

Interview: Marijus Valatka – General Manager, Novo Nordisk Lithuania, Latvia and Estonia



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Marijus Valatka, general manager Lithuania, Latvia and Estonia at Novo Nordisk, explains the current challenges and areas for improvement in diabetes treatment in Lithuania and stresses the company’s commitment to not only bring medicines to the market but also enhance the quality of treatment for

t diabetes and other serious chronic diseases such haemophilia, growth disorders, and obesity.

Before joining Novo Nordisk back in January 2016, you worked in leading generics and innovative players such as Teva and Servier. What are the factors that triggered you to move back to the innovative side of the pharmaceutical industry after more than three years at Teva?

Servier was the company in which I started and developed my professional career for approximately 12 years. Hence, at some point, I wanted to expand my professional knowledge in other segments as well as areas and, for this reason, I joined Teva back at the end of 2012 where I held Baltic responsibility on totally new fronts. Finally, in January 2016, I took the opportunity to join Novo Nordisk. I was fascinated by the current products as well as the future pipeline of the company and this was one of the main reasons that triggered me to accept the new challenge.

You were appointed general manager of Novo Nordisk in Estonia and Latvia recently. What is your mission on these new fronts and how are you going to manage to succeed in your new roles?

Baltic countries, despite being in the same region, have many differences such as language, cultural costumes, and even healthcare regulation – expanding on the latter, Estonia is a bit more developed than Lithuania and Latvia. Therefore, my duty is to find the right strategy that will enhance patients' access to our innovative medicines as well as the sustainability of our operations in the region.

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Indeed, just taking our commercial approach as an example of this Baltic diversity, general practitioners in Estonia play a more active role managing diabetes than in Lithuania because the number of specialists in Estonia is quite limited; however, the situation is exactly the inverse in Lithuania where we directly target endocrinologists in terms of diabetes management.

In the Baltic States, one single strategy will not fit the entire region. Thus, my advice to any general manager in the same situation would be to rely on the local teams in order to identify country-specific characteristics as well as gaps, and subsequently define targeted strategies.

What is the historical presence of Novo Nordisk in the Baltics?

We have been present in Lithuania, Latvia and Estonia since approximately 1995 with affiliates in each country. In terms of team and offering, our product portfolio is mostly targeted to diabetes as well as haemophilia, growth disorders and, therefore, we do not need huge teams but rather very specialized professionals that reach the needed specialists.

From a regional perspective, what is the strategic relevance of the Lithuanian affiliate within the Baltics?

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We never perceive one country is more important than any other since we believe that every patient counts. Thus, even though Lithuania is the largest country amongst the Baltic States, the three countries hold the same relevance for us. Everything that we do in each country is for the sake of the patients, finding the best way to get needed treatment on time.

However, from a business standpoint, while sometimes more mature markets might face challenges in offering growth to companies, leading innovative pharma players can find profitable opportunities to market their solutions here because innovative medicines recently became a priority of local governments.

What are the key facts that define the local positioning of the Lithuanian affiliate?

Globally Novo Nordisk ranks 15th in terms of sales in 2016 while in Lithuania the company is positioned within the top 10 players in the country. As aforementioned, Lithuania has been able to grow recently thanks to a successful product portfolio strategy, new products and our motivated as well as highly skilled local team.

How is your product portfolio designed in the country and in which therapeutic areas is Novo Nordisk strongly positioned in the market?

In Novo Nordisk, we believe in change and we have been driving this belief for more than 90 years to defeat diabetes and other serious chronic diseases such as haemophilia, growth disorders and obesity.

Having said that, diabetes is our largest therapeutic area and we have a broad portfolio of solutions to target this disease including the biggest innovation in the basal segment – our new basal insulin (which has been reimbursed in Lithuania since September 2015), and rapid-acting and fixed combinations of insulin. Furthermore, since May 2017, I am proud to share that one of our brands (GLP-1 analogue) that healthcare professionals and patients were waiting on for seven years in Lithuania has recently been included in the reimbursement list, helping bring diabetes into better control as well as treatment in the country. On top of that, we have a wide range of innovative durable as well as prefilled devices to make injections as simple, accurate and painless as possible. I am a true believer in our current and future portfolio and, consequently, I foresee a very positive outlook.

What type of innovative medicines are you bringing to the market to meet the new diabetes treatment trends?

Firstly, we have perceived that, over the last decade, diabetes healthcare professionals increasingly preferred to use fixed combinations of insulin when treating their patients and, consequently, BBT trend has become more popular. Novo Nordisk offers great solutions in this regard with its new basal and fast acting insulins.

Secondly, NIAD's therapy has been drastically developed to treat diabetes over the past few years. However, there is still a long way to go in Lithuania in this front and here comes our blockbuster GLP-1 analogue, which has been recently included in the reimbursement list, with proven CV protection. I honestly think we have the best products to succeed.

As in most countries, the Lithuanian government is struggling to find budget to provide patients with the best innovative medicines. How would you evaluate the Lithuanian market access environment and its openness to innovation?

