# Global Trends in Healthcare

*New reality*

Igor Lerman| Commercial Lead Croatia & Slovenia, IQVIA

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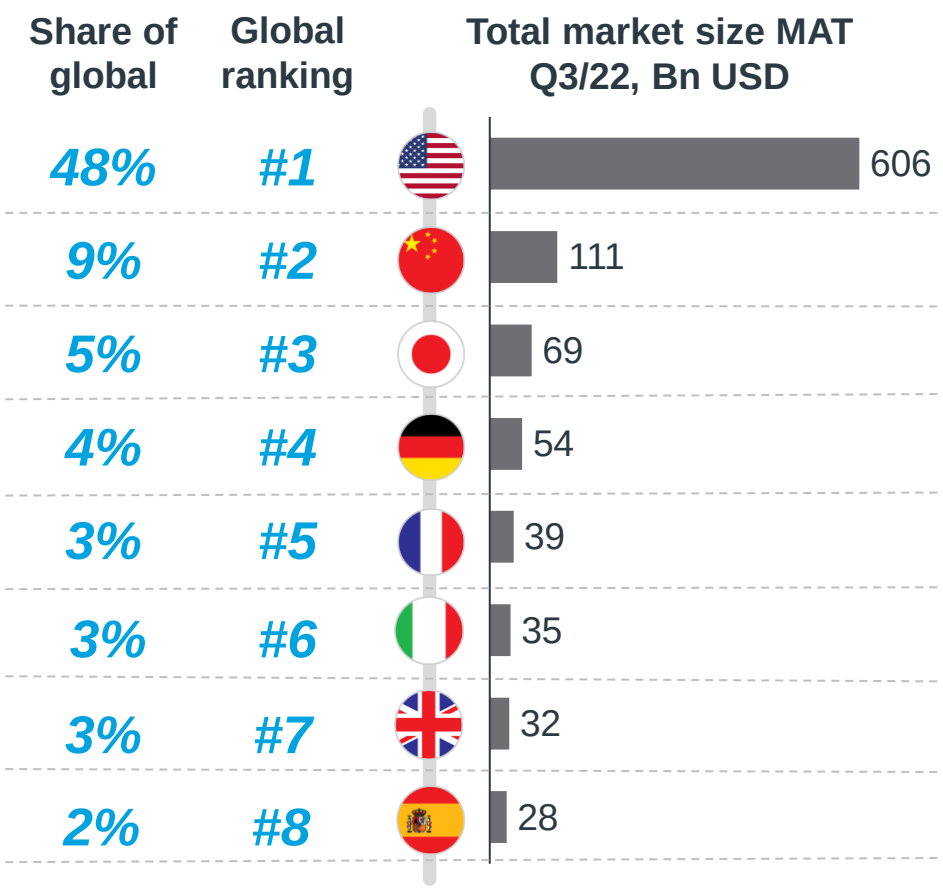
# Budget constraints and cost containment measures will shape the global market in the coming year – global market was 1,25 T$

*Pricing measures in the Top 8 markets, 77% of global value*




## USA

Inflation Reduction Act (IRA)

- Medicare Part D redesign will shift liabilities to payers which in turn will increase pricing pressure on manufacturers
- Pricing negotiations with Medicare for selected drugs
- From 2025 / 2026 onwards

## China

- Pricing pressure from Volume Based Procurement and the National Drug Reimbursement List
- Increasing local competition

## Japan

- NHI drug pricing reform implements tougher pricing rules
- From 2022 onwards

## Germany

GKVFinStG[1]

- Price freeze maintained until 2026
- mandatory rebate increased from 7% to 12%
- free-pricing period reduced to 6 months
- From Jan 2023

## France

- PLFSS[2] 2023 – setting growth of Rx products to 2.4% in '22-'24
- €1.1Bn savings - €900Mn from price cuts and €200Mn from payback scheme

## UK

- Voluntary Pricing and Access Scheme (VPAS) potentially requires **>26% payment rebates**
- 2023 onwards

## Spain

- Lowest access to innovative medicines across EU4+UK markets
- **2023 elections** creating uncertainty and risk

## Italy

- Healthcare expenditure as % of GDP **to fall from 7% in 2022 to 6% in 2025**
- Cost containment remains a priority

