

Interview: Marcel Plattner - CEO, Gebro Pharma, Switzerland



"As a country of eight million inhabitants with its own regulatory agency, many specific rules, the need for significant local knowledge, and a very high cost of labor that overall the cost of doing business is very high for a pharmaceutical company in Switzerland - and thus prices must be somewhat higher to compensate for that."

17.01.2017

Tags: [Switzerland](#), [Gebro](#), [vips](#), [Pricing](#), [Market Access](#), [Pharma](#), [Pharmaceuticals](#)

Not all impactful innovation involves the development of new chemical or biological entities, and the value of such innovation must be recognized in pricing processes argues Gebro Pharma Switzerland CEO Marcel Plattner.

We understand you serve as the head of the executive committee for market access and pricing within the Swiss pharmaceutical association (VIPS).

VIPS is the association of pharmaceutical companies operating in Switzerland and as such the association is focused on the Swiss pharmaceutical market. As the main goal we want to ensure that the hurdles to market access and pricing levels are well balanced with the necessary investments companies have to provide for innovations.

There are some issues in recognizing the innovation and especially the incremental innovation in the pricing process. Another issue has been the frequency of the changes in the system, as our current system was implemented in 2015, yet there will be many changes coming into effect in 2017. It is difficult to plan when you only have a year or two of certainty regarding the pricing regime.

Otherwise, the discussion is as can be expected, defined by the government's goal to reduce prices, while the industry seeks to see the value of the products they bring to patients fairly recognized. At present, we expect that the new system will see prices correlated with those in the

stronger economies in the EU.

However, we must keep in mind that as a country of eight million inhabitants with its own regulatory agency, many specific rules, the need for significant local knowledge, and a very high cost of labor that overall the cost of doing business is very high for a pharmaceutical company in Switzerland – and thus prices must be somewhat higher to compensate for that. A good opportunity to do so, would be taking the purchasing power parity into account.

VIPS membership includes companies with widely different profiles - what are some of the unique needs and aims of a company like Gebro?

VIPS is the association of global midsized and smaller local pharma companies, with some startups and orphan drug companies for instance. For the most part the members of VIPS share similar goals in terms of the regulatory and pricing environment.

One issue that Gebro Pharma shares with some other smaller companies is the need for innovation which brings value to patients to be recognized in prices, even if it doesn't involve a new chemical or biological entity. Gebro, like many other companies, invests in developing innovative products by optimizing galenic formulations, method of delivery, or finding novel combinations and it is important that this added value is recognized in the price these products are assigned, and that this price is higher than that of a generic product. Due to our pricing system with a basket of nine reference countries, we have the risk to "import" a pricing that doesn't allow a fair consideration of a better formulation, which might have a lower side effect profile or other benefits for the patient.

[Featured_in]

Although Switzerland's system is not that rigid and some differentiation in price can be achieved, we feel however that incremental innovations are not valued fairly in most cases, and this risks stifling this kind of innovation. This is of course a negative situation, as in many cases known substances have significant unlocked potential – also in these instances, it is much cheaper to develop a product to meet an unmet need using a known substance than having to develop an entirely new substance. Thus it is important to allow for some pricing increases for incrementally innovative products to ensure cost-effective therapies.

Speaking about Gebro Pharma's innovative portfolio, do you have a preferred example of the type of added-value innovation that you're referring to?

We, as Gebro Pharma, have a wide range of innovative products with the focus of patient benefit. There are for instance new combinations of well-known API's, new and unique galenic forms or

further developed active ingredients.

An example of the latter is our product Seractil. We use the API dexibuprofen; ibuprofen is a racemic mixture of dextro and levo enantiomers of ibuprofen, and the dextro (or right handed) enantiomer is active, while the levo enantiomer is inactive. Thus, by developing a galenic formulation which uses only the active isomer of ibuprofen, being dexibuprofen, our product has many advantageous properties over a normal ibuprofen product.

