



Healthcare as an Investment

Report of the Healthcare Committee of the American Chamber of Commerce in Romania

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Prepared by IQVIA Romania



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Project Background and Methodology



The report aimed to assess the current state of the Healthcare system in Romania and generate insights for its optimization

Background and methodology

Report background & objective

Investment in **Healthcare** needs to be on the **strategic agenda** of every government to put necessary **focus on people's health** and has become an absolute necessity to ensure long-term and sustainable economic growth



The impact of delayed or insufficient investment in healthcare results in indirect increases in Healthcare costs, as well as **long-term decrease in labor productivity and GDP output**



The aims to generate insights on gaps and recommendations for Healthcare system optimization

Methodology

Policy Efficiency



- 1 Understand Romanian current state vs EU countries
- 2 Outline EU best practices for healthcare ecosystem
- 3 Identify use cases in Romania and developed countries
- 4 Assess gaps and generate calls of actions and strategies for Healthcare system optimization

Cost Optimization



Funding Options



Call to Actions and Key Takeaways



We have identified 11 calls to action focusing on policy efficiency, cost optimization & funding options..

Summary of Calls to Action

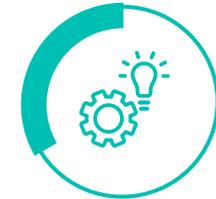
Policy Efficiency



Cost Optimization



Funding Options



- 1 Invest in Prevention & Screening:** Make effective public health interventions to reduce risk factors and mortality rate from preventable and treatable causes
- 2 Stabilize Workforce Dynamics:** Set-up programs to motivate young doctors to remain in Romania and to address regional disparities
- 3 Focus on Outcomes:** Move to payment models that reward outcomes over volumes – Value Base Healthcare
- 4 Improve Patient Adherence:** Support development of Patient Adherence Programs and introduce guidelines to improve adherence
- 5 Advance Outpatient Care:** Strengthen provision of outpatient and ambulatory care
- 6 Reallocate Savings from Loss of Exclusivity:** Reinvest savings from loss of exclusivity and reduce time to availability for innovative therapies
- 7 Implement Digital Health:** Set up a Digital Health Roadmap with clear vision, priorities and milestones until 2025
- 8 Support Better Access to Medical Devices:** Continue to implement initiatives to increase patients' access to medical devices

- 9 Channel EU Funds in Healthcare:** Prioritize and channel investments in Healthcare as part of EU Funding: Recovery and Resilience funds and EU4Health funds
- 10 Establish Dedicated Innovation Fund:** Launch a dedicated Innovation Fund to drive early access to innovative medicines and therapies to patients
- 11 Support Additional Funding Options:** Support and encourage additional funding options

.. which can tackle key problems and inefficiencies across the patients' journey and unlock some critical Healthcare enablers

Selected Calls to Action to be detailed further



While prevention plays a major role, it remains underdeveloped within the local healthcare system and investment strategy

Spending on prevention in RO vs EU

A substantial proportion of **deaths could be prevented** by tackling behavioral risk factors and strengthening primary prevention

- Improvements in cardiovascular diseases (CVD) prevention and treatment are possible and could have a large impact on population health
- In 2018, new screening programs were introduced for cancer, CVD and tuberculosis, but the frequency of preventive check-ups remains low

Average yearly spending on prevention per capita, 2020

Ø EUR 8
1.4% of total spending



Ø EUR 97
3.2% of total spending



The most cost-effective way of achieving good health is often to prevent the onset of the disease as early as possible

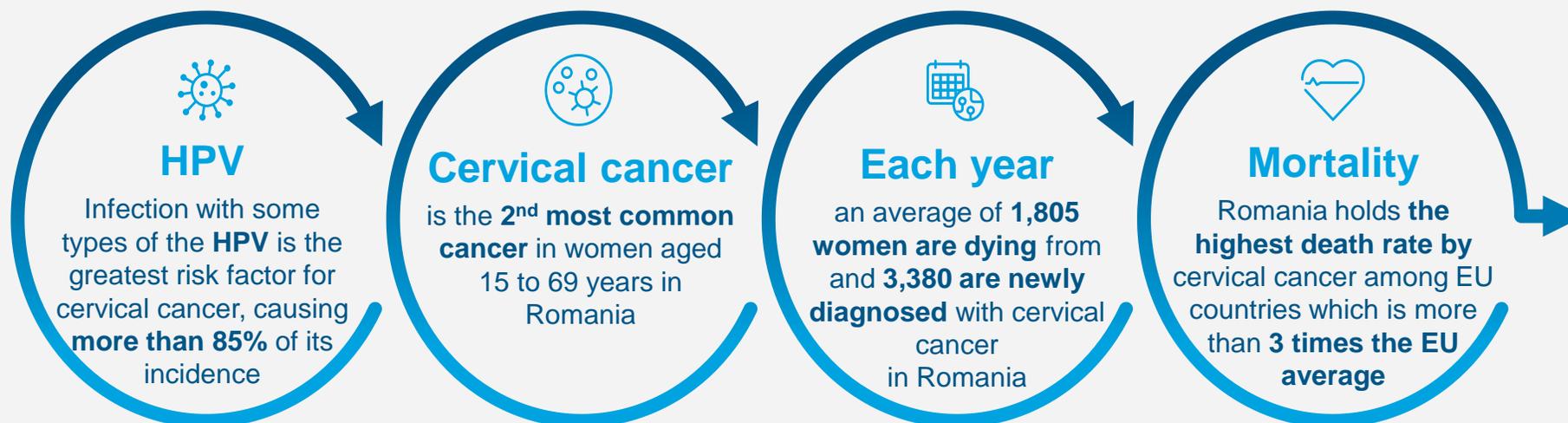
Example: the case of HPV in Romania

- A **rising challenge**, both globally, and in Romania, is the increasing **cancer mortality**
- **Cancer is a leading contributor** to Romania's high amendable mortality rates
- **Cervical cancer is among the few malignancies** that could be globally eliminated by gender-neutral **immunization** against oncogenic strains of HPV, the sexually transmitted infectious agent causing most cancers with this topography*
- Romania has started its second HPV vaccination campaign in 2020 but the **number of doses available are still insufficient** for the entire target population of teenage girls (and potentially boys)
- Program's further success hinges on authorities' commitment, **GPs involvement and the deployment of effective communication to foster diffusion of positive behavior at population level**

