

# Interview: Erik Lommerde, General Manager, Novo Nordisk, Spain

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25.06.2014

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*PharmaBoardroom first interviewed Erik Lommerde as general manager of Novo Nordisk Netherlands four years ago. In his new role as general manager of Novo Nordisk Spain & Portugal, he discusses the urgent need for government to trust in and collaborate with the subsidiary in preventative measures for diabetes, as well as the regulations that must be enforced to bring the best innovation to the Spanish market.*

## **5.3 million Spaniards suffer from diabetes. As a number how does that compare to the rest of Europe?**

This is much more than the average ten percent, so it is more severe in Spain than many other countries, particularly in Europe. This is linked to Spain having the highest obesity in Europe, a key driver of diabetes type-2. This will not fade either; obesity rates will only worsen. More importantly, only half of people with diabetes are diagnosed. The challenge for those being diagnosed then is to receive the right treatment. There are a few cultural issues that must be considered as well; people here are slightly more afraid of injections than the rest of Europe. As a company driven by injectables, we therefore have to do more in the area of education. Secondly, Spain has a system that makes it slightly more difficult for primary care physicians to prescribe drugs. People are diagnosed but sometimes do not receive the best treatment possible. Every year, almost 7000 people are amputated in Spain due to diabetes, the highest number in Europe.

## **What are the partnerships that need to take place among companies like Novo Nordisk to ensure that innovation can get to patients?**

The most important aspect is that we work together with the 17 autonomous *comunidades*. Working with the central government is not enough; each region has its own special approach with its own needs. It is up to us to work together with them throughout the whole life cycle of a patient. The challenge is that we are the only ones really interested in the patient, and this is my strong philosophy. I think many companies are simply interested in selling drugs, and to the right patients. But only a few take care of the patient before he is sick; when he needs prevention, education, diet, exercise, oral medication – all of this provided by Novo Nordisk, in addition to the insulin we sell. To this end we must work with the autonomous communities to train children to follow healthy lifestyle habits, for example. The challenge is that there is a lack of trust in the pharmaceutical industry by people, despite our intention to do well. Many in Spain do not understand that if we do nothing, we will make much more money in the future because the number of diabetes cases will skyrocket. People simply do not trust pharmaceutical companies because they think they might make too much money or that they influence primary care physicians too much. In Spain many companies sell a specific product much more than other countries and the use of that product is comparatively high.

## **What are some of the other efforts Novo Nordisk is taking locally to work with the community at large?**

We support a foundation for people with diabetes, providing advice on diet, exercise, and having a generally healthy lifestyle, particularly for children in schools. Novo Nordisk recently established an agreement with the Consejería de Sanidad of Galicia to attack the burden of diabetes cooperatively. This will go way beyond products; this is about how we can inspire people to live more healthily, how to lose weight, and how to use medication in the most optimal way. This does not necessarily mean promoting Novo Nordisk products, although ours is the best; patients first need to choose the product. The affiliate's approach is very broad; we are also talking with other regions and we have invested in public affairs not necessarily linked to market access for innovation, but to improve the diabetes situation in Spain. The biggest hurdle for us is to ensure that innovation reaches the market. We can do whatever we want, but if I cannot bring innovation on the market at a premium price for products launched in the late 1990s and the government wants them at the same price, I cannot launch new products making a difference on people with diabetes lives. Hence the system is not working.

## **How seriously does the government take diabetes as a disease?**

Financially, the government takes diabetes very seriously because it is currently their highest cost. They have a huge number of patients and budget constraints so it is a priority for them. The problem is that they do not see the whole picture, which includes aspects like hospital costs or late complications due to a poor control of the disease. If they see the whole picture, then diabetes medication is less than 10%. But because it is politically very interesting to talk about the cost of drugs, short term objectives, and not interesting to talk about late complications that you might prevent ten years from now by providing education, you will see a lot of focus in Spain and Europe on medication.

