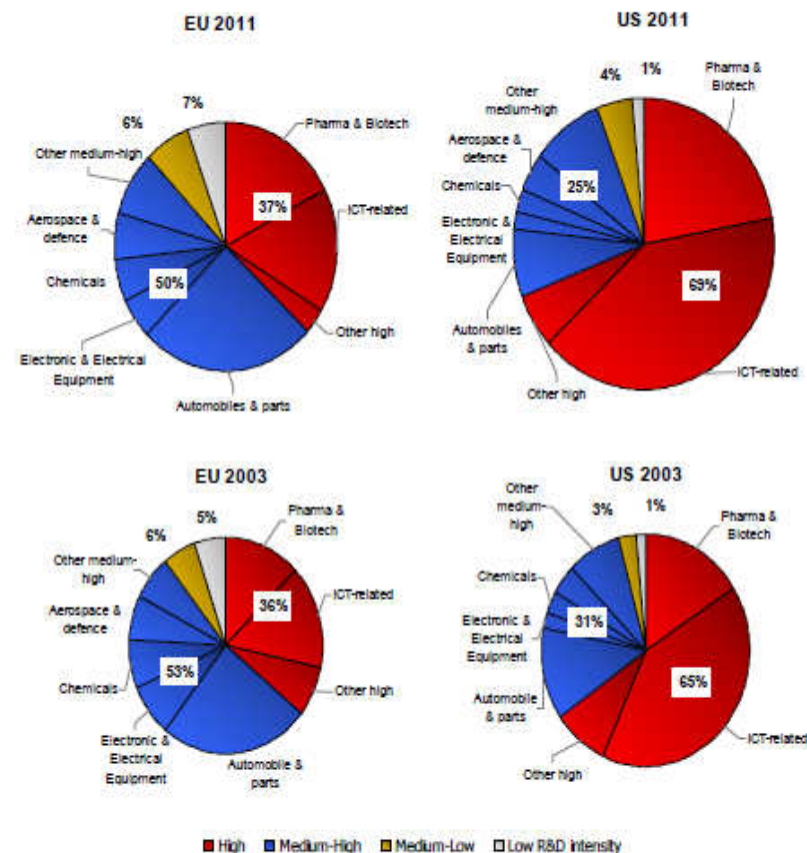


Source: The 2012 EU Industrial R&D Investment Scoreboard, European Commission, JRC/DG RTD.

Note: The figure reports averages of firms' annual growth rates in the respective sectors. Numbers in brackets refer to the number of firms in the respective sectors.

Source: The 2012 EU Industrial R&D Investment Scoreboard
European Commission, JRC/DG RTD.

Figure S.4 R&D investment by main world region and sector group



For a sample of 255 EU and 376 US companies for which R&D investment data is available for all years 2003-11. The area of the pies approximately corresponds to the respective total R&D investment amount.

Sectors are split into four groups according to the R&D intensity of the sector worldwide:

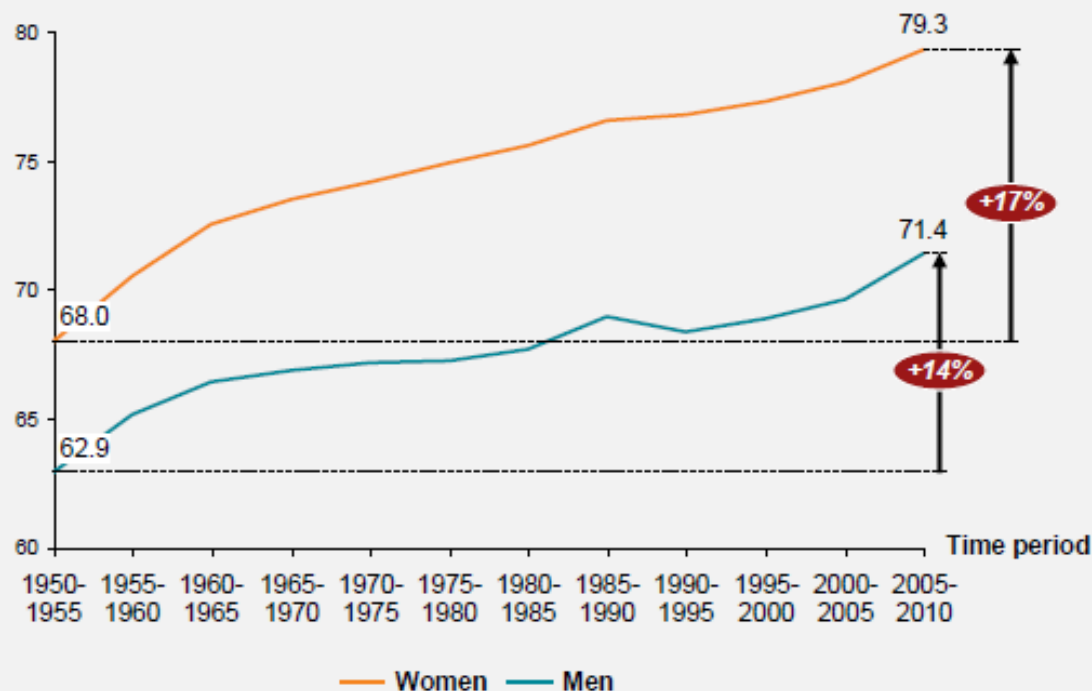
High R&D intensity sectors (R&D intensity above 5%) include e.g. Pharmaceuticals & biotechnology; Health care equipment & services; Technology hardware & equipment; Software & computer services.

Over the last 60 years Europe has made great strides in improving health outcomes resulting in a 14-17 % increase in life expectancy

Life expectancy at birth for EU27 countries (1950-2010)



Life Expectancy
(years)