Compared with passive behavior, HPV vaccination could lead to **€37mn** in savings to the healthcare system



EXAMPLE: CERVICAL CANCER



€48mn



€11mn



Vaccination

Passive behavior

*Cervical cancer as well as other cancers caused by HPV, including some mouth and throat (head and neck) cancers and some cancers of the anal and genital areas

Investment in effective prevention programs will help reduce risk factors and mortality rate from preventable causes

Call to Action: Invest in Prevention

Spending on **prevention per capita** is **low** compared to European average




While the most cost-effective way of **achieving good health** is through early **prevention methods**



Among which **vaccination** is one of the **most cost-effective**

Strategies



Develop **prevention programs** and increase the **level of knowledge regarding the main risk factors**, involving all relevant stakeholders



Develop and strengthen vaccination programs and interventions aimed at **combating types of cancer that can be prevented by vaccination** (HPV and hepatitis B), e.g. adequate stock supply process, improved program management, extended access to eligible groups (boys, adult women))

With no effective nation-wide screening program, the screening rates in Romania fall far below the EU average

Cancer Inequality

BREAST CANCER: Women that have self-reported to have never had breast examination by X-Ray (% , 2019)



COLORECTAL CANCER: People that have self-reported to have never had colorectal screening test (% , 2019)



CERVICAL CANCER: Women that have self-reported to have never had cervical smear test (% , 2019)



The **lack of nation-wide screening programs** run at scale as well as the **limited awareness** on screening across the population has created a huge gap between Romania and the EU when it comes to breast, colorectal and cervical cancer

Meanwhile, a successful screening with a 72% participation rate, generated nearly EUR 100m savings and -16% in cancer incidence

Case Study : Colorectal cancer screening SP



CASE: SPAIN, BASQUE COUNTRY COLORECTAL CANCER SCREENING PROGRAMME



The Basque Country has a population of **2.2 million**



Target for the screening were **586,700** residents



72% achieved participation rate

-16% in cancer incidence

-26% in cancer mortality

EUR 93 Million

net savings through saved costs on treatment and prevented economic losses through saved lives

The Screening Program

- Specific software was linked to medical records and cancer registries
- Invitations sent by post together with a kit with an FIT* test and individualized identification code
- Primary Health Centers reinforces information, collects kits and organizes colonoscopy for positive cases

* FIT is Faecal Immunochemical Test used for bowel cancer screening

Investment in population-wide screening programs is essential for healthy population and can reduce disease incidence & mortality

Call to Action: Invest in Screening

The lack of **nation-wide screening programs** run at scale



As well as the **limited awareness on screening** across the population



Has created a **huge gap** between Romania and the EU

Strategies



Optimize the capacity to **manage and implement EXISTING SCREENING PROGRAMS**

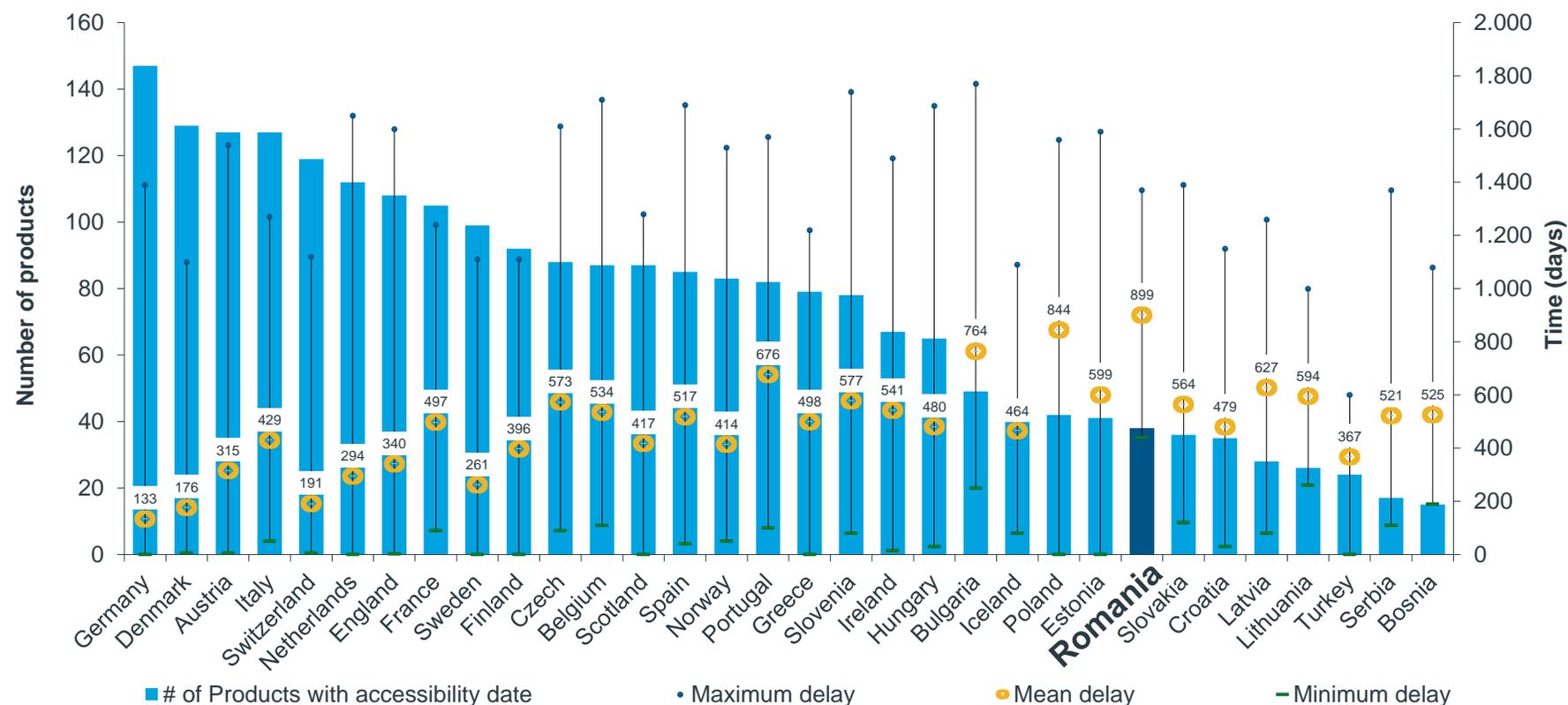


Develop and implement **comprehensive NEW SCREENING PROGRAMS** ensuring access to **proper diagnostic tests, incentives for screening performance and measurement of outcomes**