### **Victoza® was brought to this market; how successful was this launch?**

Victoza® is doing well, but you have to realize the constraints we are facing. It is a product superior to any competitor in its class. We are competing with prescription drugs that cost society more than the total cost of insulin and are less effective than Victoza®. But because they are promoted heavily by companies with no restriction on prescribing the drug for primary care, these drugs fly. Patients do not get the best treatment, but for a GP it makes sense to prescribe those, because when he wants to prescribe a GLP-1 analog like Victoza®, they have to go through a visado. This means that it needs to be signed off by an inspector, and is an extra hurdle. There is a similar uptake in the specialist segment compared to other countries in Europe, and in primary care it goes much lower. It means that patients that need the product do not get it, and get an alternative that is less good but without visado. This system should apply to all products, not just those that are perceived to be more expensive while cost for society is ultimately lowered. Health economics studies between these different products demonstrate that Victoza's course is much more positive.

### **What could be done to ensure more trust?**

Both sides must show that they can trust each other. I can understand that government does not trust companies, because many of our colleagues have exploited opportunities cut by government that I perceive as not the most ethical. The only way to break this is to create new models of introducing innovation, such as putting caps on drugs based on patient segments for which the products show benefit in terms of life quality and finance. Furthermore, if a product does not live up to its promise, companies should pay back the money they asked for as a premium compared to the existing drug. This would be restrictive for the industry but would also force companies to really believe in what they claim. I would be willing to do this with the government. Every time we do good clinical research, we show the benefit of the product. If a drug works for 80 percent of patients, the government should pay a premium for those patients, and give the remaining 20 percent an older product that is most likely adequate.

## **What preventative efforts are you taking in the area of obesity?**

We are trying to change the lifestyle of people to focus on diet and exercise, and this must be done in tandem with politicians, consejeros and comunidades. The challenge in Spain is that the country is so fragmented through its regional system, that putting innovation on the market is much more costly. If you cannot do that, how can you justify investing so much in total care? We strongly believe you have to improve total care, and conversely we still do not have the reward of new innovation and research. It gets to the point that you cannot spend money because you are not earning money. As long as the balance between cost reduction and patient care is weighted towards the former, we will continue to struggle. The name of the game in Spain today is still the wallet of the regional communities and governments. We are so worried about weight that we develop insulins and GLP-1 products as liraglutida, having a neutral or positive impact on weight in order to ensure treatment adherence. Finally, we are also working on the benefits of liraglutida 3mg. on the weight management as this is an area where there are unmet needs that we consider we can make a difference.

## **Novo Nordisk recently increased its investment in clinical trials in Spain by 43 percent; what will this achieve?**

I hope the government sees that Novo Nordisk takes Spain very seriously. This should allow us to work together to tackle the burden of diabetes and to ensure we have innovation in the market. We can do this because the quality of clinical research in Spain is outstanding and there are enough patients. Because Spain is good in research, Novo Nordisk quite often chooses this country for early phases of research. This sends a very strong signal that I hope we will not lose; when you do not get innovation in the market we drop in the ladder internally for our company, which would be a shame for the country.

Novo Nordisk's recent bid to establish a diabetes hospital in Spain also demonstrates the company's desire to work together on a regional basis. However, I believe we can take advantage of the existing infrastructure and add the knowledge of Novo Nordisk to the training of nurses, doctors and patients, and set common objectives. We can work with hospitals that have a "Changing Diabetes<sup>®</sup>" stamp, where we know patients will get the best diabetes care. Theoretically we could become a partner in hospitals, taking in a bit of the additional cost while aiming to reduce the number of amputations by 50 percent in the next five years. We are quite far with those negotiations in some places in Spain, and I strongly believe we will get there within the next few years.

## **What is the ultimate message at stake here for government to understand?**

When innovation is not put on the market at the right price, it is concerning. I do not mind restrictions on drugs and companies to ensure that products are used for the right group, but we need to make sure they prove that they add value. If innovation does not hit the market, it will kill all other investments. There is no business model in the pharma industry besides biosimilars or me-too that will work in Spain, which means companies like Novo Nordisk will pull out their investments. But there are solutions, and we will continue to try to make them happen.

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