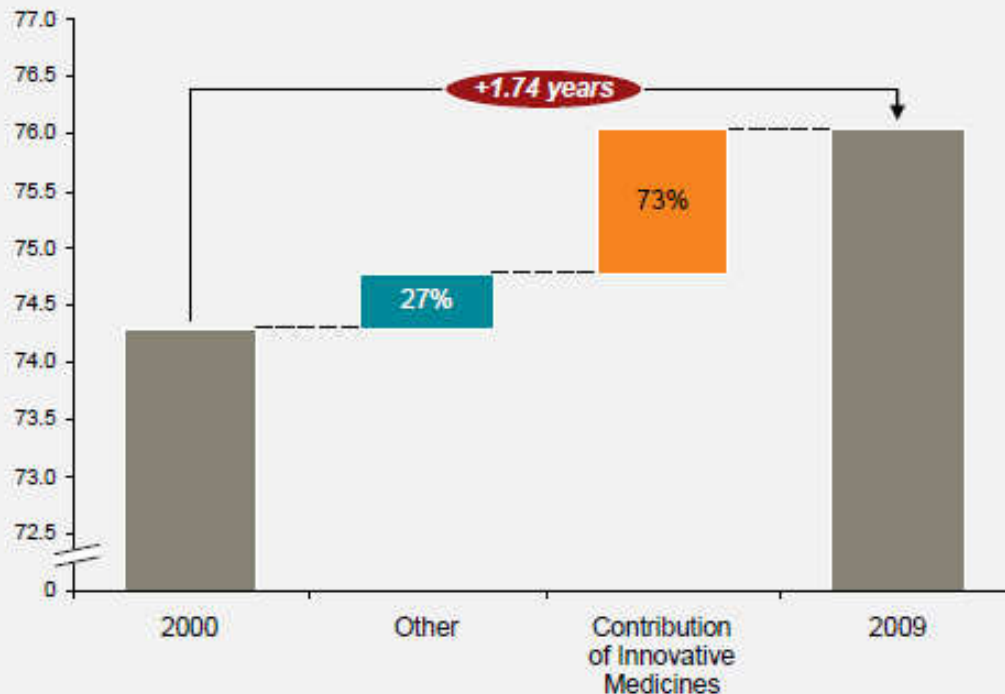
* During the last 60 years, both male and female life expectancies have improved substantially across Europe.

Life expectancy continues to improve today – and medicines usage has made major contribution to recent advances

Contribution of innovative medicines to increase in life expectancy (2004-2009)



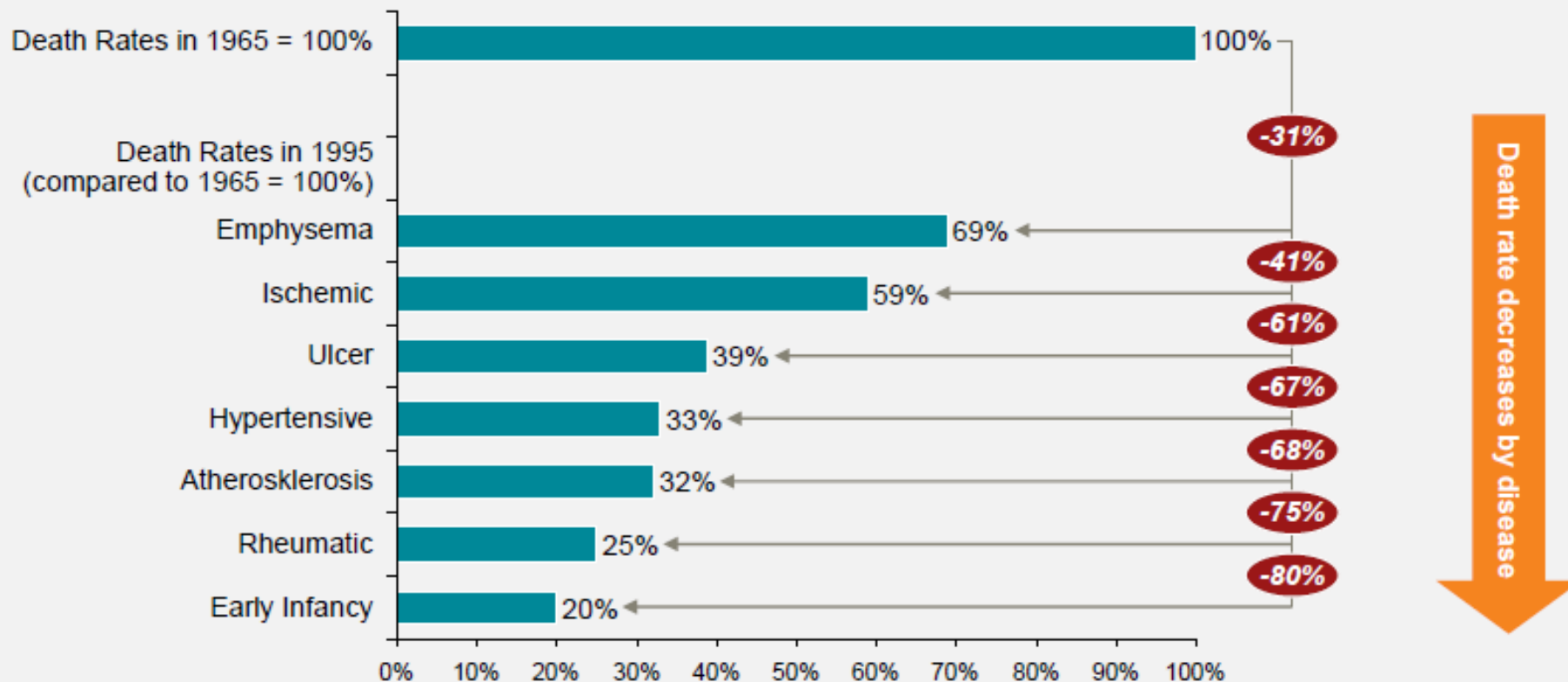
Life Expectancy
(years)



- * From 2000 – 2009, an improvement in population weighted mean life expectancy at birth of 1.74 years was seen across 30 OECD countries.
- * Innovative medicines are estimated to have contributed to 73% of this improvement once other factors are taken into account (e.g. income, education, immunization, reduction in risk factors, health system access).

Medicines innovation has made major contribution to reducing mortality rates in many priority conditions