(1) SHI Finance Stabilization Act (2) Social Security Finance Bill
Source: IQVIA Thought Leadership, IQVIA Market Prognosis September 2022, MIDAS QTR MAT Q3 2022, Market size listed in USD

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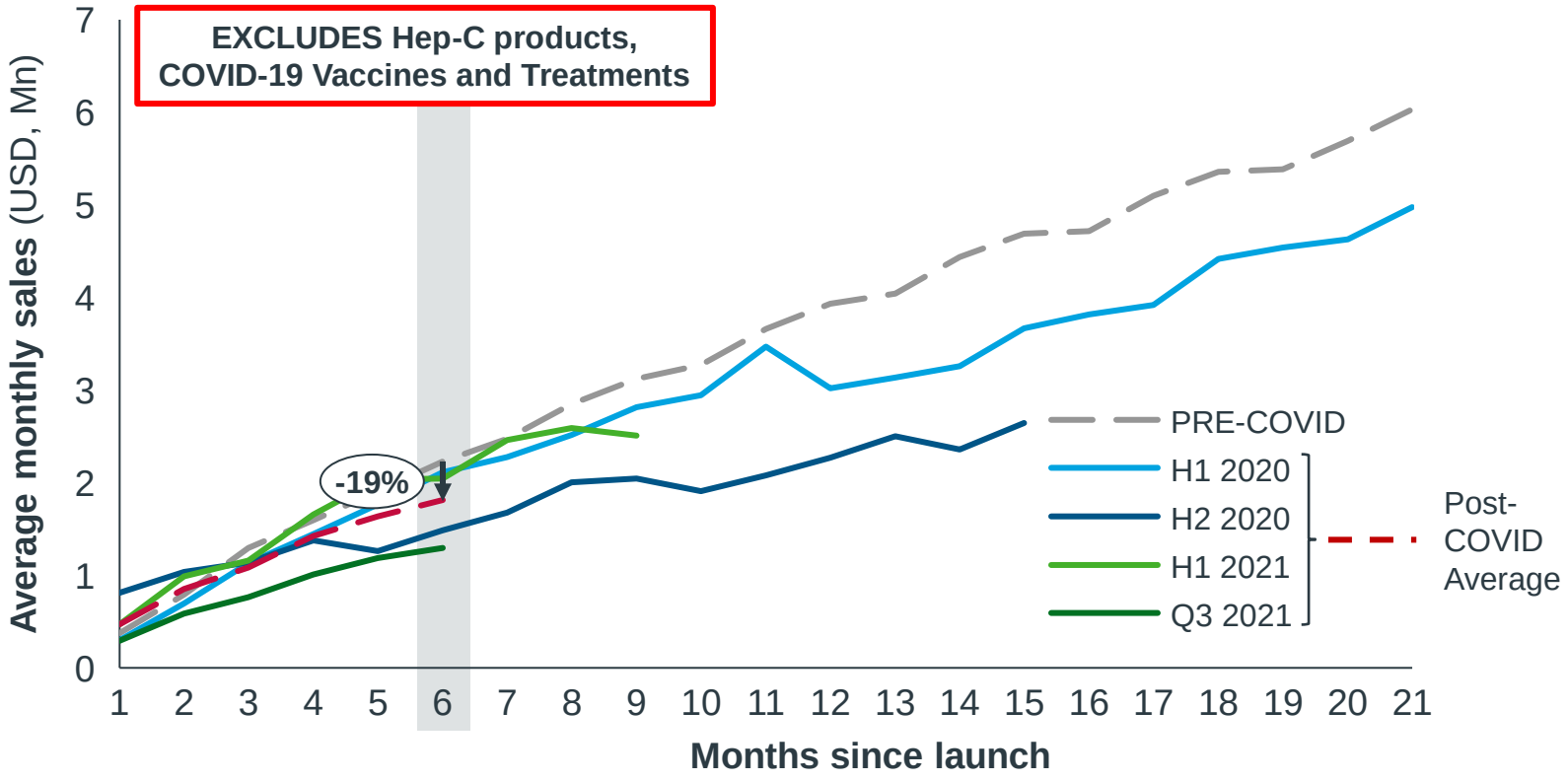
# After 21 months, pandemic launches are still underperforming

*On average, pandemic launches are underperforming versus pre-pandemic and are yet to recover*

