Panagiotis Mparas – Chairman and Managing Director, Philips Greece



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In the price versus value discussion brought on by Greece's economic crisis, Philips' message is clear: they offer novel solutions that can do more for less and place the patients at the center. Philips Hellas' Managing Director, Panagiotis Mparas, speaks about the company's healthcare footprint in Greece; reconciling the corporate philosophy of innovation with the economic limitations of the country; as well as articulating how their "Hospital to Home" solutions encourage better patient outcomes with dignity.

How would you describe Philips' footprint in Greece? Moreover, what have been your key priorities since you assumed the position in 2013?

Philips has been in Greece for more than 80 years, with its origins dating back to the 1930s. Though there used to be an industrial footprint in the past, Philips today is an entirely commercial organization. Philips is very active in areas of personal health and health system, each referring to the provision of better quality of life to the general population and leveraging the use of diagnostics and therapeutics, respectively. Our Philips mission is to improve the lives of three billion people a year by providing meaningful solutions across the health continuum – which spans from promoting a healthy quality of life, prevention, diagnosis, therapy, follow-up and back into a healthy quality of life. Philips' global mission is well-articulated also here in Greece.

With the decision to separate the lighting division of Philips on a global level last year, the focus has shifted towards providing solutions across the Health Continuum. The new focus is both on the Health Systems part of our business as well as on Personal Health solutions, oriented more directly towards consumers. Growing the healthcare business in Greece in both consumer and professional areas is our objective, in order to ensure that we can bring our vision to life.

Philips operations in Greece are aligned with the strategy of the group focusing on the Consumer and Professional Health aspects. In the larger sense, we want to be perceived as a solutions-driver as opposed to merely a brand that carries a particular product or technology.

How is the global portfolio represented in Greece?

The large majority of the products that are available globally are present in Greece in accordance to the relevance and the nature of the demands in the local landscape. As long as the regulatory requirements are met, there had been no impeding hindrance thus far. Many of the new technologies already available at the regional level, such as mobile health and telemedicine technologies, are promising products that have the potential to be active in Greece as well, as long as they meet the local needs.

Nonetheless, although no current barriers exist from the global Philips level in regards with deploying technologies in Greece, the underlying question remains of whether the market is receptive to the technologies. We aim to emphasize the value proposition of innovative Philips offerings to local stakeholders and explain the significant benefits that can achieve both in terms of cost savings as well as improved clinical outcomes.

Innovation is the key engine for Philips, as eloquently stated by the corporate motto: Innovation and You. However, innovation faces many challenges in Greece ranging from restricted budgets to bureaucratic slowdown. As the Managing Director spearheading the affiliate, how do you reconcile these two opposing philosophies?

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At the crux of the issue is to understand that the philosophy of innovation needs to be seen as an enabler, as opposed to a detractor, in providing crucial solutions to the market. In that sense, both our strategy and vision provide formidable foundation in order to promote the value of our business across all geographies globally. The challenge primarily lies in convincing the stakeholders in Greece that more can be done with less. It is important to demonstrate that our technologies and solutions are indeed aligned with the idea of efficiency and productivity.

For instance, it is a most commonly understood healthcare axiom that one of the greatest driver for the reduction of healthcare cost is early prevention. Prolonged and non-efficient hospitalization is one of the main elements that induces a severe financial burden to both the public and private systems. Philips is the biggest proponent of the concept of *Hospital to Home* through technologies such as telemedicine and remote monitoring. The idea behind our solutions is to generate better clinical outcomes are lower costs.

Many of the stakeholders are extremely favorable to the concepts of our technologies once the value is explained to them, however, the main obstacle is centered around the allocation of resources. Once the discussion shifts to allocating resources, the tendency is to resort to the conventional methods. This has shown to be a detractor as the problem of efficiency remains.

It should be recognized that at a time when circumstances are dire, it is an opportune time to look towards new solutions and innovative thinking. More stakeholders should be open to a way of thinking that is novel – as novel as the technologies and solutions that hold the answers – and execute accordingly.

The general sentiment of the executives interviewed thus far convey a coherent intention to move the discussion away from price, and evaluate innovation according to the values that they offer. What has been the missing impetus for this paradigm shift?

