



Covid-19 impact on Nordic pharma & healthcare systems

IQVIA Viewpoints & observations

March 2021

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2020 Impact in short and thoughts for the future

Observations in 2020

- In 2020, Nordic Pharma companies had to adapt to a new reality. Most of the Nordic countries have been spared in terms of COVID-19 death cases, but all were impacted by the restrictions aiming to minimize the number of cases
- Some of the main impacts on Nordic pharma companies regard the restrictions on and changes in interactions with healthcare professionals. This has led to re-structuring and increased and accelerated efforts to engage with HCPs remotely and through digital channels
- IQVIAs analysis of anonymized patient data in multiple therapeutic areas shows a lower number of patients new to treatment and fewer switches of treatment. Oncology specialists mentioned less screening and delayed diagnosis which might impact survival rates in the coming years

2021 and beyond...

- The COVID-19 pandemic comes with a decline in patient load and creates a backlog of diagnoses, initiated treatments and switches. This backlog will limit pharma's **ability to interact with physicians also post-COVID**
- With the massive reduction of F2F interactions during the crisis, remote HCP-Patient and HCP-Pharma interaction have soared. Stakeholders may have improved **digital capabilities and show increased acceptance of engagement beyond traditional F2F also after the pandemic**
- The economic downturn might put pressure on healthcare budgets and thus require pharma **to achieve more with less and provide better services**
- Pharma companies will need to adapt their team structures & capabilities, their processes and their tools to **become more agile, digitally savvy and faster in decision making** – during and post-COVID



What did we observe in 2020?

Overview of trends observed in the Nordics in 2020



COVID-19 cases

Sweden has been the most impacted country by far based on number of deaths

Other Nordic countries have managed to keep the COVID-19 cases down by means of tough and early restrictions



Pharma impact

Pharma industry recorded a positive revenue growth based on list price, while the impact varies per company

Impact on pharma companies has primarily been driven by the need to adapt to access restrictions to healthcare stakeholders and delays or cancellations of clinical trials



HCP impact

Impact on HCPs varies depending on involvement in COVID-19 care. HCPs not directly involved stated *"no to low impact on their care"*

HCP perceptions of remote patient consultations differ but most agree that some types of (follow-up) consultations saves time



Patient impact

IQVIA found each COVID-19 wave coincided with lower number of newly treated patients meaning a build-up of undiagnosed patients

Oncologists describe how the fear of COVID-19 has made patients or undiagnosed patients with symptoms hesitate or refuse to visit healthcare providers

