Interview: João Madeira – General Manager, Mylan Portugal



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Experienced country manager, João Madeira, introduces Mylan's new vision to be a global healthcare company serving patients across the world with their hybrid generic, OTC and innovative pharmaceutical business model which in the same breath sustains and innovates the healthcare system. Touching on themes of talent, biosimilars, and Portugal as the benchmark country, Madeira provides an insight into Mylan's thriving operations in Portugal.

Would you be able to provide our readers with an update on Mylan's activities since 2013?

We became a Global Healthcare Company since we last spoke in 2013. This evolution has had an immediate impact on our local market. Whereas previously we were a strict generic company, with a robust generic portfolio, operating purely in the retail business— no hospital market—today we are the company that offers the broadest portfolio of medicines and products to patients, prescribers, and pharmacies across the healthcare system. Today, we have over 150 generics, 70 branded medicines, and roughly 30 OTC products. In total, we offer over 215 different medicines and products to citizens across Portugal.

Furthermore, we have also grown significantly in the number of people that we employ. Five years ago, we employed 50 people, today we have almost 200 employees working for Mylan. Consequently, we are one of the biggest players on the market; we are number one in units and

number two in value in the retail business.

What milestones have you hit over the past five years?

From a business standpoint, the biggest challenge that we faced in transforming the strategy for today's Mylan was to ensure that we have a well-integrated platform for Mylan and the partners with whom we work in Portugal. The most crucial aspect when approaching a new mission—which is the goal of providing access to 7 billion people around the world with high-quality medicines at an affordable price—is to share it with your colleagues. Sharing this concept is the cement that holds together the ambitions, the wills, and the understanding that people have of what this company is and what we should be doing, and why each Mylan Portugal employee should be motivated, every day of the week, to get out of bed and come to work. Intrinsic to the desire to serve seven billion people around the world is Portugal's population of 10 million people. We want to help these people, providing excellent quality medicines at an affordable price.

How does your experience working for a generics company equip you to take on innovation challenges in Portugal?

The mindset of generics purveys in Mylan, that of providing quality products, an excellent level of service, and affordable prices. Therefore, we continue to be the most interested party in sustaining the healthcare system. Moreover, although the non-generic segments support the majority of our business in terms of revenues, we continue to be interested in enabling a full understanding of what generics can do to the healthcare system and acting as an ambassador and a reference pharmaceutical company of generic medicines quality. If we open room for doubt, we will never eradicate the stigma that still purveys in some regions of the market that says that 'generics are not as good as branded medicines'. Although the mindset has evolved, and it is far away from a total misunderstanding, (which was the case 10+ years ago), today Portuguese people embrace generics, and the uptake is faster than it used to be. Today, generics treat the majority of Portuguese patients; we have close to 50 percent of market share concerning volume in the retail market, and we have a market share in the hospital segments of around 72 percent. Today, we can confidently say that most Portuguese patients are treated with a generic medicine.

But Mylan bets on innovation as well, with innovative and added value medicines that helps the adherence or quality of life of our patients, for example with orodispersible tablets to be administered without water, or with pediatric formulations.

Generic penetration is at 48.2 percent and continues to rise. How do you position Mylan in this encouraging environment?

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Having a compelling offer and having a portfolio that can provide savings so that we can also contribute to the sponsorship of innovation—that we also have in the other part of our portfolio—is a robust strategy. We are not a company of extremes. We are well positioned to maintain dialogue with stakeholders, giving the point of view of generics and branded medicines, while expertly harmonizing one foot in both camps. We are a well-balanced company that today can offer innovation, added value medicines, and can provide the savings that are vital for the sustainability of the health system. Portugal lacks the resources to treat as many patients as needed in the right time and with right product, so we need to make more efficient use of the available resources.

As a former generic player, what is your assessment of the slow market access model in Portugal?

Fortunately, in Portugal, the authorities understood some time ago that savings are so convincing on the generic side that they have made a shift in perception and investment. In numbers, the estimated generic related savings over the past five years is at €2.3 billion. The authorities understood this potential of saving that helps to encourage the innovation. They have created a FastTrack system to ensure that pricing and reimbursement are faster for generic medicines. Plus, we do not need to spend too much time on pricing as we know that generics enter the market with, at least, a 50 percent lower price compared to the reference brand. To increase significantly the dynamic of the generic market we would need to have prescription guidelines, and also incentives for the physicians. The sector where the expenses are not controlled is the hospital segment, where the generics are part of the solution, because their prices are often > 90 percent lower than the reference medicine. As a consequence, we do not have to focus on conversations about the added value of innovation, or interaction, and discussions are more straightforward.

