Joaquin Rodrigo, General Manager – Sandoz Iberia



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The general manager for Sandoz Iberia, Joaquin Rodrigo, comments on the intricacies of the Spanish healthcare system, the main trends driving generics and biosimilars in the country and shares his perspective on recent policy changes at a national and continental level. With over ten years of experience with the company, including six in his current position, Rodrigo highlights the importance of Spain, a country where Sandoz manufactures antibiotics and has established finance, operations, innovation, and digital services hubs.

After celebrating a decade with Sandoz last year, what would you consider to be the highlight of your time with the Novartis division?

Reflecting on my 10 years with the company, I feel that the highlight has been the privilege of living through the evolution in the uptake of biosimilars. From the first growth hormone product to the more complex monoclonal antibodies we see today, these products have significantly improved patient outcomes in oncology and immune diseases.

With a finance, innovation and operations hub in Madrid and a digital services hub in Barcelona, Spain appears to be an important part of the company's global footprint. Can you walk us through the functions performed by Sandoz Iberia?

Spain is one of the most attractive European countries when searching for a digitalisation hub due to a mixture of an innovative mindset, a skilled and competent workforce, and competitive salaries. The country's digital innovation ecosystem attracted Sandoz to establish a finance and innovation digital hub here, which is now a worldwide center for the organisation. In addition, we are conducting initiatives to create data science-driven hubs.

At a country level, it is important for us since it allows us to create synergies, working closely with our people with global expertise which fosters local innovation.

Since Sandoz is not alone in looking at Spain as a potential hub for a variety of continental or global initiatives, how does your organization ensure that local talent is attracted to its approach?

There is indeed a clear trend among multinational pharma companies to invest in Spain and competition for talent is getting tougher. However, we are also seeing international talent move into the country because of the quality of life enjoyed by the population, a healthy balance of life and work, a fascinating culture, and important technological capabilities. This trend has accelerated during the COVID-19 pandemic which has allowed for remote work. The authorities have taken big steps to seize on the opportunity to consolidate the country as a relevant technological hub and there is an ongoing talent boom.

From the outside, it might be complicated to understand Spain's healthcare policy at large and which elements have contributed the most to the country having one of the highest life expectancies in the world. As a leading executive in this field, how do you assess the Spanish government's policy objectives?

One of the first things I say to people from outside the country is that Spain has a decentralized structure when it comes to health and education, one that allows each region to have a high level of autonomy and decision-making power. While this has its advantages, it means that each of the 17 regions, called autonomous communities, are able to set up their own health policy. The fragmented landscape forces all companies to employ different approaches. There are, of course, national bodies and communities that try to unify policies as much as possible.

As a company with one of the largest generics and biosimilars portfolios in the world, Sandoz must emphasize the importance of access and affordability, but just how much do those conversations vary from region to region in Spain?

Fortunately, access and affordability are common themes at a national and regional level. The challenge is putting those words into action, especially now when the Ministry of Health is coordinating a new national generic and biosimilars plan that could be finished as soon as 2022.

At the end of the day, in a country with a universal health system, sustainability and affordability are paramount, which is why generics and biosimilars must be part of the system's backbone.

How does Sandoz think about the stagnation of the penetration rate of generics in the country, which has remained at around 40 percent in units and 21 percent in value?

We are not happy nor satisfied about the uptake of generics, deeming it a missed opportunity for the country's healthcare system and population. The market share has remained flat for five years, and Spain has fallen way behind the European Union average; something must be done to move the needle and that is why the generics and biosimilars plan is important.

However, we must distinguish between the hospital and retail settings. The adoption of generics and biosimilars within the hospital setting has been good thanks to a dynamic price system. A key feature of our industry is that we bring affordability to the market, which is why, among other things, having a dynamic pricing environment is positive.

In the Spanish pharmacy setting, on the other hand, there is not a significant price difference between generics, biosimilars and originator drugs, making it challenging to increase volume. There are not enough incentives for patients, payers, physicians, and other stakeholders to choose generics and biosimilars even though products are practically the same in terms of efficacy, safety, and overall quality.

The country should take a fresh look at its reference price system to increase the dynamism of prices and guarantee a certain minimum, particularly for essential medicines, so that the industry can continue to grow, bringing jobs and investment along the way. This is a lesson that must be learned after what has developed during the COVID-19 pandemic, when prices of raw materials and electricity increased significantly at the worst possible moment. The industry is currently facing a serious issue of sustainability.