First, a given dosage of dexibuprofen has the same analgesic effect as a dosage twice as large of ibuprofen; At the same time, our formulation has a lower side effect profile, in part due to the lower dosages; although they have the same analgesic effect, 400mg of dexibuprofen is less work for the body to process than 800mg of ibuprofen (400mg of dexibuprofen plus 400mg levo-ibuprofen). Finally, Gebro Pharma has a patented galenic form and as such we are able to offer a faster acting product.

Seractil is the only dexibuprofen product on the Swiss market, and at certain dosages it is the only available fast acting product; there is no fast acting 800mg ibuprofen on the market, but our 400mg Seractil fills this niche. While we enjoy a strong position in the Swiss NSAID market our position in Austria where Gebro is based, and where Seractil is in fact the NSAID market leader.

What is Gebro Pharma known for in the Swiss market?

Gebro Pharma is a pharmaceutical company with a strong track record in the core areas; rheumatology/pain, dermatology, and cough and cold. We always provide solutions with a clear focus on patient benefit. As a family owned company we stand for continuity, stability and long term partnerships.

Out of the three core areas, we are best known in the rheumatic field and our strongest brand in this area is Metoject, an innovative methotrexate product which we have licensed from a partner. Seractil, which Gebro Pharma developed in house, would be the second best known brand in this area.

We also have a sister company Alpinamed which was bought by Gebro Holding in 2000 and is quite well known. Alpinamed manufactures and commercializes phyto-pharmaceuticals here in Switzerland, and exports their products under the Alpinamed brand to Gebro Pharma affiliates in other countries. They have strong expertise in developing and processing extracts from plants, and have a strong position in the Swiss phyto-pharmaceutical market.

You mentioned earlier that it is difficult to get the Federal Office of Public Health to recognize the innovative value of products which use known substances during the pricing process - to what extent do physicians and pharmacists recognize the added-value?

We are very lucky that Swiss doctors and pharmacists are still motivated to find good solutions of high quality for their patients. They look for products with advantages and benefits, not just for the cheapest or most basic product which will fit the purpose. This is why Gebro Pharma places real emphasis on bringing products to market that have a patient benefit, as doctors and pharmacists will see that a new product brings a real value to their patients.

Impact does not always correspond to assessments of value, as if there is no need for an improvement over the existing treatment options, then such improvements will not have a significant impact. This is why Gebro Pharma is maintaining an intensive dialog with all relevant stakeholders. This network enables us to have a close contact to the market and get the information about the requirements patient, doctors and pharmacists are looking for.

[related_story]

On the topic of looking at licensing opportunities, how would you pitch Gebro Pharma as a potential partner? What makes you a partner of choice?

We are a valuable partner with a strong market experience, an excellent network and a successful track record. Our knowledge of the local environment combined with the partner and long term orientated mindset creates a unique benefit for a potential partner.

Due to the good knowledge of the key prescriber and the relationship with KOLs we can offer an efficient market access to the Swiss market for products with a clear patient benefit.

A clear value is also our experience in handling the pricing process and working with the Federal Office of Public Health to see the innovative value of our products recognized in the pricing process

How would you assess Gebro Pharma's performance over the last few years, and what will be the next steps for driving the affiliate's growth going forward?

We have succeeded in achieving impressive growth over the last decade, increasing revenues from CHF 5 million to over CHF 17 million, while our staff has increased from about 12 to 30 people.

Going forward I do not expect to replicate this growth, but would like to keep growth in the double digits. To do this, we still see some potential with our existing brands as there are always things

you can do to gain market share and to find ways to better positioning products based on the feedback you get from doctors and pharmacists.

Second, we would like to expand our portfolio mainly in the existing focus areas of rheumatic pain, dermatology, and cough and cold but of course we are always considering to expand the field of activities - Gebro Pharma has a pipeline of products, but we are always looking for licensing opportunities that fit with our portfolio. Furthermore, it's important that we do not only reach a product fit but also a good partner fit as we are fully committed with our partners and like to work with them for a long period.

To achieve any and all of these goals, having a strong and motivated team will be crucial. In this sense, my top priority is teambuilding and motivation, which is a perpetual goal to pursue and work to improve upon.

[See more interviews](#)