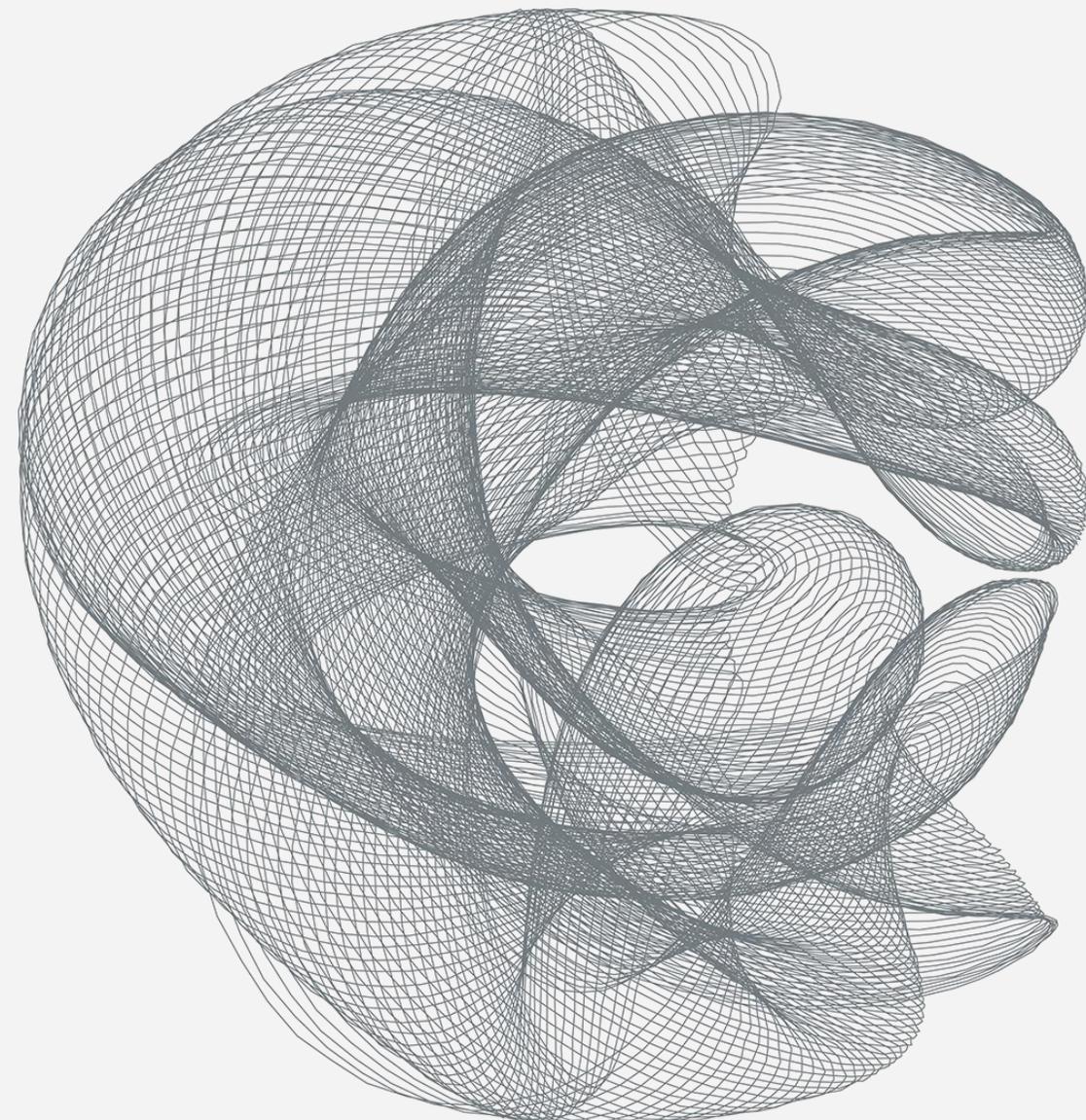




The Global Use of Medicines 2022

OUTLOOK TO 2026

JANUARY 2022



Agenda

- **Welcome and introductions**

Murray Aitken, Executive Director, IQVIA Institute for Human Data Science

- **Global outlook and drivers**

Michael Kleinrock, Research Director, IQVIA Institute for Human Data Science

- **Regional Highlights**

- U.S.
- Europe
- China
- Japan
- Latin America

- **Audience questions and moderated discussion**

Murray Aitken

- **Closing**

Today's panelists



Hannah Law
VP, Thought Leadership
and Marketing
U.S.



Sarah Rickwood
VP, Thought Leadership
and Marketing
EMEA



Howard Chen
Head of
Management
Consulting
China



Alan Thomas
Director, Strategic
Planning
Japan



Sydney Clark
VP, Consulting Services
LATAM



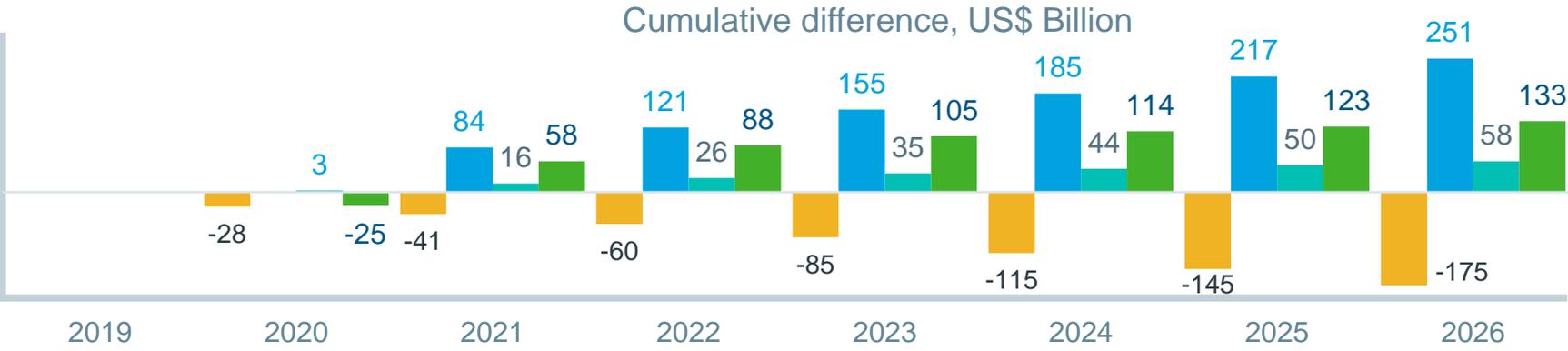
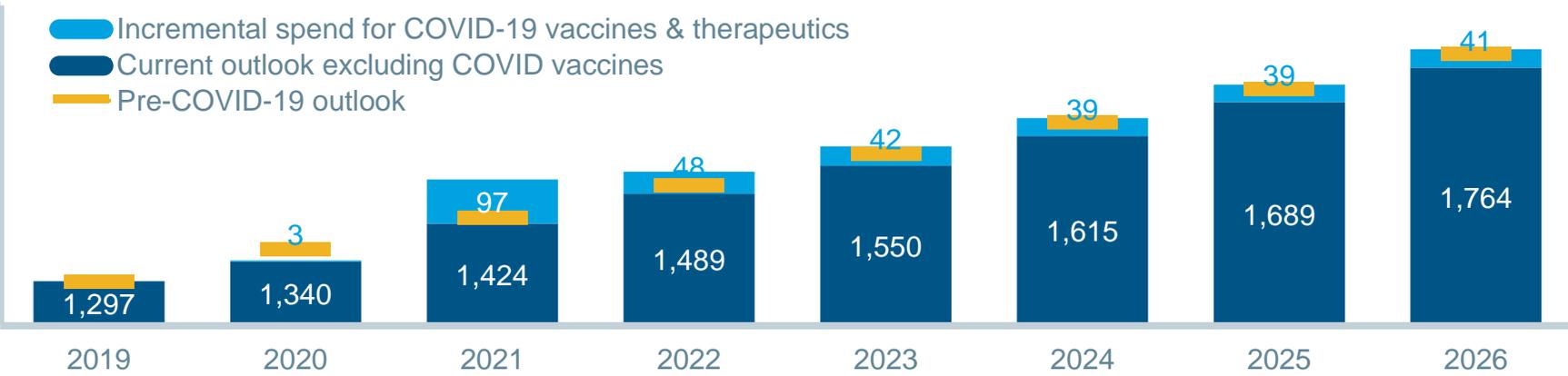
Global outlook and drivers

Key Points

1. Global spending on COVID-19 vaccines is modeled to be \$250Bn through 2026, though cost and volume estimates vary, and overall medicine spending is expected to exceed the pre-pandemic outlook by \$133Bn to 2026 and grow 3-6% CAGR through 2026, reaching about \$1.8 trillion in total market size.
2. Overall volume is projected to grow 1.5% in days of therapy through 2026, driven by pharmerging growth of 2.0% CAGR, while low-income countries are expected to grow at just 0.6% CAGR.
3. Slowing growth across key geographies is expected as health systems absorb pandemic costs and manage spending from the continuing historically high numbers of new medicines.
4. The two leading global therapy areas — oncology and immunology — are forecast to grow 9–12% and 6–9% CAGR, respectively, through 2026.
5. Treatments for autoimmune disorders are forecast to reach \$178 billion globally by 2026, driven by steadily increasing numbers of treated patients and new products, and offset after 2023 due to biosimilars.
6. New therapies contribute to rapid acceleration of neurology markets, including novel migraine therapies, potential treatments for rare diseases, and the potential for therapies for Alzheimer's and Parkinson's.
7. The outlook for next-generation biotherapeutics includes significantly uncertain clinical and commercial prospects for cell, gene and RNA therapies, which will grow to \$20 billion in spending by 2026.

Global spending, including COVID-19 vaccines and therapeutics, to exceed pre-pandemic outlook by \$133Bn to 2026

Changes in the historical and projected global medicine pending model due to COVID-19, 2019–2026, US\$Bn



Spending outlook change due to COVID: \$133Bn, 2020–2026

=

COVID-19 vaccine spending: \$251Bn (\$185–\$295Bn)

+

COVID-19 therapeutics: \$58 Billion (\$48-69Bn)

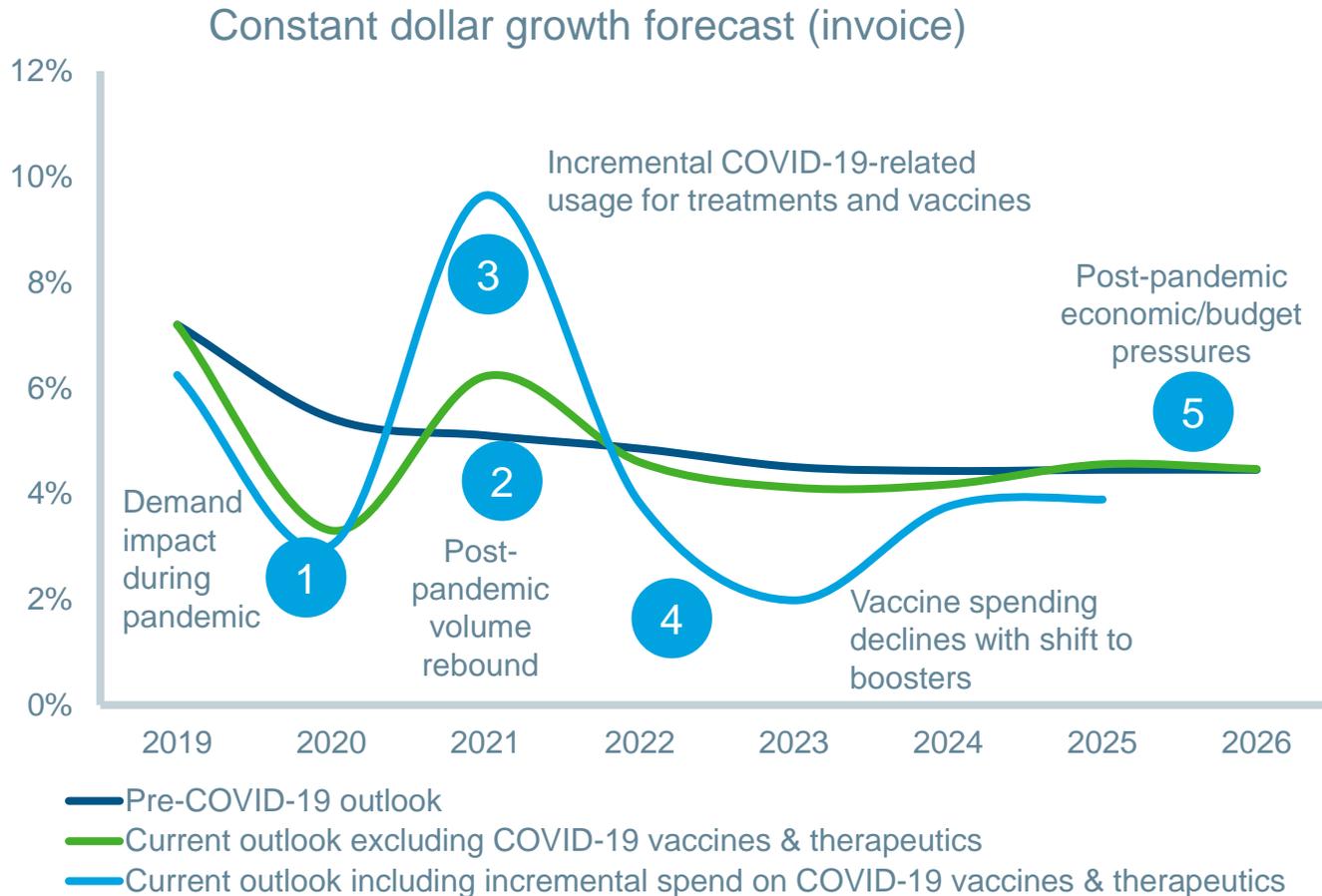
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COVID-19 disruption impact: -\$175Bn 2020–2026

Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science.

Global market growth will return to pre-pandemic projections by 2025 despite year-to-year fluctuations

Comparison of current outlook to pre-COVID outlook



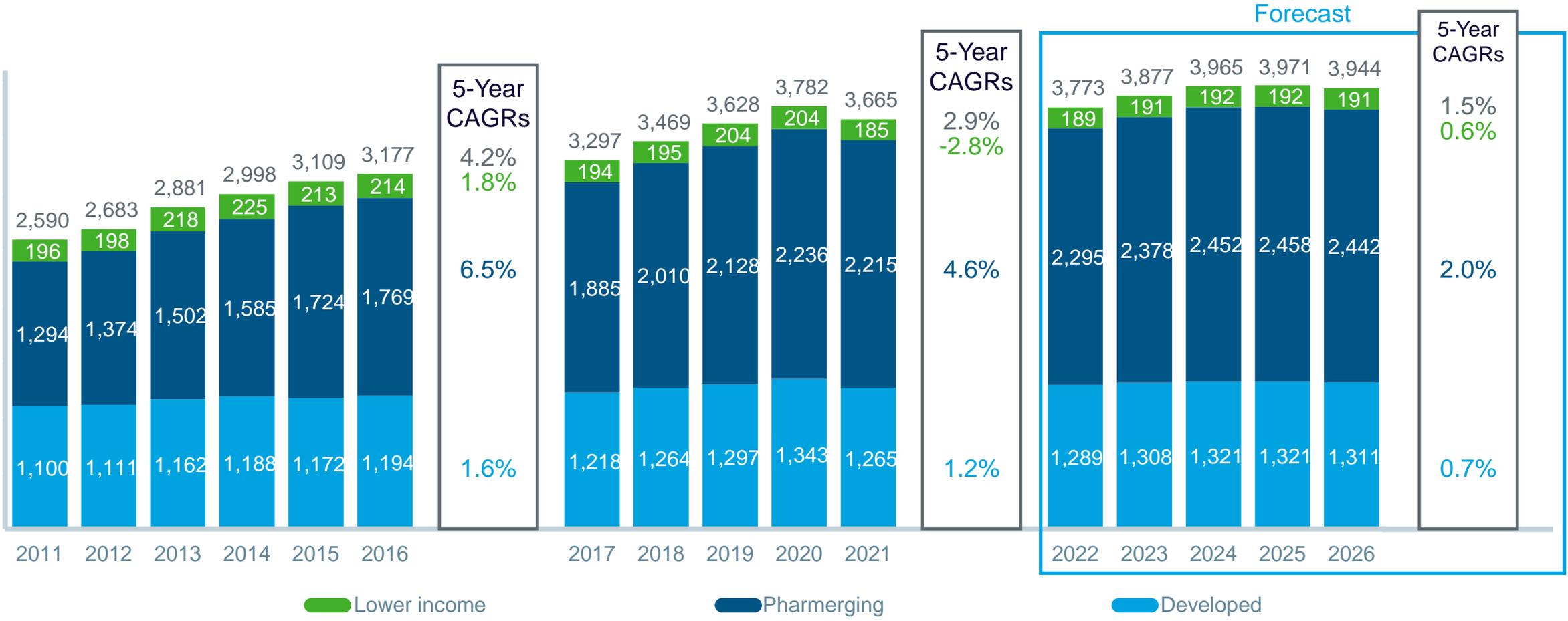
Key events in the outlook

- 2020: -2.1% (~\$27Bn)
- 2021: +1.1% above pre-Covid-19 growth; +2.9% above 2020 growth excluding vaccine and therapeutics
- 2021: +8% higher growth including vaccines and therapeutics compared to spending without them
- 2022: Significant decline in required spending for COVID-19 vaccines as much of the world is inoculated to some degree
- Expected budget pressures will emerge from longer-term pressures of sustained pandemic

Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science.

