Interview: Brian Hilberdink – President, Novo Nordisk Canada



"Fortunately, approximately half of the Canadian population is able to access drugs through private insurance, which allows for speedy coverage for most drugs used to treat chronic diseases like diabetes."

23.10.2017

Tags: Canada, Novo Nordisk, Pharma, Diabetes, Obesity, Innovation, Strategy

Brian Hilberdink, President of Novo Nordisk Canada, highlights the key role that Canada plays as a pilot market for exporting best practices globally, the focus that Novo Nordisk is placing on the undertreated condition of obesity in Canada, and the challenges and opportunities of running an innovative pharma business in Canada.

Globally, Novo Nordisk has seen a few changes since 2016 with a new CEO and a bit of a geographic reorganization. What role does the Canadian affiliate play within global strategy?

After a brief period where we were grouped into the Pacific Region along with countries like Japan, Australia and New Zealand, we are now part of the North American business unit. One aspect of my current role I greatly enjoy is the autonomy I have. Canada is an extremely unique market with a variety of market characteristics and dynamics, and this is something we are well-recognized for within the Novo Nordisk organization. For instance, we have a very responsive private market much like what you see in the US, where we can expect rapid patient availability of new therapies, alongside a very restrictive public market with HTA requirements reminiscent of Germany, the UK and other European markets.

We definitely need to embrace the fact that tremendous diversity does exist in this country. One of the major changes I implemented as President is an organizational structure that allows us to

regionalize our approach as much as possible across the various provinces. The way diabetes and obesity are treated in Vancouver is different from Montréal or Atlantic Canada, for instance.

In this way, Canada can be seen as a pilot market for the rest of the world. If we can implement something successfully here, there are transferable learnings that we can bring to other parts of the world. We punch above our weight in terms of exporting best practices to other affiliates. Precisely as a result of the fragmentation of Canada's healthcare systems, Canada plays the role of a 'living lab' within the Novo Nordisk organization.

Could you highlight some examples of best practices that have been exported from Canada globally?

[Featured_in]

Novo Nordisk Canada has undertaken a significant commitment to treating obesity as a disease state. Obesity is an extremely misunderstood and therefore undertreated disease. The reality is that over a third of Canadians are classified as obese and many of them live with comorbidities like hypertension, pre-diabetes or type II diabetes. Less than one percent of Canadians suffering from obesity receive the proper, systemic treatment they need.

Our job is to advocate for patients and elucidate the fact that there are evidence-based treatments for obesity. This is somewhat of an uphill battle. Canada has been widely acknowledged to deal very well with acute situations, with the attention that is currently paid to the national opioid crisis as an example. But there is a lot more work to be done when it comes to the treatment and prevention of chronic diseases like diabetes and obesity. This is also the area driving up most of the costs in the healthcare system.

To begin with, we do need to recognize that obesity is a disease, as recognized by most major medical associations in the world, including the Canadian Medical Association. Yet the majority of Canadians, including many physicians, policymakers and payers, still regard obesity as a lifestyle issue as opposed to a medical one. Few other disease states receive as much shame, for instance; think about the judgment we tend to make when we see morbidly obese patients. However, it is a very complex disease involving a combination of genetics, behavior and socioeconomic factors, so within the healthcare system, we need to do a better job of providing pragmatic solutions to help these patients.

Obesity currently represents less than 10 percent of our business, but in terms of market potential, there is a real opportunity for it to be much larger than the type II diabetes market, which has been

the foundation of the Novo Nordisk business globally for over 90 years. Certainly, as an industry leader within this space, we are working to advocate for change. Canada happens to have some of the world's leading obesity specialists. They are well-positioned to mentor other physicians in how to treat obesity properly as a medical condition instead of simply a lifestyle choice that can be treated by dieting and exercise. This is a real highlight for Novo Nordisk Canada.

Canada is known to have a rather difficult market access environment. How has this impacted Novo Nordisk's business?

