# Thanassis Panopoulos – Country Manager, Orion Pharma, Greece



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*Starting as a one-man-show when he began the Greek affiliate in 2009, Orion Pharma's General Manager, Thanassis Panopoulos discusses the company's high level of resiliency, the challenges of bringing a Finnish company to Greece, communicating the value of their life-saving products to relevant stakeholders, as well as their objective to maintain a healthy business in the years ahead.*

**Mr. Panopoulos, you have been the Country Manager for Orion Pharma for the last seven years, thus being the one responsible for spearheading the company throughout the crisis. What has been your leadership style in getting through this period?**

Though it was challenging, we were provided with a rigid set of guidelines from our parent company, wherein the basic requirement was for the company to be operational. Therefore the real work was on how to transfer paper to practice. For the Greek affiliate, it took about eight months in order to be fully operational and have the foundation for the shape of the company today. Orion as a global organization was very supportive and many of the challenges that we face were with state bureaucracy.

Secondly, there was a challenge of re-acquiring one of Orion's products, Simdax, which at that time was distributed by Abbott Laboratories. Therefore another prerequisite step was to take the rights back for this product, and make it the first product to be sold in the Greek market. Simultaneously, we had to build, recruit and train a team, as well as prepare for several other products in the

pipeline. The team grew steadily until 2012, but we unfortunately had to undergo restructuring given the PSI (Private Sector Involvement) that has swept over the private sector landscape. It was a situation wherein bonds were used as payments for our products sold in the public sector, which were thereafter significantly cut by 57.85 percent as part of the austerity measures. It was unfortunate timing as the economic situation became more dire right at the critical peak when our company was about to take off.

Therefore, we have had to reorganize ourselves, especially given the fact that the ministry was sending a clear message that halting the launch of new products would be one way to save money. Hence, registration phases of products were prolonged in this regard. For example, we had a product in the pipeline for prostate cancer named VANTAS that began the local process in December 2009, but only went into price and reimbursement evaluation at the beginning of 2014. In the meanwhile, we lost four years, as well as the opportunity plus the costs associated, and ultimately, the rights for the product.

It is important to mention that the product in subject was a once per year treatment with substantial savings for the social security funds

Dexdor for example, a revolutionary product that was expected to obtain P&R in Q1 2012 finally came into the market at the end of 2013. In the meanwhile we hired and trained people for the upcoming launch of the products that had either been delayed substantially or never came to fruition.

**What is the current portfolio of Orion Greece comprised of today?**

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There are two main products in our local portfolio. Primarily, our key product is Simdax, which is a unique product in that it is the only calcium sensitizer available in the market. It is designated for acute decompensated heart failure (ADHF) and according to doctors is a truly life-saving treatment. The second product is Dexdor, which is a highly selective a2 agonist, indicated for light to moderate sedation for adults in the intensive care unit. Due to its unique features and mode of action, it is considered a revolutionary product bringing a completely new era in the challenging ICU environment.

Though we have 100 percent reimbursement for both, it is impossible to say what the market share is for each, for two reasons: First because both products are unique and not directly comparable with others used in the same fields and second because there is no data available for sales of

hospital products, like IMS for the private segment

**As a Finnish company, the core values of Orion are strongly anchored in R&D. How has this been manifested in Greece?**

As with any other pharma company, Orion invests heavily in R&D though we are constantly in a state of waiting. The  process is not only expensive but lengthy and it is typically a long while before a product can enter the market from the R&D stage. It is a competitive game, the dynamics of which typically require starting with thousands of molecules – the project is considered successful if one of those thousand shows potential and finally reaches the patient. Though we in the subsidiaries are rather distant from the process, we are fully confident in the rich pipeline of our products, and the main problem lies in the lack of predictable timeframe in which these products can be launched. Especially given the pharmaceutical legislative landscape, we are constantly uncertain as to when and if a product will arrive in Greece. Currently, we have several products in the pipeline for P&R that we are constantly evaluating and re-evaluating for their feasibility in Greece.

In the last two years, we have been at a halt. Apart from pricing there are two main reasons for this, one of which is that payments from the state hospitals are really unpredictable but we are obliged to finance not only our supplies but also our obligations towards the state plus our operational expenses. Another reason for this halt in activity is the constantly changing legislation which means that no-one knows what the status will be at the moment that one product reaches the P&R phase or afterwards.

