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Romania needs to find alternative sources of funding and requires more effective management of the current budget

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Sorin Petcu of IQVIA Romania explains how financing, a lack of medical professionals, and an array of unmet needs are the major trends currently shaping Romanian healthcare

. Petcu highlights IQVIA's recent launching of patient support programs, the success of Oncology Dynamics, and how private healthcare providers can offer support to the public health system and be a much-needed alternative source of funding.

Can you briefly introduce yourself and highlight the major trends that are currently shaping the healthcare and pharmaceutical industry in Romania?

I joined IQVIA in 2017. I had worked previously in IT companies such as Xerox, Microsoft, and Cisco, where I had clients in healthcare.

The financing of the healthcare system, healthcare professionals, and the unmet needs of patients are the major trends that are shaping the healthcare and pharmaceutical industry in Romania in the last few years.

In terms of financing, this is the underlying issue as Romania is only spending five percent of GDP on healthcare, which is half of the European benchmark. Romania needs to find alternative sources of funding and requires more effective management of the current budget.

Romania has seen a decline in the number of medical professionals in recent years, amounting now to almost 15,000. Previously, 250 to 350 patients were allocated per specialist, however, we have now exceeded 500 patients. This burdens not only the medical services, but also drives down pharmaceutical consumption. In 2018, the government increased the salary of medical professionals which curbed the exodus. However, as the healthcare and pharmaceutical systems are very connected, if no sustainable alternative is found, this will continue to negatively impact drug consumption and innovation.

The ageing of specialists is another issue, as almost 40 percent of them are over 60 years old. For general practitioners, the average is 53 years. This is a call for action, as they are the first line of action and are the ones prescribing medicines to patients.

In the last two years, 45 new molecules were approved, which should be a driving force for growth as well as addressing unmet needs in the country. However, Romania is still one of the countries in Europe with the longest waiting period to receive new innovations. For generics, the main challenges are the minimum pricing and the clawback tax of nearly 30 percent. To close the loop, these two pillars are reflective of healthcare budget challenges. The budget has still not been adjusted to reflect real consumption, which translates in a decrease of RON 2 billion (USD 465 million) in 2020. Since 2015, there has been a five percent decrease year on year.

Romania suffers from a systemic lack of data, which influences those three areas. The absence of a health registry with the exact number of patients in each line of treatment limits the effectiveness of financing, planning, and access to innovation. Innovation means value and it needs to be calculated based on real-world evidence (RWE), which unfortunately Romania does not currently utilize.

What solutions are being proposed currently to overcome these issues?

In terms of pricing and clawback, all the signs indicate that development on these issues are a priority and a decision will be taken in the next three to six months. With nearly 30 percent taxation on top of the 45 percent corporate tax, pharma companies cannot maintain their investments in the country. Hence a capped and differentiated tax is being proposed.

A second element that can be a driver for healthcare, is the inclusion of private healthcare providers. Romania has the capacity to become a medical hub for the region, perhaps even more attractive than Turkey. It has the presence of international players such as Regina Maria,

Medicover and Medlife, that are strong universal providers but also speciality ones. For instance, oncology is very developed in terms of screening, radiotherapy, chemotherapy, and there are hospitals dedicated to this therapeutic area. Furthermore, Romania has institutions that produce competent medical professionals. When we look at the health indexes, Romania ranks consistently as one of the lowest. Hence, the private sector can be a driver for growth and catalyst for transformation. It seems that Romania is moving towards a private insurance system, which can support the current system and be an alternative source of financing.

Finally, clinical trials are being underutilized. IQVIA Romania is running a study together with the Romanian Association of Manufacturers of Medicines (ARPIM) alongside the Clinical Research Organisation to bring the attention to this topic. We want to create a historical and comparative adoption study on the number of clinical trials conducted in comparison to other European countries. The level of backlog that IQVIA and many other pharmaceutical companies have moved to other countries is estimated to be almost EUR 500 million annually in foregone funding.

What can be done to increase the number of clinical trials in the country?

The authorities need to build a system that provides a possibility to make estimates and projections. The major challenges that IQVIA's clients face are the lack of predictability and the long waiting times.

The approval timespan extends beyond 350 days even though, by law it should be 60 days: this is inhibiting research. Access to research and clinical trial will bring new revenue lines for the healthcare system, will enable access to innovation for patients and would motivate specialists to stay in the country, as they are involved with new technologies and cutting-edge therapies.

In which direction do you see the Romanian healthcare evolving towards?

