Interview: Anita Atema – General Manager, Celgene, The Netherlands

14.01.2016

Tags: Pharma, Pharmaceuticals, Netherlands, Celgene, Imnovid, Myeloma, Regulatory Reform, Healthcare, Market Access, Pricing, Insight, Interview, Executive

Anita Atema, General Manager of Celgene, reveals Celgene's inspiring and concrete initiatives that illustrate how a true willingness to cooperate with healthcare stakeholders and a remarkable effort of transparency can help to tackle the current difficulties in accessing the Dutch market, while implementing new innovative pricing models such as pay for benefit.

For the third quarter of 2015, Celgene has once again announced amazing results globally, as total revenues increased at 18 percent in comparison to 2014. To what extent is this growth reflected in the Dutch affiliate?

We indeed had amazing results this year, which are the results of a long history and the outcomes of our global mission: finding groundbreaking therapies to address unmet medical needs. Historically, Celgene's focus was on hematology and immunology, but we have steadily expanded our scope to autoimmune disorders. This year, we celebrated the ten-year presence of Celgene on the European continent, while 2016 will also mark the tenth anniversary of the Dutch affiliate. When I joined Celgene eight years ago, we had just received our first European product's approval for Revlimid, which is still our main growth driver and represents most of our revenues both globally and in the Netherlands. Furthermore, this treatment has truly become a standard of care, thanks to its impactful results for the treatment of multiple myeloma, a rare blood cancer. In total we have three medicines in this disease area, which have contributed to reach an increase in

survival after diagnosis of more than seven years.

In the Netherlands, Vidaza, a treatment for patients suffering from myelodysplastic syndrome (MDS), another rare blood cancer, just received a new indication. We are continuously investing and creating new opportunities to allow more patients with an unmet medical need to use our treatments, which also have the key particularity to be extremely multi-usable. For Vidaza for instance, the treatment received a new indication for acute myeloid leukaemia (AML) in elderly patients, based once again on (scientific) proof of impressive results for overall survival, which is absolutely rare for this kind of indication. This new indication is also great news for elderly patients suffering from this blood cancer, who cannot usually cope well with high-dose chemotherapies.

Celgene is still growing, and starting off from one product for one indication less than ten years ago, we have now brought five products on to the Dutch market for eight different indications!

Within the Celgene ecosystem, we are the sixth largest European market in terms of market population and revenues. We are a “mid-size” country in terms of population (with almost 17 million inhabitants), but overall revenues of smaller countries’ affiliates like Belgium or Austria are very close to ours. Based on our market size, we should be a little further ahead of these two markets, and it is unfortunately mainly related to the difficult access to market in our country.

How would you describe the general approach of public authorities towards market access?

Surprisingly enough, I would state that it is positive, and that it is actually an aspect for which we can endorse our current government. The Ministry of Health is for instance currently conducting a research to understand what could be improved to speed up the procedures for reimbursement. Nevertheless, Dutch decision-makers are culturally very reluctant to embrace innovations before having in hand their own data and looking carefully to all the outcomes, impacts and costs of these innovations.

Nevertheless, improving market access represents the largest part of my daily activities. As a global company, Celgene strives to discover, produce and bring to the patients innovative treatments, so it is my responsibility as General Manager to understand at a local scale how we can improve patient access to our groundbreaking treatments.

On this side, the Ministry of Health has decided to give a leadership role to the industry, and pharmaceutical companies are now expected to come with their own solutions to bring their products to the market and to enter in negotiation with hospitals and health insurers. In this new

process, the government will only and ultimately step in in a negotiation if a solution between these parties cannot be found. This shift means that companies have by now to take initiatives, while huge responsibilities weigh on local affiliates' shoulders. Many stakeholders were maybe not ready for this revolution and I believe that through cooperation with each other we can achieve the best outcome for the patients, even if all involved stakeholders need to get used to this new approach.

Besides being in the right cooperative mindset, companies also need to produce flawless clinical trial results, and ensure Dutch physicians are also involved. The Netherlands holds world-class scientists in many specialties, including hematology and oncology. These physicians are extremely respected within the hospitals' walls and they are crucial in developing new treatment options for patients with unmet medical needs.

Considering Celgene's product portfolio, what has been the impact of moving many specialized treatments from the GVS system to hospital budgets?

Firstly, this move has considerably increased the pressure on hospitals' board members and its physicians, while tremendously transforming their core activities, as the hospitals are now negotiating with pharmaceutical companies as well as health insurers. Budget negotiations in local hospitals are now hectic, because they obviously need to predict following the annual budget (which is sometimes highly unpredictable, especially for rare diseases) and negotiate product reimbursement with seven different healthcare insurers (without knowing what will be the exact breakdown of future patients in terms of insurance companies)! On the other hand, they never know exactly when new innovative medicines will effectively reach the market in the upcoming months and at what price they will be proposed.

This new context forces us to be as proactive and as transparent as possible. For instance, we had a new product ready to reach the market in September 2013, but hospital boards obviously told us that it was impossible to include our treatment in their budget, as most budget negotiations had already taken place for the year. It is currently more important than ever for pharma companies that our products go through the tariff process before the yearly hospitals budget negotiations; otherwise it could happen that both the patients and the company have to wait for another year!

On the transparency side, we also have to work hand-in-hand with physicians, hospital pharmacists and healthcare insurers to inform them as precisely as we can on our new products, the expected impact on the healthcare budget as well as clinical trials to ensure absolutely no time will be wasted. Based on this need, we currently participate in a horizon scanning initiative set up by

several field parties and Nefarma, the Dutch trade association.