**Hospital budgets have become closed and restricted, declining constantly over the last few years. How has this impacted Orion’s operations?**

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The difficulty not only lies in the restrictiveness of the figures, but also in their volatility. For example, last year, the budgets were drawn at 600 million EUR, but 110 million EUR were allocated as clawbacks. Miscalculations were evident as these budgets were insufficient to cover the increasing state hospital needs. Also, the transition of oncology products from EOPYY to state hospitals was not taken into consideration. In some hospitals, just these products represent more than 30 percent of the entire hospital budget, meaning that consequently the budget for other products evaporates. These uncertain terms lowers our confidence in the system overall.

**How do you communicate the unique value proposition of your products to the regulatory bodies? Do you believe in the need to have a different category for specialized, life-saving medicines such as yours as opposed to being affected by one blanket clawback mechanisms?**

As it stands today, no alternatives exists and we are all classified as pharmaceutical products in one basket. Depending on the nature of the product portfolio that a company has, we are not all affected in the same way by the clawback measures. A pharmaceutical company where 90 percent of turnover comes from the private market and has products not in the positive list will be affected very minimally by these clawbacks as only 10 percent goes into hospital sales. For companies such as ours, the 33 percent clawback carries a huge implication on our margins. This way the state is somehow forcing us either to withdraw our products or pull out from the market. In a case like that, and as long as important medicaments will not be readily available, the state will be obliged to purchase the products via a lengthy process through direct imports. In this option, apart from the consequences to patients in need, the products will cost three to four times higher. Although this is not ideal, some companies are opting for this route to stay afloat in the market.

**Do you think price assessment mechanisms are fair in Greece?**

Pharmaceutical pricing in Greece is determined according to the three lowest prices in Europe. Unfortunately, the reference countries for Greece are those with lower living standards and mostly not in the Eurozone. Whenever there are currency fluctuations or devaluations in these countries, the impact is also felt directly in Greece. Moreover, if a currency fluctuates upwards, the state does not allow a price increase. The problem lies in the fact that the government does not holistically take this into account, thus creating a very anemic environment, especially for new treatments.

On top of the above having very low prices, tempting some wholesalers to re-export, mainly private market products, to other EU countries thus creating a shortage in the local market; a fact that is becoming more important in cases where generic substitution is not available.

**One of the proposed solutions put forth is the necessity of implementing more localized solutions for Greece, such as a local HTA and a negotiating committee. Do you agree with this view?**

As far as I know It has been discussed and proposed in the past, that based on cost-effectiveness studies, as well as information from other countries, the industry should be free to negotiate set prices and discounts if more localized systems were in place. For example, if a company had a set and well-justified price that would not jeopardize other prices around Europe, there would be no

objection to providing an additional discount. Thus, there will be no risk for chain price reduction in other countries that use Greece as a reference. Moreover the discount could be variable according to the size and consumption of each individual hospital. Additionally, on-time payment incentives could be put in place in the form of extra discounts.

Greece is unique in that it is the only European country wherein the hospital price is lower than the ex-works price, which is the one officially registered. From the already-lowered hospital price, we are obliged to provide a further 5 to 6.5 percent rebate, which is a mandatory discount imposed upon us. Exacerbating this is the obligatory clawbacks at a massive rate.

**How would you like the Orion brand to be perceived in Greece?**

We want to be the best in our field, developing products and solutions that promote well-being and health. This challenges each one of us as an individual and all of us together to strive for the best in all that we do. It certainly presents an advantage to be a Finnish company as it is perceived to be of the highest quality. Moreover, I have been blessed to cooperate with a team of excellent colleagues, who throughout the years have demonstrated that we in Orion are serious, ethical and that we stand by our repertoire of important products. Our products boast a level of scientific complexity whose value is recognized to be of key importance to critically ill patients, which is a testament to our positioning in the market.

**How would you evaluate the future of Orion in Greece and how do you see things moving forward for the industry as a whole?**

We are evolving day by day in Greece and we are cognizant of the unpredictable environment that surrounds us. Given our known pipeline, we are ready to increase our portfolio both in the hospital and private sectors immediately as soon as the conditions permit it. With the unpredictable future looming, our strategy and my major responsibility is – with critically ill patients primarily in mind – to keep business risks under control, to protect the jobs of my team members and the company’s interests.

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