The use of medicines particularly in pharmerging markets grew in 2020 despite the pandemic but will normalize beginning in 2021

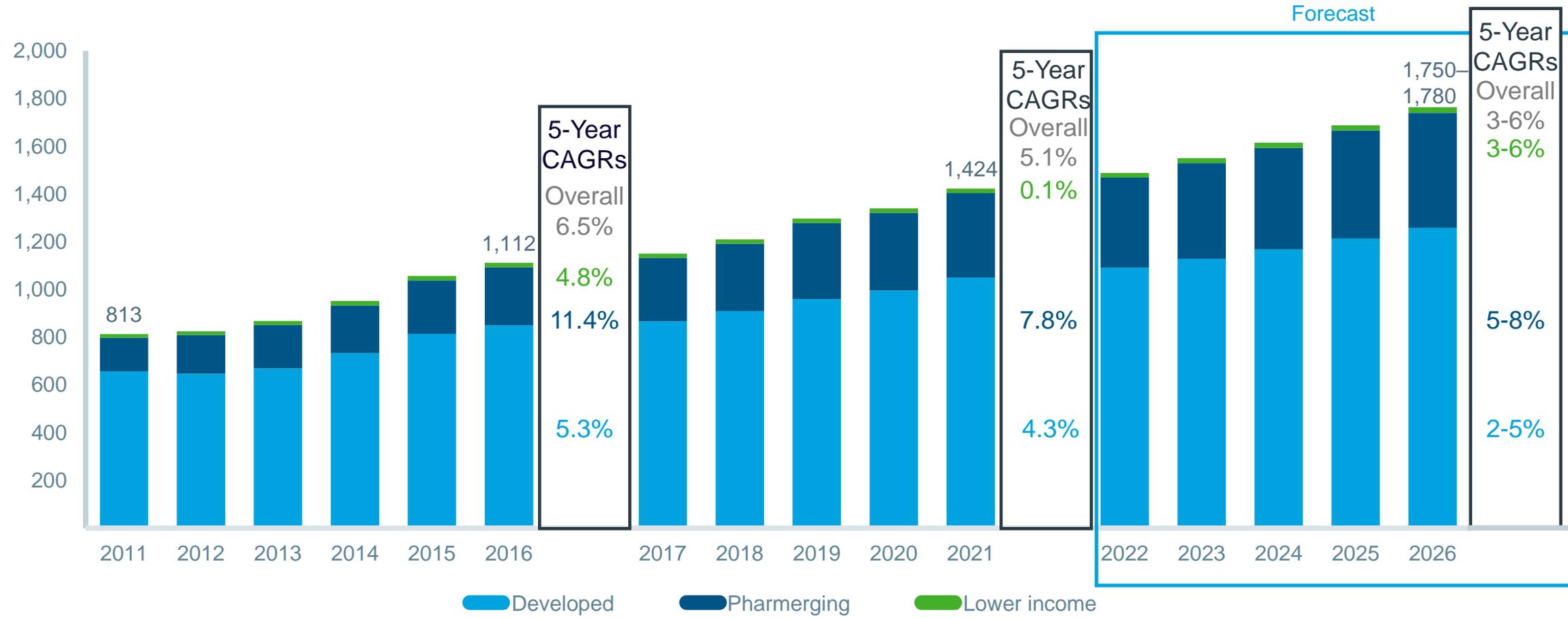
Historical and projected use of medicine by segment, 2011–2026, Defined Daily Doses (DDD) in Billions



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science.

The global medicine market — using invoice price levels — is expected to grow at 3–6% CAGR through 2026 to about \$1.8Tn

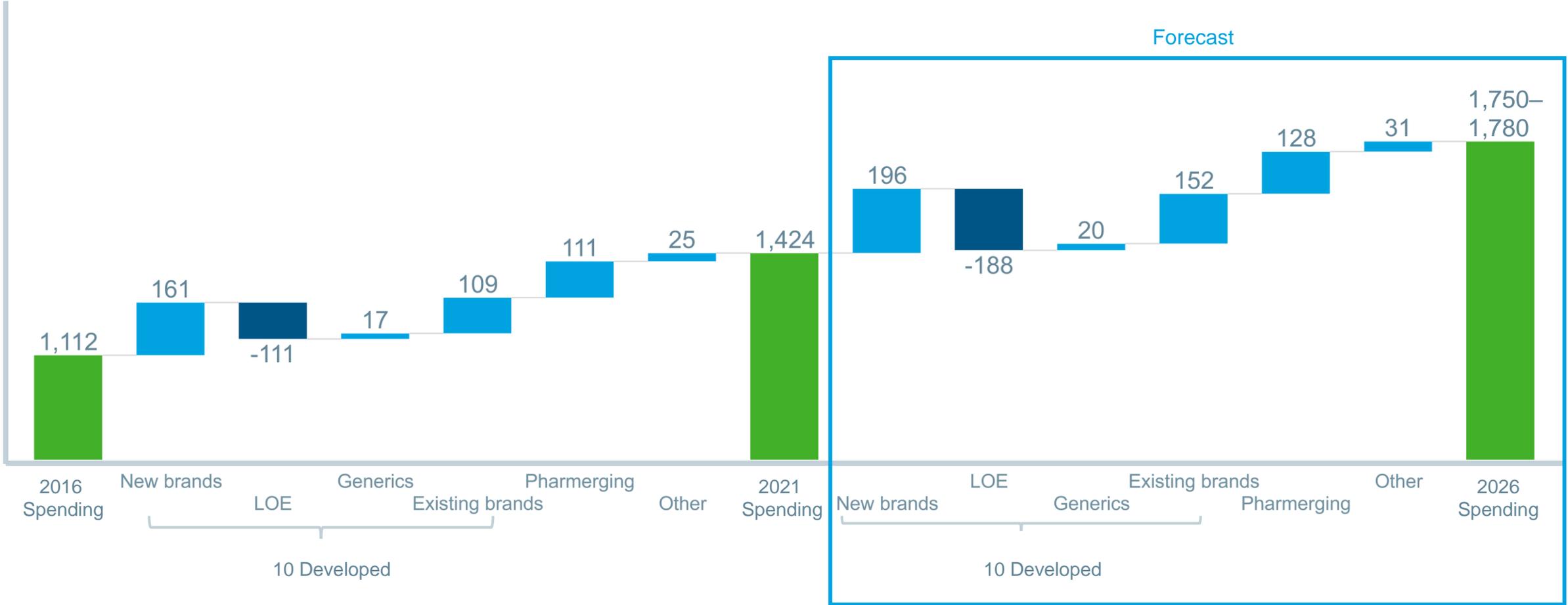
Global medicine market size and growth 2011–2026, const US\$Bn



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science.

Strong growth in pharmerging markets and new brands in developed markets will lift global spending through 2026

Spending and growth drivers 2016–2026 const US\$Bn



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

New brand spending in developed markets projected to be similar to the last 5 years but a smaller share of spending

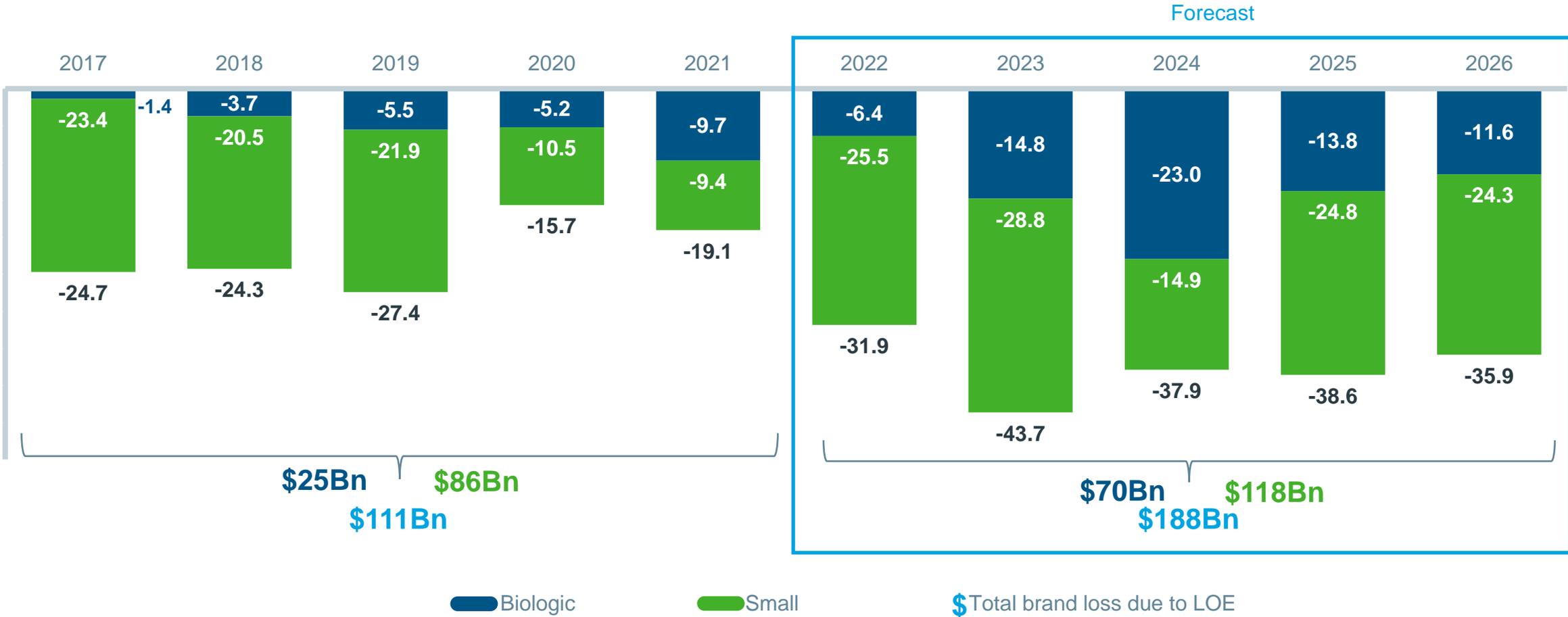
Ten developed countries new brand spending



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

The impact of exclusivity losses will increase to \$188Bn over the next 5 with a large increase in the impact of biosimilars

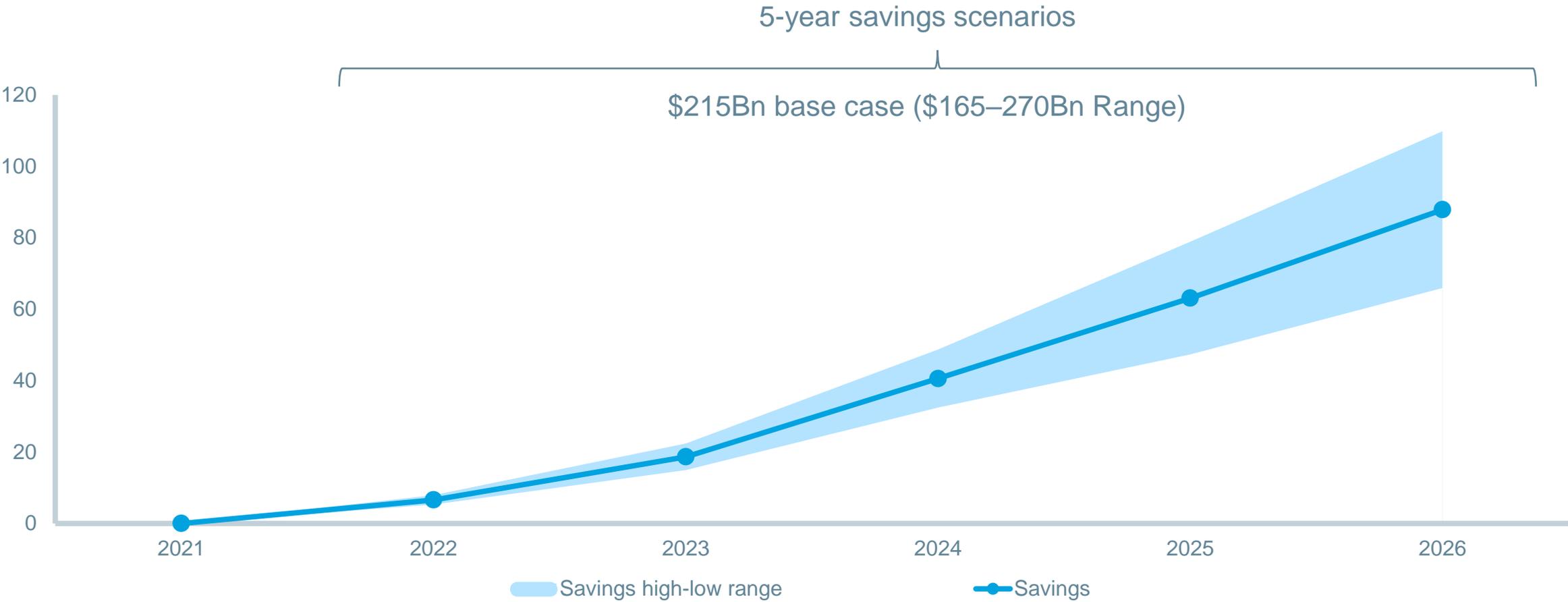
Developed markets impact of brand losses of exclusivity 2017–2026, US\$Bn



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

Global savings from biosimilars will have a significant impact on country medicine spending through 2026

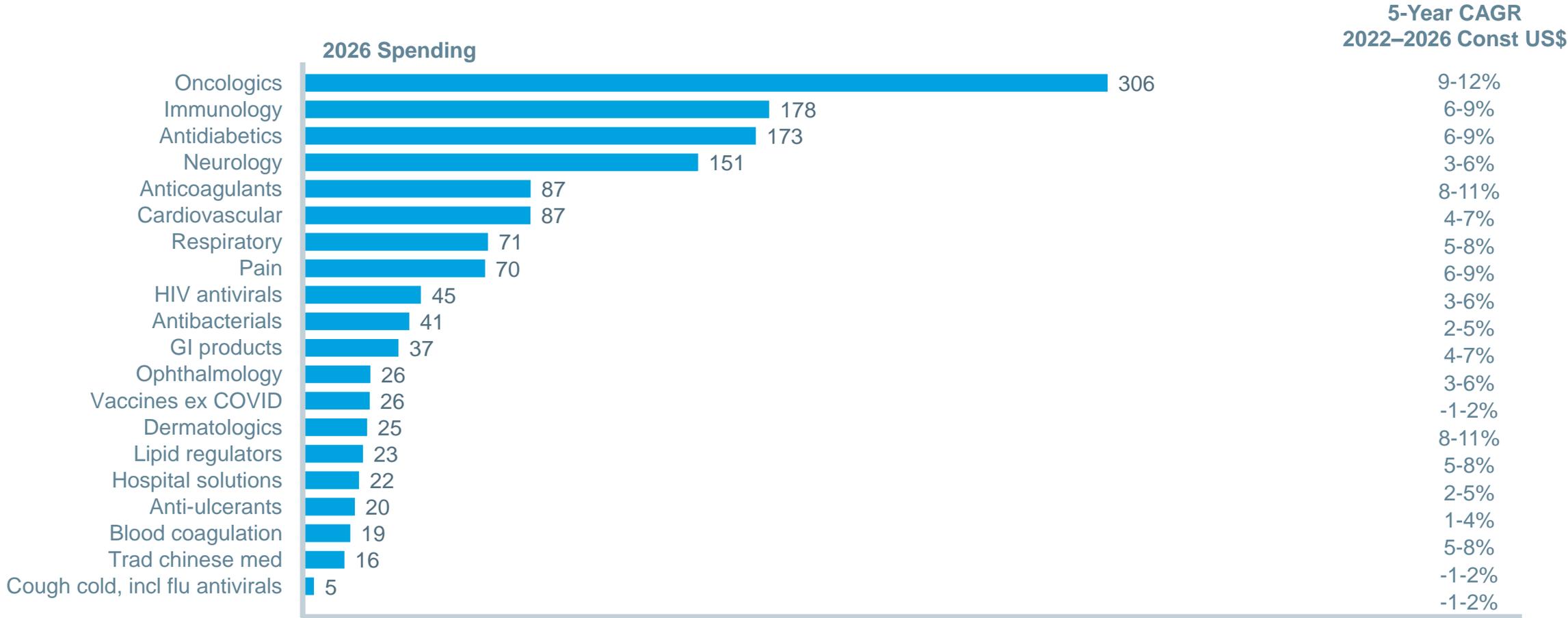
Global savings from biosimilars 2021-2026



Source: IQVIA Market Prognosis, Sep 2020; IQVIA Institute, Mar 2021
The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

Oncology and neurology lead growth while immunology slows due to biosimilars

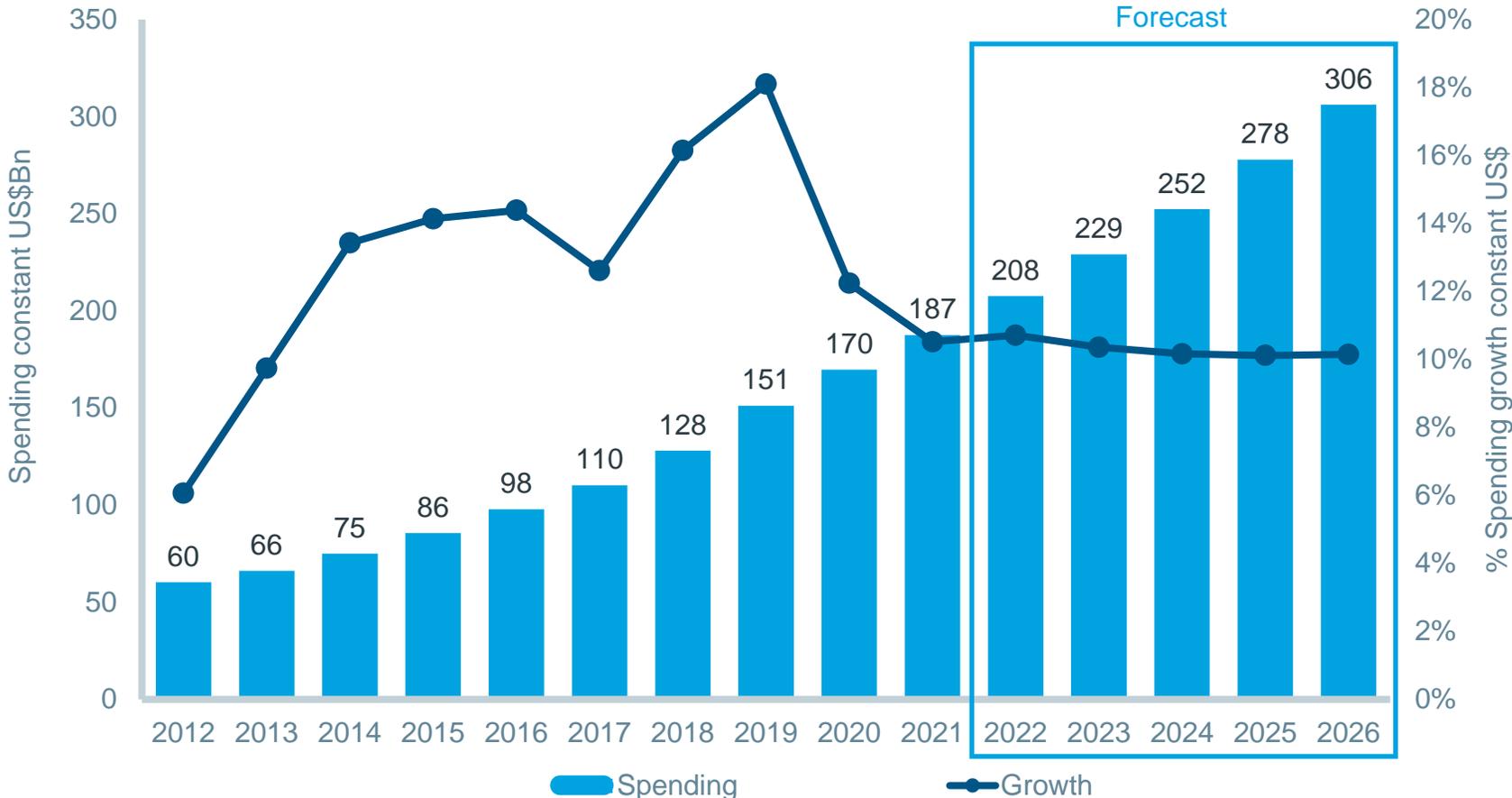
Top 20 therapy areas in 2026 in terms of global spending with forecast 5-year CAGRs, const \$US