**Performance of innovative launches pre-COVID versus post-COVID**

*Average monthly sales for NAS* launches in the US,EU4+UK, Japan & China cohort*




## Three major challenges for post-pandemic launches

**Patient Journey:**

- Disruption of patient journey to diagnosis and prescription
- Patient backlog recovery challenges

**Customer Engagement**

- Reduction in opportunities to engage HCPs on launch products
- Shift in HCP engagement preferences

**Value & Evidence**

- Economic crisis drives payer constraints
- Market access becomes more challenging

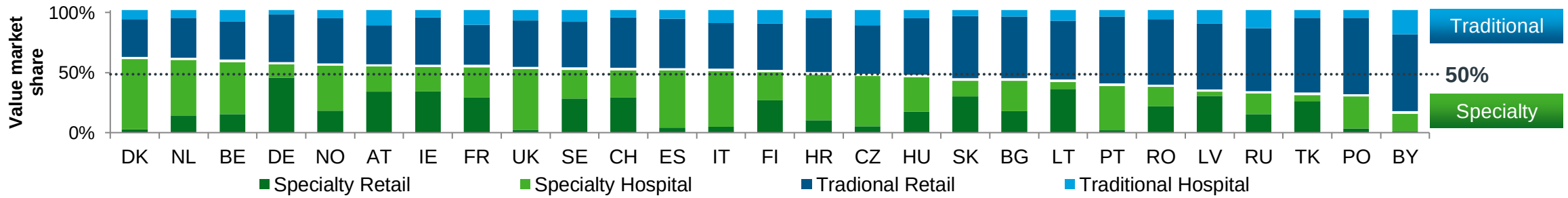
Source: IQVIA EMEA Thought Leadership– Overcoming Pharma's Launch Performance Problem, IQVIA MIDAS March 2021; Notes: Rx only; USD in CER; *Includes NAS launches only, except for Wegovy which is included even though semaglutide is not NAS because it is a major US launch in a new therapy area; Pre-pandemic launches: Mar-15 to Sep-19; Excludes Hep C products and COVID-19 Vaccines and Treatments; The pandemic-impacted cohorts have smaller sample sizes than the pre-pandemic cohorts (N numbers: Pre-COVID = 1017, H1 2020 = 131; H2 2020= 109; H1 2021 = 140, Q3 2021 = 71). Note that averages can be heavily influenced by a small number of launches. .

# Pharma treatment and launches also change, become more costly, focused on individuals / smaller populations

*Specialty is outgrowing traditional and is now greater than half of the market by value in many European countries*

| Treatment ERAs | | Before 2000 *Chemicals* | 2000-2020 *Biologics* | 2020 onwards *Advanced Therapies* |
|---|---|---|---|---|
| **Therapy type** | Technology | | | |
| | Target population | Large populations | Smaller populations / rare disease | Personalized |
| **Business model** | Price/year | Hundreds to thousands | Tens of thousands | Hundreds of thousands/million |
| | Longevity | 10-15 years | 10 years | 5-10 years |
| | Model | Volume maximization | Price – volume optimization | Outcome based / personalized |

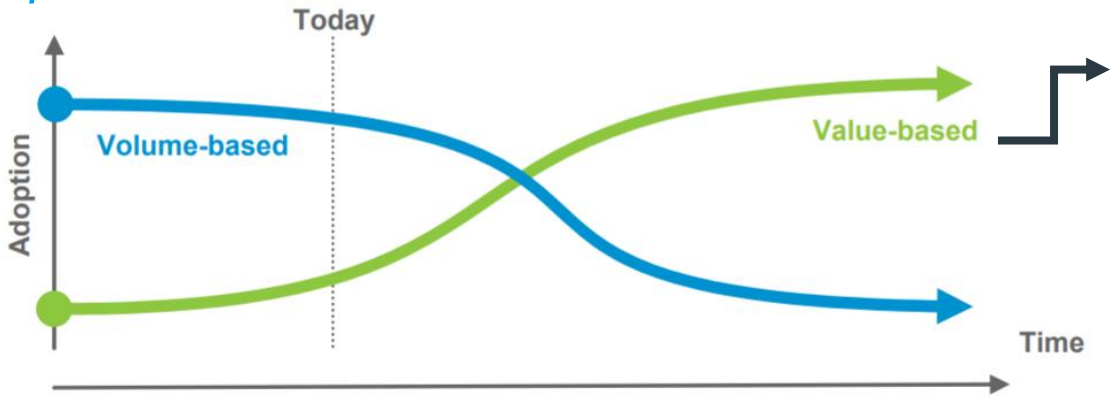
| 5 yr. value CAGR % | DK | NL | BE | DE | NO | AT | IE | FR | UK | SE | CH | ES | IT | FI | HR | CZ | HU | SK | BG | LT | PT | RO | LV | RU | TK | PO | BY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Traditional | 2% | 1% | 0% | 2% | 6% | 1% | 0% | -2% | 1% | 5% | 0% | 1% | -1% | 0% | 3% | 2% | 3% | 0% | 4% | 2% | 2% | 6% | 4% | 10% | 17% | 3% | 10% |
| Specialty | 9% | 7% | 11% | 8% | 15% | 9% | 7% | 5% | 11% | 7% | 6% | 5% | 3% | 9% | 16% | 10% | 10% | 2% | 13% | 13% | 1% | 7% | 7% | 15% | 24% | 7% | 21% |




