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Augustin Bernátek, general manager for the Czech affiliate of ResMed, a company whose cloud-connected medical devices transform care for people with sleep apnea, COPD and other chronic diseases, discusses how their digital solutions are bringing benefits to both the patients and the payers in the country. Following extensive discussions, the key stakeholders are becoming more open to these digital solutions, such as ResMed’s recently launched myAir connected platform. Bernátek walks us through the steps put in place to ensure a successful launch in the country, which continues to bring the treatment of sleep apnea away from hospitals and into the home, allowing healthcare systems to allocate resources in this area more efficiently.

Augustin, starting with the fantastic news about the launch of the myAir connected platform in the Czech Republic. What has been the impact of this launch so far for ResMed?

We launched myAir last November, so only a short time ago, but the number of users who have subscribed is growing very quickly. We have the best ratio in Europe so far, but growth from small numbers is always a dramatic improvement. myAir is a free personalized therapy management tool, which connects our machines and lets patients know how their therapy went the night before or shows their treatment summary for a longer period. With this tool, patients can get quick assistance to deal with problems if they appear. This can help the patient to stay on track throughout their sleep

apnea treatment journey.

It is too soon to assess the impact of ResMed, unlike AirView, which is the mother platform of myAir. We launched this over three years ago. The launch of AirView has been a great success, with 90 percent of all new patients using our treatments, giving clinicians consent to use this feature as part of the treatment. We are the second most successful affiliate in Europe to achieve this percentage. It is evident that Czechs enjoy and are open to new technologies.

What was the strategic approach for launching AirView and myAir in the country?

Every year, we hold an annual meeting with all our customers where we gather around 150 of them to provide educational services for our products. If we have a new product to launch, we combine it with this event, which was the case for myAir. Then, we followed up with visits to the sleep labs, spreading informative leaflets to the patients about this digital platform. Moreover, we created a new website targeting patients, in addition to that for professionals.

The Obstructive Sleep Apnea (OSA) market in the Czech Republic is extremely undiagnosed. The Czech Sleep Society reports that there are up to 300,000 patients in the country, however, only around 45,000 patients are being treated today. When we approached the sleep specialists and caregivers in the country, they welcomed AirView. Currently, there are huge queues of people waiting to be admitted to sleep labs; they are overloaded. Our platform allows professionals at sleep labs, for example, to execute operations more efficiently and remotely, preparing patients for treatment at their homes instead of taking up a hospital bed. They can spend less time with the patient without compromising on the quality of contact. Moreover, some hospitals are experimenting with the help of AirView to outsource annual checks to other clinicians, as they can share the data.

Another advantage that we offer is that we deliver all of our medical devices and units directly to the patient. This is agreed through our contract with the insurance payers, unique to the Czech Republic. This is another opportunity for us to advertise the added-value platform that the patients can take advantage of. Here, we add a leaflet about myAir in every box that we deliver directly to the patient. By offering these two digital platforms, AirView and myAir, we differentiate ourselves from our competition.

What were the priorities you put in place to write the next chapter of ResMed's development in the Czech Republic when you joined as General Manager in 2016?

Early in 2016, ResMed completed its acquisition of Unimedis, a local distributor of our products. When I joined, a couple of months later, I identified two challenges to overcome: integrate the team and ensure we were aligned with the corporate strategy. There were three people from the core of the original company, and for some, it was a cultural shock, being acquired by a big corporation. At the same time, we hired three new people. All six are all still here today, and we have doubled our team since then.

Another challenge was to make the local affiliate part of the global business, undergoing changes internally, such as our processes, rules, taking control of the finances and so on. Although not without hurdles, we have achieved this as a team. The hard work has paid off, and we have grown from 35 percent market share to over 50 percent!

What is the importance of the Czech affiliate for the Central Eastern Europe Region?

Our importance in the region is growing, especially as ResMed is looking for new ways of working with payers and care providers. As previously mentioned, we are in a unique position, as we are acting as a “home-care provider” in the sense that we deliver direct to the patients. I feel that the Czech affiliate could become a “testbed” for the company, as insurers and other stakeholders are starting to be open to discussions here, especially regarding digital solutions. Many are looking to see how we can help and change the system, evaluating all opportunities that connected care can bring for the benefit of everyone.