Source: IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

Global oncology spending to exceed \$300 billion by 2026, with growth slowing to 10% from biosimilar savings

Global oncology spending and growth



2022–2026 Key Metrics

+63% total spending growth (9–12% CAGR)

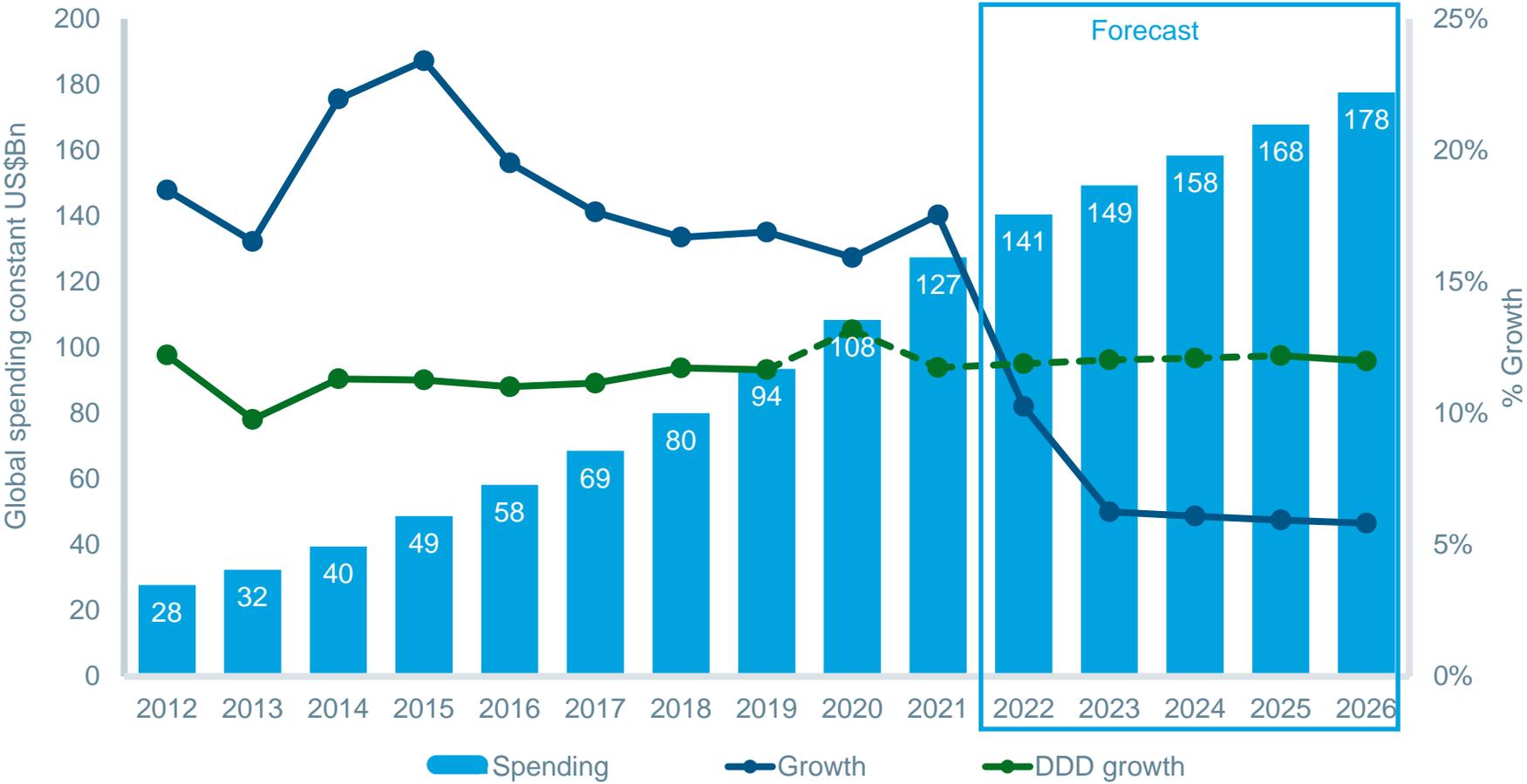
+\$119Bn

~+100 new oncology drugs

Source: IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

Immunology spending growth to slow to 6-9% through 2026 from biosimilar impact as volume growth continues at 12% annually

Global immunology Spending and Growth



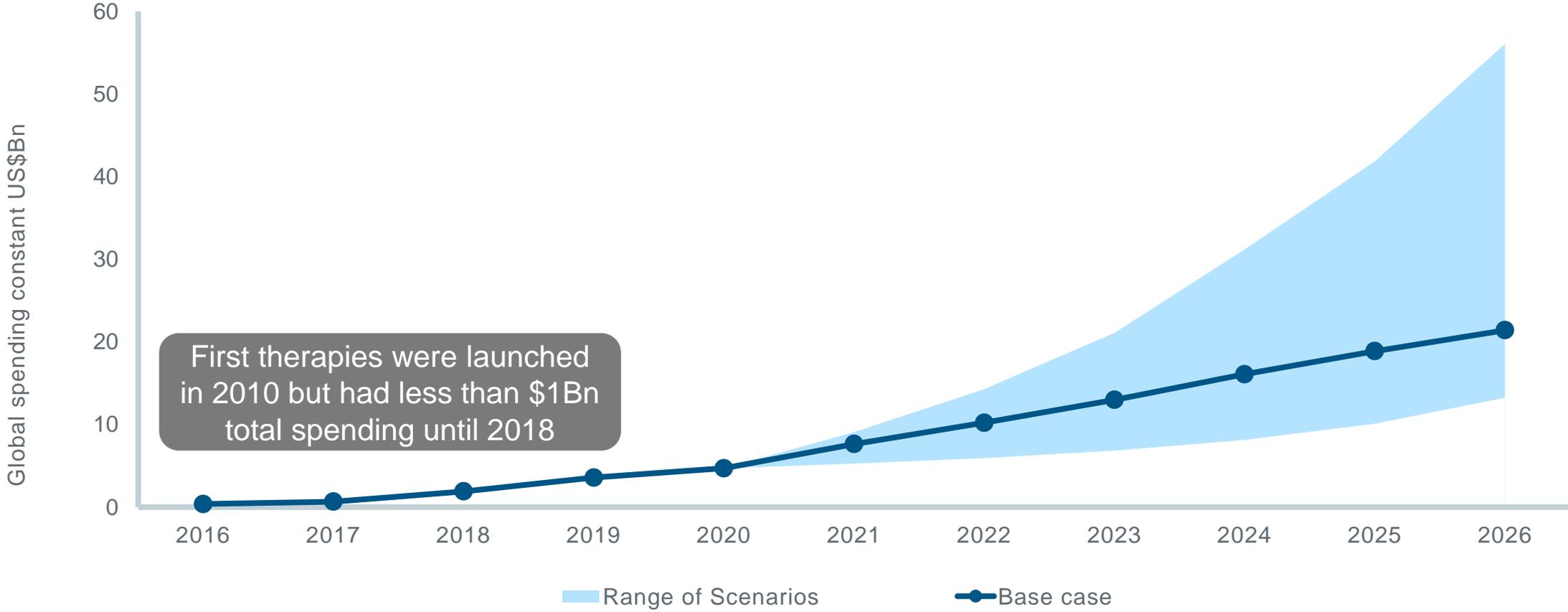
2022–2026 Key Metrics

- +12% per year volume growth
- +50 Billion +39% (6-9% CAGR)
- Average cost per day -\$7 to \$27

Source: IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

The outlook for next-generation biotherapeutics includes significantly uncertain clinical and commercial successes

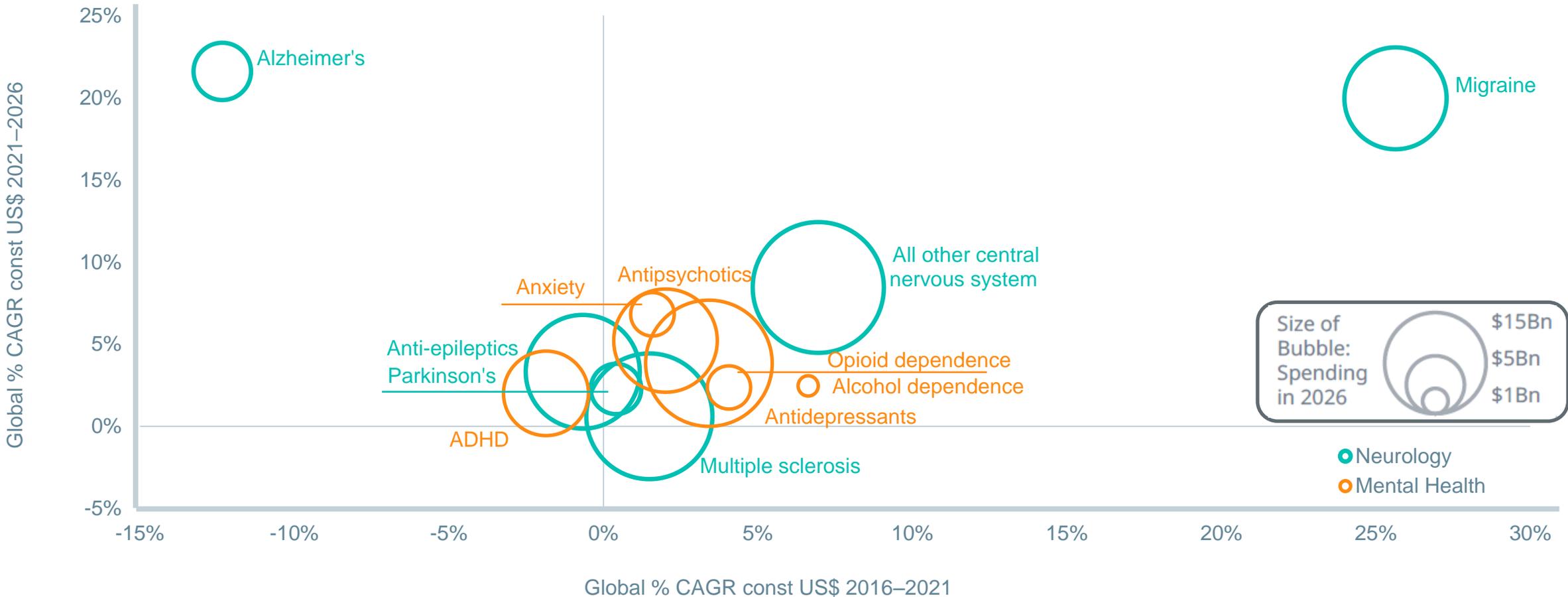
Cell, gene and RNA therapeutics



Source: Company Financials; IQVIA Institute Nov 2021
The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

New therapies in rare neurological disorders, Alzheimer's, and migraine are expected to drive spending growth in neurology

Leading CNS disorders global market growth dynamics



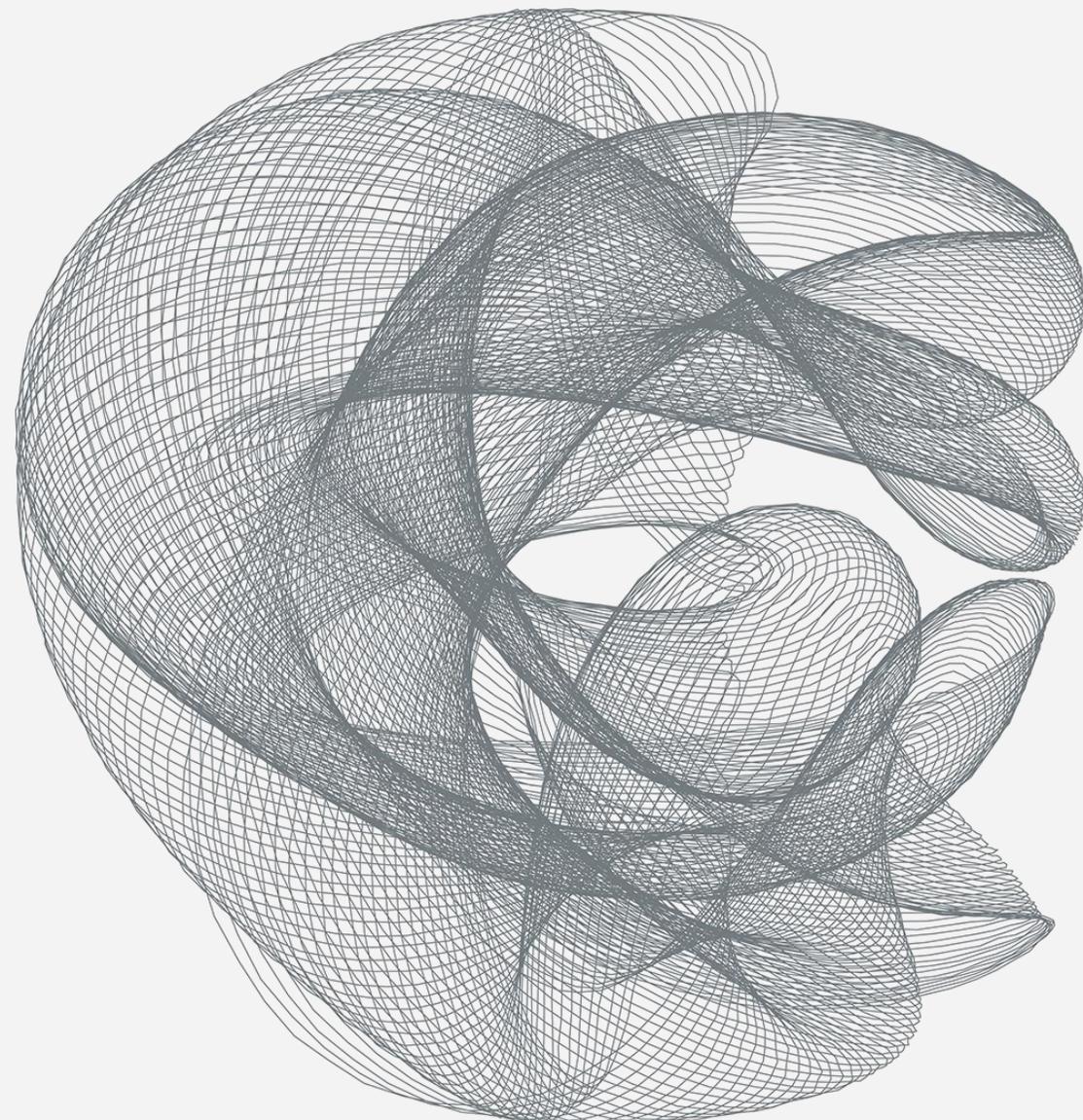
Source: IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science



The Global Use of Medicines 2022

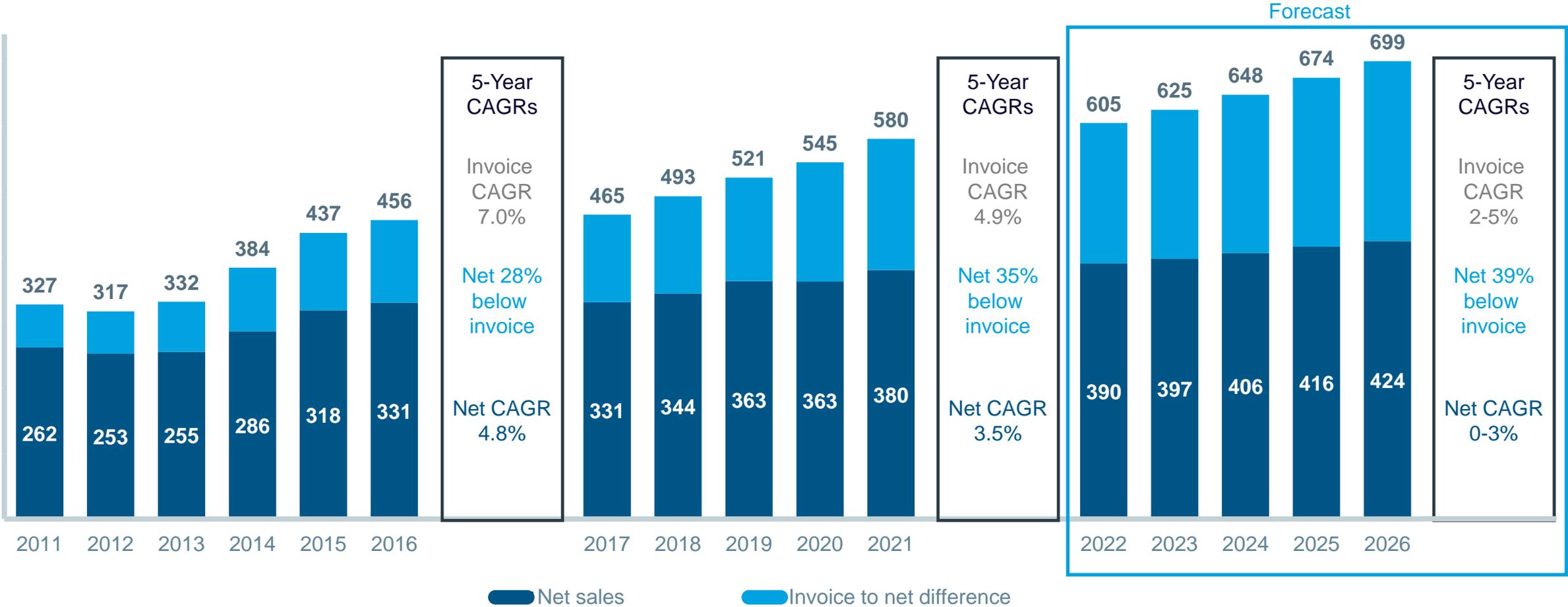
U.S. MARKET OVERVIEW

JANUARY 2022



The U.S. market, on a net price basis, is forecast to grow 0–3% CAGR over the next 5 years, down from 3.5% CAGR for the past 5 years