Recently, an emergency ordinance was passed that would allow private hospitals to offer services that would be paid by the state, which were previously reserved to public healthcare providers. The public system is overloaded, and the infrastructure is being worn out. There are more than 450 public hospitals in Romania, and 80 percent of them were built in the 1960s and 70s. Old infrastructure has higher rates of infection, less medical staff that are willing to provide services, and inadvertently, the consumption of drugs is decreasing. Hence, private hospitals are the ones that allow growth in terms of patient adoption and consumption rates.

Private healthcare sector can be a solution to support the public sector.

What is driving the growth of the pharmaceutical market?

A distinction between prescription drugs and OTC needs to be made.

Cost volume agreements are the main drivers for prescription drugs and contribute to 50 percent of the growth, of which Hepatitis C is the main factor. This is due to the high-priced nature of products.

The diversity of products and price increase are elements that contribute to higher consumption, hence, higher growth in the OTC segment. The overload of the public system pushes Romanians to self-medicate. Inadvertently, non-registered and homoeopathic products are benefitting from higher consumption.

How is the generic and biosimilar market going to evolve, considering them suffering most from the unfavourable environment?

For generics, without a decision on pricing or clawback, they will be forced to withdraw products from the market, and eventually move out of the country.

Romania has an adoption rate of four percent when it comes to biosimilars, whilst other European countries are between 50-95 percent. To reach a higher adoption rate, they need the support of the government that will have them included in a long-term strategy.

In Romania, it is not difficult to bring together decision-makers and healthcare stakeholders. The issue, however, is that within the last 30 years, Romanian has had 28 different ministries of health and countless changes in the government. This impedes efforts to establish a long-term strategy, as each government implements contradicting policies to the previous one.

How can IQVIA support healthcare stakeholders on pressing health issues, like cancer?

Oncology is a burden on the government regarding budget spending, but the lack of data impedes a proper allocation and monitoring of the budget. Consequently, IQVIA launched a service called Oncology Dynamics that is present in Romania and five other EU countries.

This service monitors the treatments in oncology for five different types of cancer by gathering data throughout the patients' journey, all in a form that doesn't identify individual patients: from the moment of screening to the moment of the treatment and outcome. This enables us to make longitudinal comparisons with other countries identifying areas that require more attention. More than 20 percent of Romania's budget is spent on oncology patients, and this service which can provide a treatment reference helps to monitor the efficient spending.

How is the service of IQVIA adapted to the needs of your clients and how do you do communicate the breadth of your services to the market?

IQVIA in Romania has all the global business lines present: market data, consulting, technology, and clinical trials. The affiliate has more than 200 employees that service over 100 clients. Oncology Dynamics is a good example of how the affiliate leverages on its global expertise and adapts it to the needs of the market.

For the years to come, IQVIA will be monitoring private medical providers to understand in more depth what is happening in hospitals. Cardiology is an area of focus, and specifically, diabetes as over 1.5 million Romanians are suffering from this disease. Hence, this year we are preparing to launch a national program that would include specialists, pharmacists, laboratories, hospitals – all those who have a connection with the patient. Thereby, we can educate all peripheries surrounding the patients. Patient support programs is a line of service that IQVIA has globally, and we hope to add diabetes to our list.

Where do you see the growth coming from for the affiliate?

There are two types of services that are seeing growth: information offering and data analytics. Information offering is the diffusion of key data sets and performance indicators. Data analytics combines information offering alongside with consulting services to help healthcare and pharmaceutical clients to take the right decisions on how and why.

What are your objectives for 2020?

"Brave minds" is how we brand ourselves with the local employee program. It is about being intelligent and relevant for the market. With that, I want to establish Oncology Dynamics as the

benchmark for oncology in Romania. Additionally, I want diabetic patients to benefit from our support program. These are bold targets, but I am confident in the team's capabilities.

Furthermore, IQVIA wants to consolidate its positioning in the technology and automation segment. Three years ago, IQVIA made a partnership with Salesforce which created a customer engagement platform that manages all processes within a medical provider and pharma company. In Romania, as well as globally, we see a high adoption rate. We want to continue to make our clients' lives easier, by leveraging on the commercial and clinical strengths of our team.

What has been your proudest moment since taking on the leadership of the affiliate?

In December 2019, we launched a book celebrating 30 years of "New Romania" by showcasing stories of 30 individuals that have had a positive impact on Romania's history, within and beyond the healthcare segment. Upon launching this album and working with the personalities, it became clear to our team that IQVIA has the advantage of navigating in line with the social interests. When we brought these 30 people and the team together, it was really powerful.

IQVIA is truly there for all stakeholders – we collect the right information for the right issues and are able to provide it to the right stakeholders.

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