Video meeting capabilities have not been in place in public hospital care

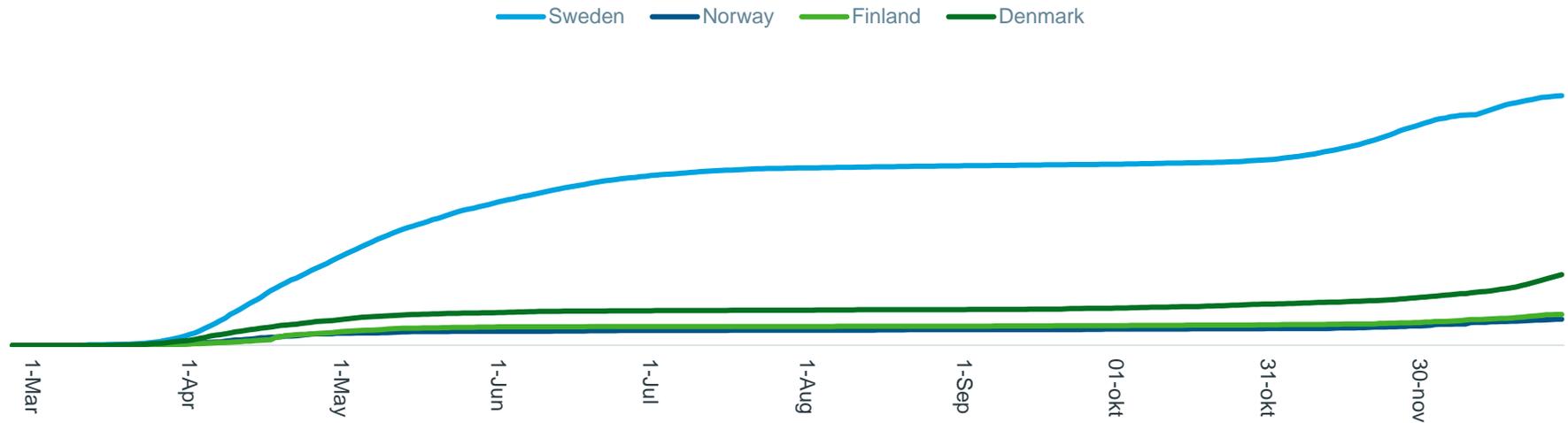
Deaths : 11,773 : 2,145 : 677 : 567

COVID-19 mortality has been most severe in Sweden during 2020



					
COVID-19 Reported Numbers in 2020 <i>As of 11th Jan 2021</i>	Total Cases <i>(% of population)</i>	575,047 (5,6%)	198,960 (3,4%)	62,966 (1,2%)	45,482 (0,8%)
	Deaths <i>(% of population)</i>	11,773 (0,11%)	2,145 (0,04%)	567 (0,01%)	677 (0,01%)
Mortality % increase 2020 vs. 2019-2015		+ 9,5%	+ 2%	+ 1%	N/A

Total COVID-19 deaths per capita over time



Sources: SST, SCB, THL, Norwegian institute of Public Health, Public health agency of Sweden

Pharma market has continued to grow – Gx and Biosimilar market showing the strongest growth

Growth in EUR - 2020 vs 2019

Sweden	Norway	Finland	Denmark
+6%	+10%	+2%	+4%
4 050 M€ → 4 276 M€ Retail: +5% Hospital: +7%	2 164 M€ → 2 373 M€ Retail: +10% Hospital: +9%	2 382 M€ → 2 431 M€ Retail: +3% Hospital: +1%	2 758 M€ → 2 880 M€ Retail: +5% Hospital: +4%
Original segment 3% Gx segment 13% Biosimilar segment 22%	Original segment 6% Gx segment 18% Biosimilar segment 41%	Original segment -3% Gx segment 3% Biosimilar segment 217%*	Original segment 4% Gx segment 3% Biosimilar segment 8%

Sources: IQVIA Midas data

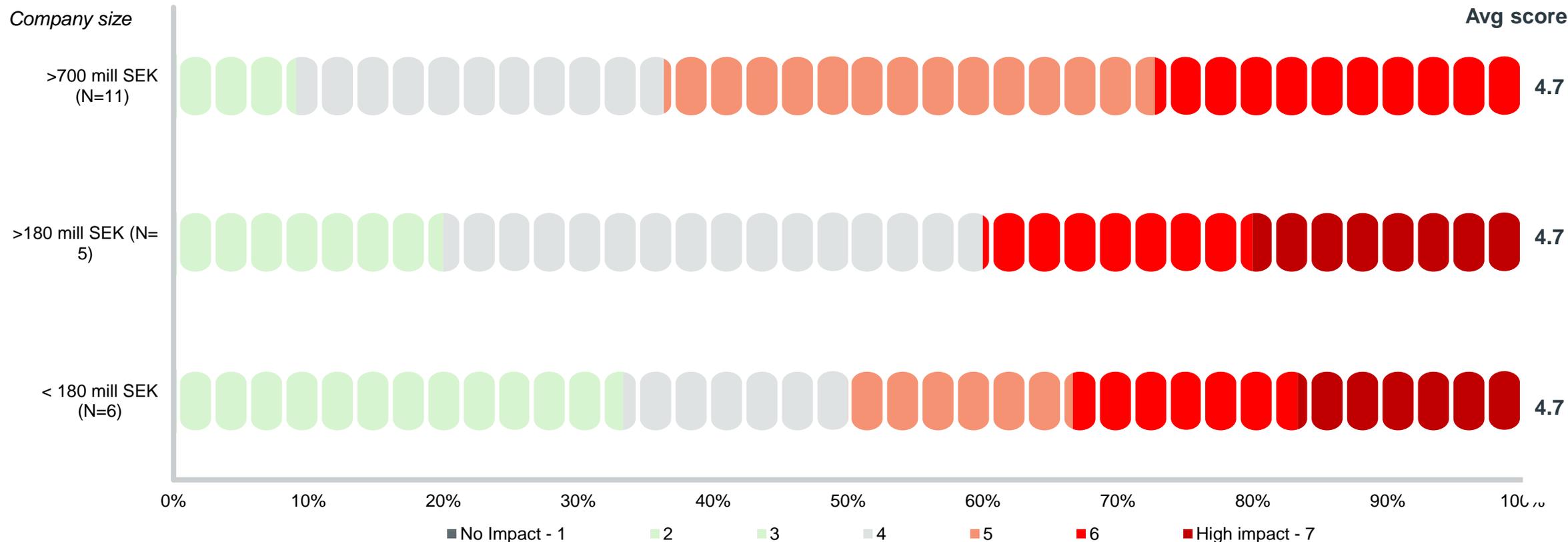
*Biosimilar segment primarily being driven by TNF market