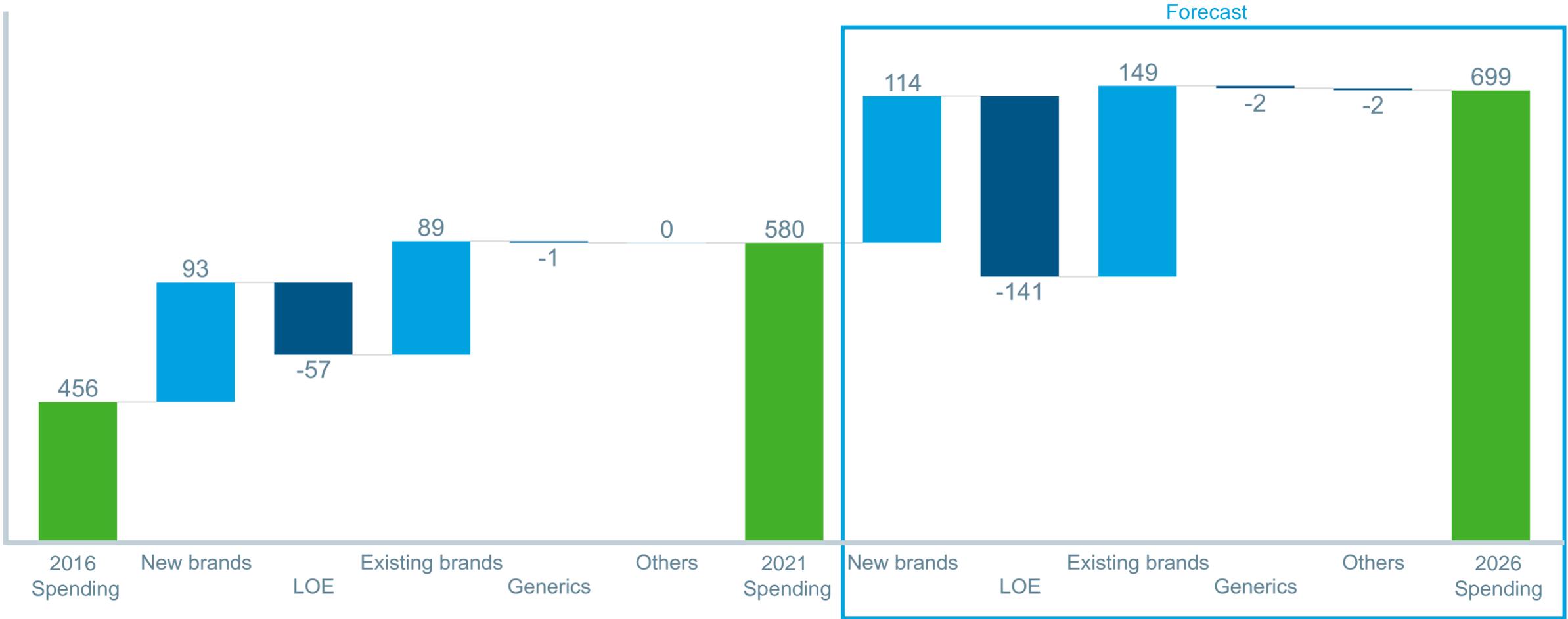
U.S. Medicine Spending and Growth at invoice-level and estimated net 2011–2026



Source: IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

Spending in the U.S. is expected to increase by \$119Bn through 2026 driven by new and existing brands

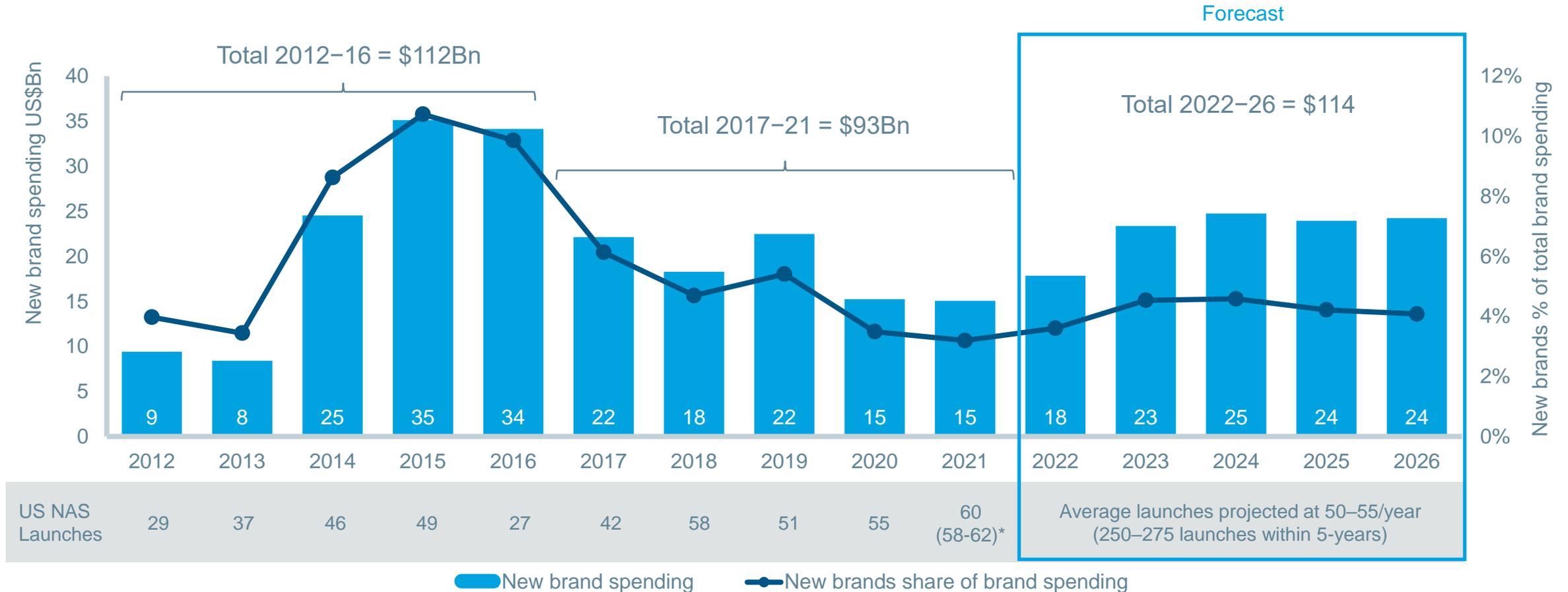
Spending and growth drivers in US 2016–2026 Const US\$Bn



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

New brand spending in the U.S. is projected to be higher than the last five years but a smaller share of spending

U.S. New brand spending



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

The U.S. is an increasingly complex environment

Market dynamics to watch

1 Perpetual uncertainty of healthcare reform



- ✓ **Healthcare reform + Part D re-design**
- ✓ Growth and controversy in 340B

2 Payer control in commercial



- ✓ **Expanding payer control**
- ✓ **Formulary exclusions**
- ✓ Net price pressure in immunology and other specialty
- ✓ New evidence requirements

3 COVID accelerates new models of care



- ✓ **New sites, new models pick up impact of loss care**
- ✓ **Rising awareness and evidence of disparity in access**
- ✓ **New opportunity across value chain**
- ✓ Patient engagement in high demand

Access and costs under pressure as payers and manufacturers prepare for potential policy changes and new competition

Proposed Part D changes

Reform potential a constant

- ✓ Removes coverage gap¹
- ✓ Adds manufacturer liability in initial and catastrophic phases¹

Increase in access restrictions

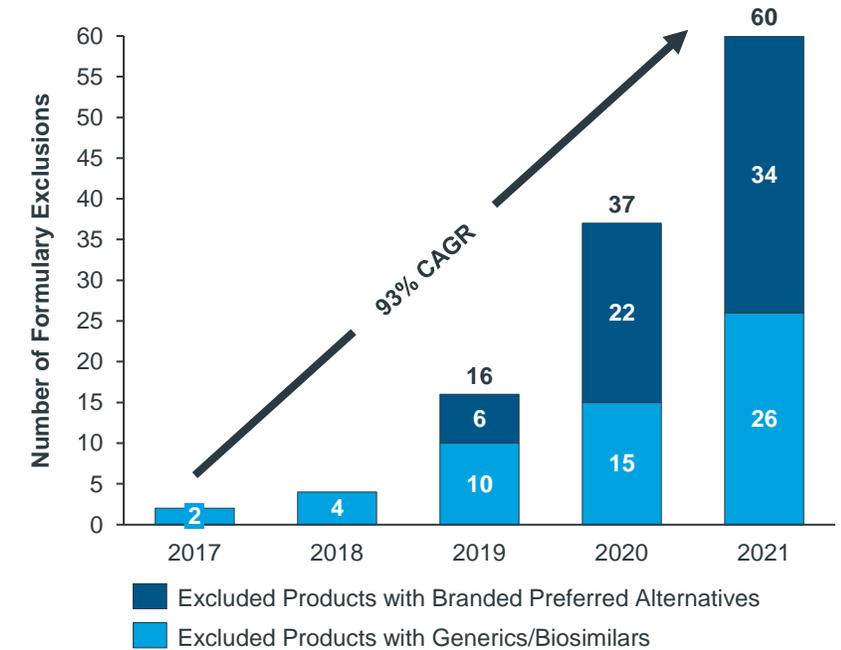
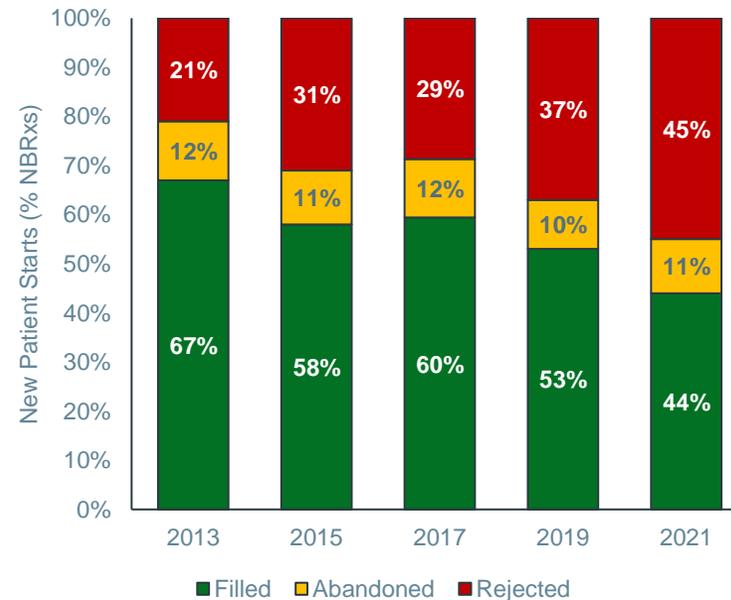
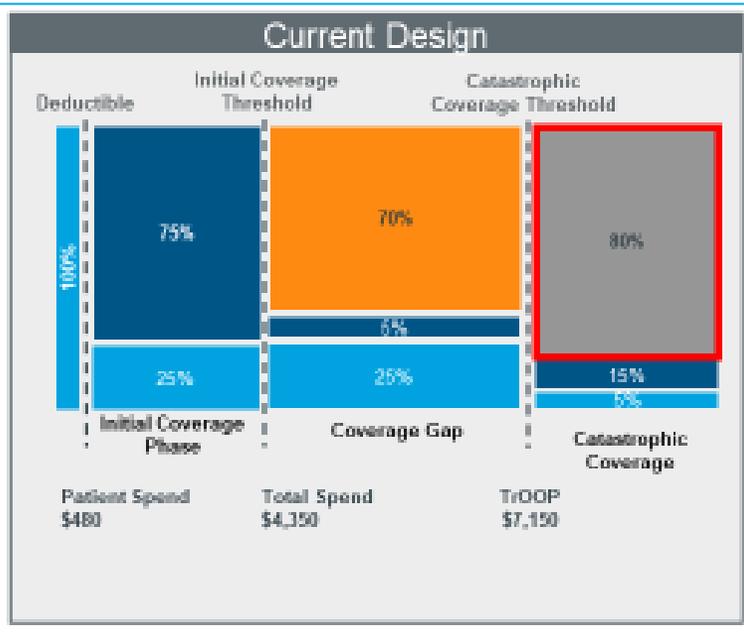
Competitive dynamics matter

- ✓ Rising number of blocked products in 2021²
- ✓ Specialty patients 20% more likely not to fill a prescription vs 2013³
- ✓ 25% abandonment in specialty for Part D patients⁴

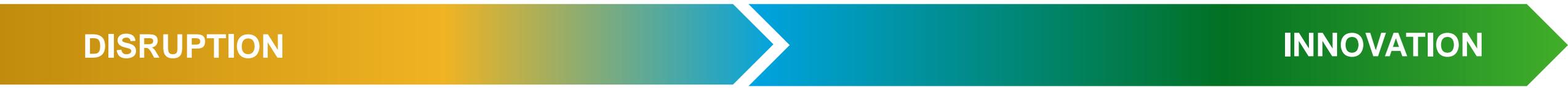
Formulary exclusions

Oncology no longer protected

- ✓ Payers address market competition, open the door for more patient alternatives



COVID-19 disrupted care, and the status quo, making room for new players, and new models, to serve and empower patients



DISRUPTION

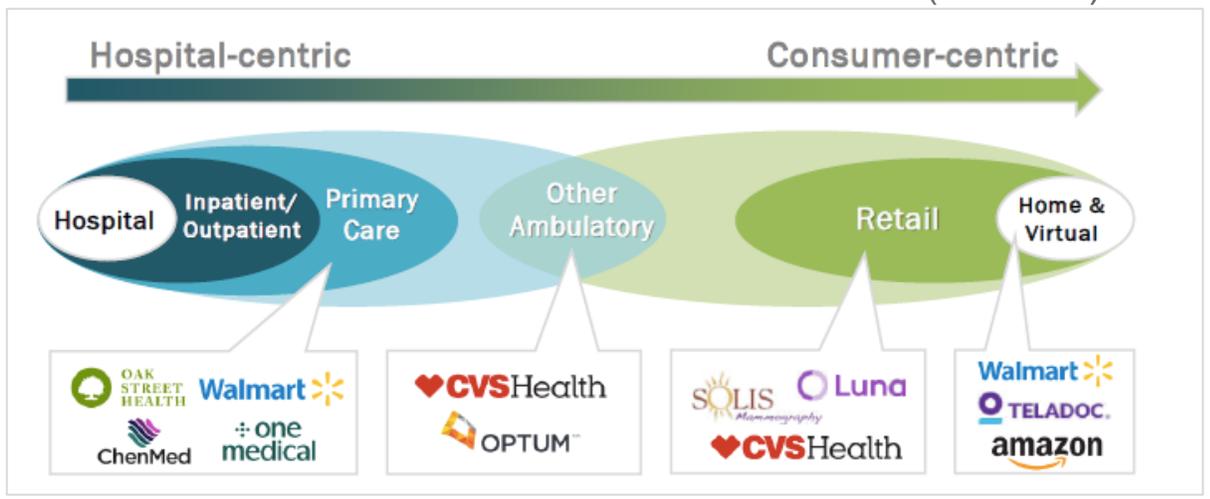
- 
8.5M missed preventive health visits, unevenly distributed¹
- 
269M missed diagnosis visits in 1H2021²
- 
-8% compound annual growth rate of oncology diagnosis visits from 2019 to 2021³
- 
2,901% Growth in telehealth claims compared to 2021 vs 2019⁴

\$15B Raised in 1H2021 for telemed platforms⁵

7.9% CAGR through '27 in home healthcare market⁶

38 States expand telehealth coverage⁷

\$29B Digital Health Funding in '21 (2x 2020)⁸

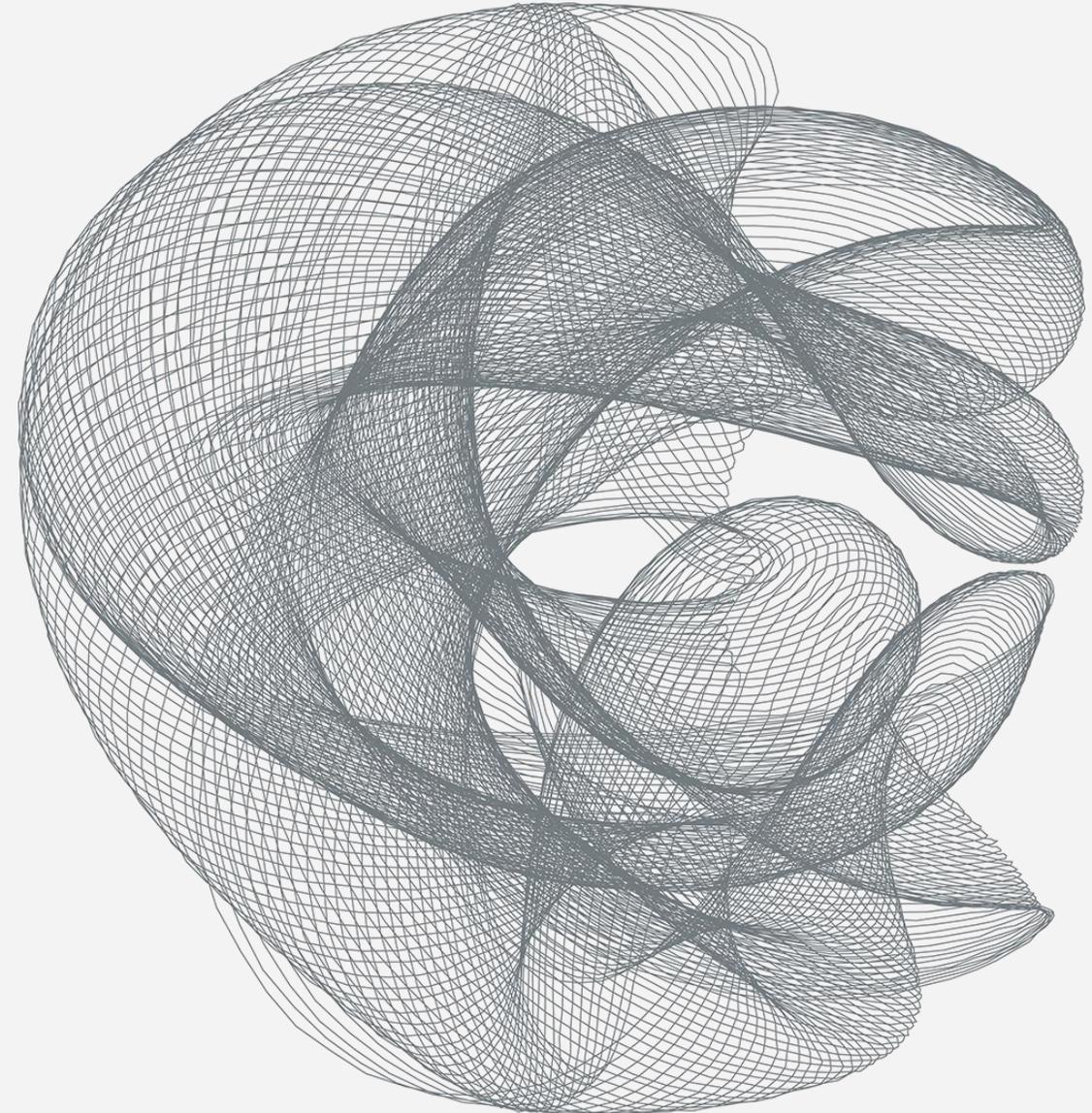


Sources: ¹Health Equity in the Time of COVID-19, IQVIA; ^{2,3,4}IQVIA Claims Data, 2021; ⁵<https://mercomcapital.com/product/1h-q2-2021-digital-health-healthcare-it-funding-ma-report/>; ⁶Advancing Health Outcomes Through Home Healthcare, IQVIA; ⁷; ⁸<https://rockhealth.com/insights/2021-year-end-digital-health-funding-seismic-shifts-beneath-the-surface>