Romania has a low rate of availability of innovative medications, as well as the longest time to availability

Access to innovative medicine

Time to availability (2021) of innovative medications



- Romania still has a low **rate of availability** of medications, as well as the longest **time to availability** of 899 days on average
- Time to availability -The number of days between EMA market authorization of a medicine and the date it becomes available to patients which, for most countries, is the point at which it gains access to the reimbursement list

Several countries across Europe serve as an example of successfully introduced innovation funds in the last years

Innovative funds in place

Innovation has the potential to bring substantial cost savings & better patient outcomes

New cancer drugs in the US between 1997-2013 reduced the amount of days spent in hospital and thus the **cost of treatment by \$5bn**



The development of **statins to treat high cholesterol** was estimated to reduce 28k deaths and 41k heart attacks in 2008 across Europe

+\$433bn
net gain
(overall social value from extra years of life minus the cost of treatment)

And innovative funds can unlock those by speeding access to newly approved innovative therapies

	 Wales	 Italy	 Scotland
Purpose	Wales has the New Treatment Fund in place, to speed access to newly approved medicines	Italy has established funds to speed up patient access and to support the reimbursement of innovative products	Scotland created the New Medicines Fund to improve access to orphan, ultra-orphan and end of life medicines
Drugs covered	All new therapies	Mainly dedicated to HCV products and oncology products	Licensed orphan, ultra-orphan and end-of-life medicines
Time	From 2017 to 2021	From 2015 - 2019	From 2015 to 2018
Funding	£80M over the course of 5 years, on top of the provisional budget for the NHS Wales	€500M initially powered by a state contribution and a portion of the resources of the National Health Plan and another €500M as portion of National Healthcare spend	Funded through a portion of the rebate to the Scottish Government made by the Pharma Companies. Allocated funding was £138M

Note: HCV - Hepatitis C virus; AIFA - Italian Medicines Agency

Source: IQVIA; Lichtenberg - How cost-effective are new cancer drugs in the U.S.?; Grabowski - The large social value resulting from use of statins warrants steps to improve adherence and broaden treatment
Healthcare as an Investment

Introduction of a dedicated fund for innovation in healthcare could ensure faster and easier market access

Call to Action: Increase Access to Innovative Therapies by Establishing Dedicated Innovation Fund

Innovation funds have a



proven record of speeding up access to innovative therapies



Hence, we welcome the plan to have **an innovation fund in 2023-2026**, as per the National Cancer Plan



To ensure **quick access to the latest therapies** for Romanian patients

Strategies



Analyze potential sources of non-reimbursable external funds, especially from the EU, which can be directed to establishing an innovation fund



Determine the unmet needs and prioritize the initiatives regarding the access to innovative treatment and technologies, e.g. identify selected therapies, patient groups, innovative technologies

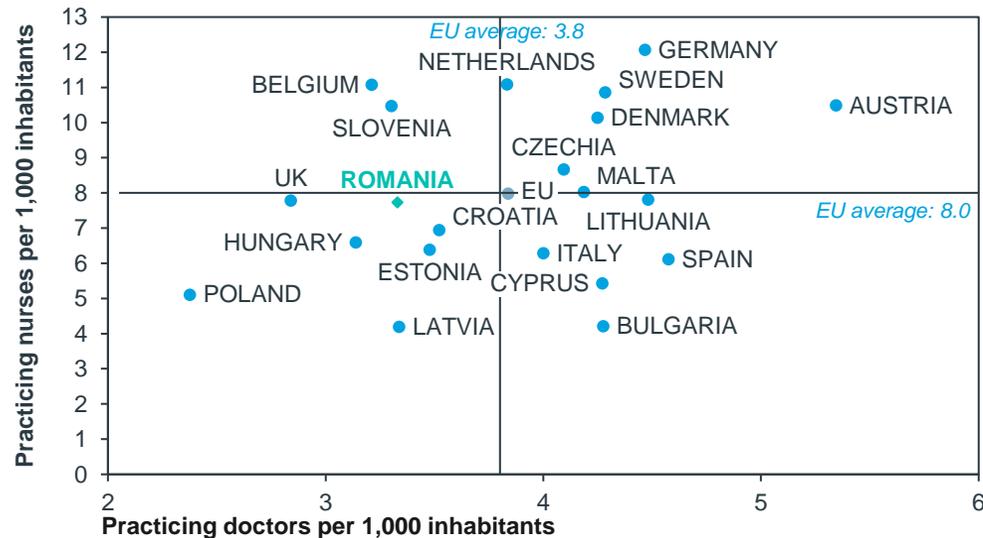


Set up an innovation fund to finance prioritized initiatives for **faster access of patients to innovative treatment**

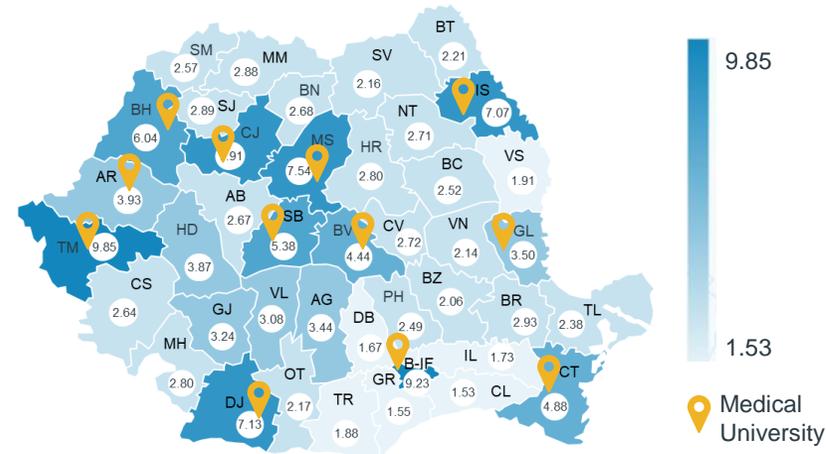
Understanding the healthcare workforce structure and availability in Romania is essential