Among 22 LIF member companies answering an online survey, the larger ones feel more impacted than the smaller companies

Survey findings

How would you say that your company has been impacted due to COVID-19?



Source: Survey conducted with 22 LIF member companies in Oct/Nov 2020



At the same time, these Swedish pharma representatives do not feel their challenges have been greater than those in the Nordic or Europe

Have the COVID-19 challenges of your business in Sweden been greater than the challenges you have seen in other Nordic countries?



Have the COVID-19 challenges of your business in Sweden been greater than the challenges you have seen in other EU countries?

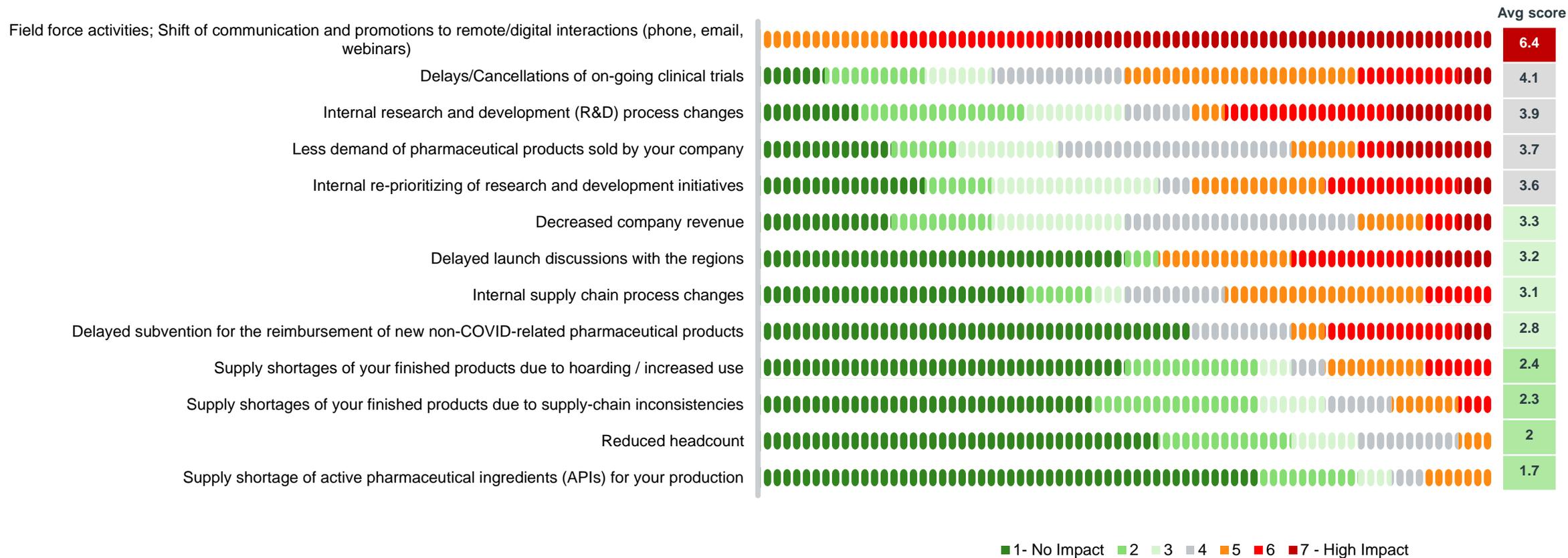


Source: Survey conducted with 22 LIF member companies in Oct/Nov 2020



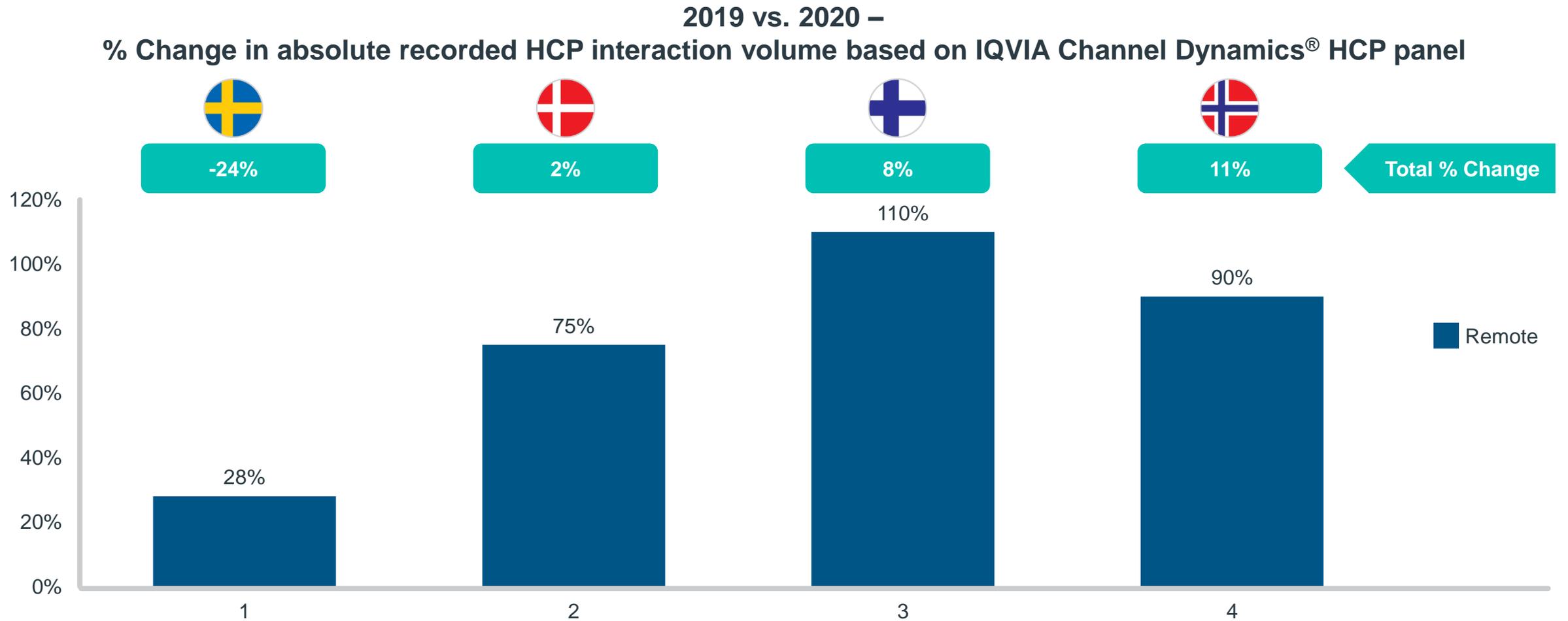
HCP interaction and R&D are considered the main areas of impact, while supply shortages are hardly seen as an issue

In what ways has your business been impacted by COVID-19? Please rank to what extent your business has been impacted by the following. Use a scale from 1 – 7 where 1 = no impact and 7 = high impact



Source: Survey conducted with 22 LIF member companies in Oct/Nov 2020

Remote interactions have gone up in all Nordic countries – especially in Finland and Norway



Source: ChannelDynamics 31/01/2021; F2F includes detailing and meetings, Remote includes phone detailing, e-detailing (live+automated), postal & e-mailings, e-meetings (live+automated)
 Panel of a mix of GPs and Specialists (neurologists, psychiatrists, endocrinologists): SE – 125; NO – 80, DK – 80, FI - 80

The increased share of remote consultations prompted by COVID-19 is likely here to stay – but HCPs need improved solutions

Patient consultations during COVID

Physical meetings between patients and specialists have been partially replaced by telephone consultations to a large degree since March 2020

Less time is spent on each patient interaction than before –
Physicians are able to handle more patients in a day

While multiple regions are currently working on implementing digital platforms, HCPs in hospital care rely on phone contacts as only available remote channel with patients



We can handle many more patients over the phone, sometimes twice as many than before” – Hospital specialist

We don't have any digital solutions for patient interactions today, only phone. This will persist in the future which calls for investments in these types of solutions in order to improve accessibility and quality” – Hospital specialist