Source: IQVIA MIDAS

# The healthcare systems are globally changing from utilization marketplace to impact (value-based) marketplace supported by digital maturity

*Health care digitalization open the door for personalized medicine and expensive therapies including orphan drugs development*




**DRIVING FACTORS**

- Innovative medicines & budget pressure
- Requirements for health outcomes
- Needs to pay per performance
- Digital capture of health data
- Cross country collaboration & benchmarking

| | From a UTILIZATION marketplace…. | ….To an IMPACT marketplace |
|---|---|---|
| Patients | • Limited access to healthcare data | • Seamless integration of technology<br>• Increasing knowledge and access to health data |
| Society / Payer | • Contracting based on volume<br>• Price per pill | • Transition to value-based models<br>• Targeted populations<br>• Personalized medicine & orphan therapies |
| Pharma | • Rx drugs based revenue model | • Health solutions oriented<br>• More trusted – based partnerships<br>• Increased investment in technology and data |

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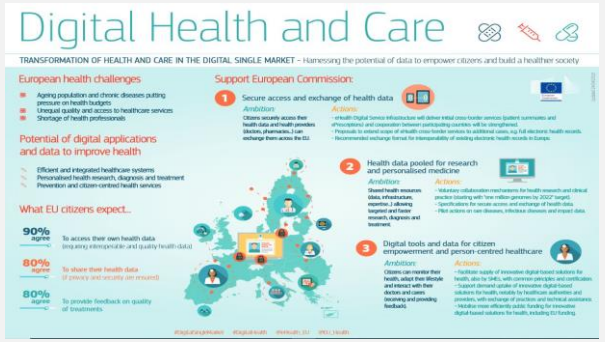
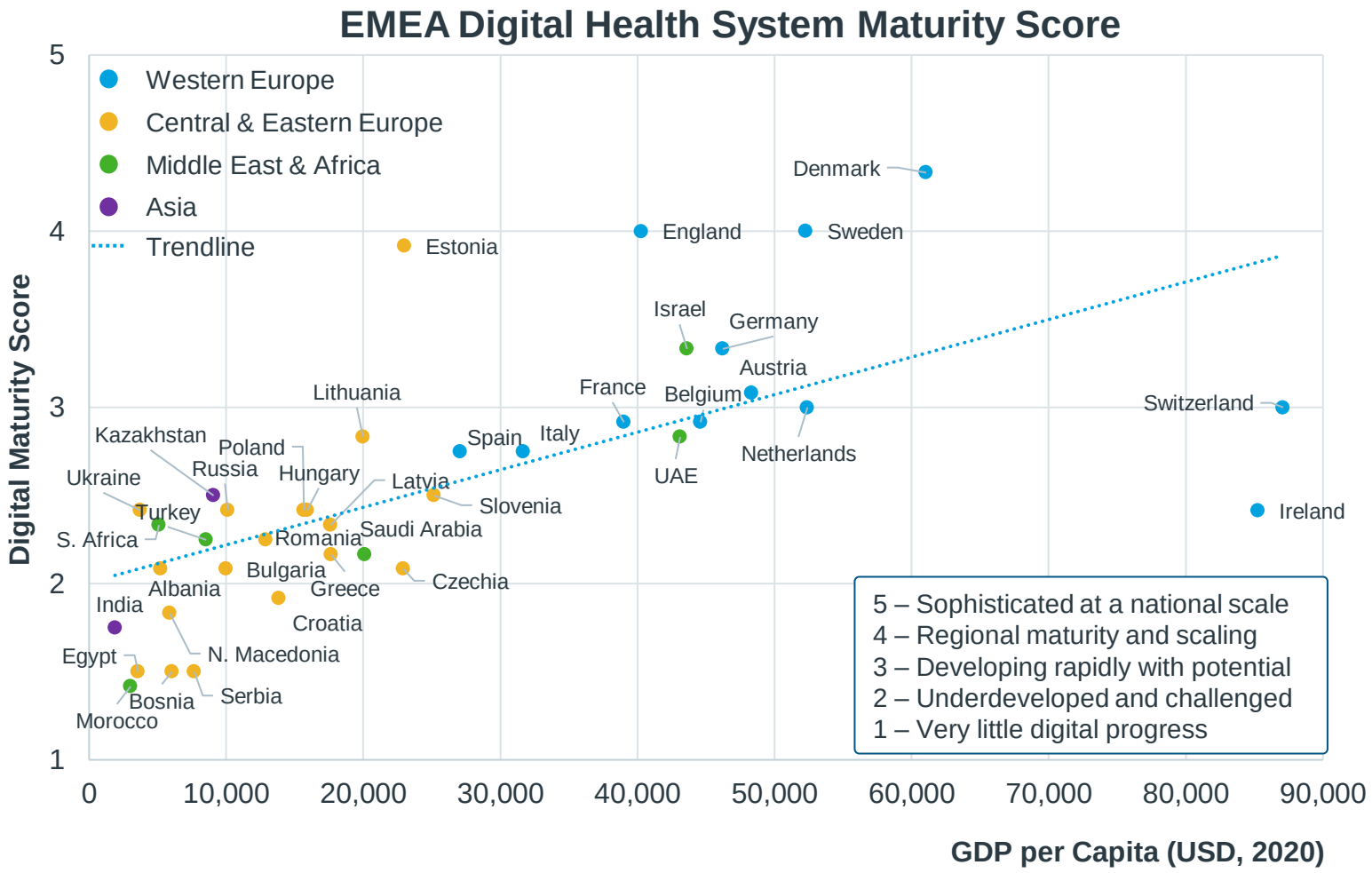
# Digital Health transformation: health system digital maturity accelerates, but not all countries develop at the same pace

*IQVIA White Paper report "Switching On the Lights – Benchmarking digital health systems across EMEA"*

