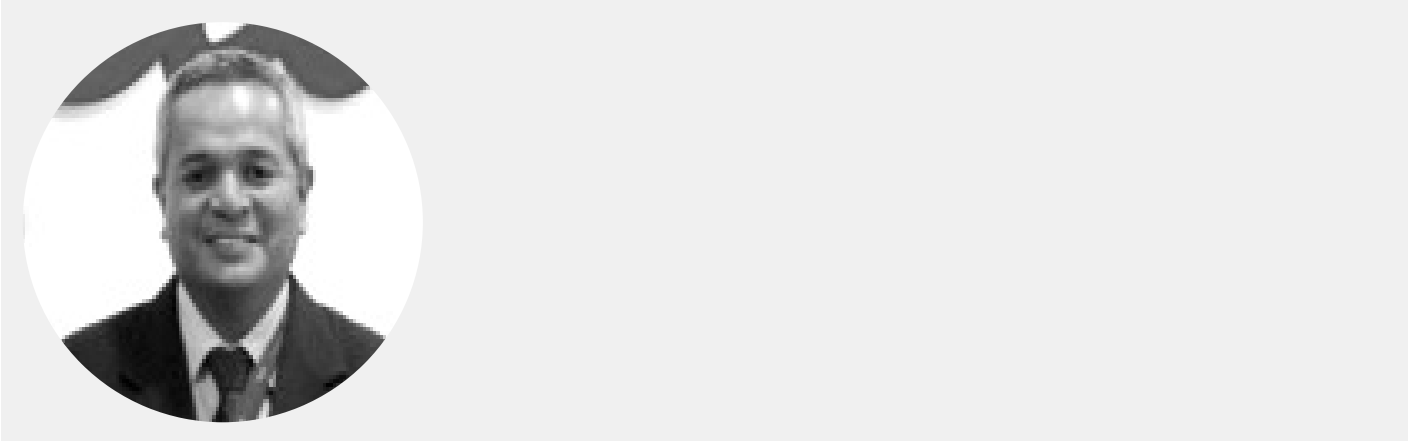
Interview: Reynaldo Dela Cruz Jr., President & General Manager, Lilly Philippines



16.01.2014

Tags: Generics, Eli Lilly

Reynaldo Dela Cruz Jr., President & General Manager of Lilly Philippines, gives his insight into the growing diabetes problem in the Philippines and what this means for Lilly Philippines as an opportunity to address a growing population of diabetic patients.

In neighboring markets like Indonesia, Lilly only started investing more recently. How is the Group looking at the Philippines today and how much of a priority is this market for the global operations?

The Philippines with its demographics and disease pattern will remain to be an attractive market for most innovator companies like Lilly. The healthcare system in the Philippines is developing and is abreast with modern capabilities of developed countries. We have institutions that are upgrading their facilities and services to cater to both local and foreign patients (medical tourism).

As for Lilly, we have been in the Philippines for more than 50 years. We have evolved from an anti-infective company to diabetes, neuro-science, oncology, women’s and men’s health medicine and treatment provider.

In the Philippines there are approximately one million new diabetic patients every year. The high prevalence of diabetes in the Philippines poses a great opportunity for Lilly to serve the diabetic

patients with its insulin and oral anti-diabetic medicine. One of Lilly's priorities globally is to help provide solution to the effective treatment of diabetes. Thus, the Philippines is seen as a place to be served by Lilly being in a country with a huge diabetic population.

How do you see Lilly's position vis à vis the diabetes company Novo Nordisk in the Philippines?

Lilly will continue to fulfill its mission in providing the best possible solution through innovation in treating diabetic patients. The heritage with insulin and now with an oral anti-diabetic agent will be our key offering to the Filipino diabetic patients. Currently, we are growing the number of diabetic patients being served represented by the current level of market share as depicted through the IMS data. We are serious in being a major player in providing diabetes treatment as well as prevention through patient education programs in partnership with healthcare professionals and health institutions. The aim is to help the country understand the disease better so that those who are afflicted with it will still be able to have a normal and productive life; and for those who don't have it yet, they will be able to maintain and sustain a healthy lifestyle.

Do you expect to see your 34 percent market share to increase in the future?

We have initiatives and are doing our best to reach out and serve more diabetic patients. We will continue to partner with all key stakeholders, particularly the healthcare professionals. We will do this, of course, by Lilly providing quality and innovative diabetic medicines. We will continue to drive diabetes education in the country as part of our advocacy to understand and control diabetes.

We conduct education through professional diabetes educators using diabetes conversation maps. The diabetes educators are nurses from the Philippine Association of Diabetes Educators (PADE) and Association of Diabetes Nurse Educators of the Philippines (ADNEP), that works to educate patients at various institutions including government hospitals. The diabetes conversation maps have been created in partnership with the International Diabetes Foundation. This method of 'peer counseling' also includes the caregivers or members of the patients' families.

For this year alone, from January to June 2013, we have approximately 9,000 patients who underwent diabetes education program in the Philippines. We have discussed a range of topics around healthy eating and an active lifestyle, how diabetes really works, as well as the steps to starting with insulin therapy (which for most people is a feared diabetes solution and treatment).

Part of the diabetes education program also includes training of other nurses in the different hospitals through the professional diabetes educators.