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Biosimilars will become a cornerstone to the healthcare system and may be as crucial as generics were in the past at increasing the access of patients to more affordable medicines. Biosimilars and generics cannot be treated in the same breath, as the biosimilar segment is not a business that can afford and enable savings of 50 or 60 percent of the price in the first moment. If the price of biosimilars are forced to be dropped, as is the case with generic medicines, they will not be launched, due the higher investments behind. Biosimilar medicines allow efficiencies for the system so that more patients can be treated for severe conditions like cancer and autoimmune diseases, among other severe diseases. The biosimilar business brings value to the national health

system (SNS) so that, with same budget, it can treat more patients and at an earlier stage of the diseases; it means more alternatives to the healthcare professionals and, mainly, biosimilar medicines improve significantly the access of patients to therapeutics which are traditionally very expensive – the stakeholders must see the value of their introduction to the system.

How far away is Mylan Portugal from introducing biosimilars to Portugal?

We have already achieved reimbursement for one biosimilar in Portugal, which is for diabetes, which will provide better access to medicines overall. In a short to medium term timeframe, we aim to bring 8 of the Top 10 major biologic products to Portugal. According to our calculations, between 2018 and 2020, the biosimilar molecules that we will introduce could generate savings as high as 105 million €. In the same three years, we estimate that new retail generics could bring additional savings of 310 million €, and in hospital products, purely concerning HIV, we could create another 100 million € savings. In total, during this period, Mylan will contribute to half a billion euros worth of estimated savings to the Portuguese healthcare system.

I want to position Mylan as one of the key partners of the healthcare providers in Portugal, not only because we contribute to significant savings in healthcare expense, but because we build a platform for all type of medicines, including innovation, but mainly by facilitating better access to healthcare services and treatment options.

Mylan has roughly ten percent market share in units and eight percent market value in the generic market, and therefore, we are crucial contributors of the €2.3 billion savings generated in the last five years. Crucially, however, is that when we talk about high-quality medicines at affordable prices, we offer an astounding statistic. The average price of Mylan’s portfolio – branded innovation, OTC and generic medicines – is lower than the average price in the generic market in Portugal – 6,72€ versus 7,01€, respectively; this shows our commitment to the national healthcare system. These figures speak for themselves and, when we say our Mission is to deliver excellent quality products at an affordable price, we live up to our words. For Mylan, Access is at the core of what we do, and Portugal is a good example of how Access translates into affordability and this continues being reflected in our DNA.

To what extent is the government open to dialogue?

The authorities are always open to identifying efficiency areas where costs can be optimized, or we can provide better offers for unmet needs. The main criticism that stakeholders put forward is that the expense could be better managed in the hospital arena; and in this environment, generics and biosimilar medicines must be viewed as part of the solution. Generics have, on average, created a

saving of 80-90 percent of the given price of the branded medicines – one year after a generic enters a market in the hospital setting, the costs decrease by 90 percent. It goes to show how many more patients could be treated and how many inefficiencies could be created by generics increased usage.

Mylan is a partner of the National Health System, exemplified by our decision to partner with the Pharmacy Association (ANF) to ensure that electronic prescription and dispensing became a reality in Portugal. We sponsored the electronic prescription equipment in all pharmacies, permanently enabling a route so that patients travel from prescriber to a pharmacy without the need of a paper prescription. Incidentally, Portugal was the first country to do so in Europe.



Device used by pharmacies to read the identification cards of each patient to access the existing electronic prescriptions for that given patient

What is your assessment of Portugal as a testbed for new technology in healthcare?

There are two schools of thought pertaining to Portugal's perception as a testbed or pilot country. The wrong one is to consider and insinuate that we can test anything in Portugal at low risk, because the patient pool and mechanisms in place in Portugal allow for fewer patients to suffer. We

must avoid treating or thinking in Portugal as a crash test dummy because Portugal is one of the fastest growing economies in the mature European marketplace. Instead, and on the positive side, we can speak of Portugal as a benchmark. We have a historical and advanced healthcare system which allows for intense customization and innovation. When we talk of Portugal as a pilot country, financially speaking it is easier to take decisions in Portugal rather than other larger markets, although this ties into the Portuguese DNA of being bold, audacious and a nation of 'first movers.' Ultimately, we are people that are happy to challenge the status quo, and some of our solutions have been customized and adapted to other markets.

What do you do to attract and retain talent?

At Mylan we highly value talent, and the vast majority of our employees are highly educated with a university degree or higher, and indeed this is a trend that we see in many pharmaceutical companies. Nonetheless, what differentiates Mylan from other pharmaceutical companies in Portugal is the daily challenge and the scope for progression and professional development.

To work at Mylan, people need to have a very particular mindset; the right attitude, flexibility, resilience and a desire to make the difference in the challenging environment we face in Portugal. Working for Mylan is a journey, it is not a job. A journey to do better and for serving the population—your community—better. What makes or breaks applicants that come to Mylan is the mindset and their attitude towards our Vision and Mission. We seek a shared understanding of what we want to do as a company. We take great pleasure in everything that we do, as opposed to only doing what gives us satisfaction; because here, being happy is about taking great pleasure and feeling very proud in what you do.

Mylan is constantly rethinking its business model, and reinvents itself almost on a daily basis, therefore past experiences are complementary, and talent is crucial, but the attitude or mindset is the most critical attribute towards furthering Mylan's Vision of becoming a global healthcare company.

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