Interview: Maciej Kuzmierkiewicz, General Manager, IMS Health Poland

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IMS' General Manager, Maciej Kuzmierkiewicz,

discusses the effects of the Reimbursement Act—the new legislative framework implemented in January 2012—which completely reshaped the rules of the game for the Polish pharmaceutical sector stating that although "the law has changed the game substantially […] what Poland has experienced has been witnessed in most international markets. For instance, price pressures and cost containment efforts of both governments and payers are a normal phenomenon."

What would you say are the distinctive features of the Polish market today vs. other Central and Eastern European (CEE) countries?

Poland has a unique competitive advantage against other CEE countries: its size, which is a major criterion when looking at market potential. This factor has attracted a wide pool of international companies and thus generated a healthy and competitive landscape that is the basis for boosting innovation and bringing more affordable and qualitative products to the market. Poland also has a host of strong local players, mainly providers of branded generics, and a couple of these players are competing regionally, which is a good sign.

With the implementation of the reimbursement act in January 2012, the pharma industry lost PLN four billion (USD 1.31 billion) and prescription drugs went down from 50 percent of the retail market to 35 percent today. With such rapid changes taking

place, how could companies adapt effectively?

The law has changed the game substantially, particularly for manufacturers and distributors. Availability of products has become a serious issue. Before the reimbursement Act, pharmacies were offering four or more reimbursed product packs on average, whereas today this number stands at only one or two. For the patient, this has meant having less choice, and sometimes having to try many pharmacies to find the right product.

However, what Poland has experienced has been witnessed in most international markets: price pressures and cost containment efforts of both governments and payers are a normal phenomenon. Additionally, both patients and payers have benefited from this law. On the patient's side, it translated to a reimbursement of PLN one to two billion (USD 330 – 660 million) annually, and from a payer's perspective, the savings were substantial even though savings varied across patient groups and therapies.

Clearly there have been two sides of the coin: some companies have adapted extremely well and others not.

As a consultancy, IMS has helped companies revise their business models and reassess the quality of their product portfolio. Also, it has been crucial for these companies to understand how they could optimize their resources and this is also an area where our services excel.

In the Reimbursement Act, it is stated that all the savings made should be reinvested in buying more innovative products. Is this the case today?

This has happened, but only to a certain extent, as there are new products on the reimbursement list, but not enough to balance the savings. Clearly, this will happen but it is impossible to know when.

Many innovative companies have been experiencing negative results for the last two years, mainly because of generics companies bringing affordable and efficient products to the market, but also because of the new and challenging legislative framework.

If we truly were to see savings of PLN one to two billion per year spent on real innovation and new innovative products, these conditions would create a serious shift in the current market dynamics.

To circumvent challenges like these, companies are looking to experts like IMS, which can provide not only very accurate and fast data, but more importantly effective strategies for companies to put in place. Could you share with us how IMS helps its

clients?

Most manufacturers are our clients, but we are also extending our offering to new audiences like distribution, associations and payers. We continue to support our clients and help them reach the highest market standards, through data services, consulting and technology. On the consulting side, we compete with companies like McKinsey and BCG when referring to pure strategy (entering a country, therapy area) and we compete with Cegedim and other local players on the operational side. IMS has a unique service proposition for each segment and stays ahead of the competition. We have been investing in different types of data services, such as patient data and real-world evidence, to support clinical and commercial decisions.

In the last couple of years we have been successfully helping companies restructure and optimize their resources. Hence, IMS always goes deeper in its value proposition and has therefore been actively investing in the technology side. This has helped companies assist their pharmaceutical representatives with simple and easy to use tools (internet, email, phone), which combined offered them with an integrated and monitored solution. We are at a point where our technology goes beyond collecting data. Today, our customers have the means to take the best decision and resolve their dilemmas at all times.

Looking at the future and beyond the reimbursement act, Poland has very solid mid-term and long-term growth perspectives thanks to an aging population and rising standards of living. What is in store for the Polish market in the next five years?

Two main factors will shape the Polish pharmaceutical market in the next five years: the magnitude of public payers and reimbursement funds. However, private health insurance could also play a large role in shaping the healthcare market.

The way pharma companies operate will, of course, change as the years go on; for example, moving from physical reps to electronic channels.

One thing is certain: companies will have to develop new strategies and anticipate change to remain competitive.

Theoretically, this is simple to understand but in practical terms the challenge is immense. This is where IMS steps into the game.

Prior to joining IMS Health Poland, your professional experience was based on other industries. What attracted you to join this industry and what has been the most challenging so far?

My role within IMS Health Poland began in 2008. However prior to IMS, my career as a consultant at Carney Consulting for ten years led me to work for the pharmaceutical industry. Clearly, the pharmaceutical industry is highly attractive from a consulting standpoint, and IMS offered me the opportunity to truly specialize in the sector. After joining the consultancy side of IMS, I joined the Eastern European team and at the end of last year, I was offered a great opportunity to lead the operations of IMS Poland as the General Manager.

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