The Global Use of Medicines 2022

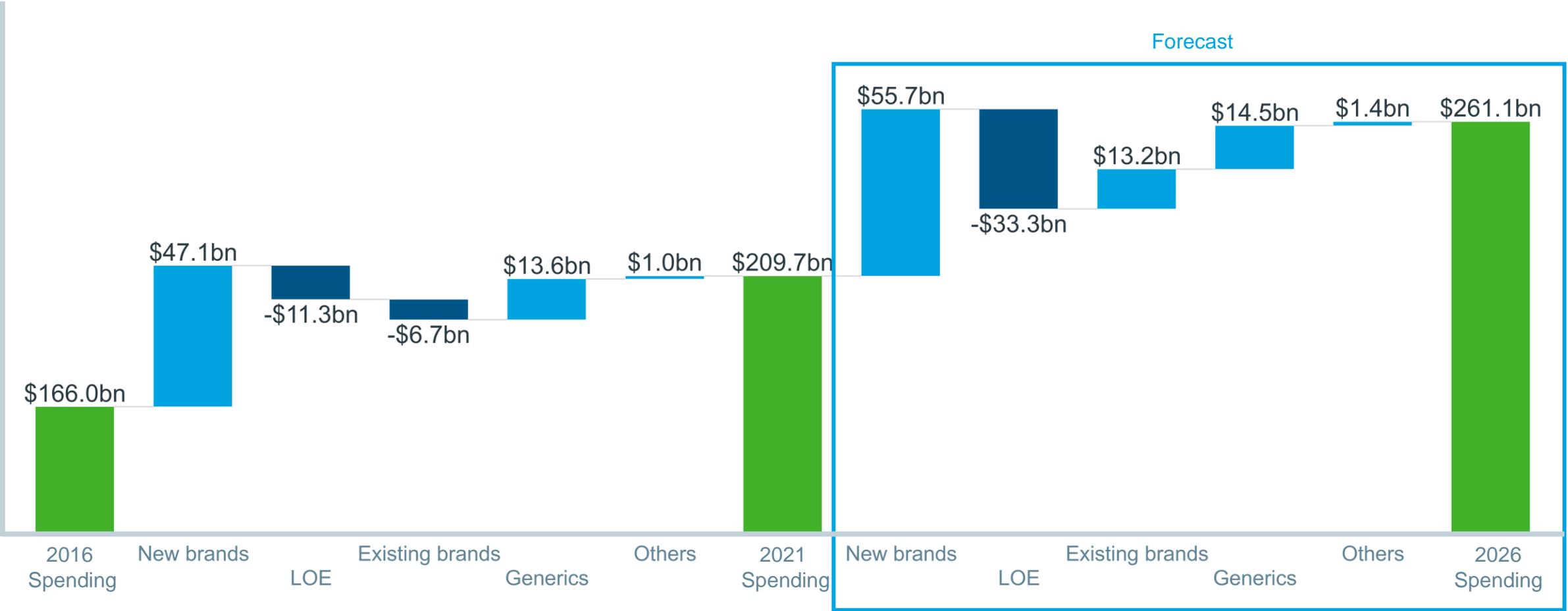
EUROPE OVERVIEW

JANUARY 2022



Spending in top 5 Europe is expected to increase by \$51Bn through 2026 driven by new brands

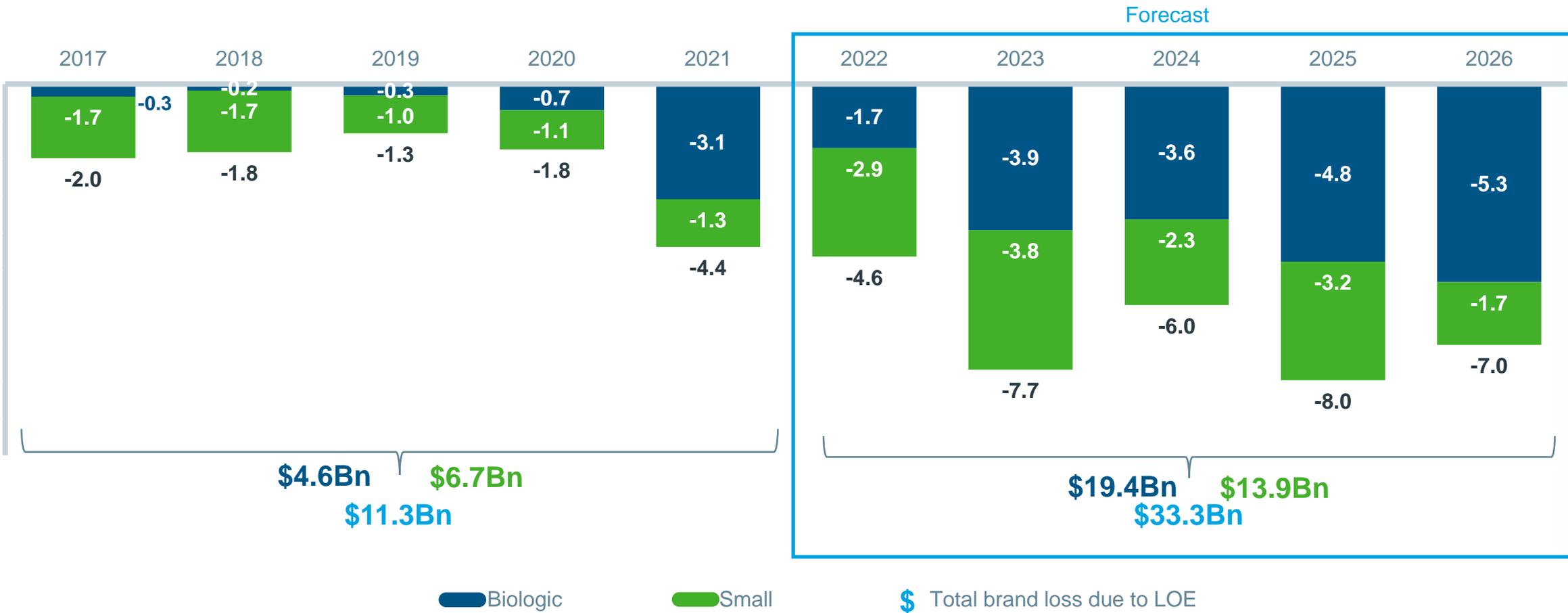
Spending and growth drivers in France, Germany, Italy, Spain, and UK 2016–2026 const US\$Bn



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

The impact of exclusivity losses will reach \$33 billion over 5 years, with more than half due to the availability of biosimilars

EU4+UK Impact of brand losses of exclusivity 2017–2026, US\$Bn



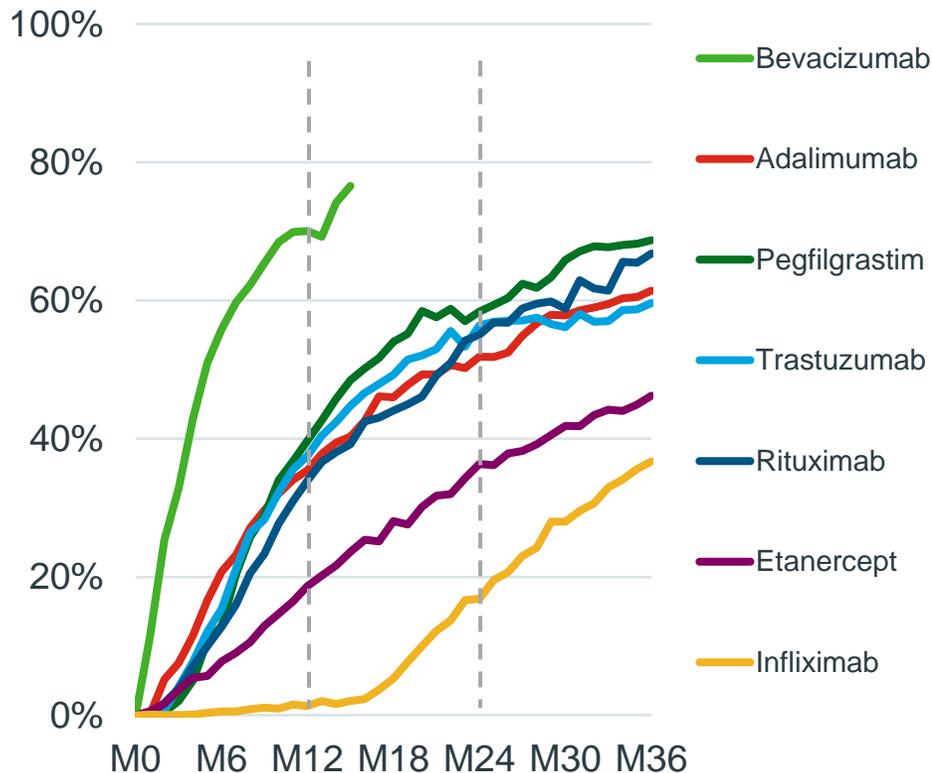
Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
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Rate of uptake of biosimilars has accelerated as stakeholders become increasingly comfortable and competition grows

Biosimilar market averaging 40% after 12 months and likely 60% after 24



Europe biosimilar uptake rates (months since launch, Treatment Days)



Price impact

- Payers extract **steep discounts** in EU, eg >80% for Humira in Nordics...
- ...but savings have not translated into consistent volume expansion of biologics



Competitor strategies

- **Originators are also evolving their offer...**
 - Re-formulation (eg sub-Q; improved excipient) can slow erosion, but only for a while
 - Aggressive price competition to win back tenders
- **Biosimilar manuf. are innovating...**
 - Celltrion launched infliximab sub-Q formulation in EU – while original Remicade only available as IV



COVID-19

- Even greater budget pressures will drive payers to **aggressively seek savings**
- Catalyst for changing biosims. dynamics?

Market access environment in EU4+UK remains challenging and some countries aim for reforms

Healthcare cost containments as a focus together with improving HTA processes



UK

- Faster, more agile NICE assessments to increase access to innovation
- Population Health Agreement
- Favourable Biosimilar Launch country



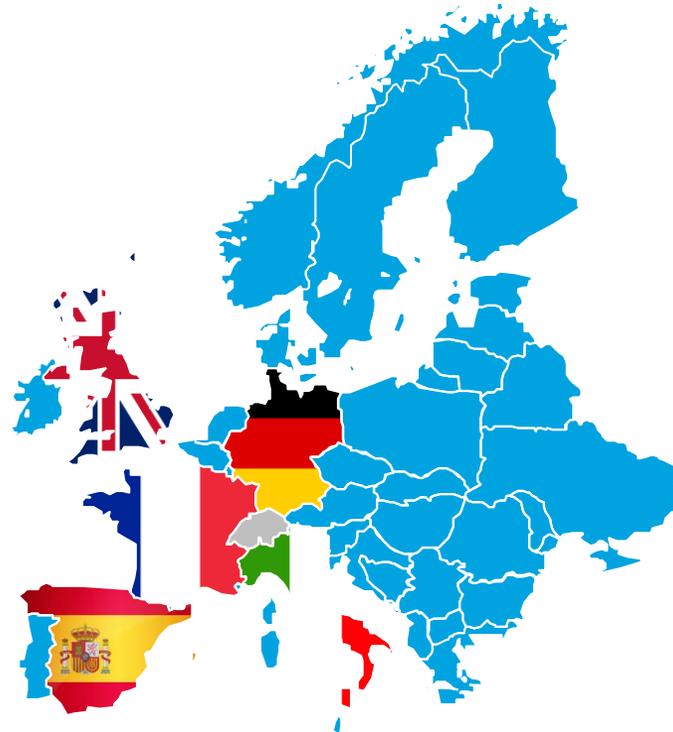
France

- Improve Patient Access (LFSS)
- Ensure Drug Supply Security
- Increase Gx and Bx Usage



Spain

- Streamline HTA system
- Approval of Hospital-developed Cell Therapy
- Promote wider Gx and Bx Usage



Germany

- New Coalition focus on Cost Containment (AMNOG)
- Call for end of “Orphan Privilege”
- Discussion Substitution for 26 Biosimilar Candidates



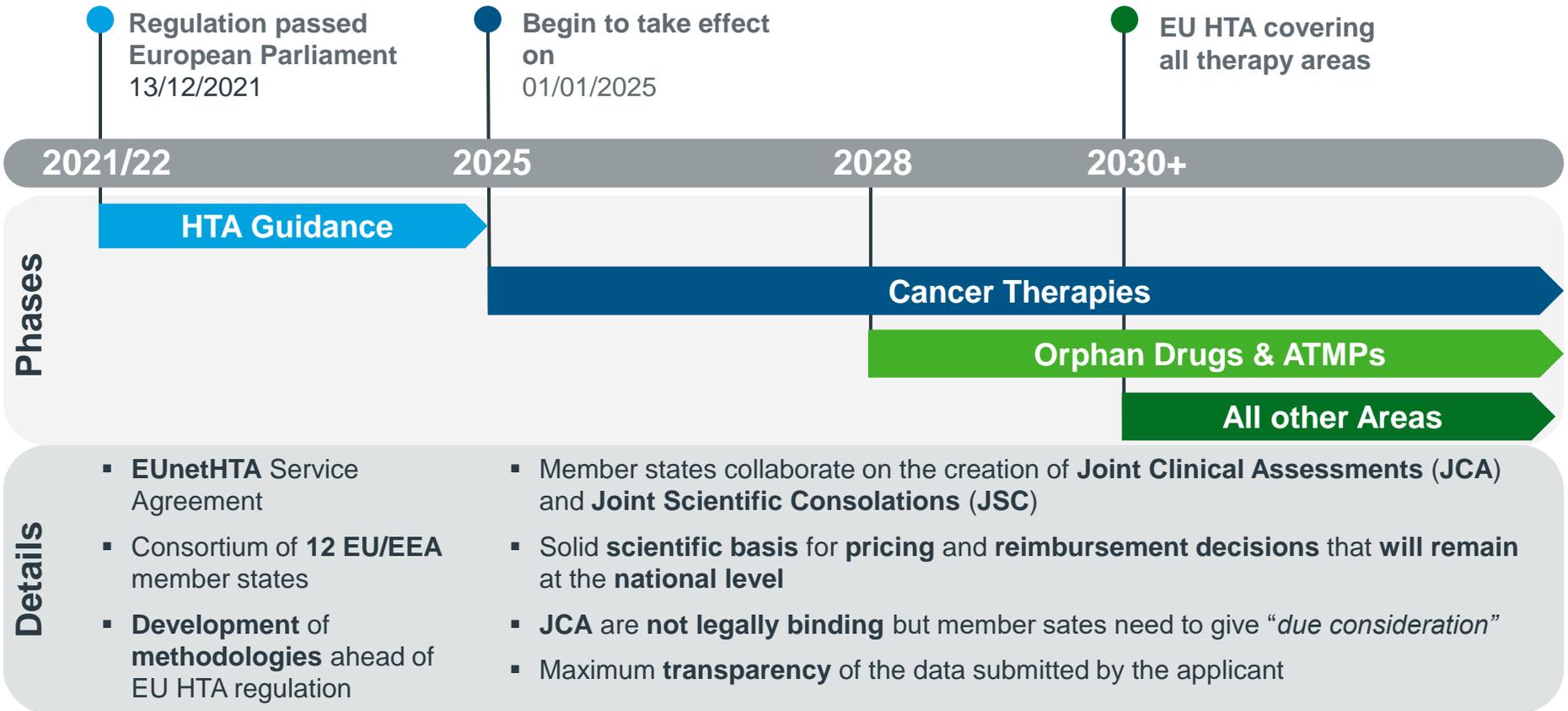
Italy

- 30% Increase in Funds for Innovative Medicine
- AIFA reorganisation
- Faster Access to Orphan Drugs

Pan-European HTA by 2025: “a key deliverable of the European Pharmaceutical Strategy and an important building block for a European Health Union” – Health Commissioner Stella Kyriakides

EU proposes harmonised regulation on HTA in a phased approach, starting with cancer therapies in 2025

Aim to improve medicine availability, ensure efficient resource usage and strengthen HTA quality