Negative impact of remote consultations

Important aspects of a physical meeting are lost via remote consultations

Reduced ability to build rapport between HCP and patient (emotional read, emphasized body language etc.) with increased risk of misunderstandings and loss of information

HCPs can only rely on what the patient says over phone –
Patients may not realize medical complications themselves which an HCP otherwise would capture via physical examination



It is difficult to have a proper high-quality follow-up only via phone. Then you can only rely on what they are saying. A patient may not sense a complication which I might have found during a physical examination” – Hospital specialist

Both waves of the pandemic show a decrease in patient treatment initiation and treatment switches



Trends observed for patients using retail products

- At the start of the COVID-19 outbreak, a significant decrease in patient initiation and switches of retail channel treatments were observed in therapy areas including diabetes, autoimmune diseases, HIV, and retail oncology drugs
- Over the summer of 2020, the levels reached pre-pandemic levels as restrictions were eased until November 2020

Observations by therapy area

- **Autoimmune diseases:** The guidelines recommended rheumatologists to avoid switches between biologics and biosimilars during the pandemic
- **Diabetes:** Fewer initiations were observed from March 2020 to June 2020, likely due to lower accessibility of physicians
- **NOAC:** The market leaders increased their lead
- **HIV:** Stockholm displayed the strongest drop in dynamic patients
- **Prostate, renal, breast cancer:** The initiation on retail products increased when the pandemic took off



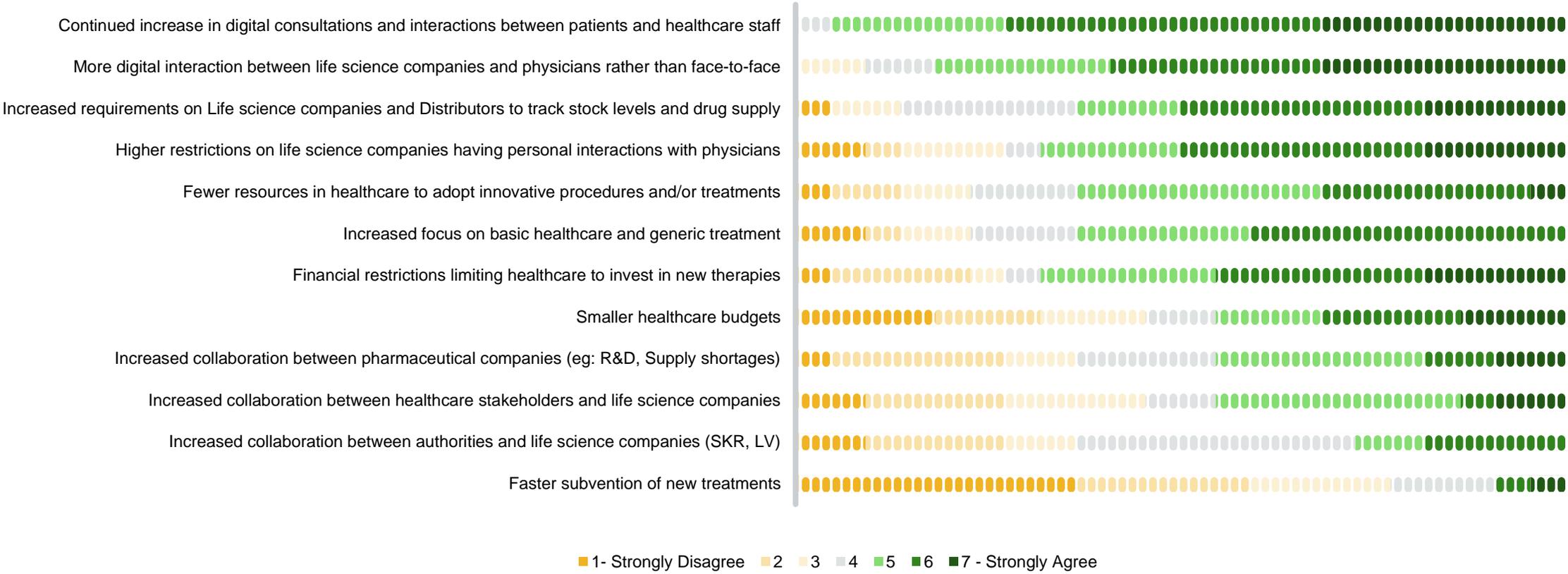
**What will we see moving forward
and what will be the new normal?**



Swedish pharma representatives agree that digital interactions will continue to increase but are not so sure of increased stakeholder collaboration

Tracking stock levels and less focus on innovative treatment was also expected for the future

Please consider your expectations for the Swedish healthcare and life science environment of 2021.
 To what extent do you agree to the following statements: In the healthcare environment 2021 and onwards, we will see ...