First of all, in 2015, Lithuanian healthcare expenditure amounted to 6.5 percent of domestic GDP, which is one of the lowest rates in Europe. Additionally, Lithuania has one of the lowest percentages in Europe of total pharmaceutical sales covered with public funds being ranked 29th out of 35 European countries in this regard. Having said that, medicinal products amount to 1.5 percent of GDP, of which 0.6 percent is covered by the National Health Insurance Fund (NHIF) and the remaining 0.9 percent represents out-of-pocket expenses. Hence, as a result, the Lithuanian healthcare system ranks 27th out of 35 European countries according to the Euro Health Consumer Index 2016.

In terms of access to medicine in Lithuania, only 22 percent of all the innovative drugs that were centrally approved by the EMA from 2006 to 2015 reached Lithuanian patients. In addition, in terms of timing, it takes on average 971 days since an innovative drug is approved by the EMA until such medicine reaches Lithuania; as a benchmark, this time is 120 days in Denmark.

As an example of one of the main stoppers of access to innovative medicines, the Lithuanian healthcare system does not trust yet the HTA data centrally developed by the EMA forcing companies to locally develop HTA data in Lithuania – in my opinion, this situation must change with higher alignment of the local government with EMA decisions. This situation is somehow also reflected in the other Baltic States and I believe that all these three countries should look to other nations in Europe in order to learn from the European best practices in this area to subsequently implement them in the region. Unfortunately, this is not yet happening at the expected level.

Specifically to diabetes, in Lithuania we do not have a national diabetes registry and every hospital has their own certain kind of diabetes database but without any interconnection between them. In our case, this is creating strong complications to introduce our innovative but also highly needed drugs in the Lithuanian market since it is quite challenging to evaluate locally the effectiveness of our drugs.

The therapeutic area in which Novo Nordisk is uniquely strong is diabetes. Considering your experience in the region, how would you assess the development of this therapeutic area in Lithuania?

Unfortunately, diabetes is not one of the priorities of the Lithuanian Ministry of Health, being a silent and widely spread disease. Moreover, in order to have a good level of care, a country must not only ensure access to innovative medicinal products but also grant adequate reimbursed treatments and devices to manage diabetes such as insulin pumps, continuous glucose monitoring sensors, and glucose test strips. Nonetheless, Lithuanian patients are quite limited when it comes to reimbursement of such devices. This situation causes a worrying concern because self-monitoring of blood glucose is an essential tool for diabetes management.

Due to the aforementioned factors, Lithuania is the second worst country in the Euro Diabetes Index 2014, which positions Lithuania as one of the worst countries in terms of access to diabetes treatment among all the European nations. On top of that, Lithuania has one of the lowest levels of insulin use in Europe being positioned as 27th out of 31 European countries (IMS Health MIDAS database, IDF Atlas 6th ed).

To summarize, diabetes is one of the biggest health issues in Lithuania today, affecting the lives of more than 120,000 people. However, during the last decade, the number of people suffering from diabetes has doubled its size while, at the same time, the NHIF spending for diabetes treatment has remained stable over the last five to six years. What is more, the NHIF funds for insulin treatment have been constantly decreasing as a result of various cost containment measures.

What specific actions is Novo Nordisk putting in place in order to advance on this front in Lithuania positioning itself as the preferred partner in this arena?

Diabetes is a silent national health burden and we are actively communicating this situation to the government to raise awareness around this topic.

It is obvious that diabetes should be a top priority on the payers' agendas and changes in the way diabetes is managed in Lithuania are necessary as well as imminent. We have already proposed to the Lithuanian Minister of Health that, in order to evaluate how diabetes is managed across the country, a national diabetes registry should be established. Having such a registry would enable the evaluation of antidiabetic medicines' efficacy as well as costs in local setting.

As a first step, since building such capabilities take time, Lithuania should rely on the existing data centrally gathered by the EMA in order to assess the effectiveness of the medicines reimbursed. Then, once a reliable diabetes registry has been locally developed, the following stage should be to re-assess the current antidiabetic medicines pricing & reimbursement conditions to align the criteria with the real medicines added value taking into account positive effect on direct as well as indirect costs and their implications on the state budget. Furthermore, aligned with one of the government's objectives of building a value based healthcare system, this change would be basis for discussion developing outcome-based contracts/risk sharing agreements and improving access to real innovations in diabetes treatment. But, unfortunately, there has not been any official response from the health ministry officials so far.

What is your final message about the role of Novo Nordisk in Lithuania?

Producing life-saving medicines is a significant responsibility: millions of people depend and rely on us. However, to defeat a serious chronic condition, we need to do more than just supply the right medicine. Talking about Lithuania, more than 120,000 people in the country are suffering from diabetes and more than 100,000 do not know that they have it, which heightens the risk of developing serious diabetes-related complications. This is the reason why we work in partnerships with patient associations, policymakers, healthcare professionals and non-governmental organizations in order to raise awareness, improve prevention, promote earlier diagnosis and expand access to care in our therapeutic areas. This is and will continue to be our role for the upcoming years in Lithuania.

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