[related_story]

Fortunately, approximately half of the Canadian population is able to access drugs through private insurance, which allows for speedy coverage for most drugs used to treat chronic diseases like diabetes. Within three to six months of approval by Health Canada, the majority of this group will have access. For the other half covered by public formularies, the situation is very difficult. Canada has an extremely convoluted market access, pricing and reimbursement environment and as a result, public reimbursement lags significantly compared to the majority of the Organization for Economic Co-operation and Development (OECD) countries in terms of the amount of time it takes from Health Canada approval to broad public acceptance of drugs. This means that patients who are dependent on the public formularies, including most seniors, are at a significant disadvantage and often have to rely on outdated medications. Furthermore, privately insured plans cover almost twice as many drugs as public drug plans.

In Canada, Health Canada and the Canadian Agency for Drugs and Technologies in Health (CADTH), the national HTA agency, are discussing the implementation of a joint review process where they discuss safety, efficacy and health economics at the same time. This sounds great but may result in the further lengthening of either regulatory approval or the time it takes for patients to actually have access to therapies. These changes will require the pharmaceutical industry to fundamentally change its decade-long clinical development programs from having a focus on safety and efficacy to include health economics. It is vital that the industry is involved as a partner in such reforms and that requirements are harmonized globally.

The situation is further complicated by the active role of the federal government in pricing regulation and the creation of the pan-Canadian Pharmaceutical Alliance (pCPA). Again, the intention of these changes are good, i.e. making drugs more affordable and ensuring harmonized prices across the country by leveraging economies of scale. However, there are significant unintended consequences that need serious consideration.

As it stands, the sustainability of pharmaceutical innovation is based on a relatively short patent life where the manufacturer can achieve returns on investment through a higher but non-excessive price. Upon patent loss, generics and/or new innovation will drive down prices to become more affordable. I think this is a fair model.

First, the current set-up creates an adversarial transactional relationship between industry and the government. Ideally, both sides are prioritizing what is best for the patient and are working on pragmatic solutions to get every individual in this country the best and most cost-effective treatment possible in the shortest period of time. I believe that this can be accomplished through outcomes-based contracting. This would hold the industry accountable to deliverable positive results in a real-world setting while ensuring that the government is getting maximum value for their investment without being forced to pay for treatments that are not effective.

The second unintended consequence is the impact that health care reforms and a laborious reimbursement process have on investment in Canada. While Canada is currently a great place to live and do business, we have to keep in mind that it is relatively a very small part of the global pharmaceutical market. When there is unpredictability in the market conditions and an increasing number of unique hurdles to getting reimbursement, many multi-national companies will push Canada lower down their priority list and therefore not launch the newest and most innovative products here. This is currently the situation in places like Australia and New Zealand, where many drug launches are delayed by many years and sometimes indefinitely.

As a highly innovative company, how does Novo Nordisk tap into the strength and excellence of the Canadian R&D ecosystem?

I am proud to say that Novo Nordisk conducts a disproportionate amount of clinical trials in Canada. We are seventh in terms of affiliate size but we are currently well above this number in terms of investment in clinical trials. Part of this reason is that we have some of the world’s leading diabetologists in Canada. Whenever I attend global congresses, such as the American Diabetes Association (ADA) or the European Association for the Study of Diabetes (EASD), it is a tremendous source of pride to see how often Canadians are keynote speakers.

In terms of clinical trials, Canada also benefits from having top scientists, an educated workforce, one of the most heterogeneous populations in the world, as well as better access to academic centers, smoother ethic reviews and lower overhead costs than the US. Canadian experts also export rather well, combining a North American way of public speaking with European sensibilities – a nice balance.

This is not always as well-recognized internationally as it deserves to be. Part of this comes from the fact that Canada typically reports to the US in the structure of most pharma companies. When you consider scale and market size – the population of Canada reached 36 million in 2016, a few million people less than the entire state of California – it is sometimes difficult to find the best way to differentiate the Canadian market.

