

# Attila Fejer – General Manager, Eli Lilly Romania

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Innovation [in Romania] is in much better shape than four years ago

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Tags:

[Romania](#), [Lilly](#), [Market Access](#), [Strategy](#), [Rheumatology](#), [Dermatology](#), [Oncology](#), [Diabetes](#)

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*Attila Fejer general manager of Eli Lilly in Romania gives his insights on the “deadly cocktail” of challenging policies that govern the pharmaceutical industry in the country. He shares the new therapeutic direction that Lilly has taken by moving into rheumatology and dermatology. Additionally, he points to the change in culture as being conducive to an increasingly efficient and profitable affiliate. He reveals his objectives during his tenure and showcases upcoming launches in oncology and diabetes.*

**Looking back at 2019, have there been any major events that emerged or was it “business as usual”?**

The year has been dominated by political debates over amending the criminal code which diverged attention from healthcare issues. This was visible from an innovation perspective, as there was no update of the reimbursement list until November: one year after the last revision.

**What are the major differences, when discussing business, with your colleagues in the CEE region?**

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The pharma sector in Romania is a unique system as it is the only country with a "deadly cocktail", combining a minimum reference pricing methodology from a basket of 12 European countries and a clawback tax, which reached almost 28 percent in Q4 2019. The state allocates a fixed medicine budget; however, there is no ceiling for consumption and the excess is paid by the industry each quarter. As the budget has not been adjusted and consumption increases every year, this translates into a rising clawback tax. Hence every fourth patient's cost is supported by the pharmaceutical industry, which is unfair, as the real need—the total health expenditure—is not considered with a proportional budget adjustment.

### **What have been your highlights since taken over the management four years ago?**

Innovation is in much better shape than four years ago because from 2008 to 2014, there were no new molecules introduced in Romania. For six years Romanian patients were looking at other countries for therapeutic solutions as they did not have access to new medicines. When I moved into the General Manager position in 2015, the legislation started to change, and new medicines were introduced. However, the real breakthrough was in 2017-18 where part of the deficit of the previous years was recovered, with the entry of over 100 new drugs. During this innovative drought, one of my proudest achievements was to bring to the market five new drugs for the company.

Our objective and endeavour is to ensure the same standard of care for the Romanian citizens as for any European citizen, or the least come closer to the average. Unfortunately, life expectancy in Romania is still six years below the European average, so there is still plenty of work to do.

### **What have been your priorities when taking on this role?**

My priorities and that of the company were to improve the standards of care in Romania and to reach patients with our innovations. Eli Lilly is present in diabetes, oncology and now also in immunology, which are all life-threatening diseases. Knowing that you can provide solutions to debilitating conditions, gives you the motivation to strive further. A good example of that is the case of dermatology. Eli Lilly has changed the paradigm in psoriasis by providing a breakthrough therapy that is able to entirely clear the skin of many patients. If we have innovations available, we want to make sure that the Romanian patients can have access to them as well.

### **How is different the company today than when you took over?**

Eli Lilly today is more efficient than it was five years ago. This is indicative of global trends but even more so for Romania. The affiliate is more profitable despite rising taxes. Before taking over, the clawback tax was at 15 percent and today it is nearly at 30, hence you cannot have the same footprint each year and must find ways to improve your efficiency. The challenges for companies are to find a healthy balance between investments and profitability and requires a perpetual reinvention. This affects the way pharmaceutical companies promote their products and a shifting towards multi-channel promotional approach can be observed. In terms of marketing activities, digital promotion will be the future as access to medical doctors becomes more and more difficult.

Furthermore, the teams within the company have become more autonomous and can operate without daily supervision. Romania is very hierarchical and has a strong leader culture, yet we broke down this mentality by giving middle management more autonomy and independence. Now the

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teams have the long-term goals in mind, know what they have to do, and can operate autonomously.

### **Can you give us an overview of footprint and where you see where the growth is coming from?**

The company has a very long legacy in diabetes, as it was the first company to commercialize insulin: this is still a very important part of our business. Over time, Eli Lilly entered in the field of neuroscience with one of the most successful schizophrenia drugs and a strong portfolio in depression. In the last 30 years, the company has invested heavily in the research of Alzheimer, yet we still do not have an approved drug. But we won't rest. Lately we have shifted from psychiatry to rheumatology and dermatology, which are two new therapeutic areas for Eli Lilly. Oncology remains another priority for us, reconfirmed by the recent buying of Loxo, the largest acquisition in the history of the company.

### **Do you think that the voices of innovators are heard by the government?**

There is a lot of concern and openness by the authorities to encourage innovations. One cannot blame that they are not fixing within a couple of years what did not happen in the last 25 years. The European health consumer index puts Romania 34th place out of 35 countries. This has been quoted by the Ministry of Health and admitting that there is a problem is the first step to fixing it. If you want to change a paradigm in a disease, access to innovation is a gateway to improving the healthcare standard. Although the economy is growing with four percent in Romania, in nominal values it cannot be compared to other European counterparts because of the size of the economies. However, with healthcare expenditure, since it is a proportional percentage of GDP, we can. Currently, Romania is at five percent compared to the European average of 9.8, and this needs to change. A healthy and educated population should be the two main strategic priorities for the country, as economic growth will follow as a natural consequence of that.

### **What solutions are being proposed that are mutually beneficial so that patients have access to innovations while considering the restrictions that the government has?**

The government has a firefighting, or crisis management approach to the healthcare sector and this is not sustainable. The proposal was to sign a memorandum of understanding between the industry and the authorities for three—preferably five years—to have more predictability and accountability present. This memorandum would include budget increase, strategic priorities and legislative laxation. The industry would still contribute through the clawback—but with a gradual decrease—, provide a fund for training for medical doctors and aim to bring back clinical trials. Clinical research and trials are a win-win situation for all stakeholders and are a foregone opportunity that we need to capitalize on. In 2015 there were over 400 clinical studies approved in Romania, while in 2019 the number is only 150.

### **What are the advantages of a foreign pharmaceutical company setting up an affiliate in Romania?**

The quality of the workforce in Romania is extremely high. Most of the employees working at Eli Lilly have a medical background and they are either doctors, pharmacists or have another specialisation. This is a differentiating element compared to Western Europe. The market is another element, as it is still small compared to the 20 million people living here. This means that there are still tremendous unmet needs and that there is still room for growth. The business will automatically grow as it is underdeveloped.

### **Are you planning to bring new drugs to the market in the foreseeable future?**

We are planning to bring a major drug in oncology treating metastatic breast cancer to the market this year, but it will depend on the authorities's speed. In the next three years, we will continue leading the innovation in the diabetes field and intend to launch a new mechanism of action glucose-lowering drug, a dual GLP-1/GIP analogue. We are excited about the great feedback we received last year at the EASD conference, where preliminary results were shared: a room of 3,000 people was in awe when unveiling the weight loss and HbA1c sharp decline.

Lilly also has an exceptional drug for severe migraine which can reduce significantly the occurrences of migraine episodes during a month. Severe migraine means that more than 15 days out of the 30, the person is unable to perform or function properly. This drug can reduce it to 3 to 4 days and has been recently approved in Europe. We would like to make it available also for these severely suffering patients in Romania, however, the current HTA regulations make it very difficult.

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