Healthcare personnel in Romania

Doctors and nurses per 1,000 inhabitants, 2020*



Medical doctors per 1,000 inhabitants, 2021





1,500- 2,000
doctors
 on average leave Romania
 yearly due to low recognition
 and low pay, which
 accelerates the shortage of
 medical personnel

- Romania has a lower than the EU average number of practicing doctors per 1,000 inhabitants, 3.3 in Romania vs 3.8 EU average with notable fragmentation in their distribution across the country
- The shortage of medical personnel is accelerated by the migration of medical professionals in the last years
- To successfully tackle the persisting problems and negative trends, it is essential to take necessary action

* Or latest data available

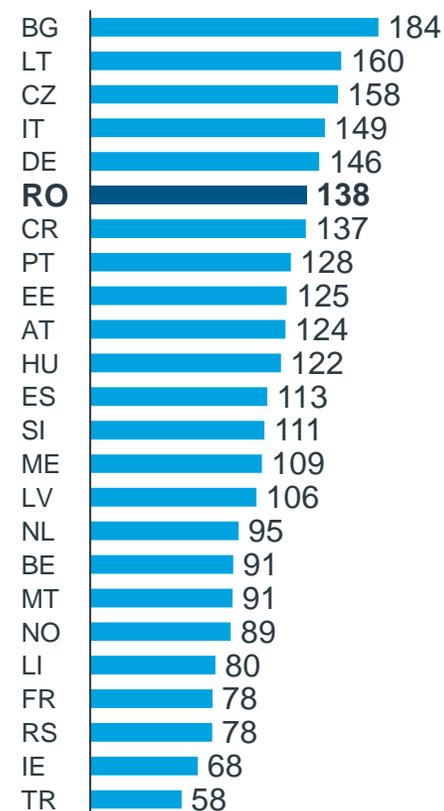
Source: Eurostat, INS

Uneven distribution of physicians per specialty and age group creates pressure and challenges to the healthcare system

Healthcare personnel per specialty: RO vs EU

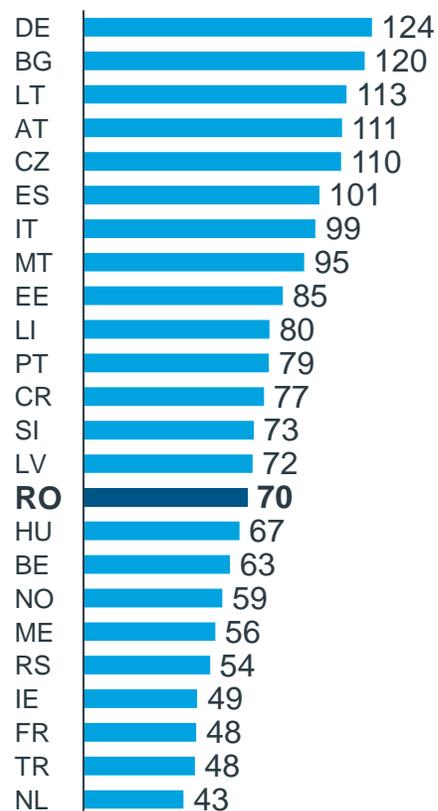
Medical group of specialists*

per 100,000 inhabitants, 2020



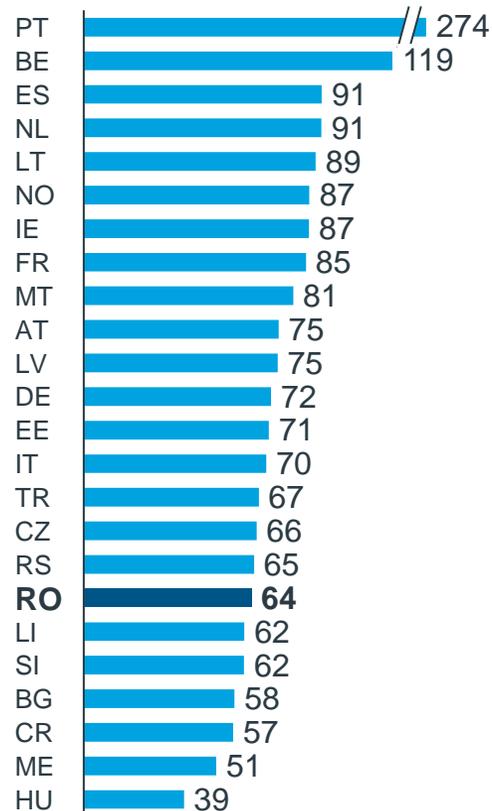
Surgical group of specialists**

per 100,000 inhabitants, 2020

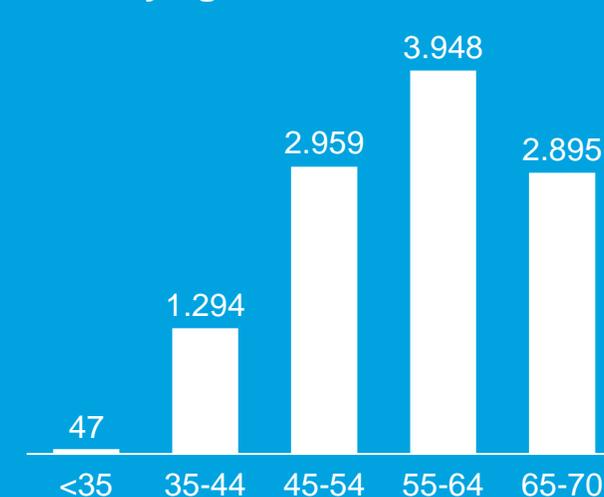


GPs

per 100,000 inhabitants, 2020



GPs, by age***, 2020



Romania also has ageing healthcare workforce; e.g. Romania is expected to lose ~18% of its current family doctors in the following 10 years due to the retirement of those currently aged over 55 and has insufficient younger workforce to replace them

* Medical group of specialists includes doctors who specialize in the diagnosis and non-surgical treatment of physical disorders and diseases, for example specialists in internal medicine, cardiology, oncology and radiology

** Surgical group of specialists includes doctors who specialize in the use of surgical techniques to treat disorders and diseases, i.e., specialists in general surgery, neurological surgery, anaesthesiology or accident and emergency medicine