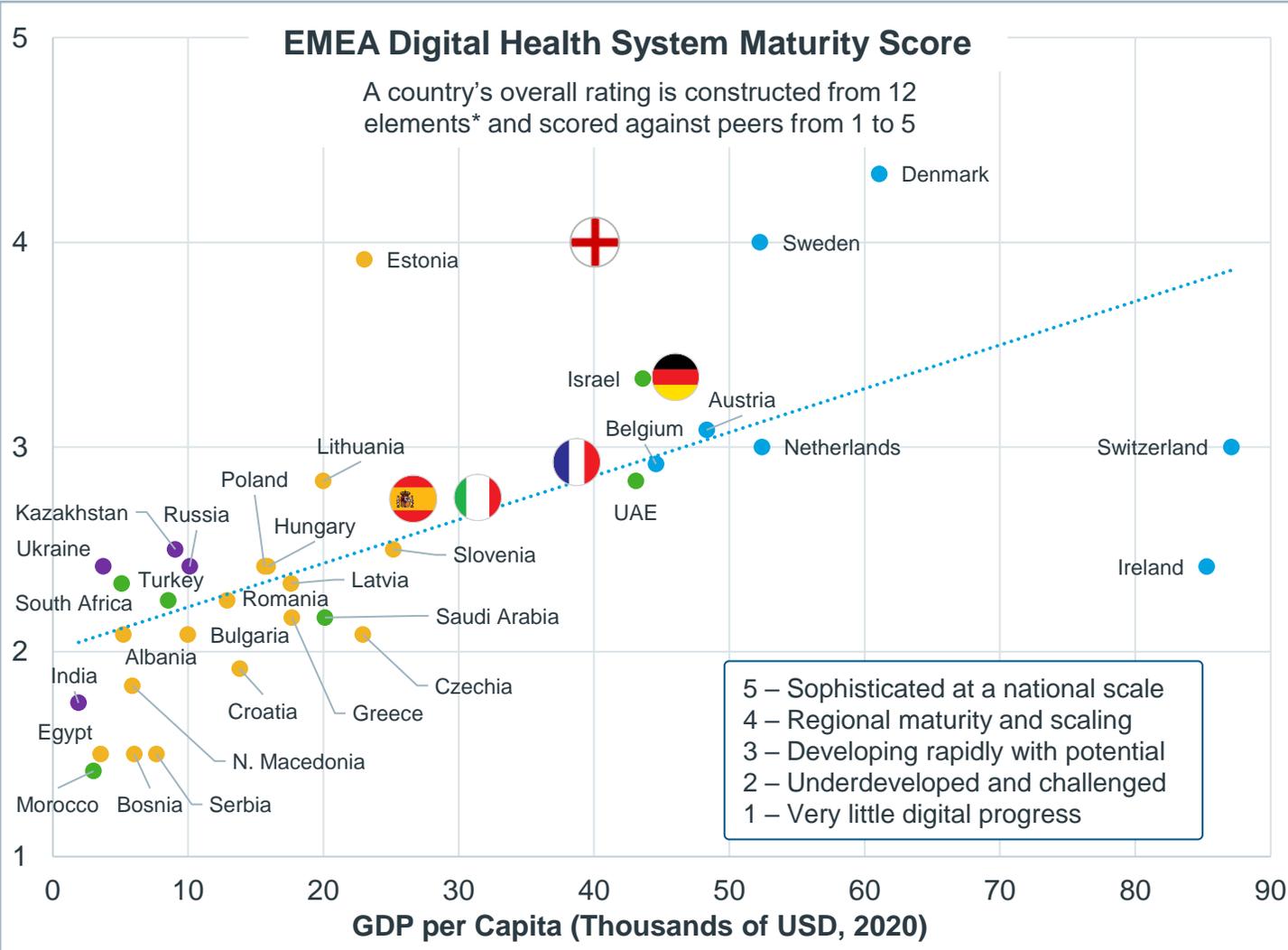
Open Questions

- **Comparability** to national assessments
- **Timeline unclear** for the start of the national HTAs
- **Handling** of the **manufacturers data** at the national level

EU Methods paper essential to ensure **consistency** across member states

Source: IQVIA EMEA Thought Leadership; IQVIA HTA Accelerator

Healthcare system digital maturity accelerates, but not all countries develop at the same pace



Impact on Medicines Innovation and use

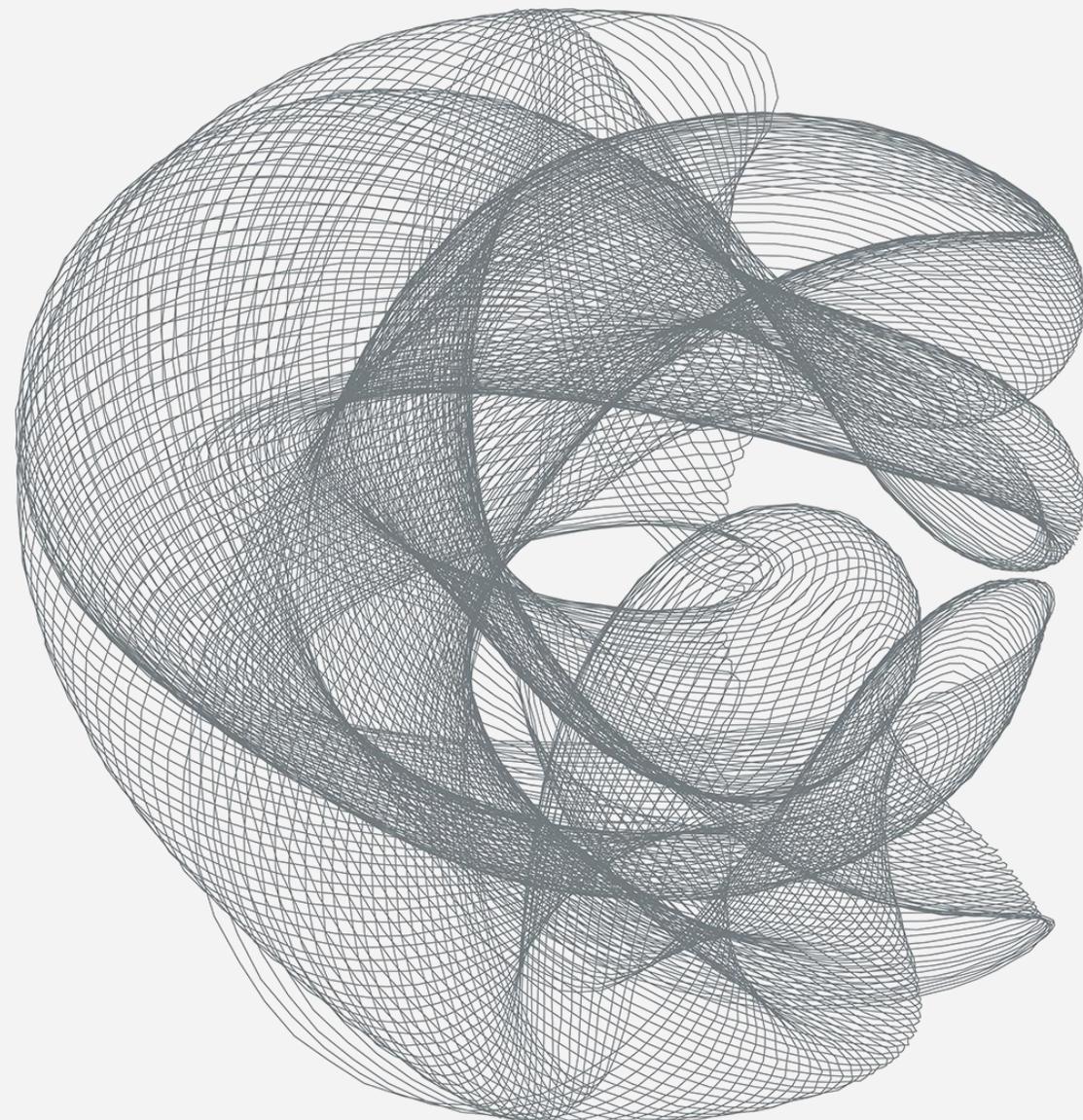
- Innovation and insight:** Mature countries have well developed patient data collection, including EHR, Genomic data and consistent data standards which can drive RWD collection, speed clinical development; telemedicine infrastructure speeds remote trial implementation
- Evaluating medicines use and impact:** digitally mature countries have the infrastructure and governance to collect and use nation wide data on medicines use and outcomes, and to act on that – enabling, for example, the possibility of evidence based medicines use and population health agreements
- Rationalising medicines use to drive cost savings:** Europe has had the lengthiest history of biosimilar approval and uptake, but uptake is still variable and cost saving impact could be driven faster with better use of data to track progress

Notes: *These 12 elements belong to three groupings. Initiatives: policy, funding, data governance, institutions. Infrastructure: Electronic health records, data standards, omics, interoperability. Implementation: telehealth, AI, information use, virtual studies
 Source: IQVIA European Thought Leadership; GDP per capita data obtained from World Bank Open Data; Framework scores are based on interviews and surveys with internal IQVIA experts

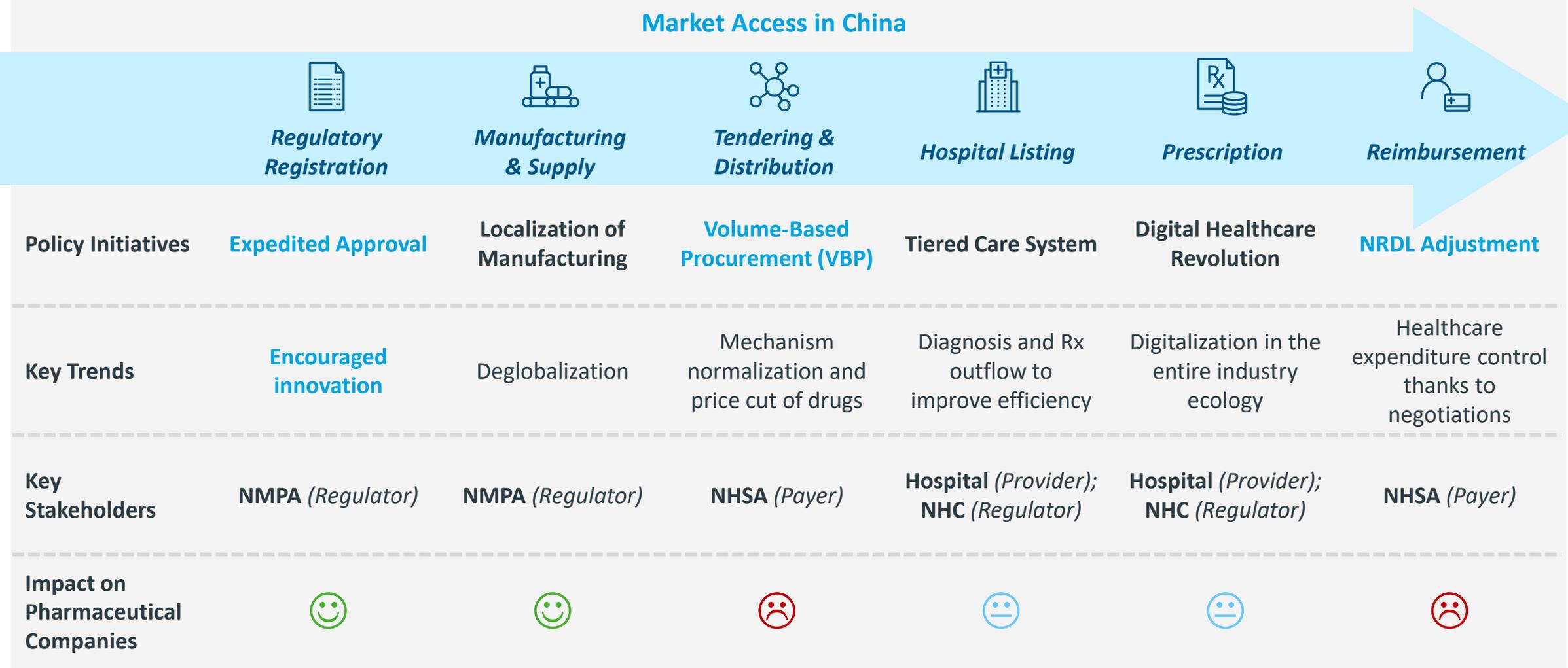
The Global Use of Medicines 2022

CHINA OVERVIEW

JANUARY 2022



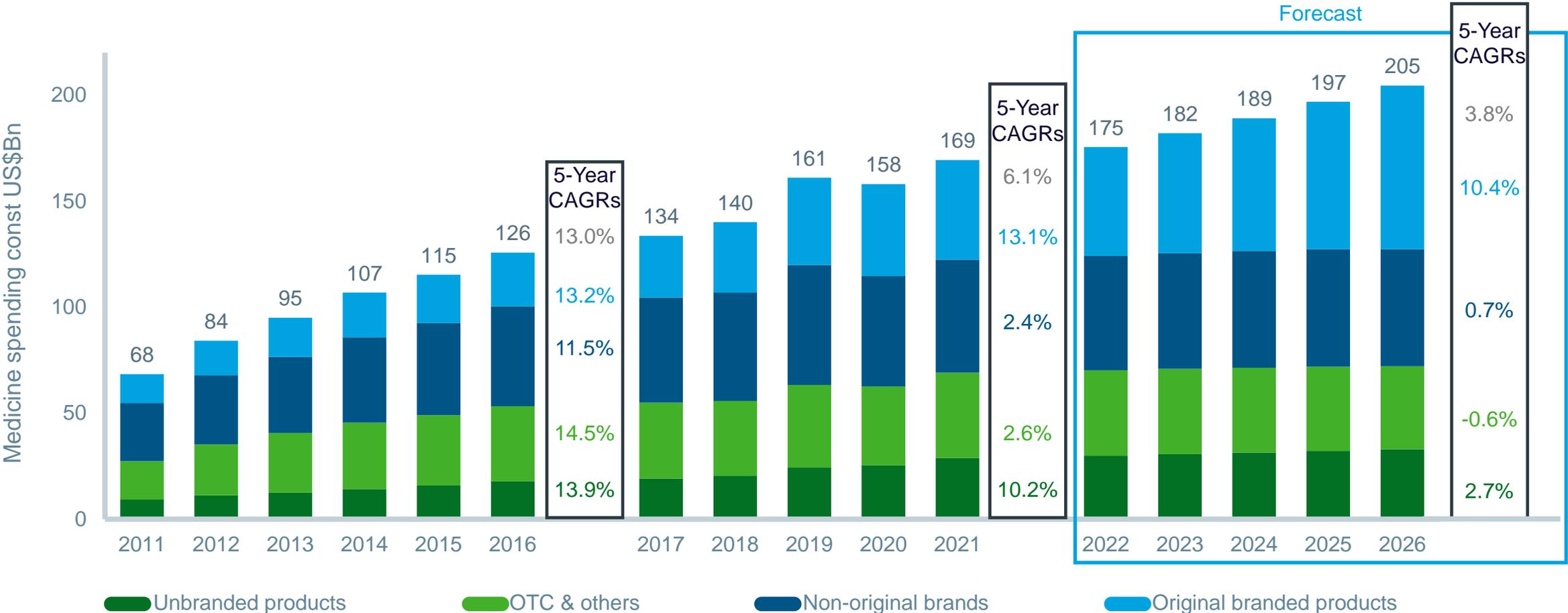
China's healthcare reform is shifting the market towards a value-based innovation focused market



Source: IQVIA analysis

Spending growth in China is expected to accelerate post-COVID, driven almost entirely by new original medicines

China medicine spending by product type 2011–2026



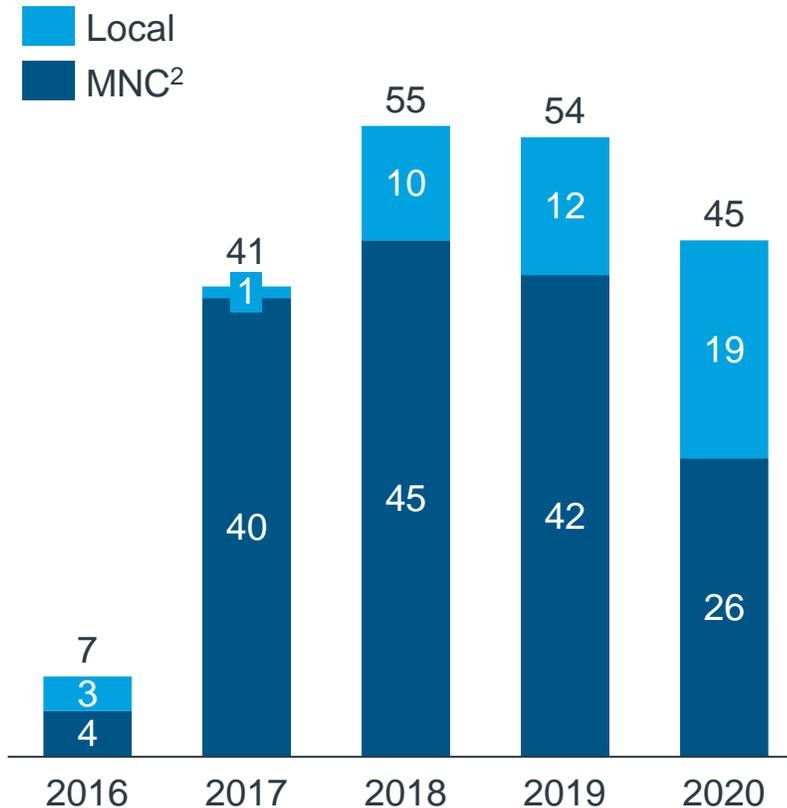
Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute Nov 2021
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Fueled by favorable policies since 2017, new launches of innovative medicines have rapidly increased

China Policies to Encourage Drug Innovations

- ✓ 2019 Drug Administration Law Revision
- ✓ Marketing Authorization Holder Reform
- ✓ Harmonizing with Global (ICH¹, Multi-Country Trials, etc.)
- ✓ Review Acceleration, Green path Mechanism
- ✓ CDE³ Capability Building

Number of innovative drug approved



Launch lag between China and Global

Drug approved in 2016




...

- Only **4 innovative drugs** approved in 2016

Drug approved in 2019







...