Death rate decreases for diseases treated with pharmaceuticals 1965 - 1995

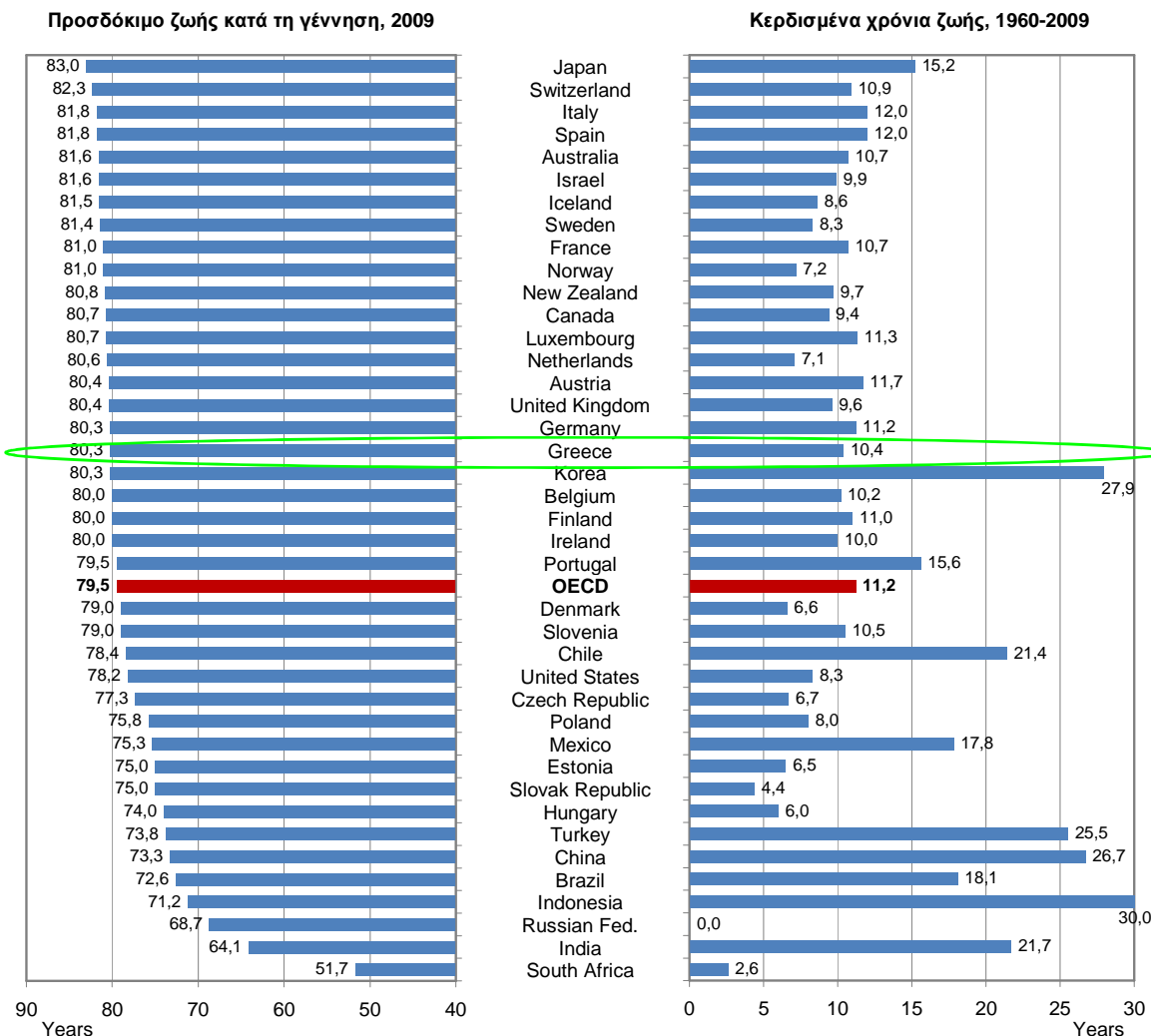


Τα τελευταία 50 χρόνια έχει σημειωθεί αύξηση του προσδόκιμου ζωής κατά 10 χρόνια

Ένα σημαντικό ποσοστό αυτής της αύξησης οφείλεται σε καινοτόμες θεραπείες.

Για παράδειγμα, στη Γερμανία, την περίοδο 2001-2007, το **32%** της αύξησης του προσδόκιμου ζωής οφείλεται στην αντικατάσταση των παλιών φαρμάκων με νέα.

Στον Καναδά, επίσης, η εισαγωγή καινοτόμων θεραπειών τις τελευταίες τρεις δεκαετίες, μείωσε κατά **51%** τη θνησιμότητα του πληθυσμού.



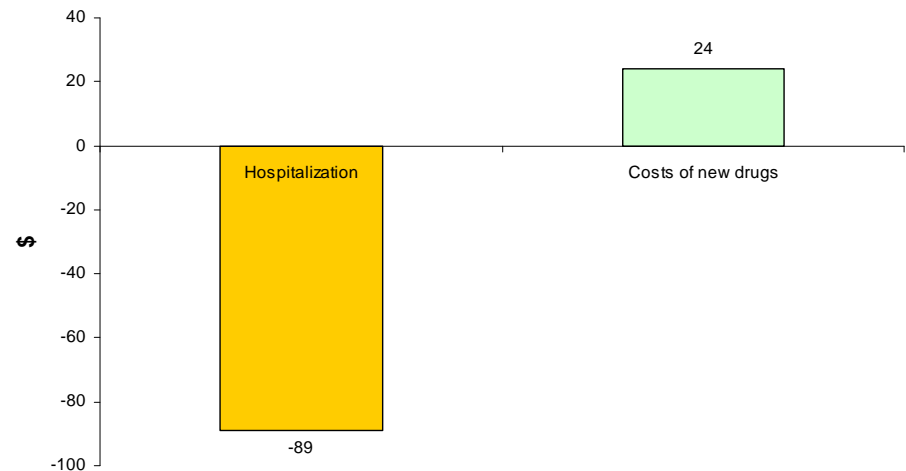
Πηγή: OECD Health Data 2011; Lichtenberg "The contribution of pharmaceutical innovation to longevity growth in Germany and France, 2001-2007" Pharmacoeconomics; Lichtenberg et al. (2009) Value Health, 12(6): p. 847-56;

Η χρήση νέων φαρμάκων μειώνει το κόστος της περίθαλψης

Έρευνα έχει δείξει ότι η χρήση καινοτόμων φαρμάκων για καρδιαγγειακά νοσήματα μειώνει τις μέρες νοσηλείας.

Τα κέρδη από τις μειωμένες νοσηλείες είναι περίπου **3,7 φορές** μεγαλύτερα από τα έξοδα για καινούρια φάρμακα.

Παρόμοια αποτελέσματα ισχύουν και για άλλες νόσους, όπως Alzheimer's, όπου η χρήση νέων φαρμάκων καθυστερεί την πρόοδο της νόσου και μειώνει σημαντικά την πιθανότητα εισαγωγής σε ίδρυμα μετά από 2 χρόνια.

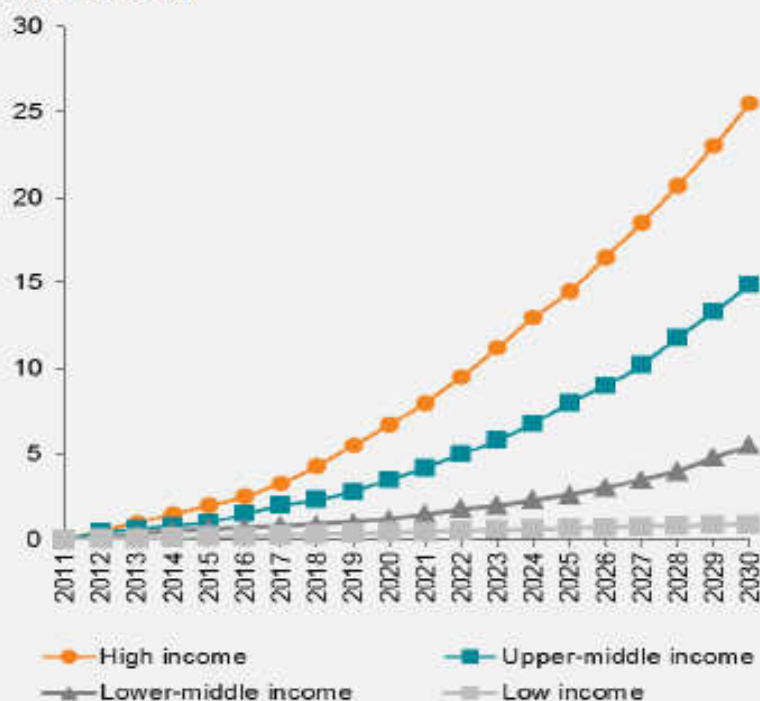


Forecasts show an acceleration in lost output due to illness; high income economies like Europe are the most exposed

