АСОЦИАЦИЯ НА НАУЧНОИЗСЛЕДОВАТЕЛСКИТЕ ФАРМАЦЕВТИЧНИ ПРОИЗВОДИТЕЛИ В БЪЛГАРИЯ

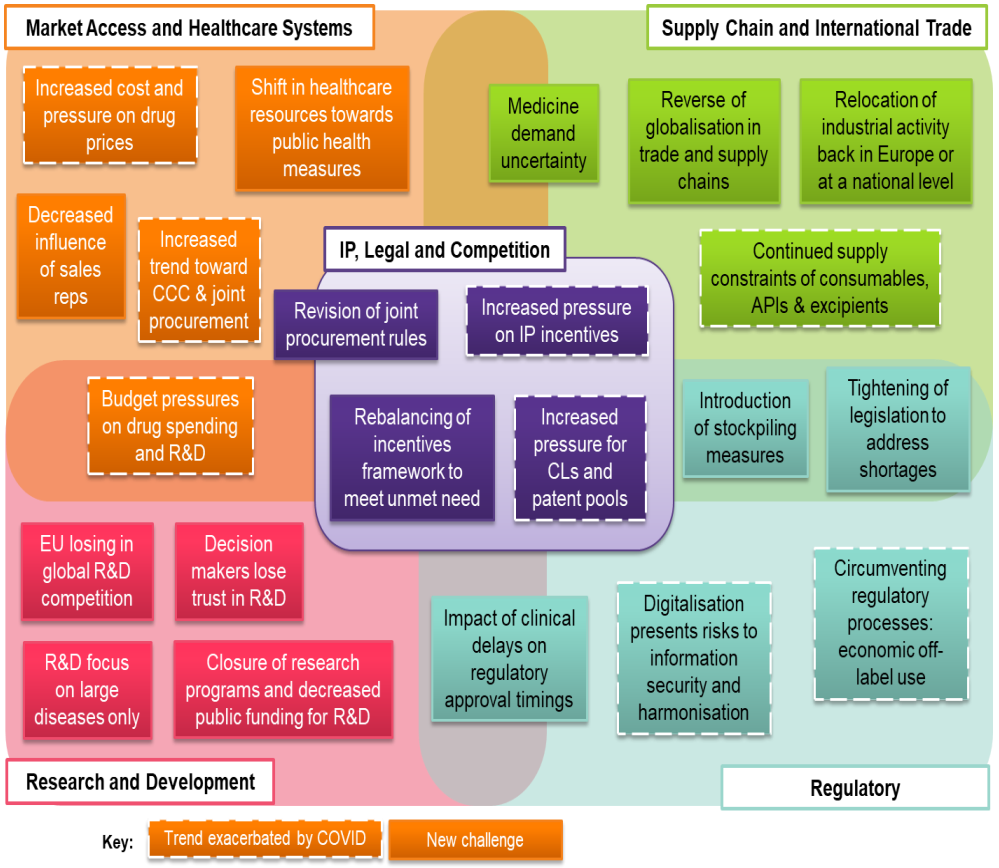
ARPharM Съвременни решения за българския пациент

„Current Challenges in Healthcare and plan ahead “

AmCham Healthcare Committee Meeting
24th of June 2020,
Deyan Denev, Director ARPharM