In times of austerity, the focus on price reductions and cost cutting are understandable because there are target to be met, but after a certain extent, there needs to be a shift towards solutions that promote development of the market as a whole. The crisis has been largely overlooked as an opportunity to implement new solutions and evaluated according to the outcomes they generate, even at a very small scale. For the outcomes that are positive, there should be a greater push to grow them.

The public health expenditure won’t grow, but nonetheless the need is increasing. Telemedicine is a good example of technology supporting the healthcare system because it reduces time of the patients in the hospitals as well as the chance they return back. Philips has recently developed a telemedicine project in The Netherlands: more than 100 patients with heart failure have been telemonitored and supported by motivational messages, educational videos, and evaluation questionnaires. A reduction of 76 percent of hospital admissions, a better quality of life and a high degree of knowledge of the disease have been the achievement of the project.

Philips has participated in a number of chronic patient management programs, including assisted self care, such as the one in Liverpool, UK involving patients with COPD, diabetes and heart failure.

Results have shown significant reduction in patient hospital admissions, with marked benefits in quality of patient life and associated cost reductions. It is evident that we have created solutions wherein it benefits the funding system (whether private or public), as well as the patients who gets to spend more time with their families. We have the data proving its efficiency, but the implementation in lacking.

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How would you evaluate the efficiency of the DRG (Drug Related Group) system in Greece?

As a philosophy, it makes sense to rationalize spending through the DRG system, but the problem once again lies in the implementation and execution. As the DRG system is not a Greek phenomenon and it is one implemented through looking at cases of other countries, some DRG can be optimized with respect to the procedures that they refer to.

When the DRG system was implemented in 2013, they were directly taken from other countries. Do you believe more localized solutions provide more robust solutions for the Greek system today?

The rush to quickly cut costs at the height of the crisis led to disparities that are not conducive to creating a sustainable healthcare system. Though the philosophy is not unsuitable per se, they need to be evaluated according to how they will be received in Greece and how they can generate a better market landscape.

There is no stakeholder out there who does not want better outcomes and better costs. Each party – ranging from both public and private sectors to healthcare providers and suppliers – needs to look beyond their own interests and look for ways to collaborate. The starting point of the discussion needs to center around way innovation could be brought into every area, whether in terms of products or methodologies.

Who do you believe should initiate this discussion?

The conversation needs to be initiated by the biggest actor in healthcare: the public sector. Looking at the ratio of hospital beds in the public versus the private sector, it is clear that two-thirds fall within the public side. This is also true in regards with healthcare expenditures. However, what is worrisome is that 30 percent of healthcare spending itself is done-out-of-pocket. Though we might consider that we have a public healthcare system, much of the spending still comes from citizens reaching into their pockets. Given this reality, the public sector needs to take braver steps

in order to instigate the discussion and create an impetus for change. Nonetheless the private sector also has the responsibility of initially contributing to solutions and therefore could be more efficient in their execution.

Where does Philips stand in this dialogue?

It is first important to note that our solutions are perceived and understood to be able to deliver more with less. As a company, we hold no political sway, ergo, irrespective of the political environment, the solutions that we provide for the market are purely for the interests of the patients.

Philips' *Hospital to Home* solution is evocative of a crucial innovation that needs to happen in healthcare at large, which is to recognize the human dimension that is necessary when putting forth solution. Why is it important to have a holistic approach in providing treatments?

The foundation of the Philips business model is simple: better clinical patient outcomes. Anchored on this philosophy is not solely the idea of health outcomes and the financial costs associated to them, but the holistic experience of the patients as a whole. We do not simply evaluate outcomes according to whether the patient had the disease and how the disease is cured. We evaluate the quality of life of our patients as they go through the journey.

It is our objective to bring forth solutions that instill dignity to the patients. Our solutions promote a win-win-win strategy in regards with the benefits they provide to the system, the healthcare providers, and most importantly, for the patients. Our biggest priority always remains for the patients throughout the continuum of care, which begins and ends primarily with the patients. We provide innovative solutions that places the patients at the center in order to encourage a structural change for the system as a whole.

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