What effect could the proposed Pharmaceutical Strategy for Europe have on the system dynamics you just outlined and what do you envision the role of Sandoz being?

I must recognize that the new European policies are strong, they have done a good job in assessing the needs of the country members. There are a couple of particularly important aspects: the recognition that having local manufacturing capabilities are crucial during emergency situations, especially for APIs; an acknowledgment that public purchasing mechanisms must be updated in countries like Spain where decisions are mainly based on price so that other technical criteria can be included.

You highlighted your experience in biosimilars at the beginning of the interview which is relevant since it is one the fastest growing segments for Sandoz. Can you explain the evolution of biosimilars in Spain and the main challenges ahead?

Biosimilars are one of the few innovative healthcare fields in which Europe has taken the global lead, ahead of the US. The continent has a 10-year advantage over the US in terms of development and commercialization of the products with a consistent uptake in volume. Nevertheless, the race is just beginning and there are many opportunities ahead.

In Spain, we must have a multi-stakeholder approach where each one takes responsibility. The administration could play a proactive role regarding the adoption of biosimilars. Education on scientific evidence behind biosimilars should increase confidence of our physicians, pharmacists and nurses. All together they should ensure that patients receive information and education about the efficacy and safety, as well as the role that biosimilars can play in increasing access and improving the sustainability of the system.

From a portfolio point of view, Sandoz is present in almost every main category, including oncology, immunotherapies, growth hormone, anti-neoplasic treatments, and will be present in the next generation of biosimilars for ophthalmology and multiple sclerosis.

The company’s CEO, Richard Saynor, recently expressed that the European biosimilars market is “in many ways behaving like classic generics.” Have you witnessed that trend in the Spanish market?

What is clear is that both generics and biosimilars foster competition, accessibility and sustainability, the main difference being the disparity of research and development costs; generics cost between USD 1-5 million, depending on the type of molecule, while biosimilars require USD 30-300 million, depending on the complexity of the R&D program, making them a riskier investment.

The Spanish biosimilars industry is experiencing a reduction of prices, regulatory changes regarding product approval, and increased local and global competition, which is a complex topic in the country due to the decentralized healthcare system. We foresee more companies looking to enter the European markets, and Spain is a prime destination.

For its part, Sandoz will continue to leverage its leadership position and the high level of trust enjoyed by its biosimilars, which matters in a country where physicians must prescribe by brand and not by International Nonproprietary Names (INNs).

Aiming to leverage European Union funds to reindustrialize its economy, the Spanish government has approved a public-private collaboration instrument to transform its health sector called Recovery and Economic Transformation Strategic Project (PERTE) for Vanguard Health. In what ways will the project impact generics and biosimilars, or Sandoz's local strategic investments?

It is always positive to have investment since it often results in growth and innovation. But, as I said before, we must put words into action so that the promising landscape materializes into win-win results

The halting of biosimilar development is impossible because they are well established and are proving to be a success whenever they enter a new therapeutical area, as happened in oncology. Biosimilars are a must-have for healthcare systems that want to improve efficiency and expand access, as demonstrated by a recent report from Spain's Independent Authority for Fiscal Responsibility (AIReF), which stated that the single most effective decision that they could take to increase efficiency in hospital expenditure is the development and uptake of biosimilars.

Earlier, you discussed a new wave of international talent coming to Spain and the organization. How do you think about Sandoz's internal culture and what message are you sending to the team?

As head of the organization, I must keep focused on the things I can control and have influence over. That is the message being conveyed to the team, that we must focus on the mission of the company which is driving access to medicines.

Creating a positive culture has been one of my main priorities from day one, which has proven to be an enjoyable task, especially because the way new generations think and the expectations they have of their professional life; they want to have a sense of purpose and work in a dynamic environment in order to learn and acquire skills. Purpose on what we do and how we do it is of outmost importance for the engagement of the team.

As we enter 2022, the third year of the COVID-19 pandemic, what are the key items on Sandoz Iberia's agenda?

People are the main item on our agenda, in addition to adapting to this new environment because we will have to learn to live with the virus. On the positive side, the world has seen that digital technology, if rightly used, can serve as a gateway to better life-work balance.

Another important item is health, where we as an industry must be a factor in society adopting a new perspective about the importance of individual health and lifestyle choices.

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