- **~40** innovative drugs approved in 2019
- Only **4.6** years launch lag, compared to **8.4** years launch in 2016

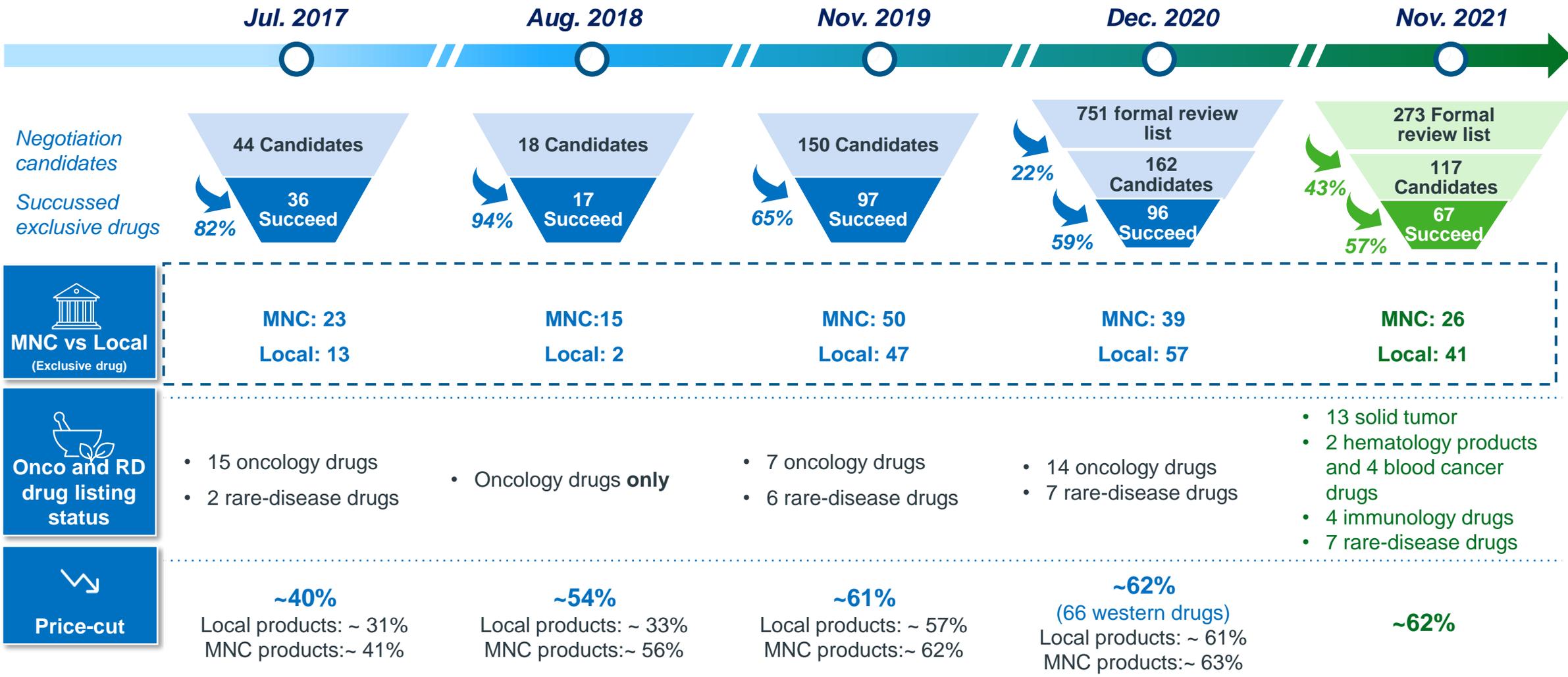
Source: IQVIA database, IQVIA analysis, desk research

1. ICH: International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use

2. MNC: Multi-National Company; 3. CDE: Center for Drug Evaluation

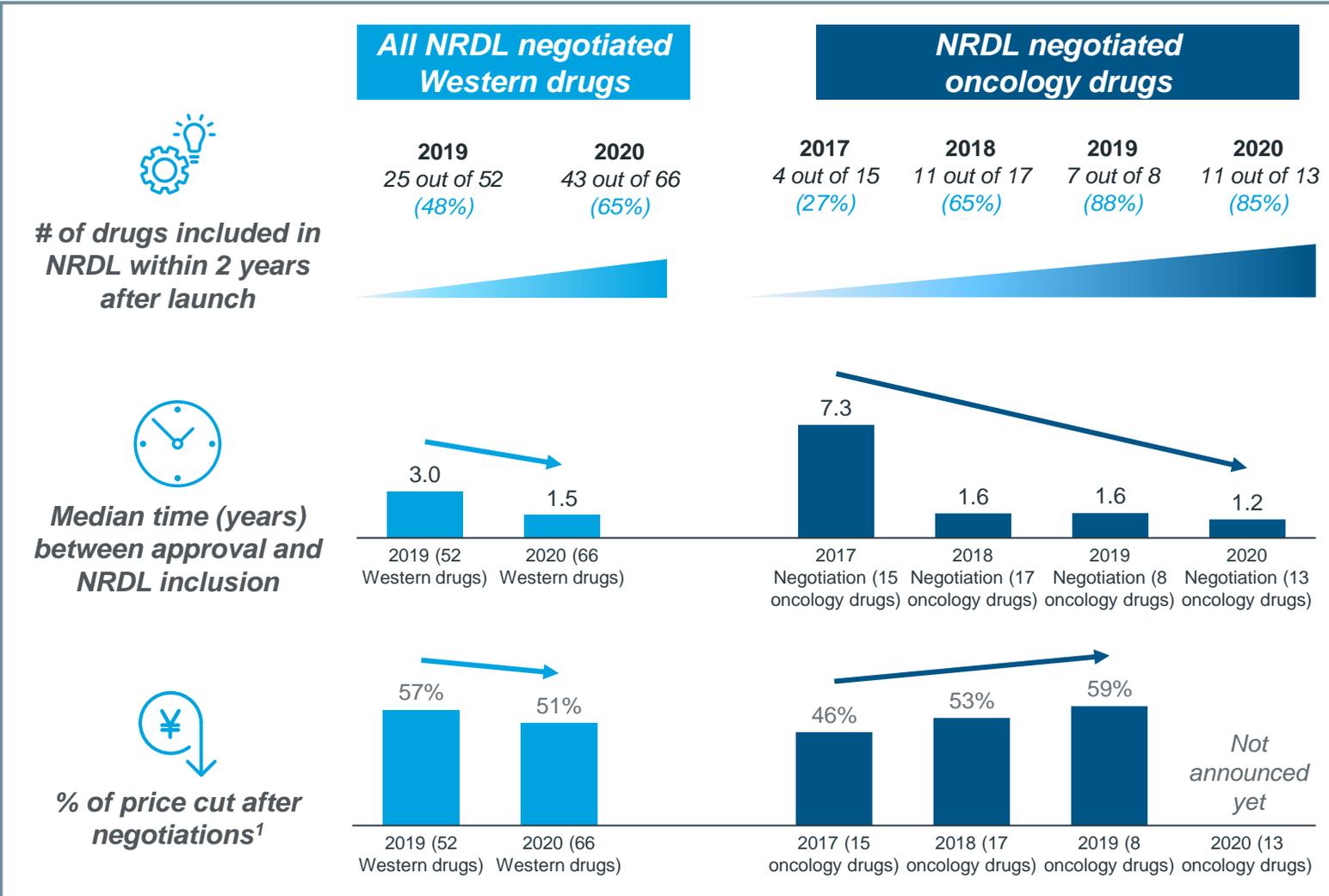
Innovative drugs are increasingly gaining NRDL access, however, pressures on price-cuts to enter is continuing to increase

NRDL



Source: Desktop research, IQVIA analysis

Timeframe from approval to NRD L listing have shortened significantly with increased pressure for price reductions



- ### Key takeaways
- **Newly-launched drugs** in recent years have **more reimbursement opportunities** to be included by negotiation
 - **Time interval is sharply shortened** between launch and NRD L listing than ever, indicating products must **prepare in advance** for entering market
 - **Greater price cut** is observed for **newly listed innovative drugs**, especially oncology drugs, and the trend is expected to continue

Note: 1. Price cut was calculated by comparing the reimbursement price negotiated against the lowest provincial bid price before negotiation
 Source: External Interview; IQVIA analysis

Volume-Based Procurement (VBP) is the national tendering for off-patent drugs in China



- **Volume Based Procurement (VBP)** was first introduced in 2018, which kicked off **national tendering on off-patent drug** in China. 5 rounds national-wide by far, while this mechanism would become normalized and institutionalized
- Led by NHSA, VBP bid winners will have sales guarantee for the **committed volume** (~70% of total hospital market) **at the negotiated price** with a 2-year contract; while the remaining non-committed market (~30% of total hospital market) is still free-selection based
- Off-patent drugs with **≥ 2 generics** 1) approved in China, 2) passed Generics Quality Equivalence Test (GQCE), are exposed to VBP risk

Key Facts on VBP

- **Six rounds of** national-wide VBP organized by NHSA with **direct impact on off-patent originators** since 2019
 - Average price cut level **>50%**, with highest at **99%**
 - Over **200 molecules** involved contributing beyond **20% of total China market**
- VBP price cut levels varies across molecules because of competitiveness and COGS (Cost of Goods Sold).
- **Chemical drugs face with strong price cut**, while competition is **milder in biologics**, i.e., all insulins won the bidding with average price cut at 41%

VBP Mechanisms

VBP bidding rules

- Originator and GQCE Gx in same competition group
- Lowest tender price will be set as **bid ceiling price**
- **Lowest price** to win the bid

Impact on winners

- **Multiple winners** to ensure national supply and share the **70% committed market volume** by splitting provinces

Impact on non-winner

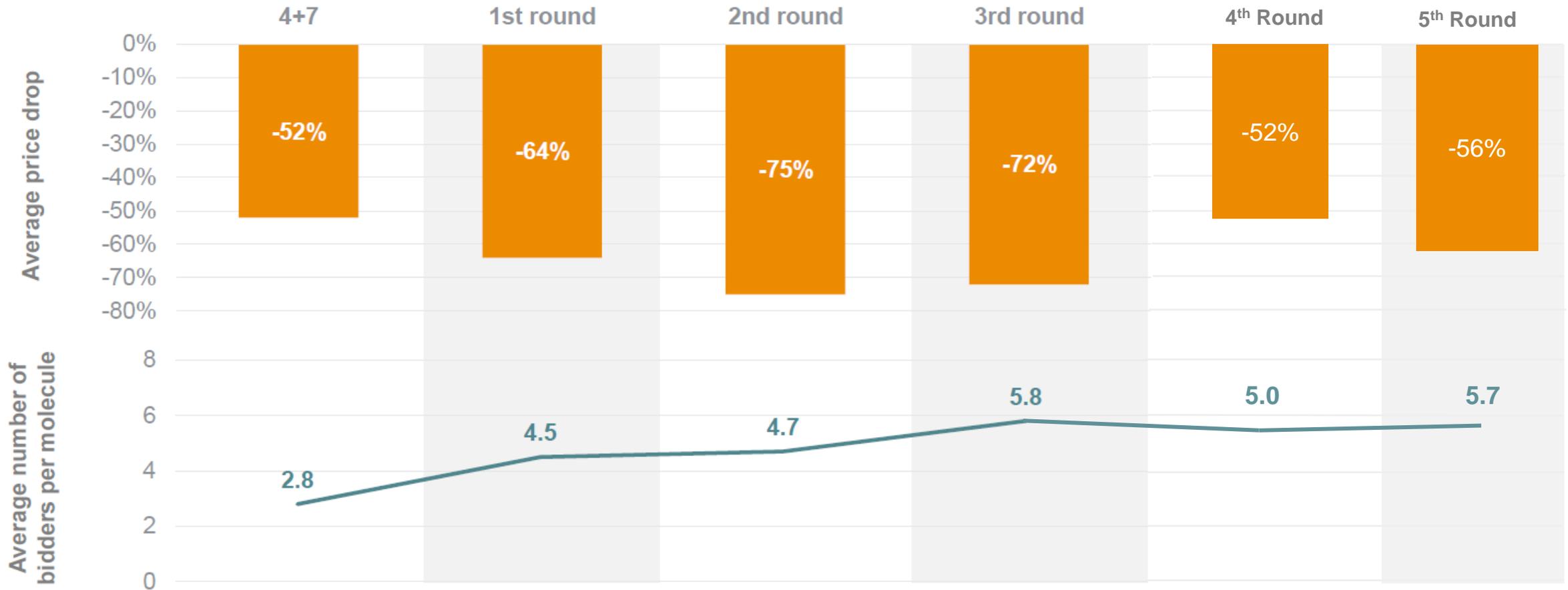
- The remaining **30% non-committed market is still free-selection**
- **~30% price cut** enforced on originators after VBP becomes effective

Key findings:

VBP is regarded as China version of patent cliff, as originator will still experience enforced price cut (~30%) even lose-bid. Early planning on patent and launch strategy in China is crucial to prolong product lifecycle

The price drop required vs the lowest pre-VBP price to be stabilizing around ~ 60%, and the average # bidders per molecule continues to increase

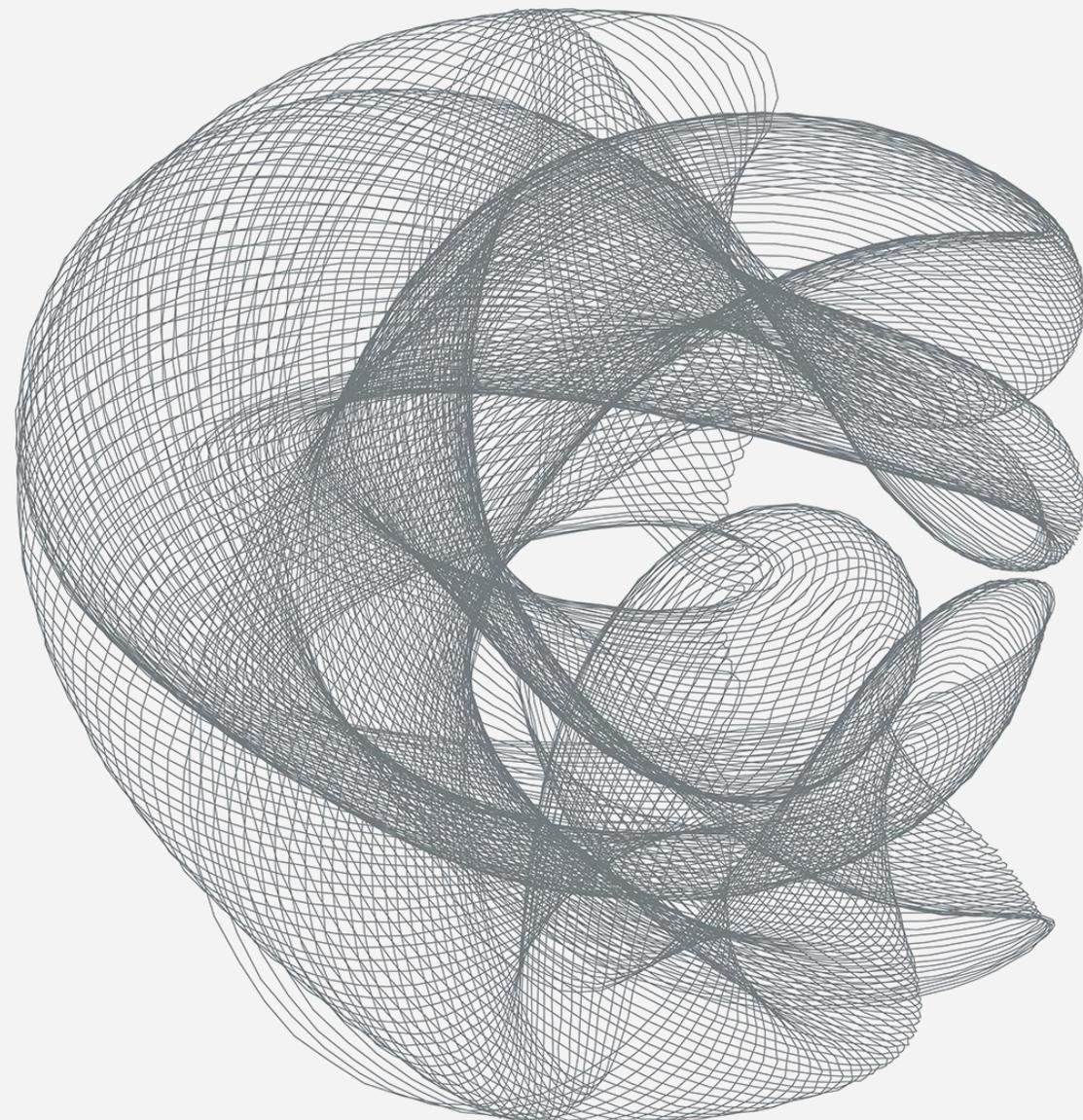
VBP



The Global Use of Medicines 2022

JAPAN OVERVIEW

JANUARY 2022





Japan Snapshot



Universal Healthcare coverage through **National Health Insurance (NHI) System**

Healthcare Spend
Share of **GDP**

10.9%

#5 Globally
(USA: 16.8% #1) ⁴

Elderly (aged 65 or older)

Share of **Population**

#1 Globally (USA: 16.9% #29) ¹

28.8%

Life Expectancy

#1 Globally

(USA: 78.9 yrs #29) ²

84.3

Years



Over 8,400 Hospitals **12.98 beds per 1,000 people**

#1 Globally (USA: 2.87 beds per 1,000 people) ³



Comprehensive Drug List with ~98% of Approved Prescription Drugs in Japan **on Reimbursement List**

- Long-Life Medical Care System
- Improved HP Resource Management
- Diagnosis Related Groups

- Reduced Polypharmacy
- Fixed Co-Payment Structure
- Innovation-Based Pricing

- Conditional Early Approval
- Sakigake (Breakthrough Therapy) Designation



Increased **Patient Access** to Leading **Global Therapies**

36 of top 50 in 2010 increasing to **46 of top 50** in 2021 ⁵



Clinical Trials in Japan included in **Global Trials** ⁶

20% in 2010 → **55%** in **2020**



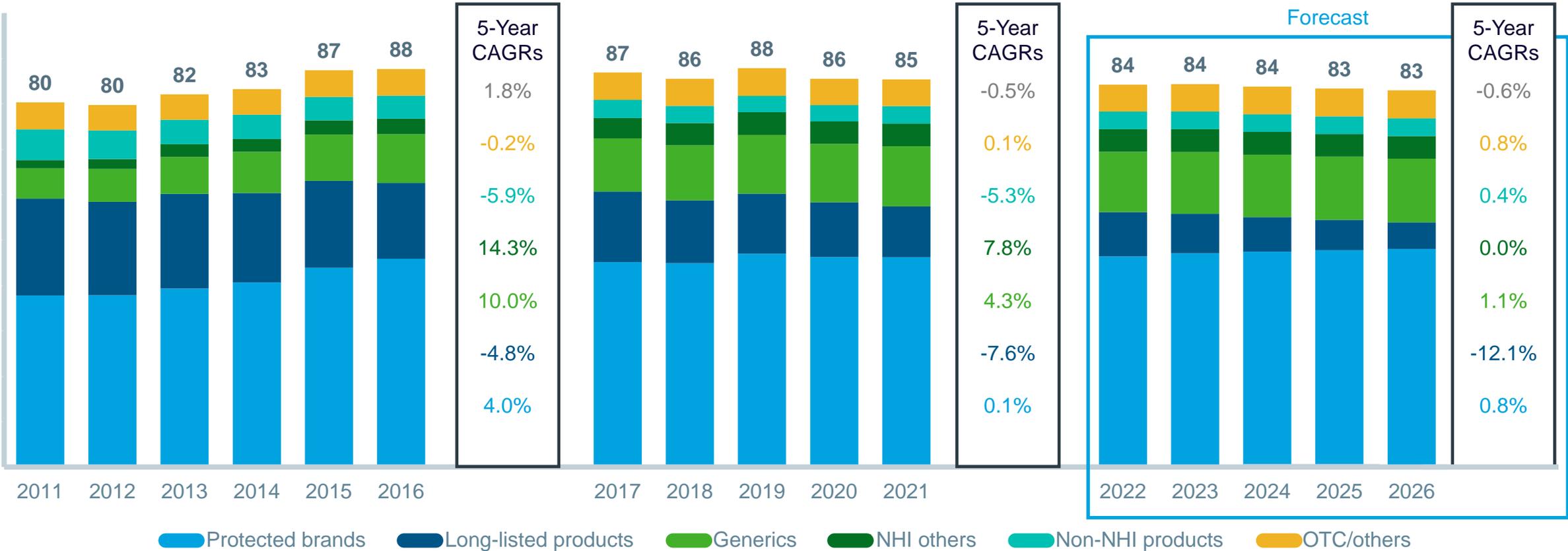
Japan Drug Lag ⁵

34 mths in 2010 → **16 mths** in last **3 Yrs**

1: <https://data.oecd.org/pop/elderly-population.htm> ; 2: [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/life-expectancy-at-birth-\(years\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/life-expectancy-at-birth-(years)) ; 3: [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/hospital-beds-\(per-10-000-population\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/hospital-beds-(per-10-000-population)) ; 4: <https://stats.oecd.org/Index.aspx?ThemeTreeId=9> ; 5: IQVIA MIDAS Quantum Sept 2021 MAT period ; 6: IQVIA Japan. Japan Thought Leadership analysis of PMDA and other public data

