

Interview: Irena Rej – President Farmacja Polska (The Polish Pharmaceutical Chamber)



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Irena Rej, president of the Polish Pharmaceutical Chamber, Farmacja Polska, discusses the trends of the domestic pharmaceutical market and the recent changes to improve the introduction of innovative products. Furthermore, she highlights the strengths of the local OTC industry and the chamber’s role in facilitating active dialogue with key stakeholders to benefit each member equally.

What trends are present in the Polish pharmaceutical market?

Recent IQVIA data indicates that Poland is in front of many other European countries in terms of income generated by the pharmaceutical industry, and has grown significantly since last year. This includes the full chain of treatments; innovative drugs, generics, OTC and supplements.

There are many key factors that have played a role in this growth, such as the 75-plus policy that allows Polish patients above 75 years old to receive pharmaceuticals free of charge. We believe that supplements should be excluded from figures as they are a different form of treatment, and the government is now clearly defining this in legislation.

The biggest challenge facing the Polish market currently is the introduction of biologics. None of these products are developed and produced in Poland; therefore the Ministry of Economic Development and Ministry of Health are working closely together to stimulate biologic innovation by supporting biotechnology entities. Polish companies, such as Adamed and Polpharma, are

attempting to invest in R&D within this advanced area, though still require governmental support to help facilitate their investment.

How are innovative treatments being rewarded in Poland?

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Every year the number of innovative products entering the market is improving, despite our government placing pricing pressures on companies to lower the costs of treatment. This pricing mechanism is not the most sustainable direction as prices are already low, and it is driving the export of products; therefore, there are drug shortages that have led Polish patients not having access to certain treatments.

To combat this, the Ministry of Economic Development and Ministry of Health are looking to reward companies that are investing in Poland. The only issue is it is still quite vague on of the level of investment required to be considered for governmental benefits.

What is the reason behind the recent change to promote the introduction of innovative products?

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The 2012 Reimbursement Act regulated risk-sharing agreements between companies and the Ministry of Health. The idea was that the funds generated in this model will be re-invested back into the amount spent on new treatments. Thus far, despite encouraging signs, this has not happened to the proposed effect. A way to change this will be to have pharmaceutical spending set at a flat 17 percent of the total healthcare budget, rather than up to 17 percent.

Why is Poland such a great environment for generics?

The generics market is very competitive for companies – for example – in hypertension there are nearly 30 players. This abundance of companies in this field helps stabilise the market and give patients more choice, without a significant difference in the price of each product. Despite Poland having some of the lowest prices in Europe, thus far no companies have left the market due to excellent opportunities Poland can offer for their commercial success.

What factors are behind the OTC market being so strong here?

Firstly, many companies are investing in promoting OTC products patients can take before taking heavier medicines. Secondly, the interest of the National Health Fund is to switch products from Rx to OTC as quickly as possible to move the burden of the cost from public funding to the patient's pocket, as a result saving the government money. Thirdly, there are not enough medical personnel; therefore, patients have long waiting times and prefer to save time by buying treatments quickly over the counter.

Nevertheless, in Poland authorities should not focus solely on price, but look at the large effect of the condition. This is one reason we conduct health technology assessments (HTAs), to determine health outcomes by looking at the treatments efficacy, initial cost and recovery impact. This shows that for example in chronic disease, generics can play a larger role, while in areas such as cancer, innovative drugs should take preference. This pharmacoeconomic perspective is growing in importance as healthcare budgets feel the strain of rising drug prices.

How constructive is the relationship between the commercial pharmaceutical industry and the government stakeholders?

Farmacja Polska has been working with the government for over 25 years, and personally I believe this relationship has been extremely productive and important for the entire industry. As the leading voice for the pharmaceutical industry, we are always trying to convince them on the best structure for the Polish market, so we are all able to collectively work towards improving Polish patients's health.

How do you effectively manage the needs of each sector of healthcare to create a system that benefits all stakeholders involved?

Our priority is always to represent the common interests of the industry and this will change depending our members. For example, wholesalers have fixed margins, and this makes it difficult to generate income, and we must develop a model to support this aspect in the long-term. Additionally, we must facilitate a mutual relationship between wholesalers and manufactures to ensure products remain Poland.

We must also find a balance between generics and innovative treatments. We need to create an atmosphere that is favourable for both sides of the industry and have all their needs respected to maintain future growth in the pharmaceutical market. With this collective approach we will maintain a strong domestic market, and not allow external players to have such a large impact.

What are the next steps for the Polish pharmaceutical market?

Poland after entering the European union faced pressure to conform to EU regulations rapidly, compared to other Eu nations who had been members for many years. At the moment, we are being affected heavily by the falsified medicine and serialisation legislations which are placing financial and organizational strains on many sectors of the industry.

According to IQVIA data, when we make these large rapid shifts, the market reverts back to normal; therefore, we must make little steps and incremental changes to arrive to the final result. Moreover, many companies make decisions at a global headquarter level, and we must take this into consideration when making our decisions. If we can be more pro-active in making decisions and be slow and steady in our process, we can ensure Poland is a stable ecosystem that can be an attractive destination for the pharmaceutical industry in the long-term.

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