

Cristóbal Thompson - Executive Director, AMIIF, Mexico



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For Cristóbal Thompson, Executive Director of AMIIF, health is a formidable measure of productivity and competitiveness

that Mexico can no longer overlook if it is to sustain robust economic growth. He details how the organization has been able to assemble a growing number of powerful allies behind this cause, and points out that Mexico can triple research investments over the next five years and ultimately bring more value to its health eco-system.

In 2014, you explained that AMIIF was becoming a “totally different organization, which has a voice and is integrated into a system.” How have you been working to consolidate this new positioning over the last two years?

Our impact goes far beyond medicines; our members add value to the entire Mexican eco-system. As a result, we continue to evolve according to our “AMIIF 2024” vision, nurturing a crucial debate that has grown from being initially centered solely on medicines to now reaching a more comprehensive understanding of the importance of health to our country. In this vein, we are now essentially focused on productivity as a mean to bolster our country’s competitiveness, and we are advocating for a better recognition of how health stands as an essential detonator of productivity for Mexico’s economy.

We then partner more closely than ever with the three largest Mexican employer associations: CCE, CONCAMIN, and COPARMEX. AMIIF is involved in the health committees of these organizations, and

key representatives from all three took part in our Second Innovation Week, emphasizing how health should become a key priority of the government if we want to further bolster the economic development of our country.

In 2015, we also started to engage with one of Mexico's core industries, namely the automotive manufacturers. This sector is already the main investment driver of our economy, and for instance, five automotive companies are about to massively invest in a manufacturing cluster located in the state of Guanajuato. Furthermore, in the automotive industry, each new job created indirectly generates ten new additional jobs. AMIIF then started to estimate the important gap that still lies between the current health coverage available in Guanajuato and the exact needs of the automotive industry, highlighting the crucial necessity of improving health investments to maintain the competitiveness of our country. As a matter of fact, representatives of the car industry recently held a press conference in Mexico City and explained that one of the key success factors they look at when investing in a country is the quality of its health system.

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Mexico's working population will indeed increase in the next ten years from 78 to almost 90 million, but Mexican total health spending still only represents 6.2 percent of the GDP, one of the lowest ratios in the OECD. AMIIF largely advocates for increasing healthcare spending in order to propel productivity and competitiveness. How receptive are government stakeholders to this necessity?

Despite having one of the lowest ratios per GDP within the OECD, it should also be highlighted that around 50 percent of this spending is out-of-pocket expenses. Nevertheless, we have to admit that -as a consequence of a complicated international environment, the Mexican government faces difficulties in increasing and maintaining its annual budget year on year, as total budget cuts amounted to ten billion pesos in 2015 and 9 billion pesos in 2016.

Considering the demographic and epidemiologic changes affecting our country, health investment must undoubtedly grow in the upcoming years. In 2015 we released a study conducted by the consultancy Evercore Protego, which proceeded to a deep analysis of the public health spending in our country over the last ten years. This study aimed to identify structural savings that could then be reinvested on a short-term perspective, be it on infrastructure, human resources, or pharmaceutical innovation.

Although public health spending was effectively growing until 2012, our study revealed that, under the current government, real health spending's growth have been decreasing by 0.5 percent every

year since 2012, while administrative cost have increased by five percent and represents 8.8 percent of total health spending – almost three times the average of the OECD.

Currently, only 10 percent of innovative medicines are approved for use in public healthcare institutions, while it takes at least 4.5 years for them to be available in these institutions. We all agree these figures have to improve, but in the meantime how is the industry ensuring that innovation effectively reaches the Mexican market?

The Mexican registration process for innovative treatments goes through three successive steps. Firstly they need to be approved by the COFEPRIS, then by the General Health Council, and finally by the different social security institutions: IMSS, ISSSTE, and Seguro Popular, covering the largest share of Mexican patients.

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Over the last two and half years, COFEPRIS has been able to approve 213 new molecules – a very positive figure – while approval timelines are now in line with the best international standards. This remarkable achievement has to be highly praised, and all stakeholders are particularly keen to recognize the important improvements realized by COFEPRIS over the last few years. Nevertheless, only 15 of those 213 molecules are now approved for use by the social security – representing actually less than the 10 percent you mention. While COFEPRIS has been greatly improving its processes, the General Health Council also boasts a satisfactory approval rate, as it already approved 60 percent of these 213 new molecules. As a result, we currently concentrate our efforts on the different social security institutions.

To tackle the unsatisfactory level of access, AMIIF is coordinating with its members and the IMSS and ISSSTE institutions to hold working tables and discuss the design and implementation of innovative market access models.

This willingness from both private and public players to engage in close negotiations is absolutely positive, and clearly marks a promising improvement in comparison to where we stood one and a half years ago. Both sides understand the huge opportunities that a closer collaboration could entail: increased access and direct benefits for patients.

Fostering early access to innovative treatments could also rely on developing clinical research in the country, which stands as one of AMIIF's current priorities. What is your assessment of the situation in this regard?

Globally, the pharmaceutical industry invests more than USD 140 billion every year, with 80 percent of this amount dedicated to clinical research. So far, the pharmaceutical industry in Mexico only invests around USD 200 million per year in clinical research. Despite Mexico's GDP being the 13th largest in the world, we are only ranked 22nd when it comes to clinical research investments.

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It is proven that every single additional peso invested in clinical research by the pharmaceutical industry generates an indirect outcome of 1.63 peso, while every additional job created for clinical research activities generates 4.4 new jobs in return. I deeply believe that Mexico holds the potential to triple this current level of investment over the next five years. Although we acknowledge the sheer improvements that COFEPRIS has already implemented, certain administrative and operative barriers however still need to be removed in order to fulfill this objective.

In April, AMIIF held its second Health Innovation Week - gathering key figures from academia, government officials and the entire healthcare value chain. What were the main objectives and outcomes of this second edition?

The theme of our Second Health Innovation Week, which gathered more than 1500 attendees and seven international keynote speakers, was "health as a detonator of productivity". AMIIF's goal was to gather the most recent information and data from respected experts and researchers, in order to provide the government with strong rationales that could contribute to better decision-making when it comes to health spending.

Dr. Brendan Shaw, Assistant Director General at the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), for instance explained how specific it is to measure pharmaceutical innovation. As an example, there are around 7000 new molecules under evaluation at the moment. Out of these 7000 molecules, only ten will probably one day arrive on the market, while the industry still has to pay for all the unsuccessful molecules.

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Dr. Frank Lichtenberg Courtney, Professor of Business at Columbia University, NY presented the outcomes of different studies conducted in various countries, showing that early access to

innovative treatments has a two-fold positive impact. First of all, early access helps improve the quality of life of patients under treatment, while also contributing to increasing the overall life expectancy of the population. In Mexico, life expectancy over the last five years has been progressing at one-third of the pace of the average growth rate of the rest of OECD. Mr. Lichtenberg also explained that in Canada, where prevalence of cancer has maintained over the last few years, the early access to innovative treatments allowed to reduce by 20 percent the number of premature deaths caused by cancer. Furthermore, he explained that in the US, 80 percent of patients that have early access to treatments can be productive again and continue to contribute to the well-being of their family.

AMIIF has evolved tremendously over the last two years. How would summarize the association's fundamental objective?

Within the upcoming years, we want to ensure that health becomes a key priority in the government's agenda, in order to enhance the positive impact on productivity and competitiveness.

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