Most important challenges facing the industry resulting from the COVID-19 crisis

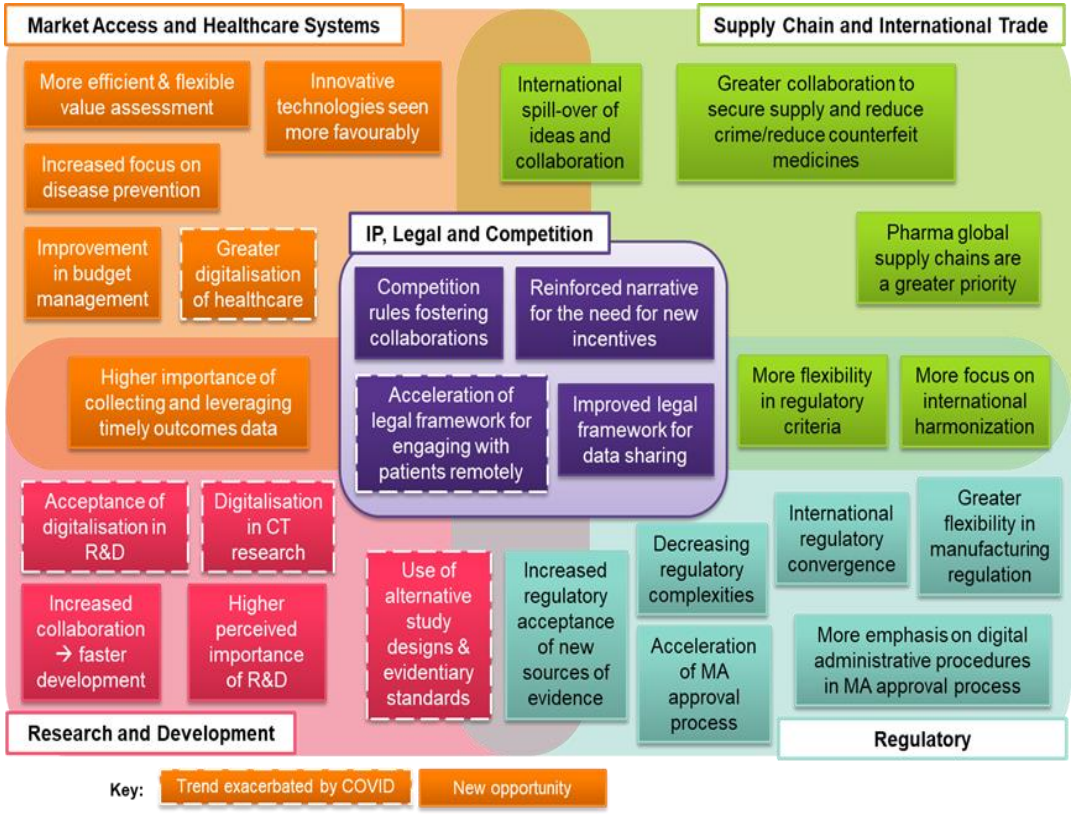
- **Pressure on drug prices and greater use of cost containment delaying reimbursement**
- **Increased trend toward cross country collaboration and joint procurement**
- **Shift in resources within healthcare**
- **Lower impact of sales force**
- Reverse globalisation/resurgence of protectionism
- **Relocation of industrial activity and continued supply constraints**
- Data security risks due to acceleration of digitalisation
- **Increase use of repurposing, economic off-label use, and hospital preparations**
- Increased pressure on [all] IP incentives incl. greater use of CL and patent pools
- Shifting public R&D priorities and strings attached to funding



Particularly relevant for CEE Region

Key opportunities resulting from the COVID-crisis to improve resilience of healthcare § guarantee sustainability of access to medicines

- **Innovation in healthcare is seen more favourably**
- **Increased focus on disease prevention, early diagnosis and screening**
- **Trend toward greater digitalisation of healthcare and telemedicine**
- **Importance of timely data collection highlighted**
- **Greater recognition of the importance of global supply chains in healthcare**
- **Potential for greater collaboration to secure supply and reduce crime**
- Decreasing regulatory complexities and increased flexibility in approval process
- Increased collaboration in R&D and openness fostering faster development
- Increased trend towards digitalisation in clinical trials and research
- Greater understanding of R&D model



Particularly relevant for CEE Region

Economic forecast for Bulgaria (European Commission Spring 2020)

Indicators	2019	2020	2021
GDP growth (%, yoy)	3,4	-7,2	6,0
Inflation (%, yoy)	2,5	1,1	1,1
Unemployment (%)	4,2	7,0	5,8
Public budget balance (% of GDP)	2,1	-2,8	-1,8
Gross public debt (% of GDP)	20,4	25,5	25,4
Current account balance (% of GDP)	5,2	3,3	5,4

The Commission publishes a full set of macroeconomic forecasts for the EU and its Member States in spring (May) and autumn (November) and publishes interim forecasts updating GDP and inflation figures in winter (February) and summer (July). These forecasts are produced by the Directorate-General for Economic and Financial Affairs (DG ECFIN).