## Digital health is a European priority, with funding allocated for healthcare systems change

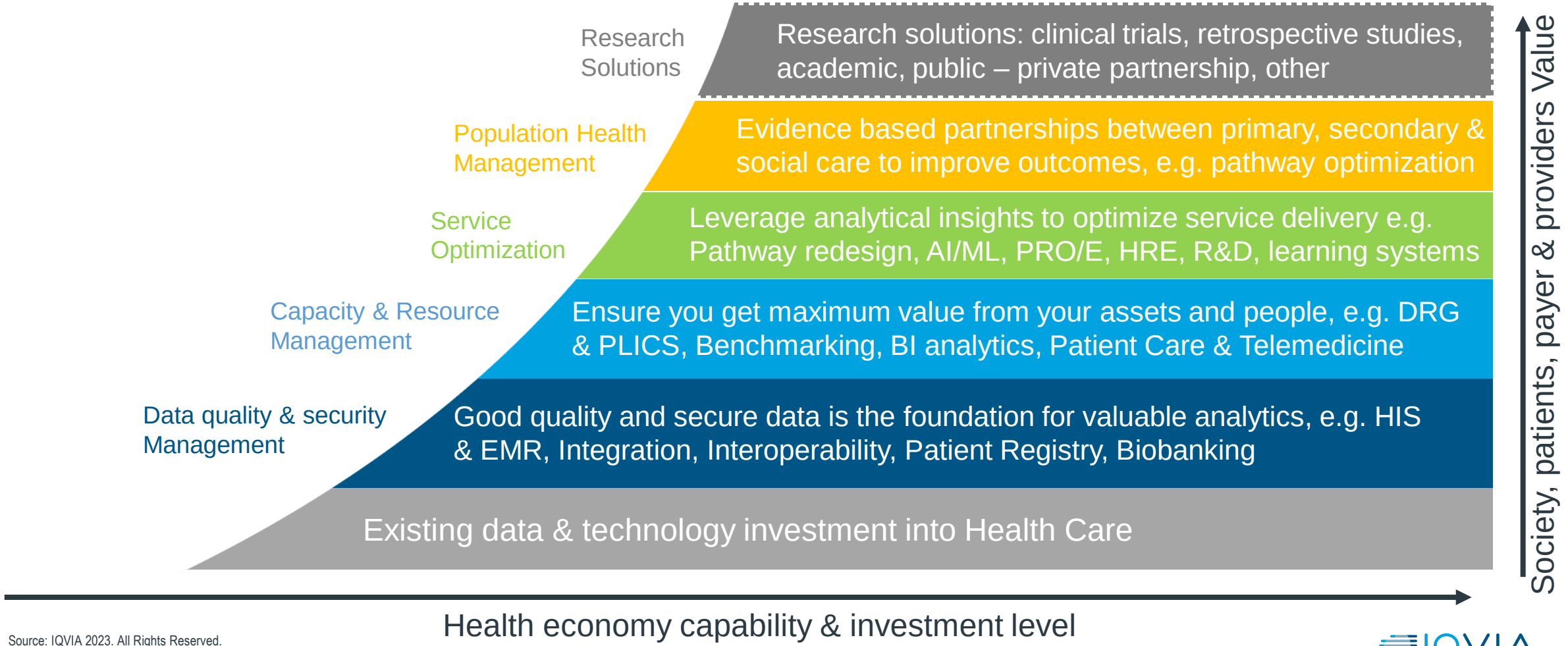
- Strengthening health data and digital transformation is one of the objectives for the **EU4Health** 2021-17 **€5.3 bn budget**
- Digital transformation offers a way out for stressed health systems towards a sustainable, post-pandemic future



