Massimiliano Rocchi, Associate VP Italy & Greece – Accord Healthcare



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Accord Healthcare's Massimiliano Rocchi, Associate Vice President, Italy & Greece, explains the Italian generics market's increased level of competition and Italian payers' post-COVID willingness to accept the Most Economically Advantageous Tender (MEAT) concept. He also discusses the company's move towards digitalisation and its ambition to build a bridge between the hospital and retail markets.

Can you begin by outlining your career up to this point?

I started my career as a medical rep back in 1992 with a medium-sized French company, UPSA, where I spent three years as both a rep and later a product manager. From 1999 to 2002 I worked for Bristol Myers Squibb (BMS), before starting my career in generics with an Australian company called Mayne Pharma which was later acquired by Hospira. I then spent two years with Actavis and since 2012 I have been with Accord, recently completing my tenth anniversary with the firm.

How has the Italian generics market changed over the past 20 years?

The market has definitely become more complex and competitive, and the number of companies has skyrocketed from three or four to over 30. This increased level of competition is pushing prices down. Additionally, 20 years ago there were 200 to 300 different customers because every hospital

used to issue a specific tender, but today just 20 regions are issuing tenders. In the past there were hundreds of tenders per year but today there are no more than 20.

Do you regret having left the innovative industry behind?

Not at all! Even in the generic space, there is a lot of room for innovation around complementary devices and administration pathways, all of which ultimately benefit patients. However, the tendering system, where price is often the sole consideration, serves to constrain this innovation. I believe that a more holistic approach, which considers a product's compliance profile and side effects more deeply would be hugely beneficial to patients, with the Most Economically Advantageous Tender (MEAT) offering a real solution for that.

What impact did COVID-19 have on Accord's operations and has the pandemic led to a different approach from the Italian authorities?

Italian payers are significantly more willing than before to consider the concept of MEAT for pharmaceuticals. Pre-COVID, price was the main concern, but because of the issues around supply chains, logistics, and continuity that the pandemic brought up, this concept is now being more widely discussed. MEAT is today considered to be a potential tool for payers to reduce supply disruption. Of course, base prices are slightly higher when MEATs are utilised, but the public sector is increasingly cognizant of their benefits, especially in terms of avoiding shortages.

As a company firmly committed to adding value in the generics space and as part of Egualia's value-added medicines (VAM) working group, we are confident of having an important role to play within Italy. Prices have hit rock bottom and will rise again; meaning that companies need to offer something more.

What does digitalisation mean to Accord and how was the affiliate able to adjust to the constraints of the COVID-19 pandemic over the past two years?

We have had, and are still having, a big discussion within the industry on what digitalisation could mean. The approach that we have chosen is both functional and relevant for our business model, where we are aiming to complement our significant presence in the hospital segment – we are number one in the market in terms of volume – with an increased footprint in retail. The idea is to

build a solid bridge between hospital and retail using digital solutions which really do place the patient at the centre.

One such solution is an app for oncology patients that gives them a better understanding of a drug’s potential side effects and of their disease. The app also helps both primary care GPs and oncologists in the hospital setting, who may not have interacted so much previously, giving both a better understanding of what possible side effects patients suffer from. With COVID having led to delays and postponement in cancer diagnosis and treatment, this is more crucial than ever.

Empowering oncologists is vitally important as they are best placed to manage oncology patients 360 degrees, not just making a choice on the most appropriate chemotherapy regime but also managing side effects and everything linked to oncology treatment. In the past, they may have felt unable to take such a holistic view but we hope that some of our digital solutions can contribute to this.

Why is the retail market so appealing to Accord and how do you foresee the company evolving in this field?

Retail, at a certain point in time, should be mandatory for a company like Accord. We want to be among the Big Five players in the European generics market, which is impossible without a footprint in retail, which deals with far higher volumes than hospitals. Additionally, Accord is part of Intas, which has significant manufacturing experience and capacity that can be leveraged for the huge volumes involved in the retail market.

Secondly, because we want to build a bridge between the hospital and retail markets, there is an additional benefit not just for patients but also for pharmacists who can potentially take advantage of cooperating with us. We offer services as well as products and experience we can transfer from hospitals to pharmacies.

Looking at the broader picture, how did Accord Health Italy perform financially in 2021?

2021 was a good year, even though market tensions were quite evident. We kept our leading position in the hospital market in terms of volume and are quite satisfied. Competition is increasing, which is being reflected in our results, and it is becoming more difficult to launch new products because the competition is very tough.

From the hospital viewpoint, it is difficult to keep the value of new product launches. Another reason why we want to enlarge our position in the retail market is to balance this increased competition in the hospital segment.

Italy intends to channel up to EUR 32 billion of EU recovery funds into healthcare infrastructure. As an Italian citizen, do you have any thoughts about where this money should be spent?

I feel that these funds should be predominantly allocated towards improving infrastructure, which would be a more strategic long-term investment than increasing pharma expenditure. This would provide a more solid pillar on which to improve the healthcare services and treatment available in Italy. The funds should go towards empowering hospitals and increasing level of services, especially in the south of the country, where there is a lack of sufficient infrastructure, causing many patients to travel to the north of Italy for treatment. Increasing the numbers of doctors in hospitals would also be an important step. I would also designate a small part of that amount to reforming the payback measure which is currently hampering the operations of generic companies like Accord in Italy.

Do you have a final message for Accord headquarters on what the next steps should be for the Italian affiliate?

Now is the right time to look at inorganic growth opportunities in Italy. Over the past ten years, our growth has been 100 percent organic, fuelled by Accord-developed products and in-licensing and underpinned by a very committed, enthusiastic and powerful team, but we should now look at other ways to increase our presence in the Italian market, including via M&A deals, as the company has done in countries like Spain and the UK.

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