Focus on Bulgaria

Key Threats / challenges

NEGATIVE BUDGET IMPACT

- Freeze/Decrease of resources (both public and out-of-pocket) as a result of economic crisis
- De-prioritisation of innovative medicines

PRICING & REIMBURSEMENT:

- More cost-containment, e.g. Pharma budget freeze (industry paying for growth/deficits)
- Increased pressure on drug prices/individual discounts

ACCESS TO CARE

- Delays in diagnosis (Screening impeded), new patients' treatment postponed
- Disruption of on-going therapies
- Prescribe for less policies

HEALTH POLICY

- De-prioritization of other sensitive disease areas (oncology, rare diseases …)
- Lack of political leadership
- Trend towards quick fix vs LT vision

Key opportunities

BUDGET IMPACT

- Increased HC budget (however allocation might go to wages and infrastructures)

HEALTH POLICY

- Healthcare higher on po agenda: prevention, infrastructure, improved organization and efficiency
- Digitalization (telemedicine, eHealth) supporting transition towards value-based HC (data)
- More remote patient journey

INDUSTRY ROLE

- Trust. Industry perceived as a key partner, increased collaboration
- Innovation more valued

Proactively advocate for 2021-2023 healthcare and pharma budgets increase

Support policies for additional sources of health funding	• Taxes on alcohol, tobacco, others streamlined to Healthcare • New mandatory health insurance • Increase of health insurance tax (currently 8%) • **European COVID-19 funds**
Support policies on mobilizing existing reserves	• Digitalisation - eliminate waste in healthcare system • Decrease citizens without healthcare coverage • Healthcare coverage on actual income • Increase of ceiling/minimal insurance income
Activities:	• ”Together for More Health” campaign & coalition • High level meetings & forums • Embassies engagement • Support active & credible PAGs

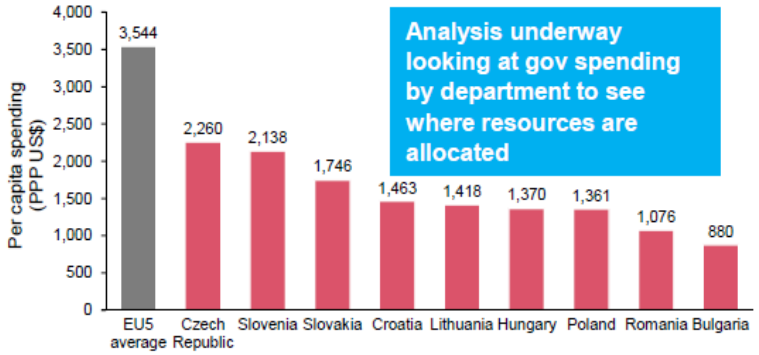
Healthy society is the cornerstone of strong & prosperous economy

… but public healthcare spending in the CEE countries is still less than in the EU5 – both in absolute terms and as a share of GDP

Whilst absolute spending on healthcare has grown, its share of GDP has remained flat

To add Lithuania

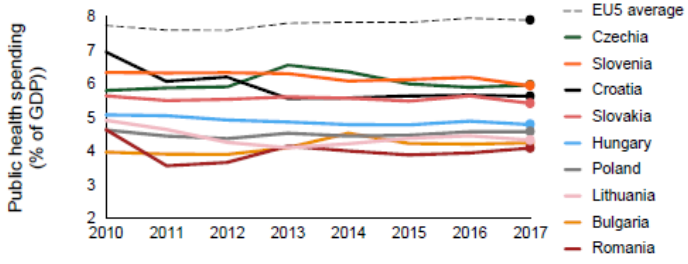
Public health expenditure per capita (2017)



Analysis underway looking at gov spending by department to see where resources are allocated

On average, CEE countries spent **57%** less per person on healthcare than the EU5 (on a PPP basis). In absolute terms, this is a difference of **over $2,000 per person**. Within the CEE, the top performer, Czech Republic spent 36% less than the EU5 per person, whilst the worst performer, Bulgaria spent **under 1/4** of the EU5 average.

