

Interview: Ehab Yousef - General Manager, Middle East - Sub Region 1, Roche, Egypt



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Oncology already represents the second largest portion of Egypt's public healthcare budget, and despite limited public funding, demand for and acceptance of innovation is high, according to Roche's regional general manager Ehab Yousef.

As general manager for the Middle East sub-region at Roche, how would you assess demand for and access to innovative medicine in Egypt, relative to the other countries you oversee?

Within Roche's Middle East sub region, consisting of Egypt, Saudi Arabia ,Kuwait, Oman, Qatar, Bahrain, the UAE, and Yemen, there is a lot of diversity in terms of economic development, and ultimately patient access to healthcare. In general, acceptance of innovation is high, even where there are market access challenges; patients and healthcare providers all look towards Europe and the US and want access to the most innovative treatment options as soon as possible. Saudi Arabia and the five Gulf countries lead the way in this regard. Egypt requires a different model from these markets, but still has a strong appetite for innovation and a clear desire and intention to bring innovative products to market, as we have observed with our oncology biological medicines.

Today, the government budget for healthcare represents almost two percent of Egypt's GDP, and five percent of the government's budget; other countries in the same economic category allocate

closer to ten percent of public funds to healthcare. However, looking at next year's budget, the portion being allocated to healthcare is increasing from five to 7.5 percent, signaling the government's intention to support healthcare, and that they are working towards meeting the constitutional goal of three percent of GDP.

When we look at oncology specifically, we see significant emphasis being placed on oncology as a therapeutic area. At present, oncology is the therapeutic category with the second largest budget after hepatitis within both the Ministry of Health and the Health Insurance Organization. We have seen significant progress to support patient access to high-therapeutic value treatments, and our innovative medicines for breast cancer, is now reimbursed and accessible to patients in Egypt. Moreover, we have seen strong willingness on the payers' side to find solutions to provide patients with innovative treatments, and Roche is always willing to be flexible with pricing in emerging markets when we see credible commitments from the government to support patient access to such products. In the 2000s, we made the commitment to bring to Egypt our pegylated interferon medicine at roughly 15 percent of the lowest price outside of Egypt after we saw the government was clearly committed to fighting hepatitis at a national level, and similarly we have made significant accommodations on price with our innovative oncology products in recent years.

What have been your top priorities thus far as general manager for the sub-region?

First of all, my over-arching priority is to drive our teams in providing solutions for patients to help them access innovative medicines. My next priority has been to ensure that Roche's teams in each market are equipped and prepared to perform in their own markets. Saudi Arabia and the UAE used to have a lot focus due to changes in the business model and leadership, Egypt has also required attention as we are currently transforming and repositioning Roche Egypt due to developments in hepatitis C treatment. Roche played a significant role in the national treatment strategy for hepatitis C for many years as a provider of pegylated interferon, however the market is now quickly moving towards all-oral interferon-free treatments which is a great news for patients. Going forward, and we will be investing more of our time and efforts to help prepare Egypt to support oncology diagnosis and treatment on a broader scale.

What are the main challenges of having to manage such diverse markets and strategies within the same region?

Roche's ambition throughout the region is the same: to establish Roche as the most respected healthcare company in the industry, to make a significant difference in patients' lives, and to ensure that all patients eligible for our products have access; how we achieve that vision is tailored

to each market.

Roche's strategy for achieving these goals in Egypt is very different from markets with stronger reimbursement systems. Here, we must consider the economic context and provide a reasonable degree of flexibility in pricing to support patient access, and also support patient diagnosis and treatment through a number of initiatives and investments, due to the highly fragmented nature of Egypt's healthcare system. Therefore, pharmaceutical companies and vendors must be able to accommodate a variety of different reimbursement processes and work through a reasonable degree of complexity

Given the fragmentation of the system, increasing funding alone will provide limited improvements; what other changes are needed?

The first step of any improvement is awareness of the main challenges and issues. I believe this level of awareness has been achieved, as stakeholders know that there is a lot of duplication, the system is overly complicated, and there is a lot of bureaucracy. As such, any genuine efforts to streamline the system will have a significant impact. However, there is still a lack of clarity and data on healthcare needs and costs because Egypt lacks strong patient registries and data collection. Progress is being made in this area, with the National Cancer Institute currently planning to implement a well-designed national cancer patient registry, amongst other initiatives. Developments in this area will enable significant steps to be made towards allocating resources more efficiently.

Secondly, there is clearly a gap in funding, and the general intention is to base reforms on increasing funding and creating a clear distinction between payers and providers, which immediately improve efficiency by increasing competition and associated incentives, and increase the focus on the quality and value of services being provided to end users. However, within the limited healthcare budget, spending on medicines currently represents a very high portion of costs compared to countries at similar levels of economic development, and there is also a considerable level of medicine misuse by patients. Globally, there is a strong trend towards copayment to reduce abuse of healthcare resources by end users, however this trend has not yet taken hold in Egypt. Ideally all stakeholders, including patients, should contribute, even if the contribution is minimal, to ensure that all parties have a vested interest in ensuring that resources are utilized efficiently. There are plans to raise further funds for healthcare from a wide variety of sources including individual social insurance premiums, and through taxes on items which impact public health like cigarettes, however there is significant room for improvement in both planning and eventual implementation.

There are a wide variety of tools and options being discussed, but for the planning stage to be effective, the government has started, and needs to continue, consulting a wide and diverse group of stakeholders and experts, and determine as many of the details as possible during this planning phase. It is critical that adequate information is available, that sufficient funds be allocated to healthcare both for ongoing funding and capital investment, and that a wide variety of experts be involved to validate the data, propose alternative strategies and options, and bring in expertise and experience from outside of Egypt. I see a room to involve the pharmaceutical industry and Egypt's PhRMA association in the discussion. Given our multinational experience, our industry can be a strong supporter of, and valuable resource to, any healthcare reform, and bring diverse experience from around the world. Egypt is not the first country to plan healthcare reforms and we can help stakeholders in Egypt learn from experience in other countries, so that mistakes that have already been made elsewhere can be avoided in Egypt.

Much work remains to be done, and challenges will of course arise during implementation; however, there is abundant reason to be optimistic for the future of Egyptian healthcare. Broad improvements in healthcare are strongly linked to the government's efforts to increase public healthcare spending to levels more comparable to peers in its economic segment, and the ability to successfully reform and expand social health insurance. Given recent developments and the level of commitment that has already been shown, it is clear that a significant expansion of the healthcare market and improvements in overall efficiency will be made in the coming years.

How are you adapting Roche's strategy to support and follow these changes?

We have a considerable role to play in our main area of focus: oncology. The innovation we offer is costly, but brings significant value to our patients and their families, and we are committed to supporting access to these innovations both by offering them at a fair price, and by building on the value of our products through other initiatives. Our products target very specific patient groups, and in collaboration with Roche Diagnostics, it is our goal to support healthcare providers at all levels to help identify and treat these patients, such that scarce resources are not misused. Once identified, it is still costly to treat these patients, but the probability of our therapies' success is quite high and significantly higher than other treatments. Furthermore, we are committed to filling the gap in available data regarding oncology in Egypt, will work to improve the oncology knowledge of Egyptian healthcare providers, and will support healthcare reforms with data and our experience from other countries. We would be proud to have the opportunity to provide expert third-party consultation where appropriate, and will cooperate with the government in whatever way we can to help reach as many patients in need as possible, as we did in the past to help treat

170,000 hepatitis C patients with our pegylated interferon.

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