

George Kazzi - General Manager, Baxter Malaysia



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George Kazzi, general manager of Baxter Malaysia, highlights the main areas of development for his affiliate, including the introduction of more renal dialysis innovation as well as increasing awareness and delivering additional solutions in parenteral nutrition. He also explains the ways in which the country should promote more effective home care services to Malaysian patients.

How would you assess the evolution of Baxter's affiliate in Malaysia?

When I arrived as general manager, the Malaysian business was going through a lot of changes, so my main priority was to stabilize the business; make it grow and build a strong team. Prior to starting, I understood that Malaysia was an extremely competitive marketplace where the price range for healthcare products is among the lowest in the world. This clearly puts a lot of pressure on companies like Baxter. It was therefore very important to seek out new and innovative products and identify new opportunities to bring to Malaysia to sustain our growth.

Thus, I began by focusing on developing the current business and bringing in new products.

Our current business consists mainly of renal dialysis and anaesthesia amongst other smaller portfolios such as oncology and specialty fluids. The only way to grow the renal dialysis business is to intensify initiatives with the government and Healthcare Professionals to advance home dialysis. Additionally, on the anaesthesia front, our strategy is to promote a superior inhaled anaesthesia product, Suprane, developed by Baxter.

Globally, Baxter is one of the leaders in parenteral nutrition, but we've not introduced any products in the Malaysian market yet. We are about to launch a new portfolio based on olive oil lipid to differentiate our nutrition offering while providing patients and Healthcare professionals with an alternative to fish oil lipid.

We have also introduced more innovation into our current portfolio, particularly in the renal home dialysis space. In the last couple of years, for example, we've introduced new home dialysis equipment that enables doctors to receive their patient's reports remotely via the machine, analyse their state and adjust their prescription accordingly. This limits the numbers of visits by the patient to the hospital and ensures more visibility for the doctor.

What model of healthcare system could be implemented in Malaysia?

There are many factors involved in the establishment of a sustainable healthcare system. One of these is to establish a model of care for a specific therapy that suits the local dynamics and population needs. For example, in relation to renal dialysis, the government priority is to control the rising cost of therapy. This can be done by implementing a policy that promotes a more balanced approach between home and hospital-based dialysis. There is a need for both modalities but a balanced approach will help to establish a more sustainable model of care whilst reducing cost and waiting time at the hospital.

From our experience in renal dialysis and our exposure around the globe, we can share various models of care. The approach we are taking in Malaysia is more of an industry approach to establish a dialogue with the Ministry of Health and work more closely with them.

We have already initiated discussions with our key stakeholders and are firmly of the view that a 50-50 public/private model is more sustainable in the long-run. Currently, the home dialysis penetration is only at 10 percent of the total number of dialysis treatment in Malaysia. Hospital dialysis is notably more expensive so the opportunity for companies like Baxter is clear.

What approach has Baxter adopted with regards to home treatments?

Home care is a very large and important topic in Malaysia as it has been recognized as one of the priorities by the Ministry of Health. Some countries like Australia started to develop home care 15 years ago, and this concept is now gaining momentum in many Asian countries. In Malaysia, the

government and healthcare community look forward to its' increased adoption and it makes sense for it to be introduced on a wider scale. Home care requires experience and investment and goes beyond a simple treatment. However, it does reduce significant cost and pressure in public hospitals and as well as deliver an improved patient quality of life.

From Baxter's global perspective, we've been promoting home dialysis, for over 30 years. Here in Malaysia, we have been talking about it for 20 years, so local healthcare professionals and the government are aware and supportive of our initiative.

We are also continuously looking for strategic partners in our quest to provide expanded home care services. The main partner we currently have in Malaysia is Zuellig Pharma for their logistics services and for the digital tools they're creating to improve our services to patients and hospitals. We are also expanding our nurse's coverage, and to do so we rely on nursing service providers as this model is far more efficient.

Home care is not limited to renal dialysis, Baxter has implemented antibiotics, pain management and oncology administration in the home. This is also very possible and reduce hospital stay dramatically.

How are you balancing high quality and innovative products with price pressures?

Price is an integral component of market competition, and nobody can argue with it. Customers will also make a choice based on therapies and brands and believe that quality of care and access to innovation is not jeopardised. To realise best value, the procurement process is critical, in terms of enabling innovative bids to be submitted.

One of the price pressures we have observed in renal dialysis is caused by reimbursement levels. These I believe have not increased for many years, whilst the cost of delivering the service has. Therefore, it does place a lot of pressure on service providers, as their main revenues often come from reimbursement.

What opportunities do you see for Baxter in Malaysia in the upcoming years?

Our nutrition portfolio in Malaysia is in its infancy and I have been surprised to see that the parenteral nutrition market overall is still very small relative to the population size. After conducting research and discussions with healthcare professionals, we discovered that this issue is

to do with the lack of knowledge and education regarding parenteral nutrition. For this reason, we've begun educational programs for healthcare professionals about the importance of nutrition and how to identify the needs of very sick patients requiring parenteral nutrition. Nutrition is to some extent a niche market, but it is a very critical part of the patient's wellness. We expect substantial growth from this segment in the upcoming years.

Baxter also has a portfolio in Intensive Care Unit Dialysis (CRRT), and we are the leader globally. There is already a well-established base in Malaysia, but we are seeing room for growth with more awareness and educational initiatives. It is not unusual for healthcare companies to take the lead in bringing new technology and creating awareness of a specific therapy or treatment.

Malaysia is a very interesting place to do business and has a lot of potential. The multicultural aspect of the country and the fact that practically everyone speaks English are characteristics of this potential. The infrastructure is also well advanced compared to other South East Asian countries. It is just a matter of implementing policies at the right time and we're hoping that the new government will implement new and exciting initiatives.

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