Projected Output Losses, 2011 – 2030*
(Breakdown of NCD cost by disease)



Lost output,
trillions (2010 US\$)



Note: NCD = Non-communicable Diseases; Analysis based on EPIC model

Share of Disability Life Years and Healthy Life Years in Europe†

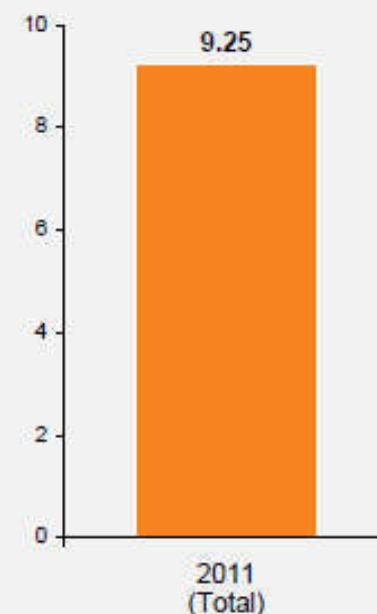


Years



Disability Life Years
Healthy Life Years

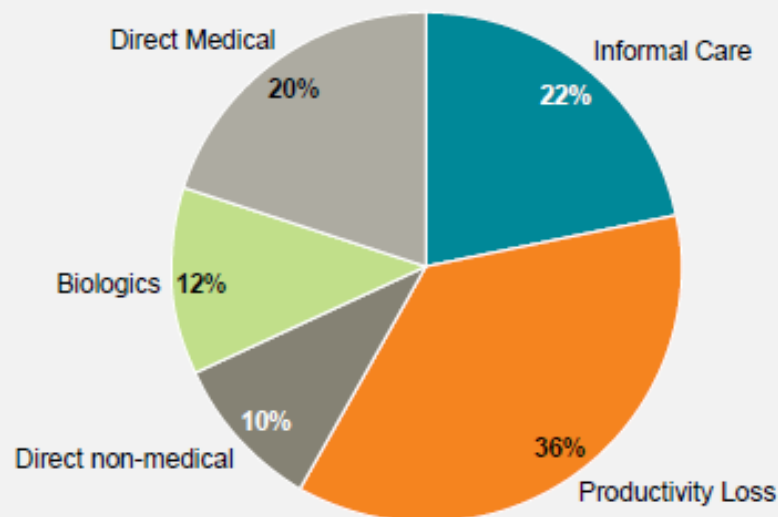
Years (bn)



Disability Life Years

For many diseases the real cost to the system is lost productivity and new medicines are making a difference

Distribution of Multiple Sclerosis cost (EU27 + Norway, Iceland and Switzerland)*

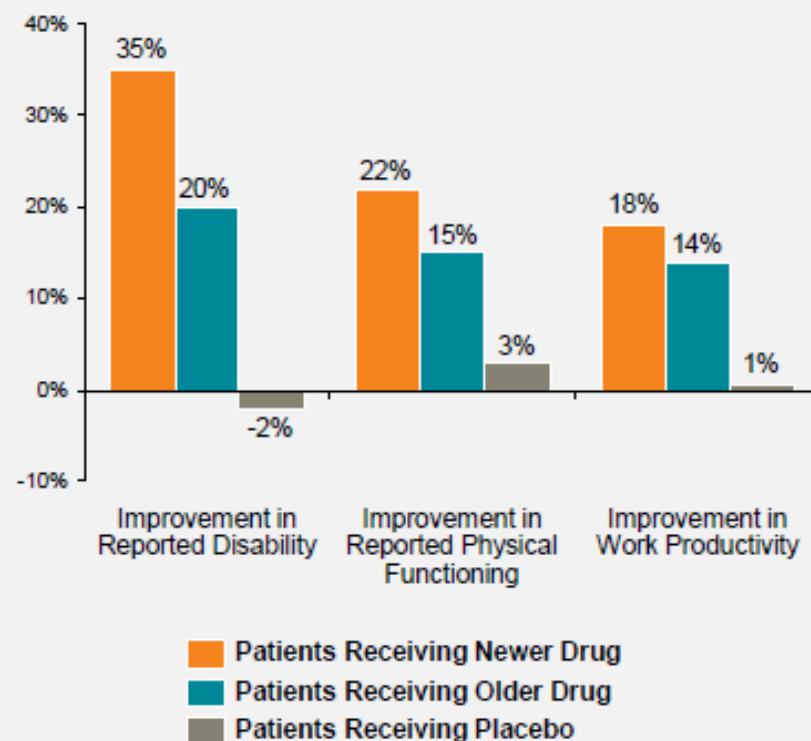


* More than 1/3 of Multiple Sclerosis cost in Europe are due to productivity loss