# Right digital health strategy, integrated systems & new competencies unlocking more effective health solutions for population

*Integrated Digital Health is strategically important for health economy, system cost optimization, partnership, academic collaboration, clinical outcomes improvement*

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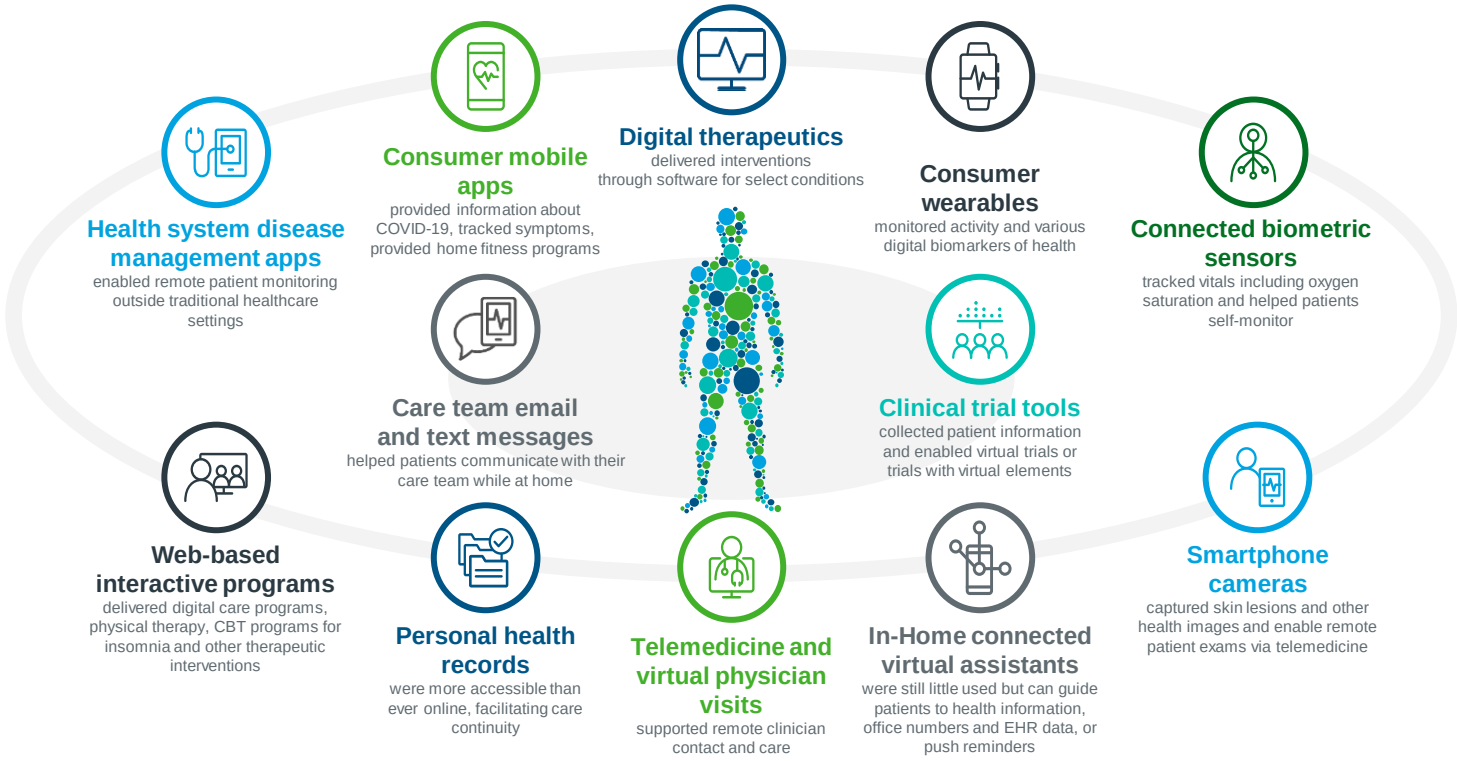
# Digital Health evolved into very diverse set of solutions and one of the most promising investment area