Now, we are looking at expanding this program across the different provinces in the Philippines. With one million new diabetes patients per year, we expect to make a difference.

Who approaches who in this case: the government or the private sector?

In order to make the difference, you have to make the first step. Lilly is currently undergoing discussions on how an integrated diabetes awareness, prevention and treatment campaign can be done in the Philippines.

You described the Philippines as a top 10 market for diabetes globally. Can your business approach here be used as a prototype for other markets?

What we are doing and trying to do in Lilly Philippines is a combination model that worked well and was picked from other Lilly affiliates all over the world. There is a common platform where Lilly operates and that is to serve patients well with our innovation. Serving patients is universal and thus, I am sure will work well in the Philippines.

Lilly CEO John Lechleiter has pointed to the importance of innovation in medical devices, when it comes to administering insulin for instance, too. How successful have you been at bringing the latest developments to the Philippines?

Innovation is a key driver in treating most diseases. Insulin treatment is one of those that require innovation in the delivery of the active compound as currently insulin is administered through injection or infusion. Convenience and adherence to treatment is essential. The evolution of the devices was significant to the increasing acceptance in insulin therapy where you can see improvement from the sizes of a needle to the design of the pen device. Lilly has been in the forefront of making the devices for the administration of insulin making it convenient, user-friendly and accessible for the patients. Right now, in the Philippines we have a range of offerings of different insulin devices or formats. We are planning to add a new pen device to further improve our offering to the diabetic patients.

You also spoke of oncology. What other areas do you invest in in this market?

We are also involved in Women’s Health; for example treatment of osteoporosis and Men’s Health such as the treatment for erectile dysfunction. As mentioned earlier, we have a range of medicines for neuro-science related disorders.

Are you optimistic about access to medicines in the Philippines?

Yes, I am optimistic on improved access to medicines in the Philippines. The government and the private sector are working on this together. The Universal Healthcare program is the main platform to drive this. We can see the private sector is being very supportive of this. The initial focus was on price reduction of medicines. Now, everyone is realizing that it is not only about the price of medicines that is critical in making health accessible but also the infrastructure, the availability of healthcare professionals and finally the efficient distribution of the health services and medicines.

We can see that the pharmaceutical companies are partnering with the government as seen through the Type Z package benefit medicine offering. This is a good collaboration to start with and that will make the innovative medicines accessible and available to a wider scope of the population.

Access to medicines should also include quality assurance. Therefore, a more stringent regulatory enforcement of quality standards should be observed to make sure that the stakeholder is getting the value for money. The most expensive medicine is one that does not work accordingly.

The generization of the Philippines market and concerns over the quality of medicines is an ongoing discussion. How do you look at these aspects?

Generics segment has growing acceptance in the country. The generization is an offshoot of a patent cliff of most brands and so that fewer new chemical entities launch. Philippines is not an exemption with this reality. This is further enhanced by several government policy shifts. The first was the Generics Act of 1988, which required generic prescriptions. A second major intervention came from the supply side by allowing parallel importation of lower priced essential medicines through the PITC, the official procurement arm of the DOH.

The policy shifts were coupled with the proliferation of generics retail chain outlets, which heavily advertised the availability of lower priced generic alternatives. This heightened the awareness of the population on this option. Substitution to lower priced generics at retail level by the pharmacists was allowed by law as a result of the Cheaper Medicines Act.

These shifts to generization pose a risk to the quality of medicines being offered as an alternative. Thus, the evolving importance of the role of FDA is key in making sure the standards and regulations are both applied amd enforced to ensure that the options are bioequivalent and similar. They have to make sure that the medicines dispensed are registered and have undergone the same quality testing that the originator or innovator compounds. There should also be a checking

or review of the experience with the medicines available in the market. Again, let me repeat, the most expensive medicines are the ones that never works or that fails to deliver its promise.

Fortunately, the FDA with their current Director General is currently instituting the desired changes that will ensure an effective and upgraded administration. I am supporting his advocacy to ensure the quality of the medicines in the Philippines with the changes he is proposing. If this is realized, then the fear of accessing low-quality generic alternatives will be mitigated.

So what is next for Lilly in the Philippines?

Lilly will continue to be a major partner in diabetes and oncology in the Philippines. We will be focusing our efforts in these areas where we know we can contribute and make a difference. The country will evolve into having a sizable ageing population. This is where we will strive to provide the best possible outcome and service to help patients through our innovative products, treatments and services. Our strategic focus in the Philippines fits like a glove in hand.

Health care in the Philippines is still in a growing stage. There are many growth opportunities to serve and treat a large number of patients. Again, it is not only about treatment but also about encouraging healthier lifestyles. The demographics are there. We are fortunate to have a population that is optimistic in spite of the challenging times. Our overseas workers will also continue to send back home funds for their families here to have a better and healthier life. Medical tourism is being developed. Eventually, it will not only be the local population who will benefit from what Lilly has to offer, but multinationals who come to seek treatment in the Philippines as well. The added attraction for the health seekers is the beautiful nature of the 7,100 islands and the warmth and hospitality of the people. Thus, it can be said in the long run that ‘It’s more fun and healthy in the Philippines’.

To read more interviews and articles on the Philippines, and to download the latest free report on the country, click here.

See more interviews