Interview: Mikel Arriola – General Director, IMSS, Mexico (Part Two)

IMSS will be the first institution to develop and build an effective prevention-based strategic program integrated at the family care level.

21.07.2016

Tags:

Healthcare, Mexico, IMSS, Chronic Disease, Innovation, Regulatory Reform, Government, Regulation, Social Security, Interview, Insight, Exclusive, Executive, Free

In part two of a two-part interview (read part one here), Mikel Arriola of the IMSS discusses the strategic roadmap IMSS will follow under his tenure with regards to innovation access and chronic disease prevention, as well as his approach to the upcoming implementation of exchanges of services among the different social security institutions in Mexico.

Mexico is now in the midst of an epidemiological and demographic transition that is placing evermore stress on the IMSS budget. Chronic, degenerative disease is now estimated to cost the Mexican state around 80 billion pesos per annum [USD 4.3 billion]. To what extent can a refocusing on 'preventative healthcare' alleviate these pressures?

Prevention is high on all health stakeholders' agendas in Mexico: we have been accumulating a deep and consistent knowledge in this discipline, and all stakeholders agree on the necessity of implementing strong prevention measures to tackle our developing and overwhelming disease burden. Important reforms were released in 2013, comprising the implementation of a soda and candy tax, as well as the prohibition of advertising targeting children for highly caloric products. Nevertheless, our country still doesn't display any satisfactory productivity when it comes to implementing efficient and game-changing prevention measures within our medical system. As a result, the required transition of our health system toward a prevention-based eco-system has so far been a complete failure.

IMSS provides medical services to 70 percent of the Mexican population, so we cannot afford to wait any longer, both for our patients' sake and for the sake of maintaining the financial

sustainability of our institution. Ignoring the apparent passivity of some other health stakeholders, IMSS will be the first institution to develop and build an effective prevention-based strategic program integrated at the family care level. In this regard, we are currently assessing the main frailties of our prevention system and looking at best practices already implemented by the most mature health systems in the world. We are rapidly progressing in the design of this pioneering prevention model and we expect to release its main specificities at the beginning of 2017.

[Featured_in]

As most chronic diseases are preventable, within our family care network we want to build and develop the in-house capacity to identify health risks at an earlier stage of our beneficiaries' lives, concentrating our efforts on children, high school, and university students. In this regard, we recently started to open IMSS' services to students from 15 to 23 years old, whereas in the past our beneficiaries were exclusively private sector workers. We want to prevent health problems that will only worsen as these students get older and become IMSS beneficiaries anyway. As a result, the registration of these students to IMSS is subject to one indispensable condition: they have to attend at least two medical visits a year, which should then in return allow us to better monitor their risk profile, more efficiently implement our prevention model, and have a corrective impact on their lifestyle habits. Secondly, we also want to invest to favor the early detection of cancers at the first or second phase of disease development.

By implementing these two measures related to the prevention and the early detection of the main chronic and non-communicable diseases, we expect to reduce treatment expenses by around 40 percent at the horizon 2050. On the other hand, if we are not able to implement game-changing prevention and control measures in the immediate future, health investments to cure chronic diseases in our country will skyrocket from 80 billion Mexican pesos in 2016 [USD 4.3 billion] to 350 billion pesos in 2050 [USD 19 billion], and our health system will never be able to carry such a financial burden.

A second major challenge relates to 'market access' as only 15 of the 213 new molecules approved by Cofepris over the last two and a half years have already been registered by IMSS. What steps can you take to speed up market access for innovative medicines?

> Over the last three years, we have been able to save around 21 billion pesos [USD 1.1 billion] by facilitating market access of generics and implementing consolidated purchasing schemes among the different social security institutions.

Over the last three years, we have been able to save around 21 billion pesos [USD 1.1 billion] by facilitating market access of generics and implementing consolidated purchasing schemes among the different social security institutions. This exceptional achievement now provides us with more resources to review the innovation access agenda.