Arthritis: Improvement in functioning and productivity due to new medicines†

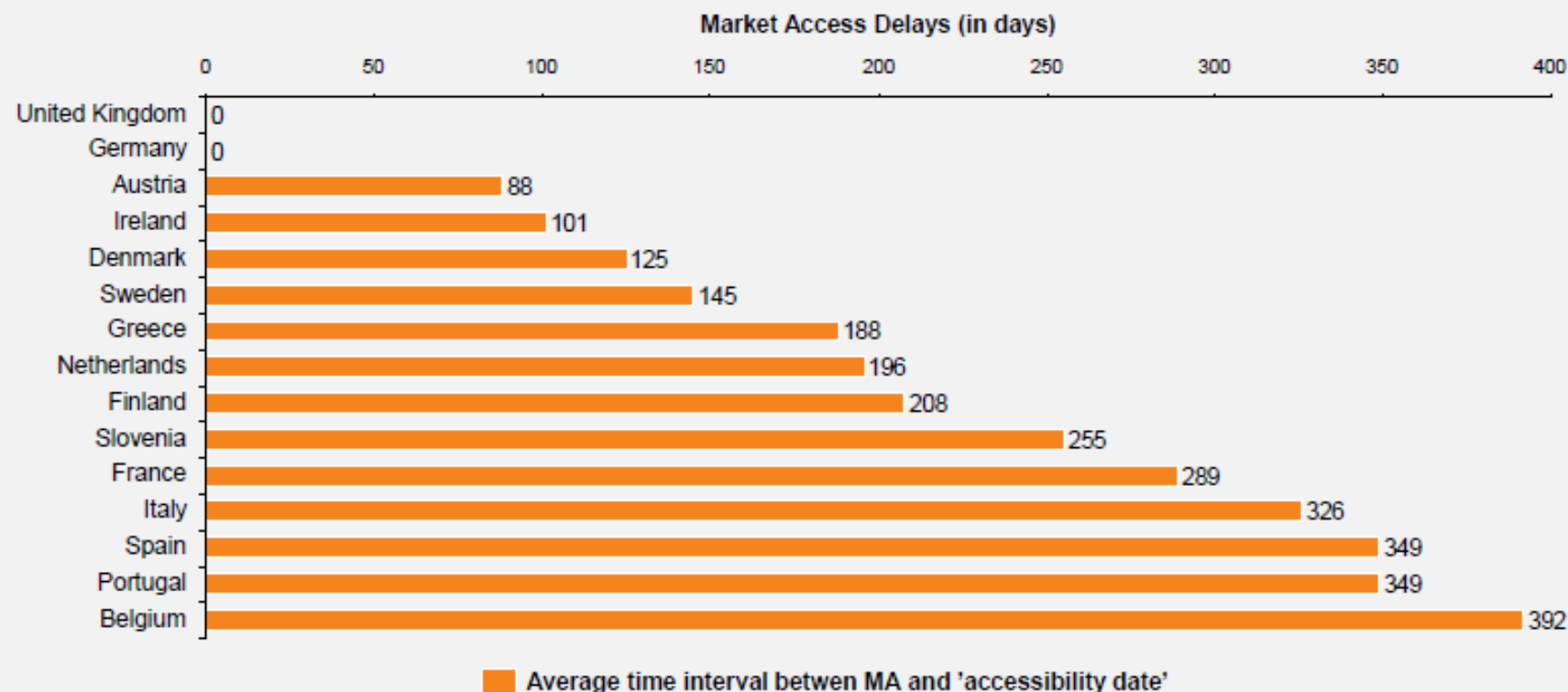


% of patients



There are major lags in patient access once a medicine has received marketing authorisation, of almost one full year in many markets

Average time between MA and 'accessibility date' for medicines with EU MA between 2007 - 2009



Note: Results based on 84 approved medicines in the study period (Medicines with EU Marketing Authorisation from 01.01.2007 to 31.12.2009)

Τι φαρμακευτική πολιτική πετύχαμε;

Europe's public health disaster: How austerity kills



By David Stuckler and Sanjay Basu, special to CNN,
September 9, 2013

Riot police walk past blazing flames in Athens on August 16, 2013, as they clash with protesters during a demonstration.
STORY HIGHLIGHTS

Health experts David Stuckler and Sanjay Basu say that if austerity had been a clinical trial, it would have been stopped. They have analyzed how austerity affects health and have found it drives up suicide, depression and illness rates. They say that inevitable, with history showing stimulus can work better than austerity. The authors

Sanjay Basu

Greece, for example, is in the middle of a public health disaster. To meet budget-deficit reduction targets set by the European Central Bank, European Commission, and International Monetary Fund (the so-called troika), Greece's public health budget has been cut by more than 40%.

As Greece's health minister observed, "these aren't cuts with a scalpel, they're cuts with a butcher's knife." The spending was reduced to 6% of GDP, a figure lower than the UK, at 8%, and Germany, at 9%.

As a result, **HIV infections have jumped by more than 200%** since 2010, concentrated in injection drug users, as needle-exchange program budgets were cut in half. There was a **malaria epidemic in Greece -- the largest in 40 years** -- after mosquito-spraying budgets were slashed.

More than 200 essential medicines have been de-stocked from some pharmacies as the state's drug budget was reduced and pharmaceuticals companies exited the country in arrears.

Since 2008 there has been a rise of **more than 40% of people who report being unable to access healthcare** that they believe to be medically necessary, the majority concentrated in pensioners.

As patients cannot afford private care and forego preventive care, public sector hospitals have experienced a **24% rise in hospital admissions**. Doctors and clinics are therefore overstrained. **Infant mortality rates have risen 40% between 2008 and 2010.**

German FM: Greece needs until 2022

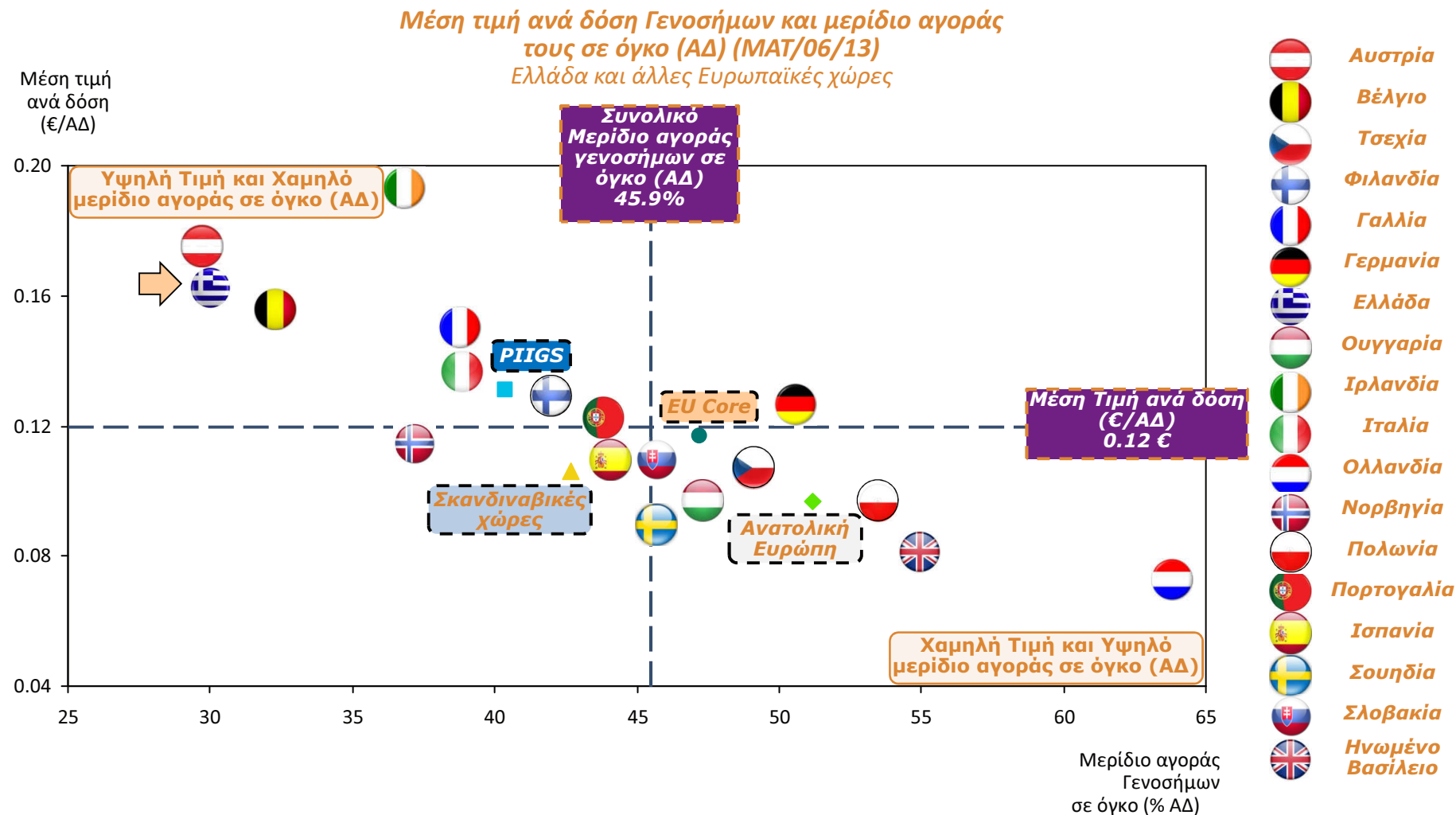
With little hope for the future, desperate people are turning to cheap, synthetic drugs. Use of anti-depressants has skyrocketed, adding costs to the healthcare system. Suicide rates, previously among

