Marc-Alexander Burmeister – President, B. Braun France



Medical device regulations in Europe will completely alter the environment of the sector

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Dr Marc-Alexander Burmeister, president of B. Braun in France, shares the exciting changes to come for B. Braun globally and in France, and discusses the shifting environment of healthcare in the country for medtech players following the launch of the "My Health 2022" initiative by French Minister of Health & Solidarity Agnès Buzyn.

Why will this year be a turning point for B. Braun France?

2019 is truly a transformative year for B. Braun. We are seeing major changes in our environment both on the French and European level. In France, there is a comprehensive healthcare reform being put in place under the leadership of the Minister of Health & Solidarity Agnès Buzyn called *Ma Santé 2022* (My Health 2022) that will profoundly change the landscape. This follows on from the September 2018 *Strategy for the Transformation of the French Healthcare System* unveiled by President Macron. I actually think that there is no plan of that extent anywhere else in Europe at the moment.

Secondly, medical device regulations in Europe will completely alter the environment of the sector. We will see many competitors and products disappearing from the market. One needs to remember that the medical devices sector is a rather conservative one, in which it is possible to still compete modernly with a mature product launched decades ago. Compared to industries like automotive and telecommunications, this is completely normal in pharma and MedTech. However,

as regulations change in the sector and a significantly higher amount of information is needed to register products – compared to when they were first launched many years ago – there will have to be decisions made whether or not it is economically sound to continue commercialization of certain products. In this context, we expect to see many mature products disappear as new regulations go into full effect by 2020 and B. Braun will hence be experiencing a redefinition of its portfolio.

The third point of change, specific to B. Braun, is that after 180 years, the sixth generation of the family will be taking over the company and for the first time it will be a woman. Anna Maria Braun will lead 63,000 people globally as CEO of the group. Beginning April 1st 2019 and after eight years of management by the group's first external CEO, B. Braun will go through a tremendous shift coming from this new leadership.

What are the major changes you are expecting to see in the French healthcare environment?

From the healthcare reforms unveiled, the government will be moving away from a singular reimbursement scheme, starting with key areas such as diabetes and renal deficiency. As part of this transformation, the authorities have identified ten major initiatives within the market; half of which will directly impact our strategy in the country.

One major initiative is that the government is looking to develop a strategy for reimbursement which is more adapted to the patient journey. More players within the healthcare paradigm, including outpatient stakeholders, will share the responsibility in this experience. Reimbursement will be structured as a single package rather than each individual working on their piece of care. ' *Ma Santé 2022'* is giving the power back to the patients and actively involving them in their own pathway. This strategy is aiming to incentivize the industry around patient needs and not according to products or procedures. The focus should be on what is most beneficial to patients rather than the economic advantage of the market actors.

Quality indicators will now be integrated into the reimbursement system. This is something we have already seen in our 18 dialysis centres in France. Only the best 20 percent of all healthcare providers in a specific domain will receive this additional bonus for reimbursement and B. Braun aims to be within this percentile of top players. This has already been introduced in some areas and up to EUR 300 (USD 338) million will be invested as it expands within the reimbursement scope.

Hospitals are being forced to come up with one medical strategy. Doctors, pharmacists, and different stakeholders are sitting together and determining what services they want to offer, where, and how. This new decision process will change our customer structure from how we know it today. We have done our own in-depth analysis and even ran a workshop to discuss with doctors the implications of this reform.

This total change in mindset will encourage the healthcare players, especially in the public sector, to break out of their silos and collaborate. This will also create an opportunity for B. Braun to position our offering in a different way. We already have concepts in our strategy built around patient pathways, but we will be able to create even more partnerships with stakeholders in more areas and in public structures.

How do you assess the current dynamics and relations between the French healthcare authorities and the life sciences industry?

When I came to France 5 years ago, I had the feeling that it was difficult to operate as part of the industry. Today, we see there is a change of the mindset starting with the government and trickling down to all players in the private and public sectors. There is really an openness to work together coming from all sides that is unprecedented.