***Analysis covers 90% of the GP population in Romania

Programs to motivate young doctors to remain in Romania and to address regional disparities need to be implemented

Call to Action: Stabilize Workforce Dynamics

Regional disparities and uneven distribution of physicians per specialty and age group



Creates **pressure and challenges** to the healthcare system



Such as **Romania** losing **18%** of its current **GPs** in the following 10 years

Strategies



Provide **comprehensive doctor incentives programs** to practice in the under-served regions to **address regional disparities**



Set-up **shared resources centers** to **address regional disparities**



Support **public/private partnerships** to invest in **medical education**

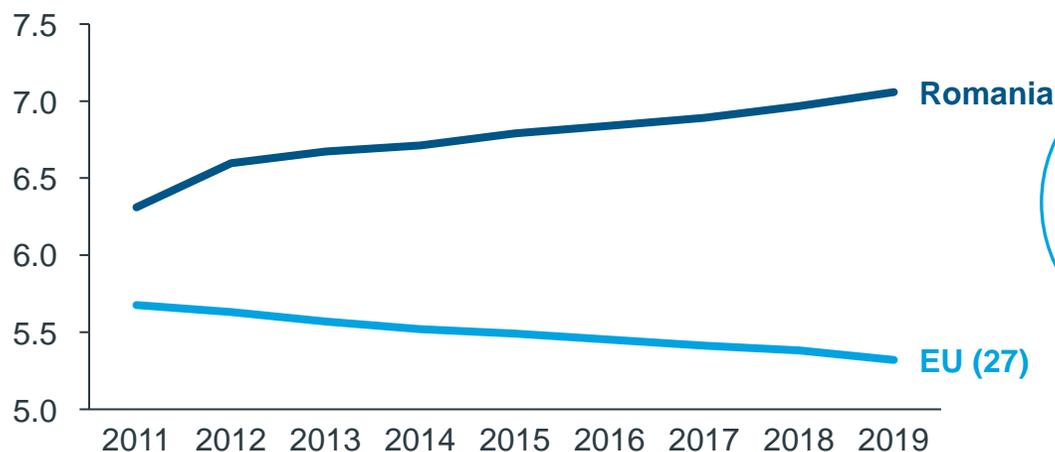


Reassess the **staff organization chart** at hospital level to create new positions and **attract medical workforce**

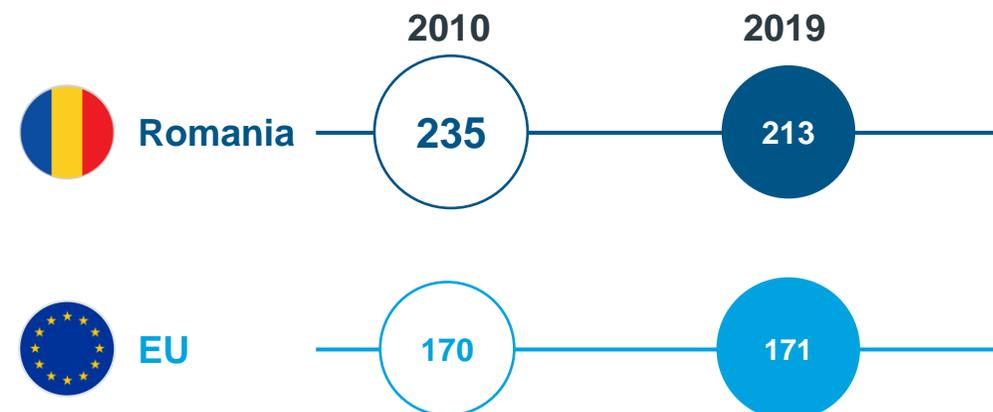
Hospitalizations are often the result of patients bypassing primary care

Hospital infrastructure: Number of beds and hospital discharges

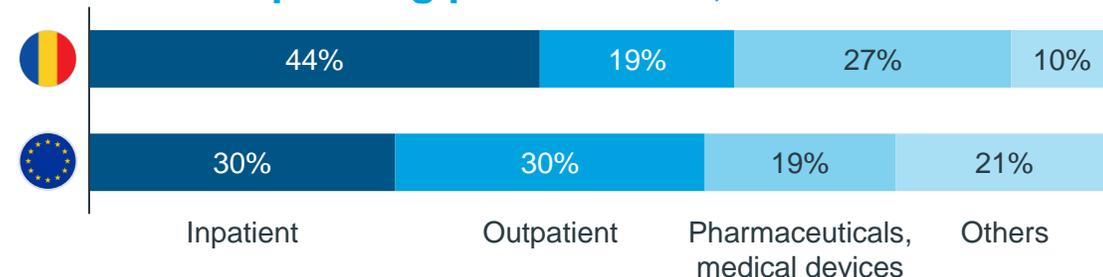
Number of hospital beds per 1,000 inhabitants



Yearly hospital discharges per 1,000 inhabitants



Healthcare spending per care area, 2019



- Romania takes the 4th place in the EU when it comes to hospital beds, as well as 2nd place in terms of hospital discharges per capita in 2019
- Compared to outpatient care costs the inpatient care costs takes up **twice as much** from the total spending (44% vs 19%). In contrast, on average in the EU, those are equal
- Hospitalizations are often the result of patients bypassing primary care

Stronger primary care can reduce the burden on hospitals and generate cost savings for the healthcare system

Call to Action: Advance Outpatient Care

The efforts to **strengthen the outpatient and ambulatory care** should remain in focus



As there is **still improvement to be made** in advancing primary care



To close the gap with the EU and balance out inpatient and outpatient spending

Strategies



Continue to reduce **hospitalizations** and reallocate inefficiently spent resources **from inpatient care to outpatient care**



Access **patient level costing and benchmark** at national level, hospital level, etc.