Τι φαρμακευτική πολιτική θέλουμε;





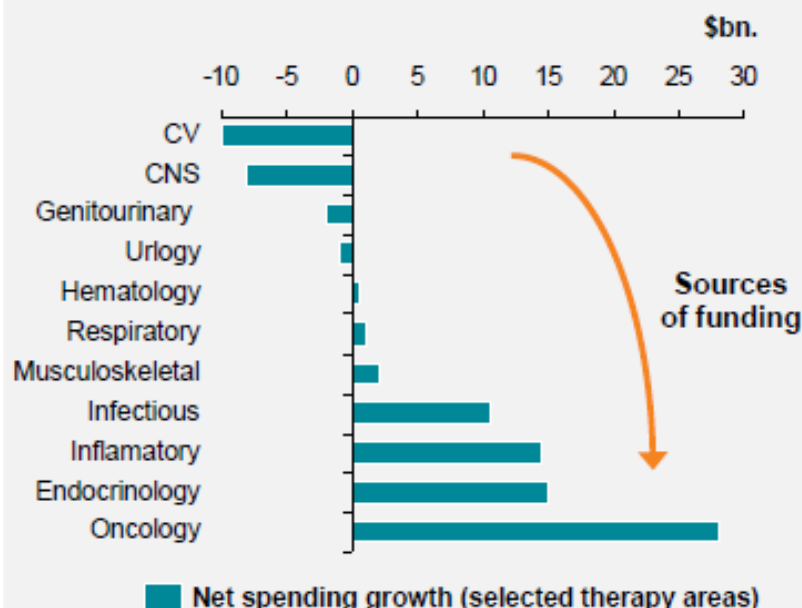
Μεγάλα περιθώρια αύξησης της διείσδυσης γενοσήμων στην αγορά (σύγκριση Ελλάδας με Ε.Ε.)



1. Σε τιμές χονδρικής
Πηγή: Δεδομένα IMS (ΜΑΤ/06/13); IMS Management Consulting ανάλυση

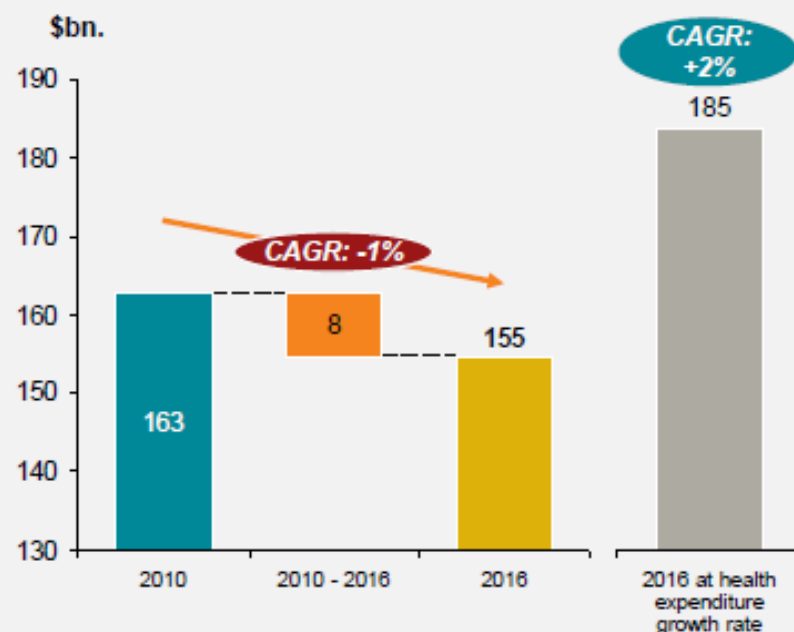
Generic expiries will continue to create headroom for innovation in Europe, while ensuring the medicines bill stays in control

Net effect of new launches, core sales and patent expiries 2010 – 2016*



* The current generation of generic expiries in community care is funding headroom for new technologies

Forecast medicines spending (2010-2016)†



* If governments continued to fund medicines at the same rate as health expenditure, \$30bn extra funding for medicines would be available for medicines investment

Source: * A.T.Keamey analysis based on Datamonitor: Pharma and Biotech Outlook to 2016 (2012); † IMS Health: The Global Use of Medicines, July 2012 (2012)



Figure 3: The pharmaceutical value chain



Source: PricewaterhouseCoopers

Figure 4: The healthcare payer value chain



Source: PricewaterhouseCoopers

Note: Our diagram represents the key activities in the payer value chain, not the entity that performs a specific activity, since this clearly varies from one healthcare system to another.

