Interview: Concha Almarza â?? General Manager, IQVIA Spain

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Concha Almarza, general manager at IQVIA Spain, discusses the changes that the Spanish pharmaceutical market has witnessed over the last few years, highlighting the stringent cost-containment measures aimed at improving patient access to complex innovative drugs, the stabilization of generics penetration urging producers to expand their offering to other segments, as well as the complexity of the fragmented healthcare system obliging every company to implement different market access strategies in each of the 17 autonomous regions.

You have been working at IQVIA since 2001 and became managing director in 2016. What are some of the current specificities of the Spanish pharmaceutical market that you had never imagined 16 years ago?

The Spanish pharmaceutical landscape over the past eight years underwent a drastic change in terms of market environment and the role of decision-makers â?? especially the payers and providers â?? and their relationship with other stakeholders. The trends are more or less the same as those that occurred in other European pharmaceutical markets, but in Spain everything happened quicker and with stronger repercussions. Until 2009, we had lighter cost containment measures and the market was growing 9 percent. What came later was fully unpredictable and no one would have ever believed such data even if someone had forecasted them. As of 2010 big changes took place. The regulatory environment changed, generic penetration moved from 10 to 45 percent, and we lost our prime position in innovation.

One thing to bear in mind is that 95 percent of the pharmaceutical market in Spain is publicly funded. In the two-year span of 2010-2012, we had four royal decrees (4/2010; 8/2010; 9/2011; 16/2012). Eventually, during these two years, pharmaceutical expenditure decreased to 15 percent.

As far as the business community is concerned, I would say that most companies are out there thinking how to do things differently in order to bring new ways to enable better access to innovations and build up agreements based on demonstrating the added value of their products. Cost-containment measures mainly considering budget impact drivers makes access to innovation extremely complicated.

The Spanish pharmaceutical industry reacted well to the Rajoy administrationâ??s 2011/12 austerity measures to slash pharma prices and still retains its 5th place by value (EUR 26.15 billion) in Europe and ranked 10th in the world. What do you identify as the key difficulties?

I believe the major hurdle is the fact that Spain has not one, but 17 different health systems. In order to open a path for innovation, companies need to implement their regional market access strategies adapted to various health system and policies across the regions.

Furthermore, the price and reimbursement decision process is still centralized while regional health systems hold the annual budget â?? however, the price is decided at the national level.

It is no secret that in the middle of the economic crisis there was less willingness to pay for expensive products, a new decision system based on demonstrated value should be implemented. On the one hand, the main difficulty is to access such a complex market with such a great variety of decision-makers. Lack of transparency in accessing the information is also a major obstacle.

Real World Data (RWD) will open the opportunity to start talking about value/investment, instead of budget/cost, and therefore having both payer and provider, properly managing each decision risk/opportunity.

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What do you see as the next steps that could allow a deeper generic penetration in the public sector despite the current stabilization of the segment?

Branded out of patent products and generic medicines have the same price in Spain. From a short-term perspective, it may be of little interest to support generic penetration, as no additional savings would be generated.

However, the government needs to find alternatives to maintain the balance of the generic business and leverage the price component when the patent will expire in the upcoming years.

While International Non-proprietary Name (INN) prescriptions were made mandatory by law from 09/2011, not every region has implemented it fully. Levels of INN prescriptions vary from region to region but also from molecule to molecule.

After some years, we have seen levels of INN decreasing. As an example, letâ??s compare the evolution of AtorvastatinÂ®, the original brand lost patent exclusivity in 2011 and PregabalinÂ®, whose patent expired in 2015: INN prescription in Atorvastatin is 60 percent overall and generic penetration is about 70 percent. If we look at PregabalinÂ®, INN prescriptions account for 20 percent and generic penetration is only 15 percent.

It is difficult to predict how to support deeper generic penetration. In fact, we have seen generics growing slower than the branded segment during 2017.

As of mid-2017, there are more products losing patents which results in a growth recovery â?? although it is only two percent.

Generic manufacturers in Spain are moving up the value chain and expanding their strategy to additional segments as generics are reducing the positive trend.

Looking at retail vs non-retail, where do you see the growth coming from?

In Spain, most of the innovation is dispensed in the hospital pharmacies because what we call â??specialtyâ?? or â??complex productsâ?? are managed by the pharmacies in the hospitals.

In 2009, hospital segment accounted for 40 percent of the pharmaceutical market and in 2018, hospitals are 50 percent of the total market. In the next five years the specialty segment will drive 60 percent of the market.

Therefore, itâ??s safe to say, that specialty will keep on driving the growth as long as innovation is concentrated in this segment. We will continue seeing launch of drugs with a high cost in therapeutic areas such as oncology, biologics, and multiple sclerosis.

Some leading pharmaceutical companies in the UK claim that, despite having well established HTA agencies, it is difficult to reward innovation in the country compared to Spain. How do you rate the way Spain rewards innovation while maintaining the sustainability of the business?

There should be a conversation about the value that innovative pharmaceutical products bring to the patients and the society, but actual focus is still exclusively on price.

A short-term and purely budgetary impact approach is a strong barrier to accessing innovation in Spain. Prices of innovative medicines are increasing and accordingly, governments need to find alternatives ways to fund such innovation.

The pharmaceutical environment has changed, new situations need new processes to secure access to new technology and innovative treatments.

One year after you assumed your position as MD, the company experienced many changes at the global level, including the rebranding to IQVIA. What impact has this had on the operations of the Spanish affiliate?

IMS and Quintiles put together different experiences and backgrounds; in terms of merger the new project was about combining various capabilities from both teams. This merge was a very successful one.

We face competition in almost every service area where we are present: R&D, market access services, real world data (RWD), technology and commercial services. However, we are the only company equipped and prepared to work with them across the entire organization, from the molecule to the market, adding value in each of the steps of the value chain.

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Richie Etwaru, former CDO of IMS Health, told us that the healthcare industry should better embrace digital technology and learn from other more advanced industries. Given that IQVIA

Spain is participating as a gold sponsor of the â??On Digital Healthcare 2018â?? event in Madrid, what is your take on that?

Now, things have changed. Technology will be increasingly important moving forward; in the era of the RWD complex technology platforms are critical to get evidence and feed complex methodologies designed to enhance clinical development, accelerate access to innovation and improve clinical results in the real practice.

Getting the right message to the right consumer, or the most appropriate treatment to each patient profile, is the base to improve results. Companies need technology to support new processes implementation.

You recently signed a Prime Site Agreement with the Vall dâ??Hebron Campus in Catalonia, one of the first IQVIA ever signs with a hospital in Southern Europe. How is IQVIA able to utilize its CRO and data arms to showcase the potential of Spain as a clinical trials destination?

Spain has a great potential as an attractive clinical trial destination regardless of the agreement that we signed with Vall dâ??Hebron. Prime site agreement will give both the opportunity to better contribute to the development of innovative treatments.

Where would you like to lead IQVIA Spain?

I would like to focus my efforts in continuing IQVIA integration. With more than 1,500 employees in the country, we have still room for improvement driving a closer collaboration across different entities.

I aim to look for ways to do things together and bring additional value for our clients: payers and providers, pharma companies and health services companies.

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