Interview: Igor Radziewicz-Winnicki, Undersecretary of State for the Ministry of Health, Poland

27.03.2014

“Instead of creating a state pharmaceutical duopoly, we have created an environment where the pharma industry can introduce new products and market them enthusiastically. This creates a market where pharmaceutical producers have to compete,” explains the Undersecretary of State for the Ministry of Health about the motivations behind the government’s newly introduced Reimbursement Act.

As Undersecretary of State for the Polish Ministry of Health, what are your current initiatives and priorities that you would like to highlight as being emblematic of your ministry’s commitment to the health of the Polish population?

In line with the rest of Europe, healthcare expenditures are rising and we have identified a gap between this rising expenditure and patient satisfaction. One priority is to provide satisfactory services for all people in Poland.

Our system is based on equality but there are cases where people might not have access to the same level of service.

Our biggest priority is to counteract rising waiting lists. These longer waiting lists are a result of doubling services in different areas and sectors. Additionally, we lack a smart distribution system of our healthcare capacities. Our first step to address these issues began with the implementation of

the Reimbursement Act. The Reimbursement Act has achieved a systematic transition to a state-controlled pharmaceutical policy. This gives the government useful tools to control which pharmaceutical areas are covered for Polish patients.

The Reimbursement Act has also brought down average prices for the government and our patients. For example, the average cost at the pharmacy for a Polish patient today is less than USD 3.30 today. As a result of the Reimbursement Act, the Polish government has amassed a substantial amount of public resources. This is also attributed to a decrease in unnecessary pharmaceutical spending. One example is the decreasing use of insulin. After the Reimbursement Act, the use of insulin decreased by 33 percent in certain regions of Poland, but with no evidence of diminishing health to the patient. This was very surprising to us, as we expected these patients had an excess supply at home, and the patients would come back to the pharmacy. The only logical conclusion is that patients were using insulin unnecessarily, or sent it abroad.

What consequences have you seen develop from the Reimbursement Act? Which future amendments is the Ministry of Health to bring forward concerning this act?

One such consequence is that Poland has the lowest average price of medicine in the European Union. IMS estimates that brand medicine and generic medicine prices are significantly lower compared to the EU average at 59 percent and 43 percent respectively. Poland disperses the largest amount of generics within the EU. This has increased the amount of parallel trading taking place. We often see that producers make large quantities of their products and a portion just disappears into Europe, which we have subsequently found in places like Portugal and Greece.

We want to introduce a system of state control over parallel trading which we would call the Novelization Act of the Reimbursement Act. This system would address the necessities of the health needs of our society. We do not want to ban parallel trading because that contradicts the aim of free trade with the EU, but we want investors exporting products to have our permission to do so.

We also are advancing our digitalized records. We have fully digitalized the industry and the producers but have more progress to make with pharmacies. Our patients want the reimbursement lists to change less often to increase stability. So these are issues that we will have to look at.

According to Articles 3 & 4 of the Reimbursement Act, savings made are supposed to be reinvested in new innovative products. How are you approaching this aim in real terms?

We call these new funds ‘potential reinvestments’ rather than ‘savings’ because their purpose is to enhance public health. We have created an opportunity to invest these funds in technologies that had not previously been eligible for reimbursement. From 1 January 2012, we implemented 40 new molecules into the Polish reimbursement system, which previously was not accessible for our patients. Furthermore, we altered 60 health indicators to make modern pharmacotherapy more accessible. Every two months, we increase improved therapeutic options into the public health system, adjusting to the health needs of our society. Our decisions are made on estimations of health benefits, a principle of efficacy, and a cost-benefit analysis.

We have also successfully achieved a transparent and fair system for our patients. Instead of creating a state pharmaceutical duopoly, we have created an environment where the pharma industry can introduce new products and market them enthusiastically. This creates a market where pharmaceutical producers have to compete. Moreover, the government updates the reimbursement list every two months. This emphasizes the dynamism of the system especially when EU regulations give us 180 days to make a decision. The only potential negative effect is the instability of prices and patient confusion. Patients are often adjusted to a brand of medicine but soon become skeptical when they are given the generic version. The reimbursement process makes us interact with the public, which helps us decide which medicines to reimburse on the basis of scientific knowledge of the real value of the medicine.

The big five (Germany, UK, Italy, Spain, France) spend around 10 percent of their GDP on healthcare, whereas Poland only spends 6 percent today. How and when will Poland bridge the gap?

For example, well-educated, economically privileged citizens enjoy the same health care as EU citizens in the same social class. On the other hand, the status quo of health care for the working class suggests that interventions are necessary to bring health care up to par with working classes across Europe. We believe that a rationalization of health capacities, improved accessibility and availability, and adequate health services are the tools needed to enhance the efficacy of our health system.

A simple increase in our health expenditure per capita will not address the gap in health quality or access for different social groups. A recent Bloomberg report found that the Polish system is effective, even with low expenditure. Therefore, there is no reason or political need for us to increase this number and increase the burden on the industry and employees.

We can, however, take a more proactive role in distributing health education and negotiating low prices. With inequalities in the system, we need to educate minorities on the importance and behaviors of public health. Considering economic barriers to pharmacotherapy, we seem to be quite influential in keeping prices low. We can name many medicines that we once bought for USD 60 that we now buy for USD 20 and this process is rapid, typically occurring in the last 14 months.

Poland is far from perfect yet still enjoys a healthy reputation. We have increased the usage of generic medicines and decreased unnecessary expenditure. We have flexibility in innovative investment and are preparing for future problems we may encounter. One challenge will be how to ensure the sustainability of our healthcare system against the pace at which Poland continues to develop.

For the near future, what are the Ministry of Health's main priorities?

The Reimbursement Act is very successful so our attention turns to the cosmetic details that need to be ironed out. We learned that we had some unexpected phenomena that need to be addressed.

Poland remains an attractive place for investment and innovation. There is a strong industrial presence in Poland and numerous generics producers. We are a generics hub and a link between Western and Eastern Europe. We do honestly feel like a member of the richest club of pharmaceutical countries. Nevertheless, we have room to progress in terms of innovation. We have taken measures to invest, along with the Ministry of Science. They are launching a program called STRATEGMED, which is a program to develop new technology for public health, focused on the implementation of innovative technologies. This requires a vast amount of investment into new research methods, technology and innovation.

We are pleased with our relationship with producers and the rest of the industry.

Working on the Novelization Act, we are learning from the industry through constant communication with associations like INFARMA and PZPPF. Obviously, we may not agree on everything, but our dialogue is open and conducive to progress. It is also important to note that we no longer encounter strong opposition to the Reimbursement Act, but rather, the industry has found ways to succeed within the parameters of the act. We know the rules are tough because companies have to decrease their prices to enter the market. Regardless, dialogue is one of the best things we have gained from the Reimbursement Act.

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