Figure 5: The healthcare provider value chain

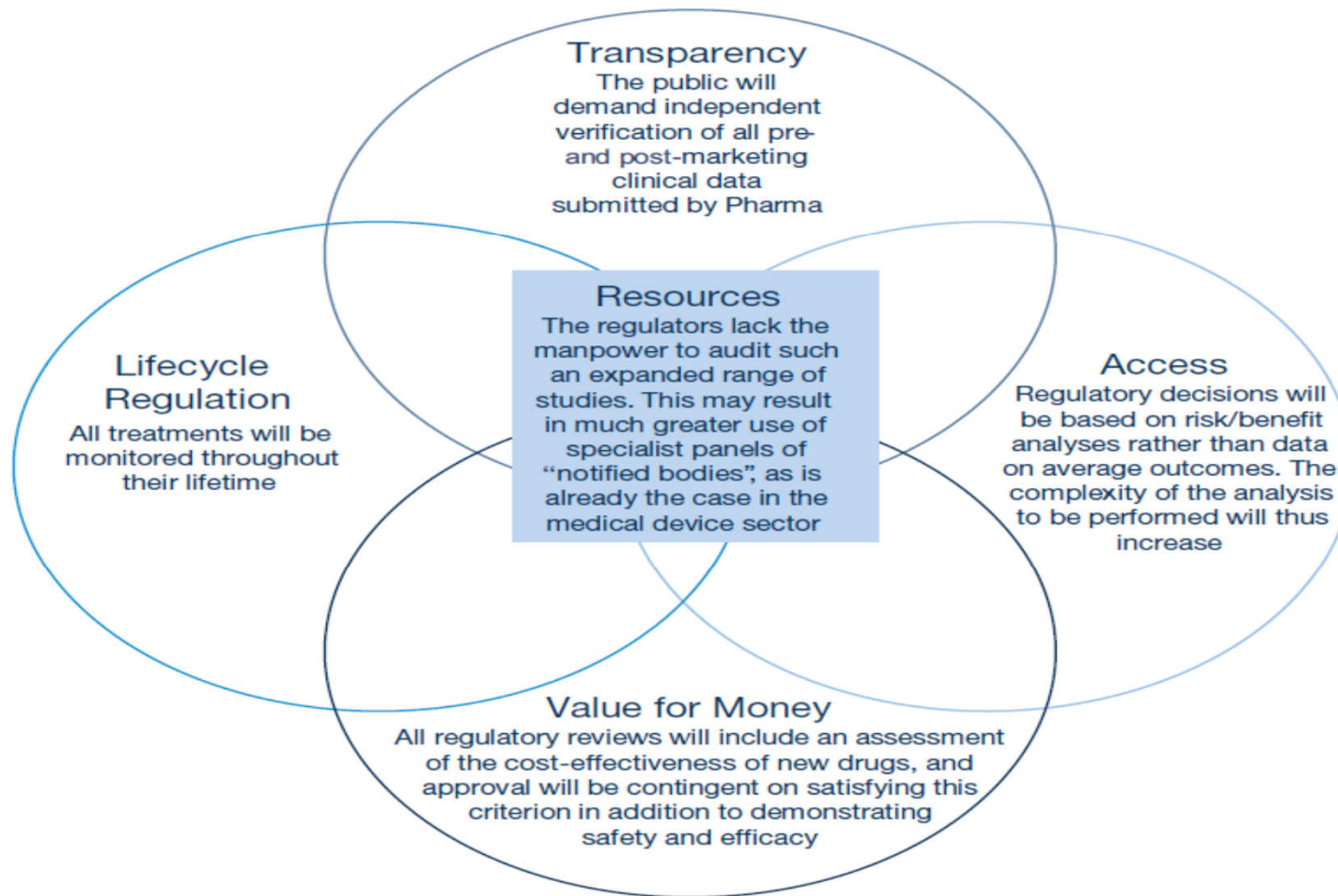


Source: PricewaterhouseCoopers

Note: Our diagram represents the key activities in the provider value chain. Again, different entities perform different activities in different healthcare systems.

Value for money

Figure 15: New auditing bodies and processes will be required



Καινοτομία



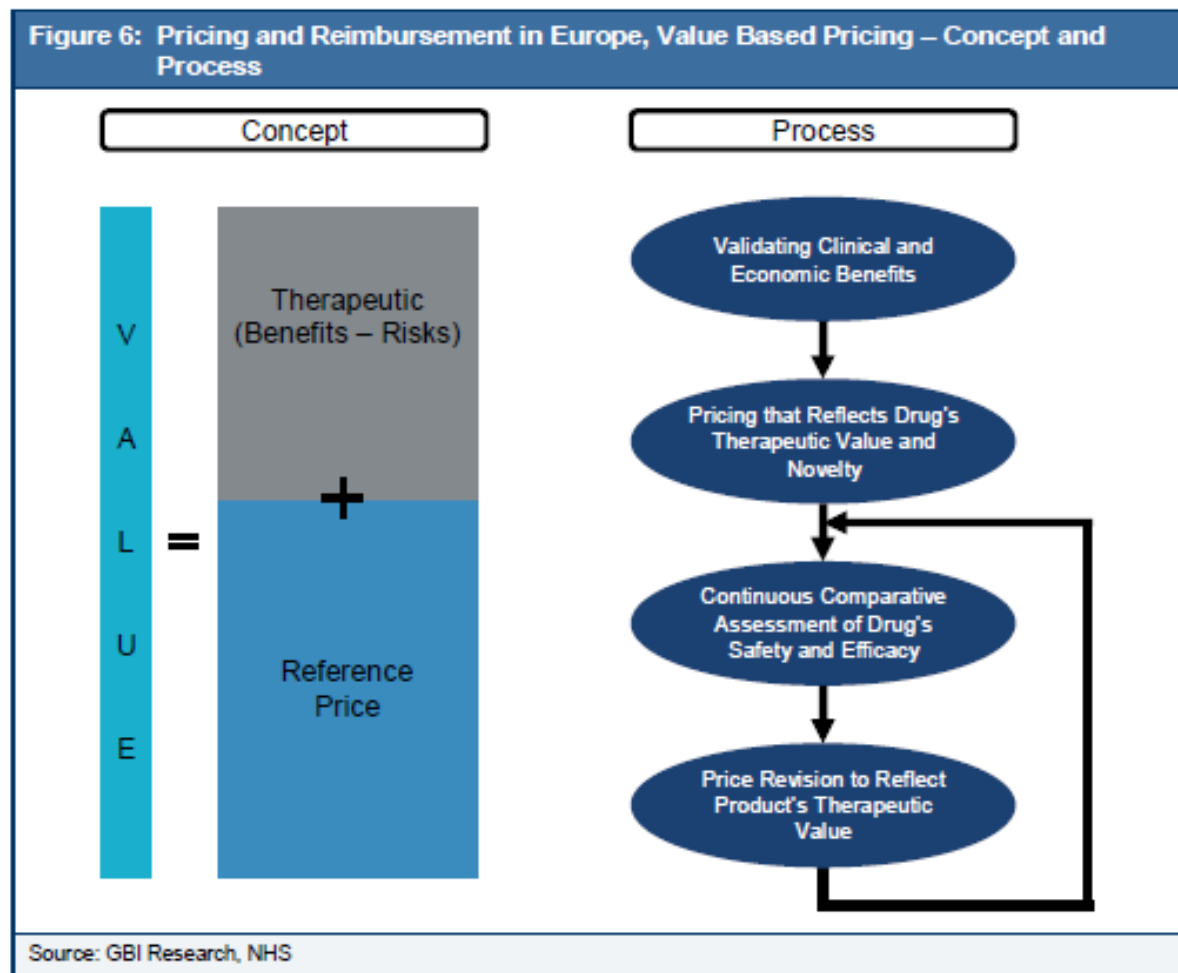
Όραμα φαρμακευτικής καινοτομίας

Η απρόσκοπτη πρόσβαση των ασθενών σε νέες καινοτόμες θεραπείες για μία υγιή και δεοντολογική φαρμακευτική βιομηχανία η οποία συνεισφέρει θετικά στην Ελληνική οικονομία και κοινωνία