Public health expenditure as a % GDP (2010-2017)



Whilst absolute healthcare spending per capita has grown in the CEE in recent years, spending as a proportion of GDP has remained relatively flat, falling from an average of **5.3%** in 2010 to **5.0%** in 2017. This is significantly less than the EU5 average of **7.9%**

Average public health expenditure on a 17 year old born in 2000

1	EU5 average	$54,625
2	Slovenia	$34,295
3	Czech Republic	$32,823
4	Croatia	$24,957
5	Slovakia	$23,877
6	Hungary	$21,836
7	Poland	$17,462
8	Romania	$13,671
9	Bulgaria	$11,321

Calculated by summing average PPP per capita spend (constant 2017 prices) between 2000-2017

The lack of under-investment in healthcare accumulates over time. By the time a child born in year 2000 reaches 17 years old, the total public healthcare funding spent would be much higher in the EU5 than CEE countries (e.g. 79% higher in EU5 than in Bulgaria)

Sources: PwC analysis of WHO (1.) and OECD (2.) data (left hand charts) and PwC analysis of OECD data (right hand chart)

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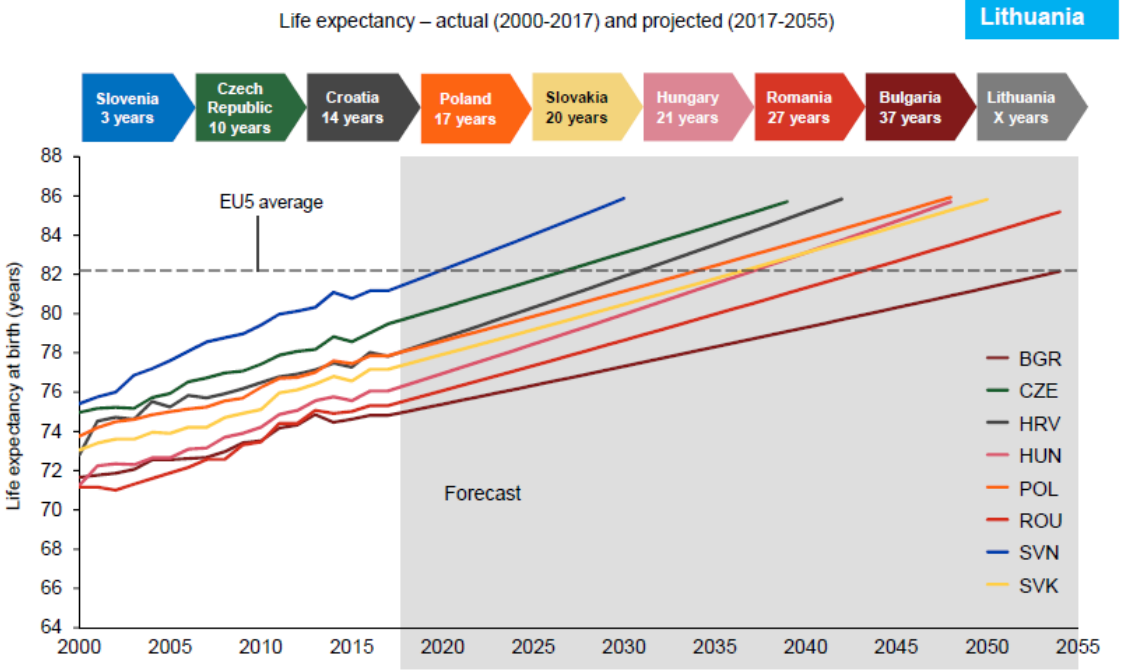
Bulgaria LE will reach current EU 5 levels in 37 years at current rate of improvement

It will take many years for health outcomes in the CEE countries to converge to those of the EU5 at the historic rate of improvement

Although significant variation exists across CEE countries

To add Lithuania



Assuming that life expectancy increases are sustained at their current 5-year average growth rate, it would take the CEE countries an average of **19 years** to reach the current EU5 average. This is also likely to be an underestimate of the length of time to catch up to the EU5, as this does not account for future growth in EU5 life expectancy or any potential diminishing returns from investment in health outcomes.

Again, within this there is very significant variation across CEE countries, with Slovenia already almost at parity, whilst Romania is not projected to catch up to the EU5 until the mid 2040s, and Bulgaria the mid 2050s.

These projections are based upon the historic growth rate. Ceteris paribus, in order to reduce the projected catch up period, healthcare spending would have to grow at a faster rate than it has been over the past 5 years.

