Rolf Hoenger – Area Head LatAm, Roche



Real value comes from bringing stakeholders from the pharma, medtech, and technology industries together to create the health systems of the future

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Rolf Hoenger describes how Roche is driving access and awareness for innovative medicines in Latin America and weighs in on a number of important topics, from regulatory harmonisation in the region to digitalisation, clinical trials, Roche's ongoing global transformation, and how inter-industry collaboration can foster true progress in healthcare.

What has changed since you last spoke to PharmaBoardroom in 2017 as Roche's Brazil country lead?

In 2018 I had the opportunity to expand my role and now oversee Roche's operations across LatAm. Throughout my career, I have made the deliberate choice to work in emerging markets, so this was a natural move that allows me to use my know-how and relationships across the wider LatAm environment.

Roche itself has been on a transformational journey over the past few years, so this has been a very stimulating period in terms of building committed teams that can make an impact for patients in LatAm.

Many executives choose to move away from emerging markets as they become more senior; why did you choose to stay?

Quite simply, the impact that you can make in emerging markets is bigger. Of course, the needs are also bigger but the impact of treating patients for the first time for their disease – as we were able to do via a haemophilia program in Paraguay, for example – is monumental. That continues to be a key personal motivation.

One notable trait of LatAm is its mix of several middle-income countries along with low-middle incomes ones, as well as the mixed models of its healthcare systems blending universal healthcare and private insurance. What are the challenges and opportunities of working against this backdrop, and what does LatAm mean to Roche?

Roche has a very long history in LatAm with our first operations here dating back to the 1930s. Today, there are Roche offices in 19 countries in the region, housing around 4,700 employees. Moreover, the company has important clinical trials hubs in Brazil, Mexico, Argentina, and Peru, which serve the entire continent.

Our entire portfolio is present here and while there are differing income levels across LatAm, most countries have relatively developed health systems. This creates opportunities to work with national governments to bring our innovations to patients in our key therapeutic areas of oncology, haemophilia, haematology, multiple sclerosis, ophthalmology, Alzheimer’s, and rare diseases.

There are, however, significant differences in healthcare spending across LatAm. The Pan American Health Organization (PAHO) recommends that each country invests around six percent of their GDP on public health, but the regional average is still well under this benchmark. This level of underfunding creates issues not only around access to innovation, but also the provision of basic care.

The COVID-19 pandemic showed that countries which had underinvested in healthcare suffered more in terms of demand strains and excess deaths. LatAm was one of the world’s hardest-hit regions because of this issue. We are starting to see signs of change, with greater dialogue between society and governments on healthcare, but we need to see more action, including Ministries of Finance dedicating a greater amount of resources to health.

Health is an investment, not an expense, with a positive impact on a country’s GDP and a multiplier effect. As an industry, we need to do more to explain this to the public and to government stakeholders.

Innovation has always been very important for Roche. How does LatAm rank for the company in terms of priority launches?

We have a general philosophy of making *everything* available *everywhere*. We owe it to the scientists in our company who dedicate their lives to medical innovations to make their discoveries available to people. Our job is to make sure that new products are at least registered and launched. Following that, there are of course discussions around prioritisation based on market situations and where to divert resources to make the biggest impact to patients, but we are fully committed to at least making these products available to all health systems.

Is the pharma industry pushing for greater regulatory alignment in LatAm, and what benefits might this bring?

While there might not be much external noise on this topic, there is a lot happening beneath the surface. These are specialised discussions with regulatory authorities and perhaps not as headline-grabbing as some of our other efforts. However, we have had some spectacular success around regulatory reliance, especially in Mexico and some of the Central American countries.

Despite these successes, we would like to see a faster rate of change in this priority area.

What are the major learnings in terms of market access from Roche's experience launching oncology products in LatAm?

There is huge variation in terms of cancer legislation across the region. In some countries – such as Peru – we have been successfully engaged in multi-stakeholder efforts to showcase the burden of cancer on a country and its health system, and trigger change.