**Improving patient engagement, health outcomes and care delivery access through digital**




**Digital health market expected to grow at high rate and attract sizeable investments**

## $639Bn

### Digital Health Market

Significant growth with global digital health market expected to exceed $639 billion by 2026 growing at CAGR 28.5%.[1]

## $24Bn

### Digital Health Investment

A record of $24Bn of investments in digital health was registered in 2020; average deal size increased to $45.9Mn in Q12021 from 31.7Mn in 2010.[2]

Source IQVIA Digital Health, IQVIA Institute, Jun 2021
1.Global Market Insights Digital Health Market Size By Technology, June 2020
2. Sluijs M. DigitalHealth.Network. $24Bn invested: Don't look back! Digital Health Marketscan 118th Ed Dec 2020; Rock Health. Q1 2021 Funding Report: Digital health is all grown up

Source: IQVIA

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# Improving security of supply is high on the European and national agendas

*The need to prepare for the next crisis has triggered initiatives to increase supply security*

**Commission launches European Health Emergency preparedness and Response Authority (HERA)**

17/09/2021 • 81 Views

The role of HERA is to prevent, detect and respond to health emergencies by:

- Promoting **procurement** and tackling challenges related to availability and **distribution**
- **Increasing stockpiling capacity** to avoid shortages and bottlenecks in logistics

**What can be done to increase security of supply?**

## Stockpile for the next crisis

*Preparation for the next supply disruption or peak in demand*

## Move API production locally

*Preparation for the next supply disruption or peak in demand*

## Understand supply flows

*Understand the source of API and require more dual sourcing*

## Better transparency of inventory

*Enable earlier visibility and better transparency to supply problems*

# To manage shortages efficiently NCA's need is to monitor broader context to undestand alternatives for managing shortages