Innovations in medicine are needed more in pandemic situation

New drugs & treatment help cure & control non-communicable diseases thus make patients less vulnerable to COVID-19

Together for More (Investment in) Health – authorities, stakeholders, economic think-thanks, sociological agencies

ЛЕКАРИ И ФАРМАЦЕВТИ ИСКАТ 10% ОТ АКЦИЗИТЕ ДА ОТИВАТ ЗА ЗДРАВЕ

11 ДЕКЕМВРИ / РЕДАКТОР

Онлайн медия: capital.bg;
Автор: Десислава Николова

Общо 86% от българите смятат, че държавата трябва да отделя повече за здраве, но не...

ПРОЧЕТИ ПОВЕЧЕ

ПРОФ. ИЛКО ГЕТОВ: АПТЕКАТА МОЖЕ ДА СЕ ПРЕВЪРНЕ В ЦЕНТЪР НА ЗДРАВЕТО

11 ДЕКЕМВРИ / РЕДАКТОР

Онлайн медия: Investor.bg

Превръщането на аптеката в център на здравето с лесен достъп до медицински специалист, както и бързият достъп до фармацевтични услуги в...

ПРОЧЕТИ ПОВЕЧЕ

50% ОТ ХОРАТА, ЛЕЖАЛИ В БОЛНИЦА, СА ДОПЛАЩАЛИ

10 ДЕКЕМВРИ / РЕДАКТОР

Онлайн медия: bnr.bg

50 на сто от хората, лежали в болница, са доплащали за медицинска помощ - сочат данните на социологическо проучване на агенция "Тренд", проведено сред 1006 души в...

ПРОЧЕТИ ПОВЕЧЕ

ТОМИСЛАВ ДОНЧЕВ: НЕОБХОДИМ Е ЕКСПЕРТЕН И ОБЩЕСТВЕН ДЕБАТ

02 ДЕКЕМВРИ / РЕДАКТОР

Необходим е експертен и обществен дебат за здравеопазването, каза вицепремиерът Томислав Дончев по време на конференция "Заедно за повече здраве". Форумът е организиран от Асоциацията на...

Какви са възможните решения на предизвикателствата в българското здравеопазване?

• Създаване на цялостна **секторна стратегия и политики** в здравния сектор, насочени към растеж и развитие.

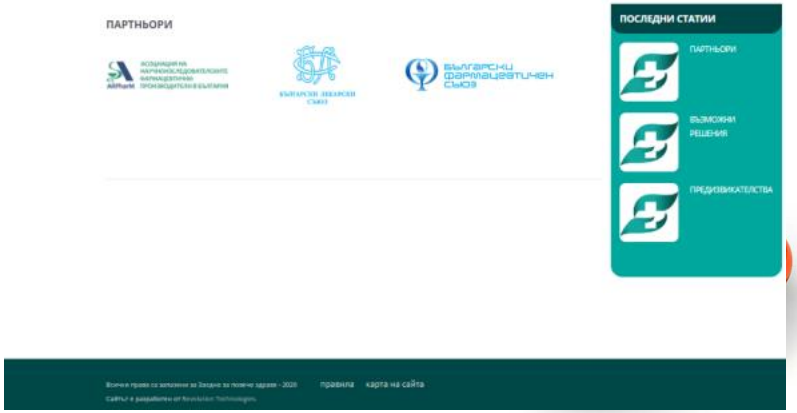
• Развитие на **благоприятна екосистема в здравеопазването**, която да подкрепи растежа и развитието в сектора.

• Развитие на нови **умения** и **компетенции** във всички заинтересовани страни в здравния сектор, насочени към новите тенденции в здравния сектор.

•Инвестиции в **иновативни и ефикасни здравни технологии** (вкл. дигитални решения).

•Описание, анализ и оптимизация (вкл. дигитализация) на **„бизнес" процесите в здравеопазването**.

•Създаване на **здравен продукт** (в т. ч. експортен) с реализирана висока добавена стойност.