Another interesting fact is that Canada is that is one of the only top 20 OECD countries to not have a homegrown innovative biopharmaceutical company! Even the smaller European countries like Belgium, the Netherlands and Denmark, of course, have at least one flagship pharma company. One of the top exports from Denmark is insulin, as a result of our activities – and remember, insulin was discovered in Canada in 1921! Without an anchor biotech pharma company, some of the great biotechnology discovered in Canada often head down south. Very few biotech companies in Canada go beyond Series A investment because there is just so much more money and scalability in the US.

As a general manager then, taking into account all these considerations, how do you advocate for Novo Nordisk Canada at HQ?

Historically, there has been a very strong connection amongst Denmark, Novo Nordisk and Canada. Sir Frederick Banting, the Canadian Nobel Prize winner that discovered insulin, was actually nominated for the award by Dr. August Krogh, Novo Nordisk's founder (himself a Nobel Prize winner). This relationship first resulted in developing a stable protracted insulin and later, the discovery of the incretin-based class of diabetes treatment to which Victoza® (liraglutide) belongs. Novo Nordisk also has Canadians heading our research facilities in obesity and type II diabetes outside of Canada. We also have strong collaboration with world renowned researchers like Dr. Daniel Drucker, senior investigator at the Lunenfeld-Tanenbaum Research Institute at the University of Toronto. As a company, we are making great strides in discovering the cure for type I diabetes, and I certainly hope that part of the IP of that discovery will be Canadian in origin.

As the 100th anniversary of the discovery of insulin approaches, we are also looking to increase our R&D and innovation footprint in Canada. This aligns very well with the current Federal government agenda as well because they have emphasized their openness to collaboration with industry to promote business and economic development based not on resource extraction but intellectual capacity and innovation. We need to actively work with them on this promise.

My 22 years with Novo Nordisk, half of which I spent outside of Canada, at HQ in Copenhagen, Denmark and also the New Jersey office, also helps me in my role. I am not just a name on the

other end of an email from an affiliate somewhere in the world; people at HQ know who I am and what I stand for. I recently brought back to the Canadian affiliate a Canadian VP of marketing after a three-year rotation in Denmark and many other people throughout the Canadian organization have global experience. The Canadian affiliate also exports talent globally, so there is continuous cross-pollination between Canada and the rest of the Novo Nordisk world. I am myself Canadian born and bred!

At the same time, through my experience as a former Corporate Vice President in Global Marketing, I appreciate the constraints that HQ faces when it comes to supporting affiliates. It is important that Canada is positioned appropriately. From a pure pharma perspective, the privately reimbursed market helps offset the situation in the public sector, and we are seen as being a good contributor to the global organization. But we are more than just our sales contribution, and going beyond sales goals, there are valuable learnings and best practices to be shared globally from this affiliate. Ultimately, it is about framing Canada in a way that makes sense and brings value to the global organization.

After over two decades in the industry, what continues to drive your passion for the industry?

Working at Novo Nordisk is not just a job. Our mission is to truly embrace a patient-centric approach. For instance, we are going to be riding bicycles tomorrow to raise funds for the Juvenile Diabetes foundation, and we collaborate extensively with associations like Diabetes Canada and the Canadian Obesity Network because we believe in making a true difference in the lives of the patients we treat. Our global CEO and our North American head came to a product launch event in Vancouver last week, and I arranged for us to visit an obesity clinic and sit in (with permission) on patient consultations for an afternoon. That experience brought home, firstly, how complicated obesity is as an issue, and secondly, how pharmacological treatment is only a small part of the potential solution. Other factors like mental health issues and poverty need to be taken into account as well. We want to be part of the bigger picture, offering more holistic solutions.

We are a for-profit organization because it is only through that profitability that we can sustainably drive our mission to help patients. But everything we do is with patients in mind, and the majority of our employees here feel very strongly about the mission we are on as a company: to be commercially successful as an organization so that we can improve the lives of the people we treat in a sustainable fashion, and ultimately, change diabetes and the other diseases we treat for the better.

See more interviews