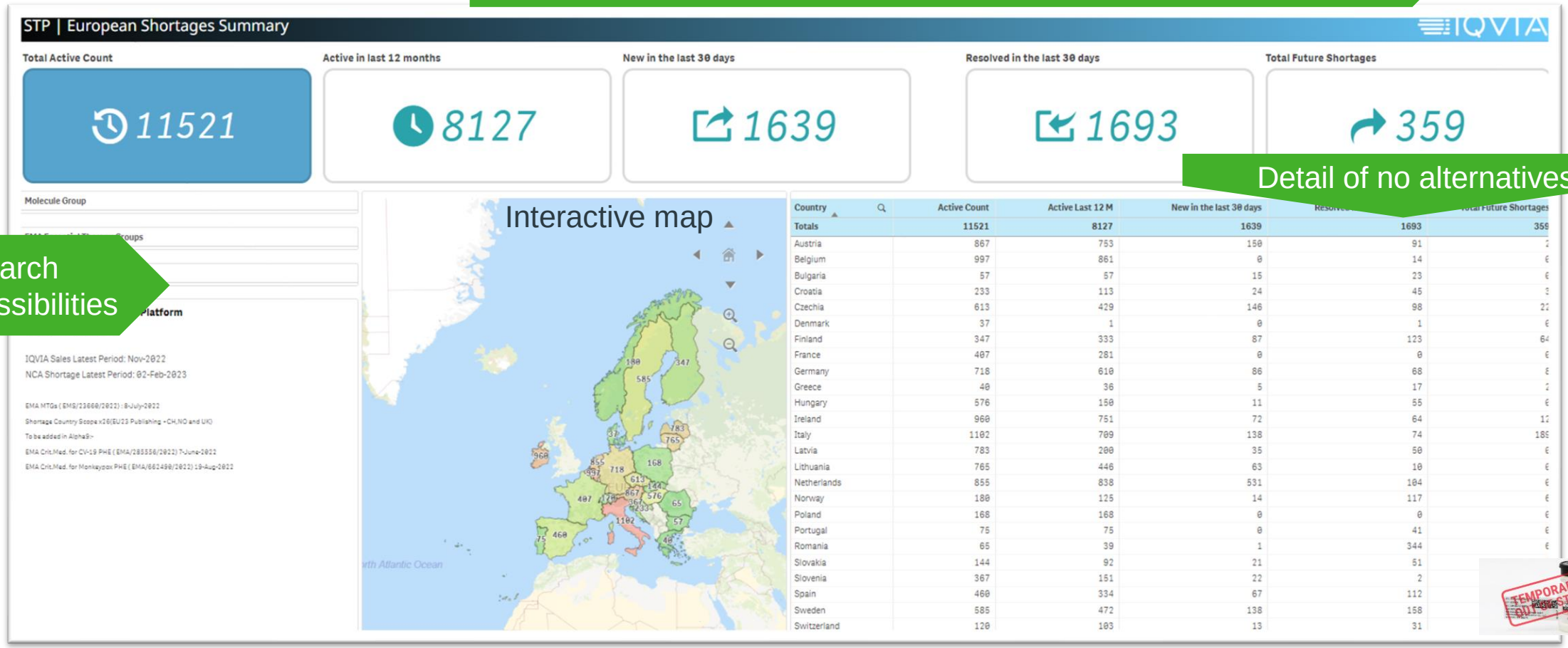
*IQVIA cover daily 25 different locations in EU (drug library, shortage status, start / end day, volume, MNF / country, other).*

Shortage summary info – count of active shortages and alternatives

Detail of no alternatives

Search possibilities

Interactive map




Key section elements of the platform

Source: IQVIA; *MTG = Main Therapeutic Group

# Modern IT solutions transform legacy infrastructure into connected digital health environment and automate clinical processes to improve outcomes

*IQVIA Healthplug platform selected functionalities*

**Covering the spectrum of healthcare delivery from screening to post survival case studies**

| Clinical Collaboration | Patient Engagement | At home care | Virtual Care | Care Audit | Disease Registries |
|---|---|---|---|---|---|
| • Mobile Medical Records<br>• Critical Alert notifications<br>• Multi speciality referrals<br>• Point of care Assessments<br>• Secure team messaging<br>• Nursing Care Plans | • Appointment scheduling<br>• Personal Health Records<br>• To-do health planner with notifications<br>• Questionnaires<br>• Financial workflows<br>• Feedback and complaints | • Skill based multi resource scheduling<br>• Recurring appointment planning<br>• Map based carer tracking<br>• Embedded analytics | • Tele consultations with remote device integration<br>• Managed care plans for co-ordinated care at home<br>• Patient self assessments and care coaching | • Quality audits (JCI)<br>• Service Feedback<br>• Infection control<br>• Incident Management | • Configurable disease specific registrys<br>• Patient reviews based on drug or treatment<br>• Structured, workflow driven multi-disciplinary documentation |
| Day to day care delivery | | | | Quality metrics | Clinical Studies |

# Thank you!

**Igor Lerman**

Commercial Lead Croatia & Slovenia, IQVIA

igor.lerman@iqvia.com