This move also highlights the strong focus of the Dutch healthcare system on cost-containment. Given your experience, what could be done to improve healthcare outcomes without increasing the spending?

Unfortunately, the money saved thanks to cost-containment measures does not flow back to hospitals' budgets to fund innovative treatments, despite the constant decrease of the overall pharmaceutical bill over the past few years. Moreover, a hospital budget's growth is limited to one percent each year, while hospitals have to find a way to absorb the most innovative drugs within this budget.

Furthermore, hospitals and healthcare insurers should not only consider the price of a treatment with regard to the price of the pills, but adopt a long-term approach. Some of our products are perhaps more expensive than others during the first years, but they can also clearly decrease the overall cost of (specialty) care for insurers during the following years. Healthcare stakeholders need to start looking at the socio-economic cost of a treatment, as cheaper treatments would for instance force patients to stay longer in the hospitals, which could probably balance the extra-cost of a more innovative treatment.

Nevertheless, as long as healthcare stakeholders and pharmaceutical companies are still not able to precisely measure these socioeconomic outcomes, and as long as there is no possibility to ensure the healthcare system benefits from the savings realized each year, our healthcare system will remain centered on a basic cost-containment approach.

How involved is the Dutch Celgene affiliate in new innovative pricing models such a pay for benefit?

We just implemented a pioneering approach during the first quarter of 2015 around our treatment Imnovid, which is extending life for patients who are out of options for multiple myeloma. This treatment became available in September 2013, exactly in the year when all the specialized drugs had been transferred from the GVS system into the hospital budgets.

Considering this context, we engaged with doctors and payers to solve the main issues that arose and to build trust. With the great help of my team, we have been able to organize round table talks with the physicians' association and with representatives from most of the healthcare insurers. Before meeting them, we already knew that we needed to display extremely robust clinical outcomes, and the starting point of our talks was the guideline that was independently drafted by

the physicians.

The round table negotiations resulted in a number of outcomes, and we firstly agreed to monitor the outcomes of Imnovid's use as precisely as possible, and we thus set up a comprehensive patient registry. Nevertheless, hospitals still needed to find the requested budget for this new treatment, and with regard to the limited yearly increase of hospital budgets, including this treatment would cut off other departments' budget, creating a terrible tradeoff for other patients in need. A second result of the round table talks was therefore that healthcare insurers offered bilateral agreements to all selected hospitals to offer this treatment without impacting their current budget. Finally, a third result was that Celgene agreed on bilateral agreements with the participating healthcare insurers, based on a pay for benefit scheme.

These three elements are the foundation of a groundbreaking collaborative effort, focused on ensuring that innovations can find their way to patients that need them, while displaying robust guarantees for quality of care, transparency and cost consciousness.

Severin Schwan, CEO of Roche, recently highlighted that one company alone cannot address all oncology matters, and that collaboration between companies is necessary. What is your assessment of the situation and how could the Dutch affiliate contribute to this effort?

It couldn't be truer, and we are already heading in this direction. One of the founders of Celgene once told me: "Celgene's mission is to design the best treatments, but if another company is already doing better on a specific therapeutic area, let's join them and make sure we are able all together to bring these treatments to patients". AstraZeneca, for instance, has chosen Celgene to bring their checkpoint inhibitor to patients with severe blood cancers. We now collaborate closely with them, and I am very proud to say the first patient in the world to be admitted to this cutting-edge research program will be treated in the Netherlands! Furthermore, we are already cooperating with a large number of biotech companies all around, and, Celgene is always looking for partnerships, as long as it aligns with our mission and our values.

As General Manager of a research-driven organization, how would you assess the innovation perception from the public and the general authorities in the country?

We are indeed massively investing in Research and Development, and the products that recently went out of our pipeline highlight the pertinence of such investments. Our revenues are growing but we still re-invest more than 35% of these revenues in research year after year, either for in-house developments or for strategic partnerships.

Healthcare stakeholders need to acknowledge that drug discovery is costly and unpredictable. We for instance recently launched the first drug in thirty years that shows a two-month overall survival for metastatic pancreatic cancer. The most recent product that was approved for this indication had an overall survival of a couple of weeks. It highlights how small the steps in the healthcare industry, and in oncology in particular, can be. Furthermore, these steps also come at a cost, because the spending required to reach a small step is absolutely equal as for a major scientific breakthrough. Nevertheless, all these steps and the subsequent investments combined will probably lead one day to achieve a giant step, and our three medicines in multiple myeloma that contributed to an increase in survival of more than seven years are a formidable evidence of the relevance of this effort. The civil society, the public authorities and the other healthcare stakeholders however need to be willing to invest now if they want to access to potential benefits in the future.

Where would you like to take the Dutch affiliate in the next five years?

Looking at our pipeline, we are expecting groundbreaking therapies in the upcoming years, and my absolute priority would obviously be to ensure that Dutch patients could access them as soon as possible. We are on a mission, and we have to remember that while a healthy person can afford various life expectations, patients have only one wish: being healthy again. For Celgene, each patient is special and each life matters. We even sometimes offer Celgene treatments for free to patients for whom there is no alternative treatment. Celgene is well known among physicians for this kind of gestures. We don’t do it to draw attention, but to truly help these patients. If we can do anything to help at least one single patient, we will always feel it is our duty to do so. This ambition to help patients is my main driver on a daily basis, and I hope to inspire the current and next generations to continue this effort.

Click here to read more articles and interviews from the Netherlands, and to download the latest free pharma report on the country.

See more interviews