Interview: Luigi Boggio – President, Assobiomedica; Managing Director, B. Braun, Italy



05.05.2016

Tags: Pharma, Pharmaceuticals, Italy, Assobiomedica, B. Braun, Luigi, Boggio, Medtech, Healthcare, PPP, Public Private Partnership, Regulation, regulatory Reform, Interview, Insight, Exclusive, Executive, Free

Luigi Boggio, President of Assobiomedica, the association representing the medtech industry, and MD of B. Braun Italy, calls on the Italian government to implement a national system that measures the impact of medtech innovations.

What are the exact activities of Assobiomedica and what are your main priorities as President?

The mission of Assobiomedica is to promote the medical devices industry and the benefit of our technologies citizen's health, health care professionals, and the heath care system in general. Our industry is dominated by innovation and my task is to make sure that new solutions are adequately accepted by the system .Our major issue at present is the effect of the economic crisis creating the reduction of the NHS's budget that is at 6.8% of GDP and is due to reach 6.5% in two years; a low level in Europe. The Italian health care system used to be considered one of the best in the world with high standards of care and universal assistance. We still have a very high level of medical experience but scarce resources are creating a long waiting list. Furthermore, a large proportion of the population refuses to have medical care because they cannot afford the co-payment of many treatments. Innovation is presently seen as an additional cost instead of an improvement of diagnostic and therapeutic treatment that can lead to significant savings.

How are you approaching the authorities to make sure they really understand the long-term benefits of having innovative medical devices in their institutions?

Today, we do not have any central way of measuring the cost and effectiveness of our technology. We are missing a national system to evaluate the benefits of our products, which is quite frankly a nightmare, because regions are free to decide whether any given medical device is beneficial for their citizens. The tendency is to assess innovation as an additional cost. Consequently, there is no entry for new technology. We have had long discussions with the Minister of Health, a roundtable with medical professionals, pharmacists, institutions and the industry to find procedures with which we can measure and evaluate the benefit of new technologies, which will ultimately influence reimbursement decisions. To our surprise and happiness the result of this working group evolved into a law in the last public budget in order to drive this process of managing innovation on a national level. However, in Italy there is a never-ending conflict between regional and central governments. The central government is progressively trying to decrease the independency of the regions but resistance is very high. At this moment, we have seen no progression of this law and we do not have a time horizon of when it will actually be implemented. My forecast is that only if the central government gains some power over the regions will we see some progression in implementing a system that evaluates the benefits of our innovations.

What is your prognosis for the future of the industry?

It is difficult to say depending on the government in power and the economic development of our country. At present, with the reduced public budget, it is difficult to maintain a sustainable public universal system. Out of pocket expenditure should be addressed to funds and insurance or organized co-payments. The medical devices industry and related innovations are essential for a developed country like Italy and can contribute to economic development as well as improving health.

In 1922, Milan was chosen as the first foreign office of B. Braun. Historically, what has been the significance of the Italian affiliate to the B. Braun group?

Even though Italy was the first affiliate, it is not one of the largest. We are the fifth largest affiliate in Europe with a turnover of around EUR 180 million. Our pharmaceutical products in Italy have some of the lowest prices in Europe and we consequently did not develop this area like the affiliates in other countries. We are proud of our production site in Mirandola, one the largest districts in Europe for the manufacturing of medical devices. We established our production facility in the 1990s and since then our output has consistently increased. From this facility, we produce

roughly 27% for Italy and 73% for export.

What area is the key growth driver in B. Braun's portfolio?

B. Braun is active in various medical fields such as infusion nutrition, surgery, the outpatient market, and extracorporeal blood treatments. While we see growth in every category, we expect the highest growth in surgical instrument and related services, endoscopy, infusion therapies, and outpatient market products that will benefit from specific market growth.

Can you tell our readers about current and future investments that B. Braun has made and is planning to make in Italy?

After the earthquake in Mirandola, our production facility was strongly renovated with large investments but due to rising demand we will add this year an additional investment of EUR five million. Additional investments will be devoted to the growth of capital equipment such as infusion pumps, generators, endoscopy visual systems, and dialysis machines that, because of the nature of the Italian market, require strong capital support. We continue to invest in solutions aimed at optimizing hospital processes, raising quality and reducing costs.

How is B. Braun helping the Italian government to build a more sustainable healthcare system?

Helping the Italian government to build a more sustainable healthcare system is our primary objective. Beyond just products, we are selling treatments and solutions that bring optimizations and savings to the system. Furthermore, the B. Braun group has a particular mission: safety, for medical professionals and for patients.

What is your vision for B. Braun for the next five years?

We are one of the most sustainable innovative companies in the world. Historically, B. Braun has brought drastic innovations to the market place; a tradition that we continue to do so today – in a very sustainable way. I am certain that what we have achieved over the last 176 years we will lead us to an even more sustainable and "healthy" future.

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

See more interviews