When I started out in the industry, cancer was more or less a death sentence. However, there are many solutions for cancer today that prolong life, improve quality of life, and in some cases even 'cure' the cancer. This has pushed several countries to pass laws around cancer and give the disease special attention. As an industry, we have an important role to play in awareness raising.

This leads into another key topic: value-based and personalised healthcare. We are now able to identify the impact that specific therapies have and allow governments to make more data-driven decisions on where they spend. This is in all stakeholders' interest and something we are working towards in LatAm.

Such a vision of healthcare requires a high level of digitalisation; how is LatAm currently performing on that front?

Smaller countries like Costa Rica and Uruguay have relatively advanced electronic medical record (EMR) systems. Additionally, we have even been able to make a real-world evidence (RWE) study on one of our drugs in Brazil which then became part of the reimbursement discussions. Creating common standards is crucial to creating data-driven healthcare.

Without these commonalities, there is a lot of waste, with data siloed by hospital, region, or system. While change in this regard is slower than we would like, I am a glass-half-full optimist and am confident that stakeholders will come around to the huge opportunities for savings that greater integration would provide.

One of the advantages of LatAm is that the strong private sector can showcase new digital solutions, which the public sector can then emulate. This can lead to discussions around managed entry agreements and pay-for-performance. The possibilities are enormous, but it is still early days.

Data points that are easily quantifiable are a good starting point. For example, bleeding from haemophilia is a simpler thing to measure than long-term disease progression, and makes more sense to begin with on this journey towards data-driven healthcare.

How significant is LatAm to Roche's global clinical trial operations and how well developed are the continent's patient advocacy groups to support that?

LatAm has long been a crucial part of our global clinical trial efforts and we have hubs in Brazil, Mexico, Argentina, and Peru that work with other countries in the region.

In terms of patient groups, there are major differences between countries in what they do and how they are organised. In Brazil, Colombia, and Argentina their level of organisation is very strong, and they go beyond merely assisting individual patients by using their voice to advocate for groups of patients more broadly to governments. We have always been keen to work with such groups and enhance the patient voice within the drug development process.

Governments and associations also need to be of sufficient quality to make these discussions fruitful. In the past, when compliance allowed, I engaged in roleplaying exercises with patient organizations to help improve their argumentation, crystallise their interests, and allow them to

better communicate the data they collect.

What are the key takeaways from Roche's ongoing global transformation, and how is it shaping the company's efforts in LatAm?

This transformation is about listening to clients. For a long time, our clients have been telling us that the old sales representative model of sending a different person to speak to doctors for each product is no longer valuable. Instead, clients want a strong primary point of contact within the pharma companies who can answer all questions and who understand the patient journey as well as issues within the health system. With this, our goals are better aligned, clients are better served, and patients receive better treatment. We have therefore structured our whole organisation around this philosophy.

Compared to their counterparts in other regions, physicians in LatAm still value personal contact and relationships a lot. However, digital solutions mean that we can provide them with more information which serves to complement those personal interactions.

How ahead of the curve is Roche in terms of new modes of stakeholder interaction?

Aside from being able to work on interesting pipeline products, one of the things that has kept me at Roche for almost 30 years is the level of entrepreneurial freedom to adapt and come up with new ideas. This whole transformation is about listening to clients and finding out how to solve their problems. While there may be fears at the beginning of such a transformation as to whether it will work, we have the freedom to experiment and find a way to succeed. We learn what does and does not work and adapt accordingly.

LatAm is a region noted for its creativity; how did you look to tap into this during this transformational period for Roche?

A good friend of mine spent several years as a GM in LatAm before taking on an assignment in Europe. He said that it took him a year to figure out how to add value in Europe, where teams tend to stick rigidly to set plans, while in the constantly changing environment of LatAm, we are creative and adaptable by default. This makes it easier for us to adapt to new philosophies and ways of working.

Given that Roche's pipeline now goes beyond its traditional focus area of oncology, what are your expectations for these new products coming online in LatAm in the medium term?

