Interview: Jose Aranda da Silva – President, INODES (Association of Development and Research in Public Health) and Director, Portuguese Journal of Pharmacotherapy, Portugal



"Portugal is of the few countries not investing enough into disease prevention."

09.04.2018

Tags: Portugal, INODES, INFARMED, SINATS, HTA, Market Access, Healthcare,

Jose Aranda da Silva, the first President of INFARMED and an expert on the Portuguese healthcare sector, comments on the successes of the sector since the crisis and how SiNATS (National System of Health Technology Assessment) is only the start. In addition, he stresses the importance of market access and highlights the evolution needed to harmonize market access at an international level.

What has been the impact of the recent growth of the economy on the healthcare sector in Portugal and how can the sector grow further?

The crisis had a huge impact on the healthcare sector, and between 2009 and 2015 Portugal experienced cuts of around 30 percent. However, the country is now recovering strongly, and the healthcare budget is beginning to grow. Unfortunately, this success is not enough, and there is a consensus from many politicians who believe that the money allocated to healthcare needs to increase.

The problem is not only restricted to budget limitations but also within the organization of the healthcare system. I believe that Portugal lives in an illness-oriented system opposed to being

patient-orientated. Of course, patients should be the focus of the system, and we need to strive for change here. Currently, the system is too vertical, thus making it difficult for the patient to navigate through. Naturally, patients require access to a variety of care platforms because they may suffer from a combination of different illnesses, therefore easy maneuvering between departments is key.

A further issue is that Portugal is of the few countries not investing enough into disease prevention. For example, the rate of diabetes in the country is at 13 percent—one of the highest levels in Europe—but this illness can be treated easily with prevention, mainly through awareness and a change in lifestyle. The strength of preventative medicine allows for funds to be diverted from the treatment of diabetes and invested elsewhere, to have more of an impact.

The current organization of the system needs to be explored further. Prevention of diseases should be a long term but profitable investment. As a guest lecturer at Lisbon University an Honoris Causa Doctor at Porto University, I often explain to students that without progress in healthcare, countries cannot grow and develop. We must work harder to convince politicians of the vast social and economic benefits that investing in health can have.

Since the crisis, has Portugal seen an improvement in market access for drugs?

After the crisis, Portugal looked for an improved market access system and created SiNATS in 2016. The goal of SiNATS is to negotiate a cap on the price of a drug and number of patients who have access to it. This has allowed the government to control the growth of the market. Since its creation, more drugs have been approved and entered the Portuguese market. Despite an increase in drug approvals, the system is not working as originally intended. However, considering the other problems currently present in the healthcare sphere, this drug approval process is satisfactory within Portugal’s healthcare sector but need more transparency in the decision making process.

Can you tell our international readers about other recent pharmacoeconomic improvements in the Portuguese system, SiNATS in particular?

At this moment, Infarmed is reorganizing the evaluation of pharmacoeconomics guidelines. I would suggest that working towards an improvement in pharmacoeconomics evaluation should be discussed on an international level, rather than as a national issue because evolution would be observed all over Europe.

Usually, countries have separate authorities that deal with market authorization and market access. For example, UK has NICE (the National Institute for Health and Care Excellence), as well as

a national authority—NHS. Despite that countries have a different national organization of their authorities, the European system as a whole faces a challenge. There is lack of stability and the EMA is losing control. Certain country groups are re-organizing and consolidating amongst themselves. For example, the Nordics, Baltics, Benelux, and Balkans are independently seeking HTA harmonization in their practice by signing common agreements aiming to enhance collaboration and joint strategies. Eunetha is an interesting experience but not very efficient.

[Featured_in]

The common practice of drug approvals, of course, looks at the efficacy first, with EMA approving clinical trials. Secondly, economic evaluation and efficiency are discussed, which is always assessed on a national level. Europe does not have a centralized autonomous organization such as America's FDA to authorize drugs. Essentially, EMA is a platform for experts to meet and make decisions, but the core process of market authorizations and pharmacoeconomics evaluation, such as HTA, always take place on a national level. The importance of HTA evaluation is to find joint solutions where pricing and technical evaluation should be separated. We must strive for a more organized, efficient model that harmonizes on the European level.

How are multinational innovators reacting to the shift towards Generics in Portugal?

In the beginning, it was not easy for the system and for companies to adapt to this change in market dynamics. Nonetheless, most of the international companies have since entered the generics market, for example, Novartis and Pfizer; and we should see more companies like this entering Portugal. Generics will continue to grow. Pharmacists must be made aware of this shift because if they continue to depend on the current market they will fall a victim to growth and change.

What more can Portugal do to drive forward a local brand in this sector?

[related_story]

Previously, Portugal experienced a wave of international companies expanding their businesses in the country. Towards the end of the 80s, these companies consolidated their production plants and moved away from Portugal because they did not see the benefit of having multiple production plants in Portugal, Spain and other European countries simultaneously. What seemed a negative movement paved the way for Portuguese companies to buy these now empty industrial plants and cement themselves in the market. Portuguese companies such as Tecnimede, Bluepharma and Grupo Azevedos began to expand in the market through this technique and had international

export success.

Portugal is now experiencing a new cycle. Recent acquisition of Lusomedicamenta, Atral and now Aurobindo’s acquisition of Generis is a prime

example of foreign investment and international interest returning to the country—a positive indicator that Portugal is a good place to invest. Although Portugal holds mainly mid-sized companies, human resources are excellent and our people have fantastic technical capabilities.

Consequently, Portuguese pharmaceutical companies now consider the international market and in some cases have expansion plans spanning from Africa to Brazil. These companies distinguish their own strategies and trademarks, in addition to having their own research capabilities. In some areas, research is orientated towards technical products, or new formulations, showing that we are entering a new phase of Portuguese pharmaceuticals.

What is your assessment of the Portuguese start-up culture, and the challenges SMEs face in the Portuguese market?

There are currently a lot of start-up companies in the market. Although they are in their early stages of development, the challenge they mainly face is trying to become an international powerhouse from the beginning. The biological industry is now well known by international investors who understand the potential in these small companies. The signs are positive, but it is too early to have a clear picture of how the market will progress.

To what extent can Portugal perform as a research center for international companies?

Portugal has invested in the growth and development of its research capabilities. 20 years ago, Portuguese universities graduated around 400 PhD students every year, whereas now there are on average 3000 students leaving Portugal’s universities with a PhD. This phenomenal growth shows that the country is improving its educational capabilities. Furthermore, the University of Porto has a vast number of foreign students of over 60 different nationalities. This forges a strong network of relationships with local companies, not only in pharmaceuticals but also in biomaterials and nanotechnology, developing important research which attracts interest.

What is your final message to potential investors looking at the possibilities of Portugal?

Portugal is economically and politically stable with very high-quality areas secured in the healthcare system, and has excellent potential for foreign investment; the time to invest is now!

See more interviews