PhARMA
Innovation Forum Greece

Επαναπροσδιορισμός της ΑΞΙΑΣ



Αξιολόγηση Τεχνολογιών Υγείας (Health Technology Assessment - HTA)

ΤΙ ΕΙΝΑΙ Η ΑΞΙΟΛΟΓΗΣΗ ΤΕΧΝΟΛΟΓΙΩΝ ΥΓΕΙΑΣ;

Αξιολόγηση Τεχνολογιών Υγείας (HTA): Η συστηματική αξιολόγηση των ιδιοτήτων, αποτελεσμάτων ή/και άλλων συνεπειών της ιατρικής τεχνολογίας

International Society of Technology Assessment in Health Care, 2002

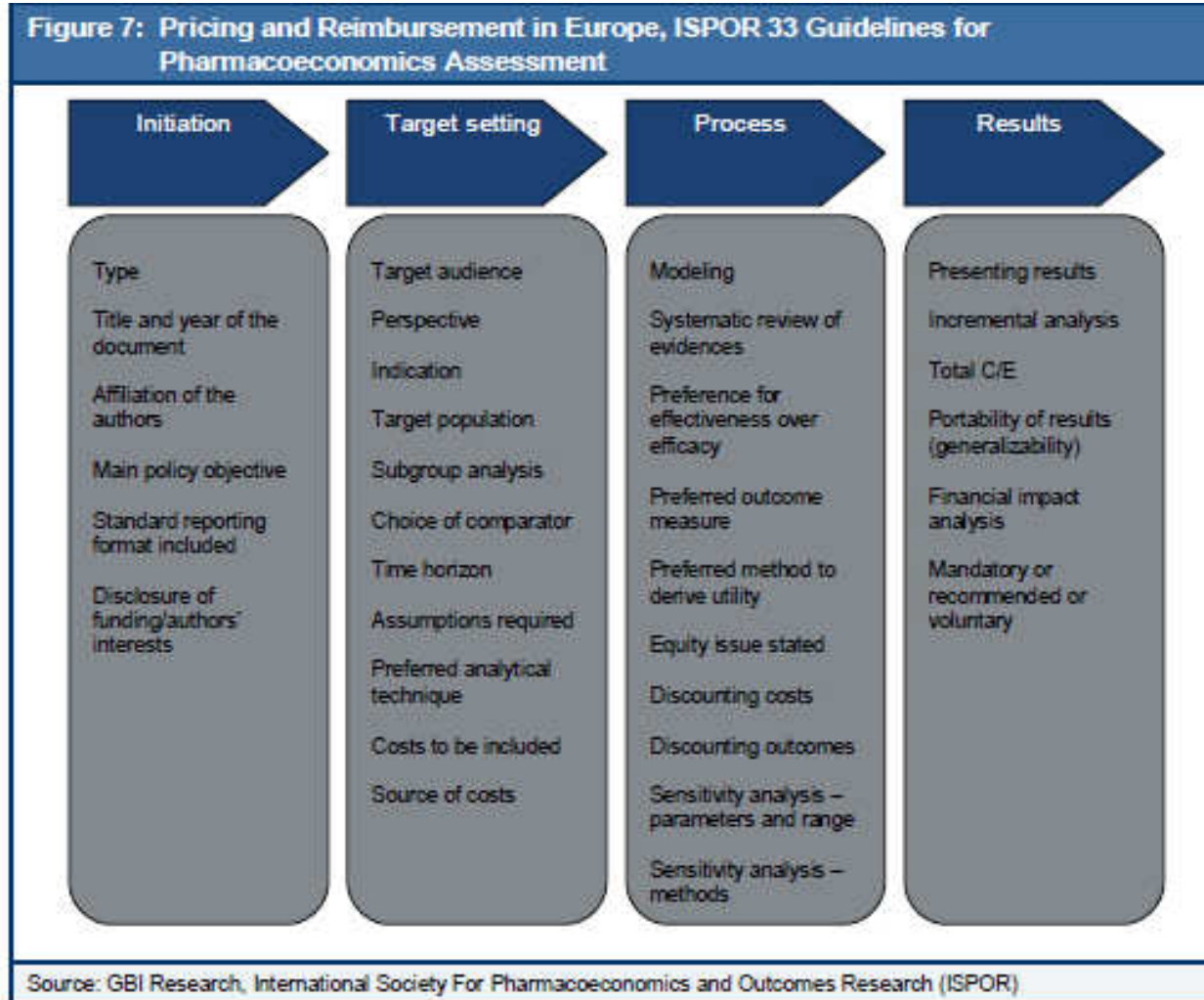
ΠΟΥ ΚΑΙ ΑΠΟ ΠΟΤΕ ΕΦΑΡΜΟΖΕΤΑΙ;

Οι πρώτοι οργανισμοί HTA εμφανίστηκαν στις **αρχές του '90** και σήμερα πάνω από **30** χώρες στον κόσμο εφαρμόζουν διαδικασίες αξιολόγησης των τεχνολογιών υγείας.

ΓΙΑΤΙ ΕΙΝΑΙ ΣΗΜΑΝΤΙΚΗ;

Χρησιμοποιείται για τη λήψη αποφάσεων σχετικά με **τιμολόγηση, αποζημίωση** (κατανομή των πόρων) και **θεραπευτικά πρωτόκολλα** (κατάλληλη χρήση)

Οικονομική Αξιολόγηση



Οι Ασθενείς στο επίκεντρο

Role of patients' associations



First of all:

See what the patients' needs are, how those needs can be covered, and take the steps to provide the most suitable support.

What does a patient need and how it relates to pricing and reimbursement?



Ενώ παλιότερα δεν γινόταν...



Τώρα γίνεται!



Η ιστορία (μας) δεν μας εξασφαλίζει στο μέλλον...

Όρκος του Ιπποκράτη

Η υπόσχεση για το δυνατόν
καλύτερο για τον ασθενή



Ολιστική σκέψη

Τα σύνθετα προβλήματα
χρειάζονται ολιστικές
προσεγγίσεις

Καινοτόμος ιατρική

Η καινοτόμος σκέψη είναι το
θεμέλιο της συνεχιζόμενης
προόδου

**...αλλά οι θεμελιώδεις αρχές
είναι η καλύτερη πυξίδα.**