Interview: Robert Strom, General Manager Nordics, Baxter

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The general manager of Baxter in the Nordic region discusses the concept of home care, and how brand new technologies currently being tested in Sweden should mean that soon, dialysis treatment will shift from the hospital to the home around the world.

Could you please give us a brief introduction to Baxter's story here in the Nordics?

We started in the region through distributors, and established Baxter's subsidiary in Sweden in 1975 and have been growing quite a lot since. Baxter is a truly diversified healthcare company and this sets us apart from traditional Big Pharma. We have pharmaceuticals, but also biologics, medical devices, and first and foremost, a different, more holistic, patient-centric approach to healthcare. What also differentiates us here in Sweden is that we do our own distribution and logistics rather than using a wholesaler: we have a brand new Baxter logistics center near Arlanda airport. This means that we can be much more reactive when our customers – pharmacists or hospitals – call us to order products.

This logistics center also allows us to get closer to our ultimate customer, the patient. Of course we have to sell the best products, but today this is not enough. Companies also need to provide more value for the patients and for the payers. At Baxter, we really are working very hard to develop different home delivery and home treatment models to help the authorities, but also to increase the patients' quality of life. Europe's population is ageing and is suffering more and more from

chronic diseases, which is a major strain on our healthcare systems. If, like Baxter, you have the right pharmaceuticals, the right equipment and the logistics system to support it, the best way to make the system more efficient is to make sure that healthcare is delivered directly to the patients' home.

In such an advanced healthcare system, how would you define Baxter's role?

I think Baxter's value proposition to Sweden is definitely to continue the trend for the home channel: to move patients out of hospitals to their own homes, and Baxter can be a facilitator in this transformation – which is definitely too slow in Sweden. As a country, we are still too hospital focused, and many people still see Baxter as a hospital company.

However, we are at the forefront of the home treatment revolution – and we are a major driving force in promoting this change in healthcare delivery. Most people prefer to be treated at home: the patient's quality of life is better, it's safer and on top of this, it's usually less expensive for the payers. Dialysis is the primary example: we work a lot with home delivery of PD treatment compared to HD, which is done in center.

Today, we are going further. We are launching Baxter's new dialysis system for home HD – and Sweden, along with the UK and the Netherlands, will be the first country to benefit from this treatment. We are talking about doing HD at home without having to transform the patient's home into a hospital. Our new HD system will be a little machine, with a drastically reduced number of movements to change the disposables, and the disposables will need to be changed only once a month instead of four times a week. This is really something that will transform dialysis treatment, the quality of life of patients in Sweden – and Baxter's contribution to building a better healthcare system in Sweden.

Is there any particular reason why Sweden was chosen to conduct the pilot program?

First of all, Sweden has a developed dialysis treatment with high penetration rates compared to other European countries. I believe Baxter can also expand this home channel approach to other areas such as nutrition, cancer treatment and hemophilia as well. In Sweden we probably have the best treatment in the world for hemophilia – so the country should also be a frontrunner in this segment.

Many say that the "Nordic model" is the way forward. In your opinion, what can our industry learn from the Nordic way? And what can still be improved?

I think that overall we have a very good state managed healthcare system. Also, we have pretty healthy state finances thanks to a very simple recipe: we keep finances under strict control, and never spend more than what we earn.

But there’s a down side: this conservative approach also means that Sweden has one of the slowest uptakes of innovation in Europe.

Second, our healthcare system is very decentralized so I’m hoping we could get more equal care. The county councils run Swedish healthcare, so depending on the county in which you live, there could be a huge difference in access for life saving therapies. Ensuring more equal care over the country is something we still need to work on.

Also, I think that going forward, we might want to have a higher degree of publicly owned, privately managed healthcare. Authorities need to put in place effective purchasers to buy cost effective private services.

If we look into the future, what will have changed at Baxter Nordic in three years time?

Baxter will launch a lot of new products in the coming years. I mentioned already the home dialysis and we will be introducing new products for hemophilia treatment. Of course by then, we would have hopefully integrated Gambro so we’ll have a larger dialysis business in general. I think you will see that we will have developed the home care approach, and integrated it into the healthcare system in quite an extensive way compared to what we do today. I also hope that three years from now, we will have a pricing system in Sweden that will reward the introduction of new therapies that are important for the patient, and that we will have managed to have a more equal access of life saving therapies across the country.

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