Another important aspect is the country’s openness to the digitalization of the healthcare system. The Czech Republic has a minister of health who is promoting digital health and is moving the system in the right direction. We recently became a member of Czechmed, the local association representing Medtech companies in the country. The association has started its own initiative to promote digital healthcare solutions, through roundtables, bringing key stakeholders together to hear insights from the industry. Recently, I attended one of these roundtables, addressing several key stakeholders on behalf of ResMed, from payers to care-givers, about the work and added value digital platforms like ours can bring to the healthcare system. We were well received, with them recognizing and appreciating the importance of patients actively participating in their own treatment. When patients are not just passive consumers, they significantly increase their compliance and adherence to treatment, along with a motivation to continue.

ResMed has the global ambition to change 20 million lives by 2020. How are you contributing to this mission?

I believe we can continue contributing to this mission, through our strong trajectory of growth. Every year, we are helping more than 3,000 new patients and this number will increase. Our solutions allow the system to treat more patients. However, our reach is limited to the capacity of sleep clinics. As mentioned, the Czech market is under-diagnosed, but we cannot approach the payers and say that “if you accept our digital solutions, your expense for treating sleep apnea will decrease” because this is not true. What we offer, is that they can allocate resources and funds to patients more effectively, and to those who really want to be treated.

In our system, when a patient starts treatment for sleep apnea, the doctor sees the patient after one year. As sleep clinics are overloaded, some do not actively invite patients for these check-ups. If a patient is not returning to the sleep clinic after one year, it suggests two things: they are happy with the treatment or have stopped the treatment. The latter means that our device or unit, which the insurance company purchased for the patient, is not being used. Our digital solution could offer caregivers and payers an opportunity to follow up on the patient, motivate them to continue the treatment or, if needed, take units from those who no longer want or need to be treated.

As part of the Health Strategy 2030, the government aims to develop home and palliative care. How are you cooperating with health authorities, payers and other key stakeholders to improve access to your home care solutions?

Looking towards next year, we are expecting to receive reimbursement for our home non-invasive ventilation for the treatment of COPD. This is a completely new opportunity and ResMed’s second treatment area which does not yet exist in the Czech Republic, where we can also apply the advantages of connected care. However, this will mean we will have to build the market scratch, in

addition to and patient pathways for home treatment, together with specialists and managers in the health care system. Currently, the patients are being treated in special intensive care units in hospitals on a long-term basis, or at home but in an inappropriate way.

What was critical in this discussion with payers and health authorities was, firstly, the initiative pushed forward by the Minister of Health (MOH). Secondly, there was a need to overhaul certain areas of legislation regarding reimbursement of home care products. Whilst this was being discussed, it was decided to also make amendments to other areas in home ventilation rules, that were slowing down access for patients. Although this took some years, recent discussions have speeded up dramatically as the MOH wants this to be resolved.

More generally, how would you assess the market access landscape for medical devices in the Czech Republic?

There have been good improvements over the last couple of years. It has not been easy to evolve, but new rules and reimbursement legislations are now transparent and clear for everybody. Still, these new rules could go further, as there is not enough flexibility for access to new devices, especially within the home-care category. Currently, there are ten categories for manufacturers to apply for market access, with different criteria for the supplier to apply to. These categories are set in the law, so it is difficult for innovation or something completely out of the box to enter the reimbursement system. Innovators with a solution outside these categories can apply for just 50 percent co-payment reimbursement or for a risk-sharing contract with payers.

Although not concerning our diagnostic area, one crucial change in legislation is about giving more power to the caregivers. This is a positive step, as in real life, there are a lot of decisions officially signed off by nurses, and not doctors.

Looking forward, what would you like to achieve in 2020?

Over the last three years, ResMed has changed for the better. We are a very successful company, achieved through fantastic growth and increasing the number of patients who have access to a diagnosis and treatment, and we hope to continue this. With our digital solutions, we have been successful in reaching both patients and care providers.

Looking forward, the challenge but goal for 2020 is to build the awareness of ResMed and our service offering to key opinion leaders, payers, insurers, and government. These key decision-makers need to be aware of what partner they can have in this area.

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