I headed Cofepris, Mexico's regulatory agency, for five years and I saw that as soon as we opened the market to both alternatives – innovators and generics – prices dramatically decreased, while over the same period (2011-2014), the industry grew 15 percent (before the recent peso devaluation). For off-patent treatments, generics will always display a better cost-effectiveness than the related innovators and play a tremendous role in providing our beneficiaries with affordable and well-supplied access to medicine. Nevertheless, when it comes to new biotechnological treatments that are targeting unmet medical needs, there is no margin-related debate.

In this regard, two recent examples clearly demonstrate that IMSS also stands as an innovation promoter. First of all, IMSS is about to register the hepatitis C treatment approved by Cofepris in

December 2015. Secondly, we will also make the recently released dengue vaccine accessible to our beneficiaries.

In a close collaboration with the Ministry of Health, we want to find a sound balance between sustainability and innovation; two pillars that are both essential to our patients' lives. While never compromising the financial sustainability of our institution, I am convinced we currently have an opportunity to establish and implement a very supportive innovation agenda. My message to the pharmaceutical innovators implanted in Mexico is that they need to understand and acknowledge that IMSS is facing a tremendous necessity to reduce its health expenditures. Nevertheless, we value innovation, and will also take into consideration the savings that new treatments can generate, notably by reducing palliative care expenditures and dependence on the hospital sector.

The current government is also seeking to rectify what it perceives as the fragmentation of the national healthcare system. What role can the IMSS play towards this goal?

Commentators frequently refer to this fragmentation as a negative aspect of our healthcare system; designed only to hinder the overall delivery of medical services to our population. To me, this is a misleading understanding of the situation. This so-called fragmentation is only the result of the progressive implementation of universal coverage that our country has undergone since the Mexican Revolution. In 1943, our country granted constitutional rights to our citizens with regards to health access. IMSS was created, and Mexico started to implement a universal healthcare system related to formal and legal employment, providing private sector workers with access to universal medical services and a pension fund.

To fulfill this mission, IMSS made tremendous investments in the following decades to build a huge medical network all over the country, while life expectancy between 1943 and 2016 increased from 47 to 78 years. In the meantime, a similar social security institute, ISSSTE, was created for State workers. Nevertheless, the situation for informal workers was still unresolved. Following an important national debate in 1986, it was decided that health would be considered a universal right granted to all citizens – whether or not they actually economically contribute to the sustainability of the system. This decision led to the creation of Seguro Popular in 2004. As a result, we clearly see that what is perceived as a fragmentation of our system is mostly the result of the historical evolution of the approach to health in our country.

[related_story]

Nevertheless, we see that in Mexico, administrative costs represent 8.9 percent of total health spending; the highest ratio among all OECD countries. Don't you think that this fragmentation is somehow hindering the efficiency of the overall health system?

Various factors contribute to this high administrative cost. For instance, Seguro Popular is actually only a financial scheme and its related medical services are ultimately delivered by the different Mexican states and their health infrastructures; not necessarily the most efficient way to operate.

Some stakeholders are advocating for the immediate implementation of a universal system - financed by taxes – where Mexican citizens could receive medical services in all social security institutes, regardless of their affiliation. However, as a first step toward this fundamental objective, we first have to conduct a strict assessment of the exact cost of all medical service performed through the different institutions. As soon as we are able to precisely determine these costs and establish which institution is the most efficient to perform a given medical service, we will be then able to implement a comprehensive legal reform toward universal health coverage. On the other hand, if we skip this crucial assessment step, we will never be able to control the growing cost of these medical services, and the system will soon become completely unsustainable. While the

fragmentation of our health structure is a result of our history, we now have the opportunity to finally create efficiencies within the overall system.

Fortunately, President Peña Nieto decided to precisely follow this wise approach, and all security institutes are now working on establishing the different costs of their medical interventions. As a consequence, in the upcoming months we will be able to progressively implement exchanges of services between the different social security institutes throughout the country.

As the recently appointed general director of the largest social security institute of its kind in Latin America, how would you summarize the fundamental objective you want to achieve during your tenure?

I want to ensure that our beneficiaries are more satisfied with our overall delivery. IMSS is currently allocating substantial amounts of both financial and human resources to improve the quality of our medical and interpersonal services. I want to ensure that these efforts will ultimately pay off, and positive and concrete outcomes ultimately arise.

See more interviews