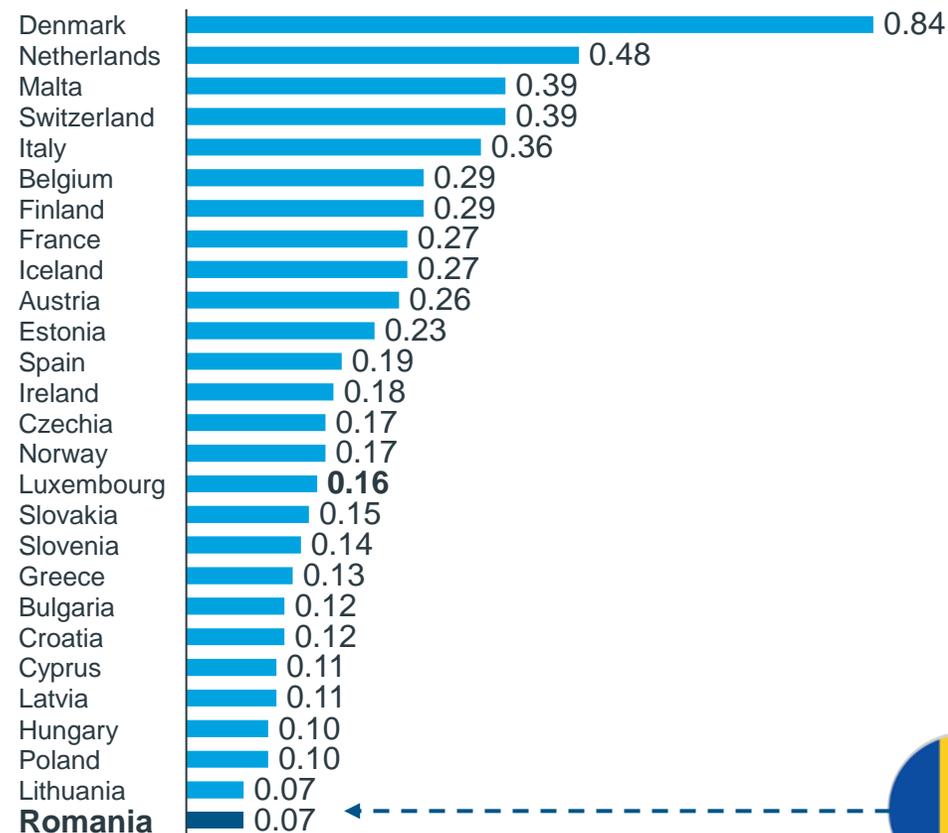


Introduce **transparent cost tracking and benchmarking** among hospitals

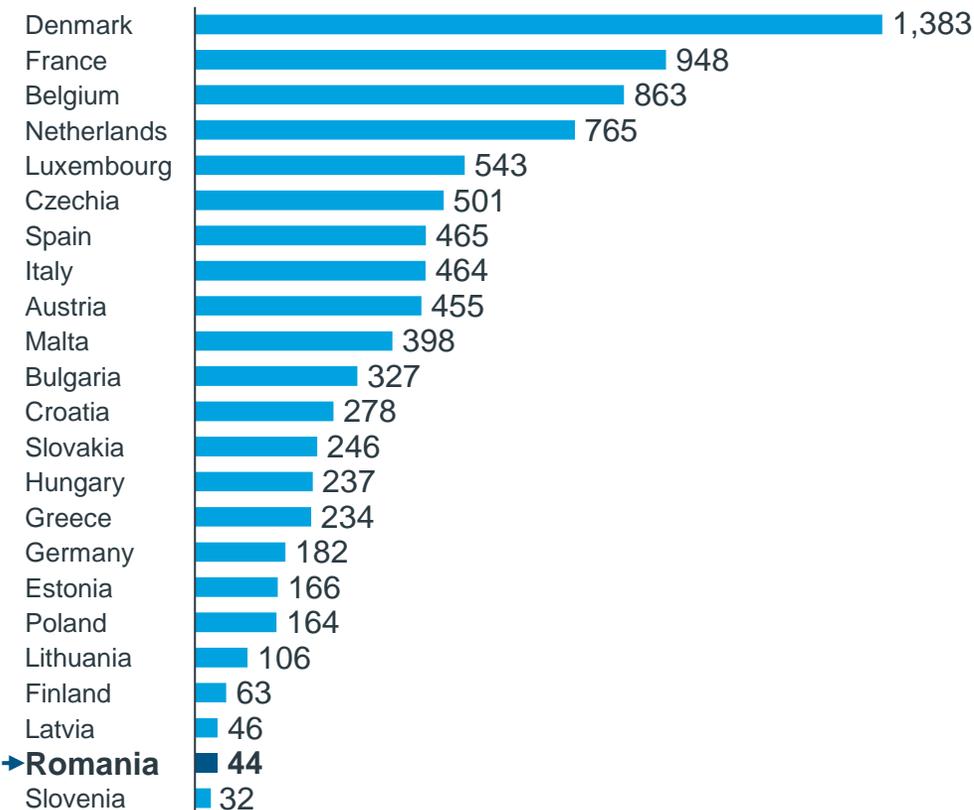
Romania has the lowest rate of PET units along with the second-lowest utilization per unit within the EU

MedTech landscape in hospitals: PET in EU vs Romania

PET Units per 100tsd inhabitants, 2020*



PET Scans per machine, 2020*



Source: Eurostat – Units in hospital and ambulatory providers

* Or latest data available; PET-CT - Positron Emission Tomography - Computed Tomography

Initiatives for better access to medical devices should be further implemented

Call to Action: Support Better Access to Medical Devices

Number of
**medical
devices**



across hospitals in
Romania is low compared to EU



And they remain **vastly
underutilized**



While
leveraging
them more
frequently can **activate better
diagnosis and treatments**