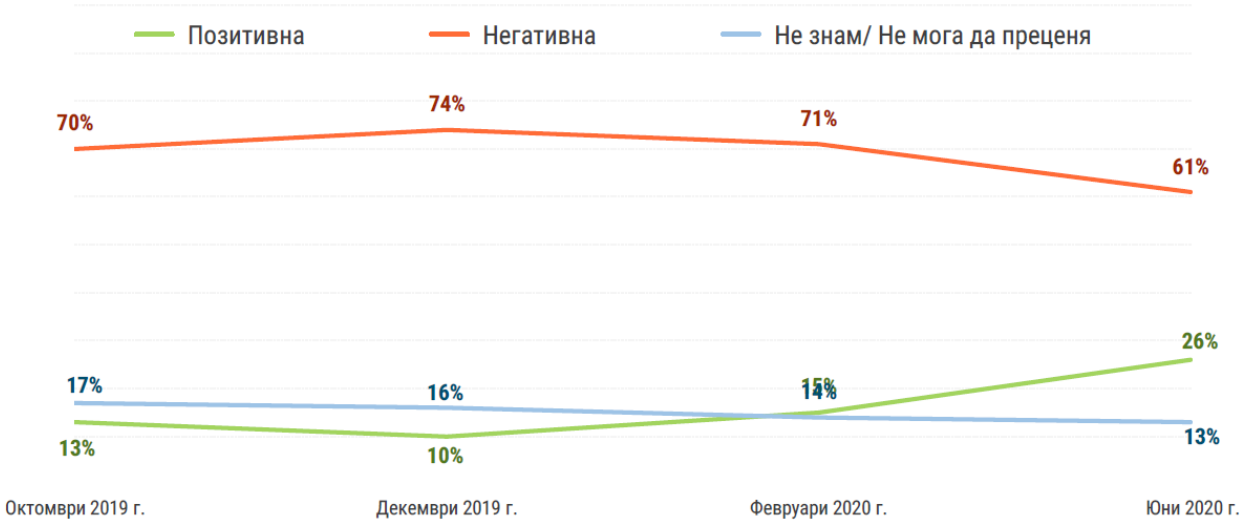
Is the political importance of healthcare increasing?

Според Вас лично в последните години българската здравна система в позитивна или негативна посока се развива?

Спонтанен отговор

Един отговор

База: 1008 респондента



EKIP draft analysis 2020

Таблица 2: Фискално пространство за България през 2020 г.

Източник на фискално пространство	Ключова информация	Перспективи за фискално пространство
Подходящи макроикономически условия	Отрицателен ръст на БВП за 2020 г. (-7,2%); Инфлация от 1,1%; Безработица от 7%;, Ръст на външния дълг (25,5% от БВП);	Слаби
Преразглеждане на приоритетите на държавния бюджет с фокус върху здравеопазването	През 2019 г. държавата е заделяла 4,4% от БВП за здравеопазване. Проектно за 2020 г. е заложено увеличение от 0,1%;	Ограничени
Увеличение на специфичните за здравния сектор ресурси	Съгласно Закон за здравето, чл. 53, ал. 2, т. (3) 1% от акцизните приходи се заделят за финансиране на националните програми за ограничаване на употребата на тютюневи и свързани с тях изделия, злоупотребата с алкохол и недопускане употребата на наркотични вещества. Не е обсъждано допълнително увеличение;	Добри
Безвъзмездна помощ за здравния сектор	Помощ от ЕК за справяне с КОВИД	Ограничени
Повишаване на ефективността на съществуващите публични разходи за здравеопазване;	Неефективността на системата на здравеопазване и тази на публични финанси предотвратява възможноста ресурстите да бъдат разпределени съгласно нужите на сектора и доставчиците на здравни услуги.	Добри

What do we do?

- Campaign for:
  - ✓ Increased public investment in healthcare regardless of the economic slow down
  - ✓ Improved efficiency of the healthcare sector through digitalisation
  - ✓ Healthcare driven by better healthcare outcomes – life expectancy, healthy life years increase
  - ✓ Pharmaceutical innovation helps cure & control diseases thus patients are less vulnerable to the pandemic
- How to proceed:
  - ✓ Sociological survey on public support for increased health & pharma funding
  - ✓ Economic analysis on the additional sources of health funding
  - ✓ Digital channels – www.zaednozazdrave.org ; ARPharM Linkedin (develop it); youtube.com; partners sites and channels;
  - ✓ Facebook – copywriter, digital content agency, simple messages?
  - ✓ Second National Conference Together for More Health – October 2020

THANK YOU!