There are still challenges to be faced in the market, such as corporate taxes, stunted growth, additional regulations on top of EU standards, and difficult market access, but the administration has voiced their commitment to making positive changes – take the 8th edition of the *Conseil Stratégique des Industries de Santé (CSIS)* (Strategic Council of Health Industries) for example, or the January 2018 and 2019 ‘Choose France’ summits in Versailles, during which Emmanuel Macron and his administration received 150 top business leaders across various industries with the aim of convincing companies from around the world to invest in France. Overall, I see a consistent strategy for improvement, and the government has taken a pro-active approach to speak to investors and acknowledge the fact that there is a competition for investment coming from the rest of Europe and of course the world.

How is data playing a key role in healthcare in France?

What I have mentioned before is part of the game in figuring a strategy around patient needs and the government is doing everything quite consistently to make sure that this can work. This brings

us to data because if there is a focus on patient journey, data and information will be collected. This is a huge effort and we would like to see how the government will build the platform of the 'Health Data Hub' initiative that they want to establish.

We have to make sure that we can support this interface with whatever we do, as a product supplier or a service provider of healthcare. B. Braun will perfectly fit into the new environment and we want to make sure that we are not part of the problem where data is trapped because of a lack of connectivity. It is crucial for us that we fit in with what is required to support patients on their journey.

How is B. Braun embracing the 4.0 future of medical devices?

Digitalization is very important to B. Braun, especially concerning all of our industrial activity and even applying this technology to other areas where we can have a bigger impact on patients. We are bringing added safety features through integrated technology to make sure that our products can reach the right patient, at the right access points, with the right dosage and concentration. We have identified where there were gaps and we collaborate with various French start-ups to manage our databases. Through the adoption of data integration and the "Internet of Medical Things", we can ensure that our patients' needs are met from production to prescription and usage.

We have seen industry 4.0 and we already have a clear view of just how important it is not only on the patient end but internally. In an industrial context, we are focusing on finding ways to ensure that all the different production machines are connected. When Machine A knows what Machine B is producing, components can be better linked, creating high performance and high-quality network of production capabilities where each moving piece works hand-in-hand. However, this is a huge investment because not all machines are linked and every supplier has its own technical platform, making integration a challenge. This is our new focus area.

With five industrial sites in France (three of them being centres of excellence to the Group), one logistics platform and 18 dialysis centres, B. Braun is the leading employer in the medtech field in the country, with its +2,000 employees. In light of transforming the company to Industry 4.0, B. Braun is working on incorporating the so-called cobots [or co-robot from collaborative robot. A robot intended to physically interact with humans in a shared workspace]. Tell us more about this initiative.

The cobot is one of the newest, most exciting innovations for B. Braun where we are taking the lead with regards to Industry 4.0. With the technology of AI we now have an interaction of human worker with the cobot to assist in production. The cobot actually looks very similar to a human being, with a “torso” and “arms” and can function to help workers assemble delicate pieces and learn as well. We have already experience with robots who can be programmed and left alone to work at night on less complex tasks. We will now see how we can integrate cobots in that way, giving employees better flexibility while reducing night shifts and repetitive strain injuries. This, however, implies that the profile of workers needed in our manufacturing sites will evolve, and this redefinition of “job profile” is something we clearly need to think about, work on and anticipate. This is actually a discussion we have had especially with regional politicians but even with Muriel Pénicaud, Minister of Labour.

What final message would you like to deliver?

As I mentioned, 2019 is very much a turning point for B. Braun and I am excited to work alongside all key stakeholders, to ‘better together’ implement transformation, efficiencies and optimal patient pathways.

It amuses me to think that when I arrived in France and started to approach my peers from industry, we joked about coming from the ‘dark side of health’. This mentality has truly shifted and the stakeholders, including the government, acknowledges that it is only by working together that we will all achieve great things in France and for French patients. We are here to act as corporately and socially responsible partners and bring the best to society and patients through a mutual relationship**.**

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