Japan medicine spending is forecast to decline slightly through 2026 as stronger innovation is offset by shift to annual price cuts

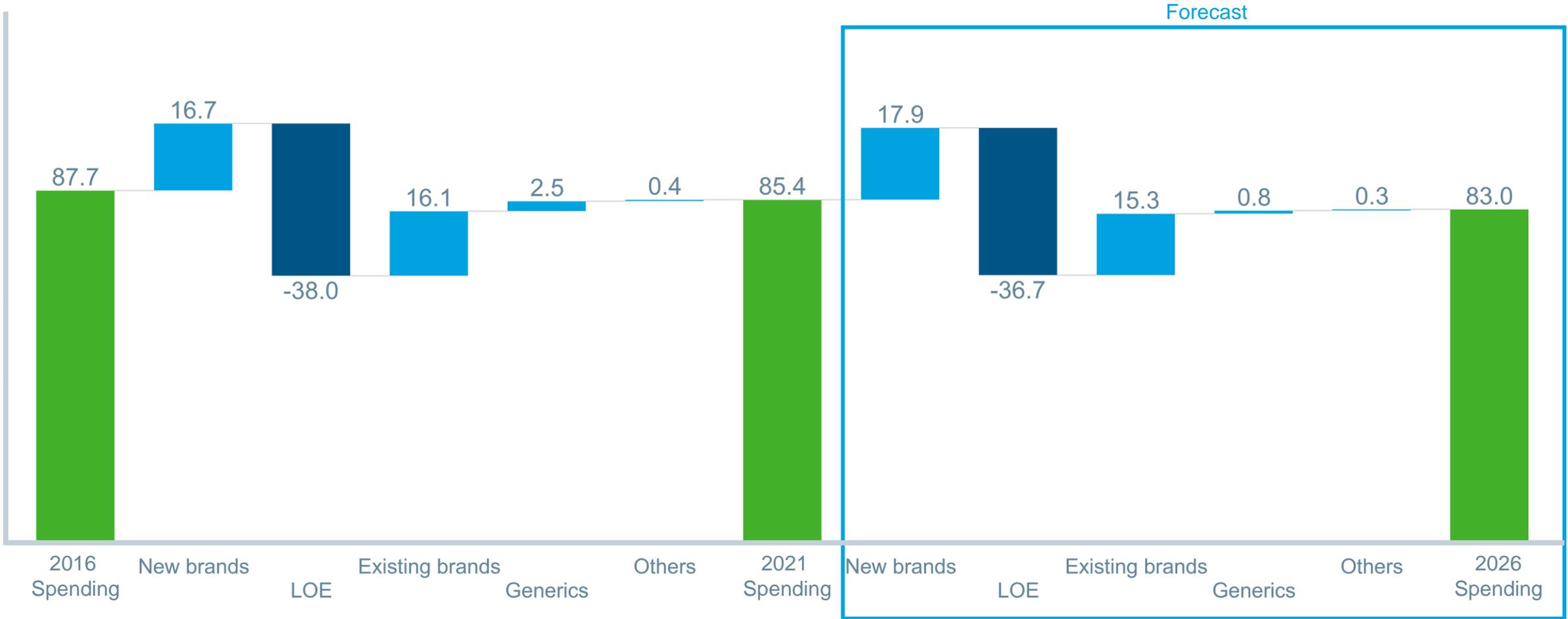
Japan medicine spending by product type 2011–2026, constant US\$ Billions



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Japan, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science

While top-line spend remains flat, continued growth expected in Japan from existing brands and contribution from new brands

Spending and growth drivers in Japan 2016–2026 Const US\$Bn



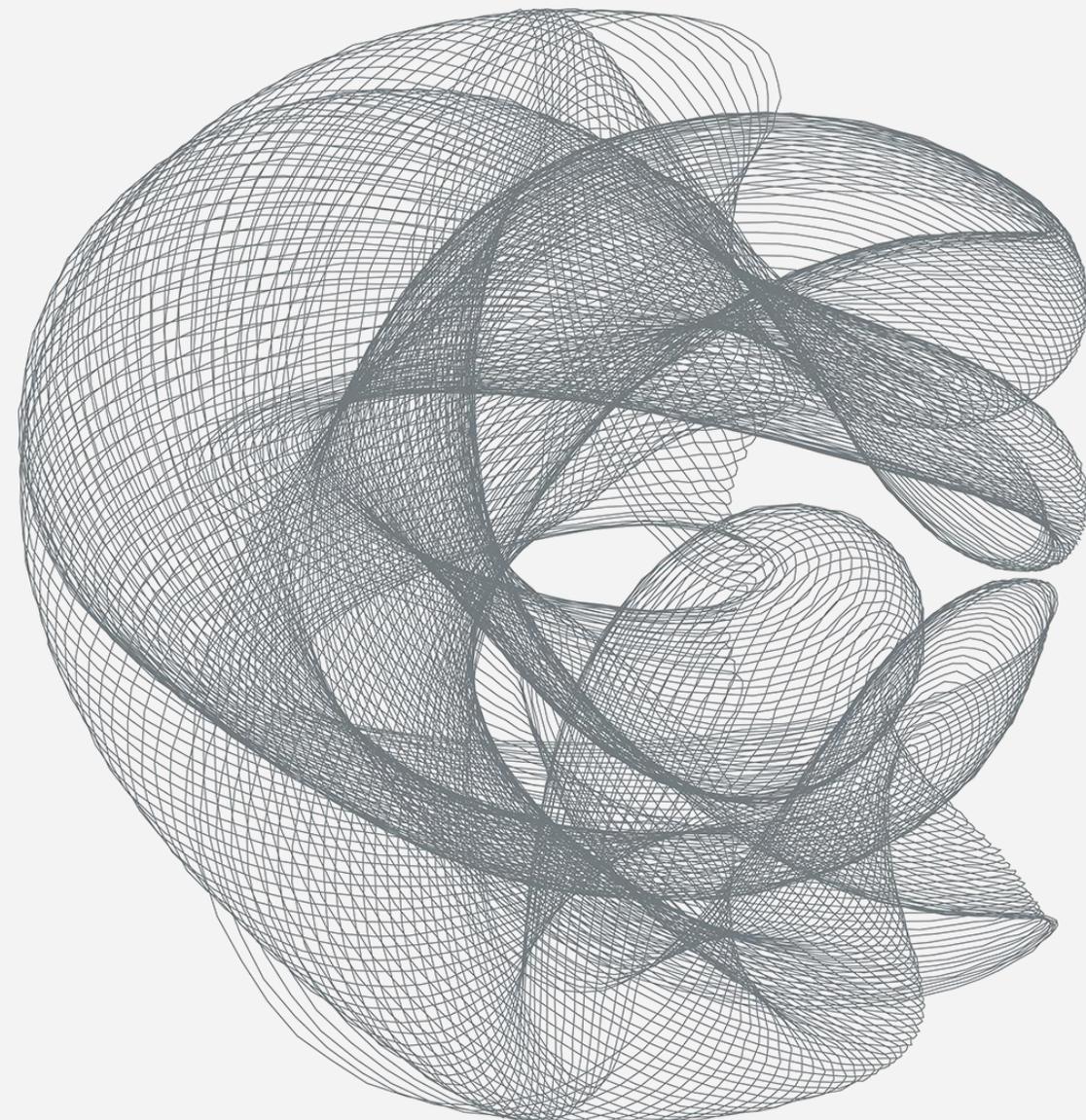
Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science



The Global Use of Medicines 2022

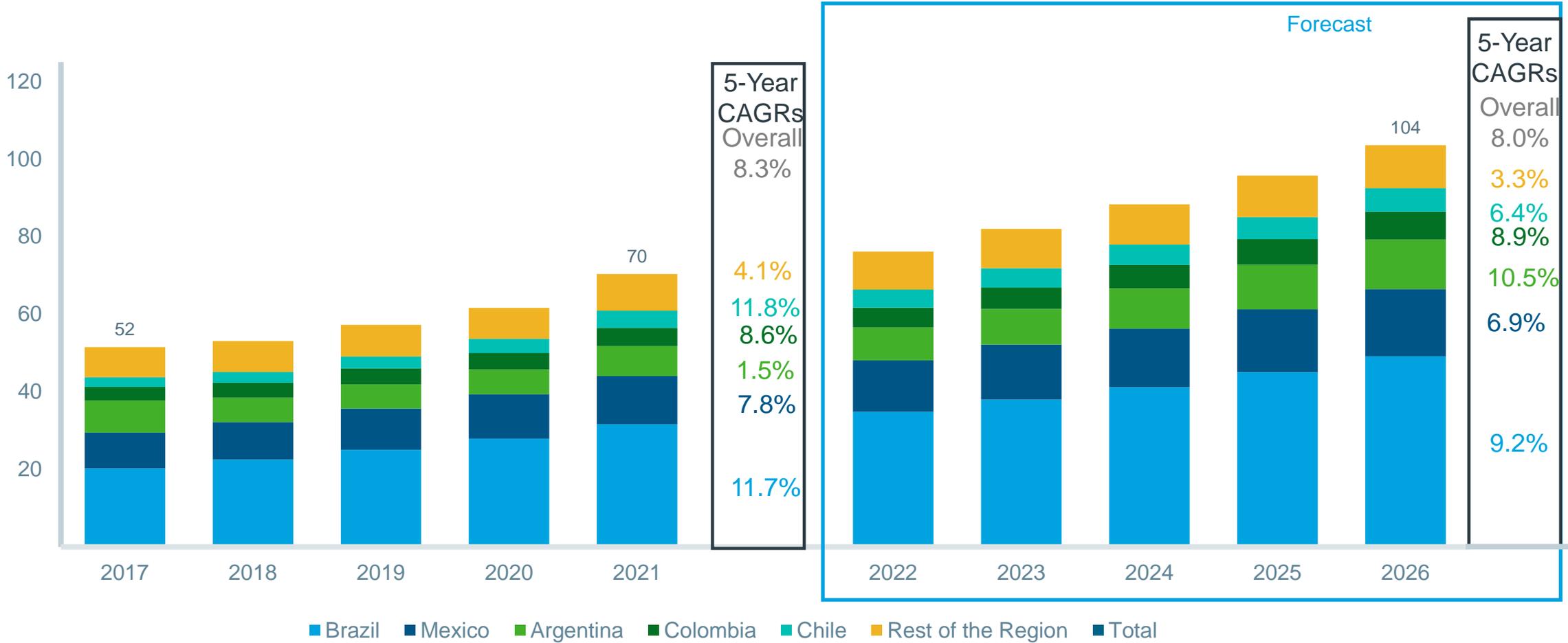
LATIN AMERICA OVERVIEW

JANUARY 2022



Medicine spending — using list price levels — is expected to grow at 7-10% CAGR through 2026 to over \$100bn

Latin America medicine market size and growth 2017–2026, const US\$Bn



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021
 The Global Use of Medicines 2022: Outlook to 2026. Report by the IQVIA Institute for Human Data Science.

Spend growth drivers drug type / channel in LatAm

Spend, funding and growth dynamics by drug type / channel in Latin America

Pharmacy Retail Channel
OTC / Consumer Health

Pharmacy Retail Channel
Prescription Drugs

Non Retail Channel
Prescription Drugs

% of total drug spend

~20% of total spend

~55% of total spend

~25% of total spend

Drug funding model

Mostly Out of Pocket
(limited payer funding)

Mostly Out of Pocket
(limited payer funding)

Mostly Payer Funded
(public and private payers)

Top 5 Therapy Areas / Categories

1. Dermatology
2. VMS
3. Analgesics
4. Cough & Cold
5. Anti-acids

1. Cardiovascular
2. Central Nervous System
3. Diabetes
4. Women's Health
5. Antibiotics / fungals

1. Oncology
2. Antibiotics / fungals
3. Immunology
4. Central Nervous System
5. Vaccines

Key Growth drivers

- Post pandemic market accomodation
- Economic recovery
- Prevention
- Ageing population

- Ageing population
- Lifestyle habits
- Mental health
- Innovation

- Innovation
- Post pandemic market accomodation
- Payer dynamics

Several initiatives aimed at broadening access while reducing cost

Mexico

- Slow implementation of **Insabi**
- Move to **centralize purchases** under **UNOPS**
- **Delays in sanitary registration** given frequent changes in the commissioner
- **Reduction in times at Cofepris** for new molecules thanks to process optimization and equivalence agreements with other agencies
- National drug formulary **changed to the consolidated “Compendio Nacional”**

Chile

- For **new medicines**, request of forms for “Anexo 5” to gain **access to the National formulary**
- Consolidation of SERCOP process for **purchases in the public sector**
- **Slow progress** in legislating the Organic Health Code bill

Colombia

- **Increased HC spending** expected from new left-wing government
- **Slow progress** in approving Rare Disease and Cancer legislations, as well as SIS rollout

Ecuador

- **Increasing number of therapy areas and molecules** under direct control
- Potential changes in the **INVIMA** and **IETS** roles for **approval, value-based pricing and funding of medicines**
- **Presidential elections May 2022**– healthcare likely to be a key point in candidate programs

Argentina

- **Increased adoption of DRG** in hospital setting
- **Increased central procurement** through CENABAST
- “Ley de Fármacos II” which approved **INN* prescription and labeling changes**; price control mechanism **still under discussion**
- **Increased demand** driven by Ley Ricarte Soto oncology, HIV, vaccines), “Cancer Law” and funding of high cost drugs

Brazil

- **Tax reform** may increase tax rates for medicines
- **IP protection** remains strong despite recent legislation (Article 40 and vaccines IP protection)
- Continued development and **growth of private sector**, with potential expanded coverage (e.g., oncology, vaccines)
- Digitalization of public sector through **ConnectSUS**

Argentina (continued)

- Increase use of tenders in public sector
- Creation of **“free” medicines list** for PAMI patients
- Widening price differentials between **PAMI prices** and list prices
- **Lack of new innovative medicines included** in PAMI
- **Delay in AGNET (HTA) implementation**; **high degree of rejection (75%)** from CONETEC

Source: IQVIA Analysis
 *International Nonproprietary Name



Concluding thoughts

Download the full report and accompanying exhibits

www.IQVIAInstitute.org

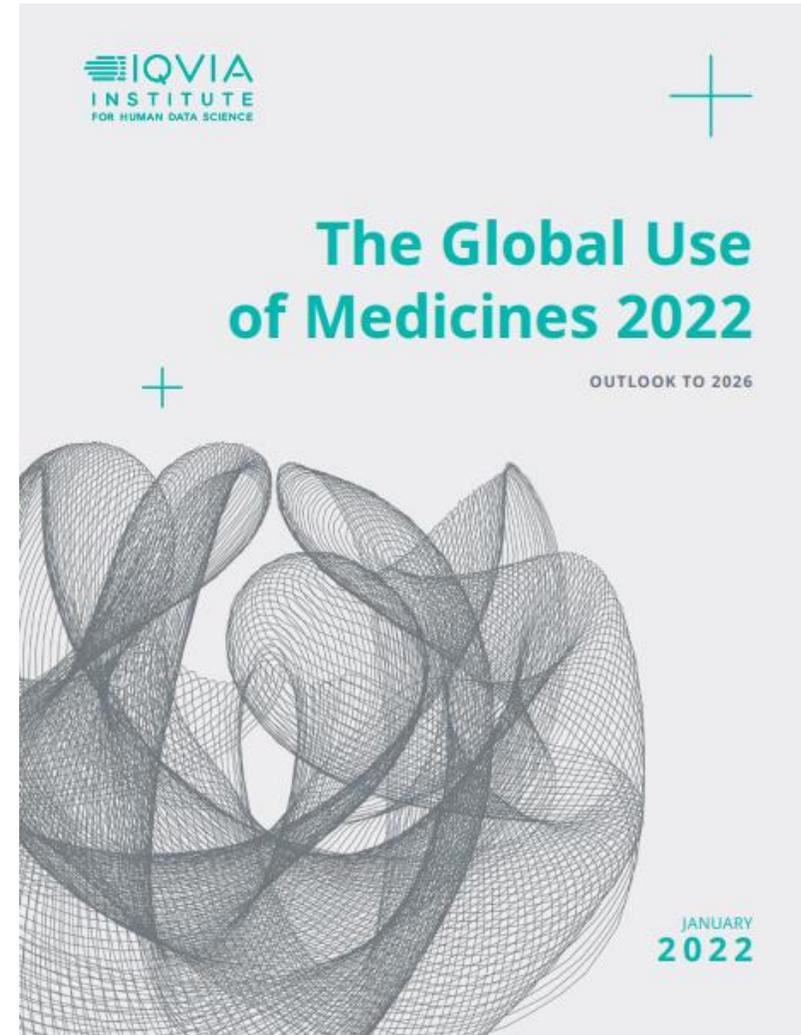
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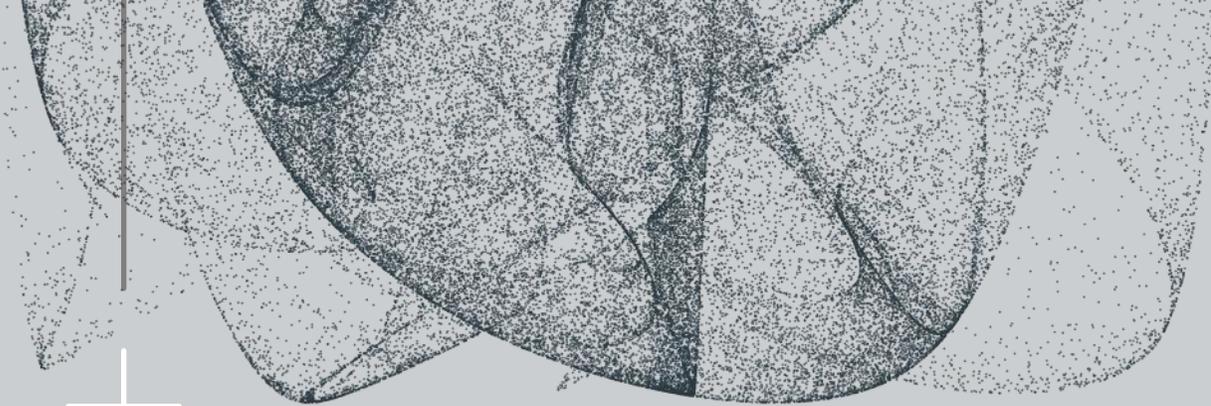
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Thank you