Oncology and haematology, both solid and liquid tumours, are part of the backbone of the company. However, we have been quite successful in the last couple of years in haemophilia, multiple sclerosis, and even rare diseases, to name but three. This has required us to adjust our approach to better suit these therapeutic areas, listen to what the market needs, and come with the right argumentation for the value that our innovations can bring to patients, health systems, and society at large.

For example, a child with haemophilia who has bleeding will probably not be able to attend school and needs a caregiver – most often the mother in LatAm – to stay at home with them. Not only is the child suffering, but they are not attending school and the caregiver is not able to work, creating a significant cost to society. In our conversations with Ministries of Health we attempt to foster a more holistic understanding of the value to society of drugs that can reduce bleeding from haemophilia to almost zero, therefore liberating resources.

Similar argumentation can be made in multiple sclerosis, where a drug could avoid a patient having to use a wheelchair and obtain all kinds of other support, and in blindness due to diabetes, where a drug could prevent the high societal costs that come with caring for the visually impaired. The value debate therefore goes beyond simply comparing two drugs and more into the huge societal value that treatments such as those in Roche's portfolio can generate.

Considering the often challenging political and currency situations in LatAm, how confident are you that the region will continue to generate growth for Roche?

We have seen strong growth in LatAm over the past few years, even during the pandemic, and are confident of this continuing into the future. The strength of Latin American health systems lessen the impact of the region's frequent governmental changes. Of course, we must adapt to new governments and their priorities when engaging in dialogue with them. At Roche, we think about the short-, mid-, and long-term, which allows us to make investments into new areas.

Many executives are hesitant to take on positions in emerging markets, but what can working in these regions bring to an individual's career?

Working in emerging markets teaches a person openness and adaptability, increasingly important commodities in today's world. Adapting to changing needs leaves you with fewer fixed ideas and greater agility to tackle new challenges. Not everybody is successful in this part of the world because of this need for adaptability and agility.

As one of the co-founders of Movement Health 2030, can you explain what this initiative is, what it aims to achieve, and why you think this approach is the right one to reach the UN's goal of reducing premature mortality by one third by 2030?

Movement Health 2030 was founded out of a certain frustration. The same health system issues were being discussed year after year at conferences, without the needle being moved on a solution. The initial idea was to create a Roche Institute of Sustainable Healthcare. However, through talking to the eventual co-founders of Movement Health 2030 – Rifat Atun, professor of Global Health Systems at Harvard University and faculty chair for the Harvard Ministerial Leadership Program, Bogi Eliasen, director of health at the Copenhagen Institute for Future Studies, representatives of the World Bank and others – we were convinced that such an initiative would be too narrow and pharma industry-focused. Real value comes from bringing stakeholders from the pharma, medtech, and technology industries together to create the health systems of the future.

80 percent of health budgets go to paying salaries and infrastructure, with only 20 percent going to where the innovation lies: diagnostics, surgery rooms – which look completely different to their equivalent 100 years ago while a hospital building does not – and pharmaceuticals. To ensure future success, there needs instead to be a 70-30 split, with more spending on innovation. That is not just a pharmaceutical industry issue, but one for everyone working in innovation.

Movement Health 2030 aims to provide concrete examples of solutions to health issues. While some such issues, such as health data fragmentation, for example, are country-specific, we feel that 80 percent of health problems are fundamental and common across countries and can therefore be scaled up elsewhere with small adaptations.

For example, Chile has a law that mandates cancer patients be treated within 16 days of diagnosis. However, physicians were not able to see availability across the entire system, only in their own hospitals. Solving this interoperability issue has allowed for better decision-making, more

efficiency, a reduction of waste, and shorter waiting times. This is not a uniquely Chilean problem and the systemic solution we developed can be scaled up throughout the world to great effect.

Since starting out in 2019, we have now brought funding bodies such as the World Bank and Inter-American Development Bank (IDB) on board and have expanded the initiative’s work from LatAm to Europe and the Middle East. Initially a Roche construct, we are now in the process of setting up Movement Health 2030 as an independent foundation that is less dependent on the company.

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