Strategies



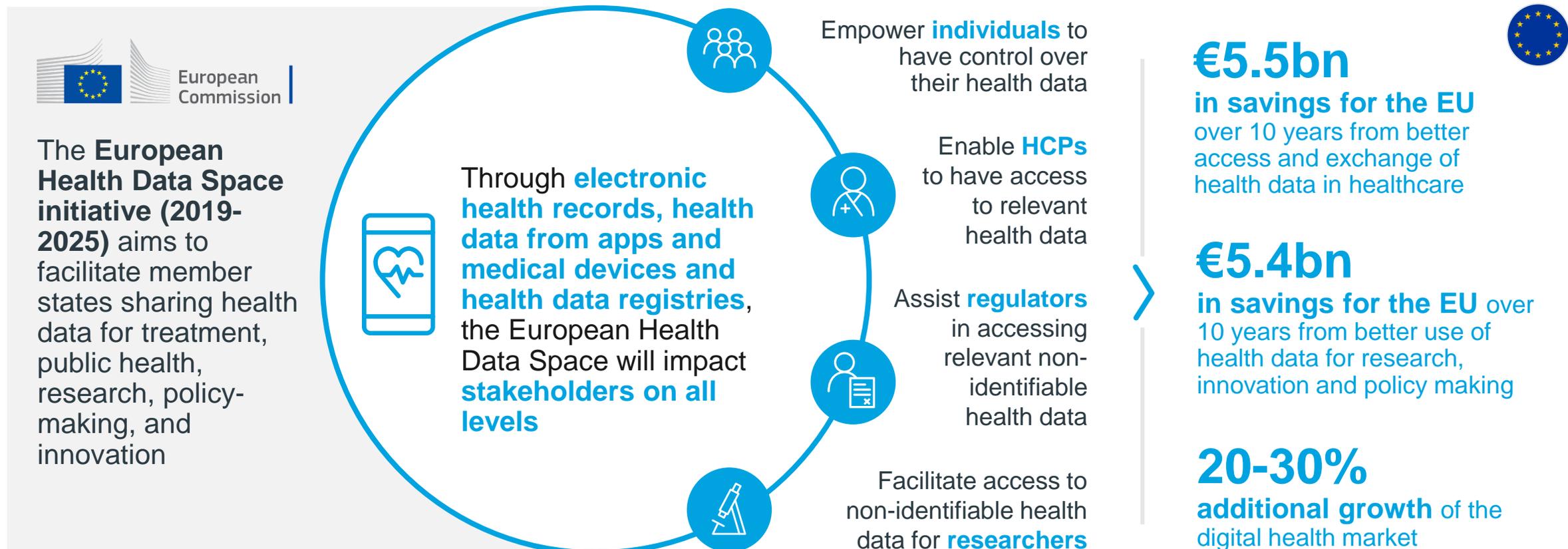
Continue the interventions that enable
patients to have **better access to
investigations supported by
medical devices**



**Optimize patient
pathway** from **diagnosis
to monitoring** by
increasing use of medical
devices

European initiatives facilitating sharing of health data and providing guidelines for healthcare system design can help close the gap

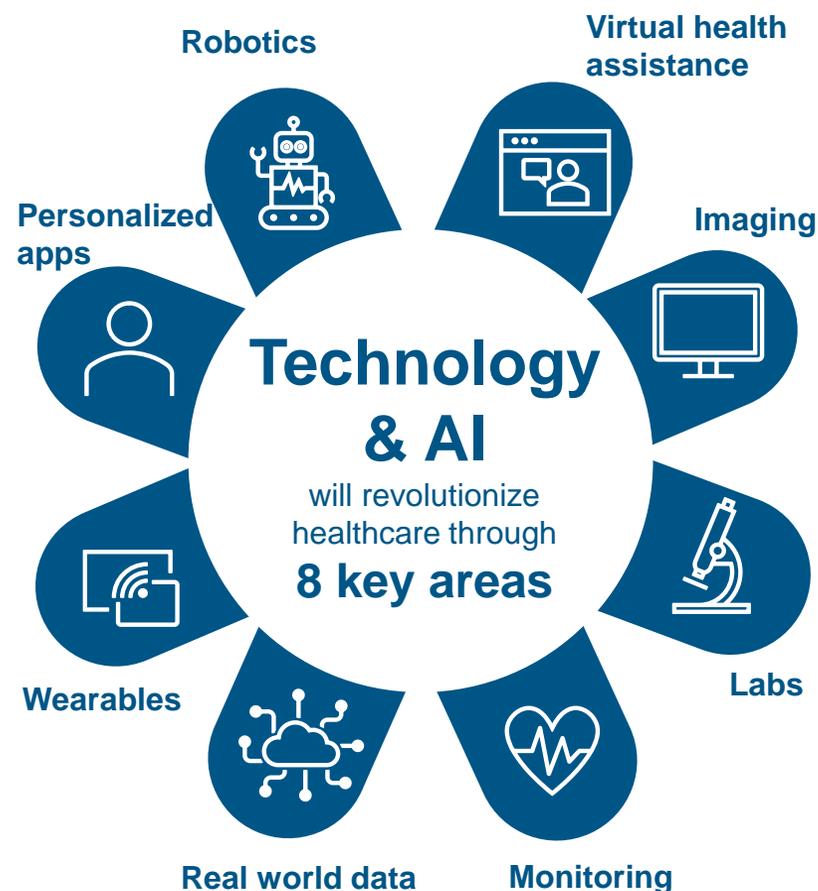
European Health Data Space initiative



As an EU Member State, Romania can more closely align with the European Health Data Space initiative to strengthen its health data ecosystem and accelerate interconnectivity with other Member States and unlock the growth and savings potential

Enabled by technology and AI, savings could also be realized through improved efficiency and HCP capacity

Technology and AI impact in EU



Potential impact of Technology and AI in European health systems



€ **€171- € 212bn**
in annual savings*

380k-403k lives can be potentially saved annually

1.7-1.9mn hours could be freed up every year

To unlock the full potential of technology and AI, European health systems need to make improvements in a number of areas:

- **Data** – improve data quality, privacy and interoperability to enable technology
- **Legal and regulatory** – guidance on applying and interpreting existing regulation to include technology considerations and novel approaches to meet requirements
- **Organizational and financial** – substantial investment for infrastructure, digitalization adoption, technologies, training, etc.

*including the opportunity costs of HCP time
AI – Artificial intelligence

Source: IQVIA study: MedTech Europe -The socio-economic impact of AI-technology
Healthcare as an Investment

Digital Health Roadmap with clear vision, priorities and milestones until 2025 should be set up

Call to Action: Implement Digital Health

Romania is falling behind EU in digital maturity



and it is essential to adapt



As digitalization has huge savings potential through improved efficiency and HCP capacity



And leveraging data transparency, Romania can increase evidence-based policy

Strategies



Implement **electronic records faster** to support patient & health policy decisions aligned with the principles of evidence-based decision-making and outcome-based medicine



Implement **patient registries** to enable data access and transparency



Develop sets of **common standards** that allow the **interoperability of digital systems** to make health data transparent & encourage exchange of data



Modernize & operationalize the underlying systems to enable "value-based healthcare"



Regulate and promote the use of **telemedicine** and related services

Multiple EU funds are available for Romania in the next 5 years..