Source: Survey conducted with 22 LIF member companies in Oct/Nov 2020

Physicians also state that remote interactions are here to stay! – while they have realized the value of F2F interactions during their absence

Patient consultations post COVID



The number of F2F consultations in primary care has been increasing recently and will likely reach just below pre-COVID levels moving forward

- A strong recovery of F2F consultations is already observed where >70% of GPs has already reverted to levels close to what it was before
- A higher share of remote consultations is still expected in the future – >90% of HCPs in both primary and secondary care are currently using a phone during remote consultations. Virtual video channels will most likely be preferred as soon as such solutions are more widely available. New ways of monitoring patients remotely is also expected

Interactions with pharma post COVID



Specialists have realized the value of F2F interaction with pharma and are not yet used to new ways of communication and digital tools

- The absence of F2F meetings with pharma has reminded specialists of the value of such meetings and networking with colleagues and company reps
- Remote interactions have displayed a surge during the pandemic and will likely persist to some degree as HCPs favor a balanced channel mix via both physical and digital channels
- Specialists appreciate webinars as remote communication platform, although observations display a struggle to adapt to a virtual setting within certain groups of physicians

Continuous COVID-19 disruption will accelerate transformation of pharma's HCP engagement model through a number of factors

Factors impacting how HCP engagement models will evolve post-COVID-19

External Accelerators

**HCS
budget
limitations**

... demands for **promotion that is more evidence based and supportive** of diagnosis, funding and application

**Growing
competition
& noise**

... requires ways to **stand out in crowded, often niche TAs** where players compete for reimbursement

**Country
digital
maturity**

...will improve **HCP and patient access to and appreciation of remote channels**

**Changing
HCP
preferences**

... triggered by recent experience makes **HCPs better understand what channels work best for them**

Internal Accelerators of Pharma

**Pharma
digital
maturity**

... suddenly required in the crisis improves **acceptance across management and commercial roles**

**Agile
capabilities**

... are needed in times of high uncertainty to **react to sudden changes in market and competitor dynamics**

**Margin
pressure**

... in many markets forces commercial teams to **strive for efficiency and effectiveness gains**

Extent to which these factors impact HCP engagement model will vary with time and duration of restrictions

HCS: Healthcare system

F2F engagements may need to be reserved for certain situations, such as new product launches and specialty care

F2F remains the key lever but its impact will be enhanced by well orchestrated digital activities

Product launches (esp. specialty)

- The first 6 months are the most important for a new launch and will determine overall product performance



Specialty care & complex dynamics

- Highly complex and dynamic TAs, or ones with tough competition requiring strong product differentiation



Open access markets

- Markets with no caps/restrictions imposed on HCP visits and with stronger personal cultural element



Digital will be increasingly preferred in areas of lower priority and economic return

In-line brands

- Digital can compensate for lower internal resource allocation & lower budgets (vs. launch brands)



Primary care

- Driven by profitability of engagement and time requirements



Restricted access markets

- Where HCP visits are restricted, digital can increase SoV



To stay agile in times of high promotional demand, players might increasingly use external services both for F2F and remote interaction

COVID-19 is an accelerator of change – The longer restrictions and uncertainty prevail, the more drastic change can be expected

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Pharma companies will need to adapt their team structures & capabilities, their processes and their tools to **become more agile, digitally savvy and faster in decision making – during and post-COVID**



We see at least 6 areas pharma might want to consider when re-thinking their commercial model for the post-COVID era

Preparing for uncertainty and challenges in the post-COVID normal

Working cross-functional, from Commercial and Business Intel. to IT

AIML powered Analytics on one source of truth for speed & precision

Upscaling & repurposing of the entire commercial organization

IQVIA post-COVID Commercial Model and Customer Engagement Offerings

1

Assessing strategic needs for commercial transformation



2

Evolving Channel preference to better serve HCPs in a more digital world



3

Resource allocation and GTM design for agility & resilience



4

Evaluating patient impact to understand and estimate level of non-diagnosed patients



5

Develop forecasts based on Covid-19 market scenarios



6

Understand the new patient journey





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