EU funding packages

EU Centralized Funding Sources

EU4Health



Timeline:
2021-2027



Budget:
€5.1bn

Focus areas:

- Strengthening preparedness and response capabilities
- Prevention & health promotion in an ageing population
- Digital transformation
- Vulnerable groups access to care

Horizon Europe – Health Cluster



Timeline:
2021-2027



Budget:
€8.2bn

Focus areas:

- Innovative Health initiative
- Global health partnership
- Chemical risk assessment
- ERA for Health
- Rare diseases
- One-Health anti microbial resistance
- Personalized medicine
- Pandemic preparedness

Allocated Funding Sources for Romania

Recovery and Resilience Plan



Timeline:
2020-2026



Budget:
€2.5bn for Health

Focus areas:

- Investing in modern hospital infrastructure to ensure patient safety (Economic and Social Resilience pillar; 2bn)
- Cover the development of an integrated e-Health system (Digital Transition pillar; 470mn)

Health Operational Program



Timeline:
2021-2027



Budget:
€4.1bn

Focus areas:

- Regional hospitals
- Cancer treatment
- Population screening
- Critical patients with acute cerebrovascular pathology
- Neonatal critical patient
- Cantacuzino Institute
- Genomics
- Early diagnosis & treatment
- Rare pediatric neuro diseases
- Measures for early diagnosis /treatment antenatal neonatal postnatal
- National Observatory for Health Data
- Resizing and standardizing CNAS IT system



.. and need to be leveraged to unlock funding for innovation and structural reforms in Healthcare

Call to Action: Channel EU Funds in Healthcare

EU funding

creates **great opportunities** to move healthcare forward



The **EU4Health** alone is providing a stimulus package of **€5.1bn** for all members between 2021 and 2027



To successfully **access the funds** in the coming years, **capabilities need to be improved**

Strategies



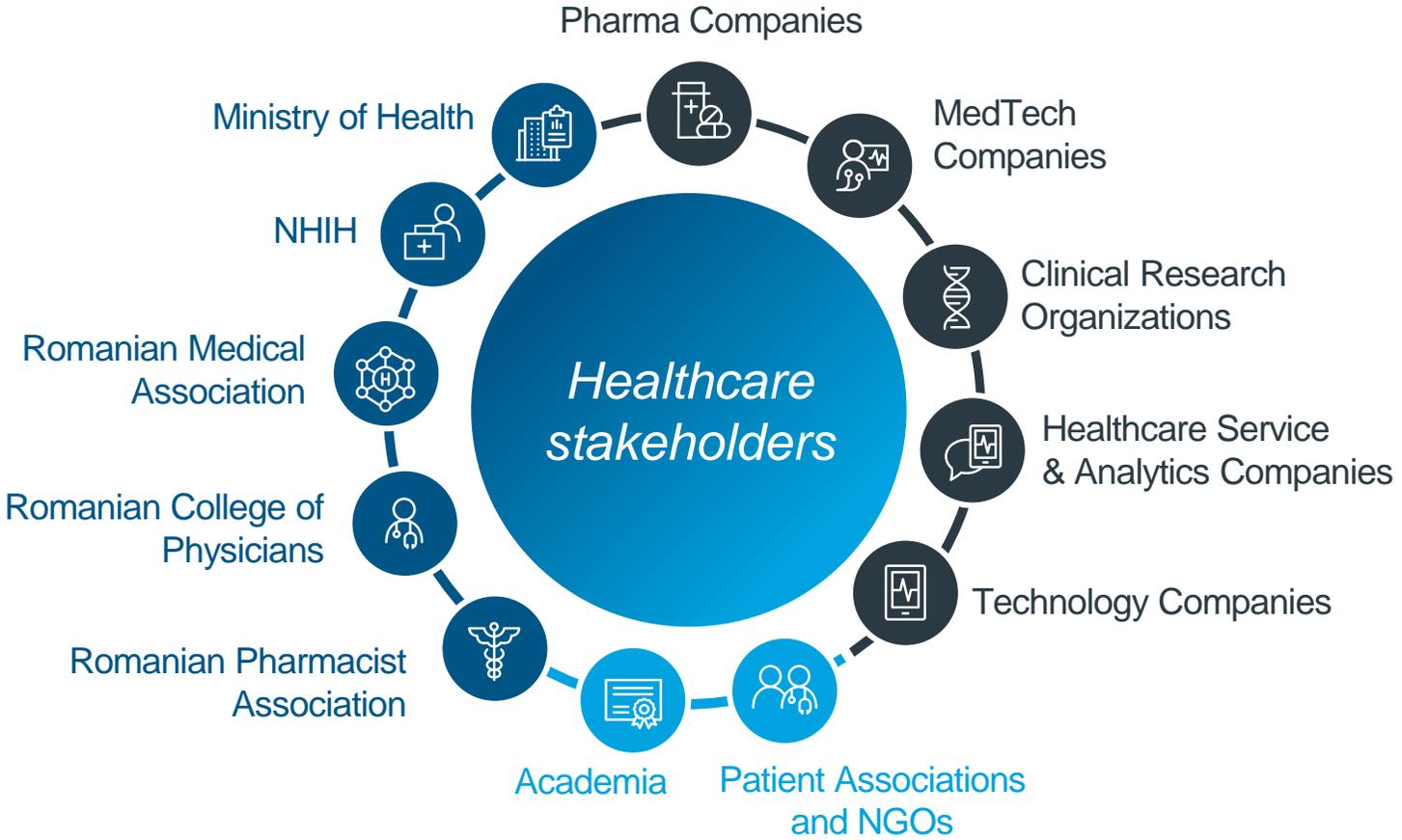
Train and ensure resources to increase the absorption of EU funds, e.g., EU experts, financial and technical experts, at both central and local level



Set-up key performance indicators (KPI) for the management authority and **develop incentives in line with KPIs**

These strategic initiatives can be successfully implemented by combined efforts of all key actors in Healthcare

Public-Private partnership to drive Healthcare forward



Healthcare is a complex topic that requires a holistic approach and various capabilities
By combining efforts of different experts – innovative projects and strategic initiatives can be successfully implemented



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Thank you!

