Interview: Rafael Romero Piñeros – Representative to the Chamber, Commission Seven, Colombia



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Commission Seven's Representative to the Chamber, Rafael Romero Piñeros, shares his insights on the dynamics of the Colombian healthcare system. He speaks about the major changes in the healthcare system in the recent years, the implications of the country's demographic transition to the sector, as well as his overarching vision for an ideal Colombian healthcare landscape.

Mr. Romero, what do you believe have been the main changes in the Colombian healthcare system in the last four years, since our interview in 2013?

Since our last interview, the principal change has been the Statutory Health Law in 2015, wherein healthcare was official deemed as a fundamental human right. The basic premise of this law is to provide access to all the necessary treatments and services for all Colombian citizens. Congruent with this law is an explicit list of the treatments and medicines that are excluded for reimbursement, which includes treatments that do not have robust scientific evidence, as well as aesthetic procedures. Nonetheless, the overwhelming majority of treatment is covered by the government. In order to accommodate this system, it was also imperative to adjust the source of financial backing to ensure that they are channeled directly into hospitals as opposed to different state funds. The overarching goal was to expedite the time of transfer between the central and territorial systems. In the context of the financial means, allocation was also of key priority in 2015 in order to assure different aspects were budgeted. These measures were mostly done of the subsidized system wherein remnants of certain budgets were re-allocated towards other elements

such as infrastructure and debts which extends healthcare privileges to certain family members where it applies. It was also during this time when age restrictions were set for aesthetic procedures as it is an increasingly growing in trend in the country, even placing demands for reimbursement in the healthcare system.

More specifically, in the pharmaceutical sector, what were the most notable changes in recent years?

In the pharmaceutical sector, the most influential changes were the article that mandates the price controls within the Statutory Health Law. For innovative companies who markets and sells their drugs in Colombia, the prices are mandated according to the average of prices in the international pricing reference. It is a mechanism in which prices in Colombia are compared to those in France, Germany, Korea as well as other Latin American countries to find the average. However, this had caused some strains in the system because the purchasing power is different according to different macroeconomic facts. Nonetheless, the current law of international pricing reference still stands today as mandated by the Supreme Court. The main objective is in order to save money in the healthcare system in a just and efficient way.

In the context of the recent abolition of the POS (Obligatory Healthcare Plan), do you believe it will bring savings to the healthcare system? Moreover, what is the new measure implemented to replace the POS?

With the elimination of the POS, all the medication in the system is technically included in the reimbursement process. Nonetheless, there is a list of exclusions in the system. From the point of view of the patient, majority of the burden of the cost in the healthcare system pertains to the pharmaceutical industry. With the Statutory Health Law, the doctors are given independence and complete sovereignty in regards with their prescriptions, which begs the question – how can the system control the balance with the number of generics and innovative drugs, especially in cases where active ingredients for both types of medications are very similar that they can be interchangeable? Currently, to address this, the government has implemented a software system called, Mi Pres, in order to keep track of the types of medication that are prescribed to patients.

What is the general attitude in the country regarding both innovative and generic drugs?

The physicians have complete liberty in their preferences and there is no current trend to delineate one type over another. In the same way, there are no current incentives to encourage one type of prescription over another. Contrary to popular conceptions, generic medicines do not necessarily

bring more savings to the system. Both generics and innovators are equally entitled to their proper mechanisms for reimbursement. Mechanisms for price controls today do not include a preferential status for either innovative or generic medicine, but is instead purely regulated through the international price reference system.

What are the main opportunities and challenges that are present in the healthcare system today?

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Financial sourcing is the principal challenge of the healthcare system today. Minister Gaviria's main concern today is to find new sources of funding. Under current discussions, this could primarily be done through new forms of taxations, but no actual mechanism is finalized yet. We are looking closely at the list of exemptions to determine how to optimize it and bring more savings to the saving. Solutions for this concern is currently under the experimental phase.

Colombia is known to be undergoing a major demographic change as its growing middle class is gaining more influence in the society at large. How is the healthcare system coping with this transition?

The impetus for growth of the country was the increasing level of stability in the political and socio-economic landscape, which has therefore resulted in the growing level of the middle class. Along with the growth of the middle class is an increase in consumption that is correlated with the increase in purchasing power. With a new social standing, the life expectancy has also grown. However, when people live longer, they are also subject to new diseases, which has brought the rise of chronic diseases in the country – which oftentimes require expensive medication.

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Other societal consequences also come to play, such as: the fact that more people can afford to buy cars makes them more prone for accidents; the rise of purchasing power have also indicated a correlation with people buying more alcohol and drugs and therefore making them more susceptible to addiction. These societal changes also have an indirect, yet profound, impact on the healthcare system.

For the pharmaceutical sector itself, the main consequence of the demographic transition has been the much higher increase in spending. An economic growth of 2.2 percent in GDP translates to around five to six percent rise in both demands and spending in the healthcare system. This is especially exacerbated by the fact that the economic landscape of the country operates in a free

enterprise system and is therefore subject to free market fluctuations.

A new decree was signed by President Manuel Santos regarding the regulation of biosimilars in the market, which is rather controversial as it is dubbed as a "abbreviated route" for many players in the market. What is your opinion regarding this topic?

The controversy surrounding this decree mostly revolves around patents, especially given the fact that Colombia is truly a country that respects patents. For example, in the case of antiretroviral drugs for the treatment of aids, the emergence of biosimilars offer a far more cost-effective treatment option for the patients. The issue regarding security of biosimilar drugs could be mitigated according to INVIMA and their regulatory standards.

What is your vision for an ideal Colombian healthcare system?

What I would like to be accomplished is a truly universal healthcare coverage in the country. Currently the 98 percent of the population are covered. However, the biggest challenge is to make coverage commensurate the access. Having a certain percentage of coverage does not automatically equate to the same level of access. Our overarching goal is to minimize this gap.

One of the primary barriers to access is the lack of education, because a large proportion of the population are unaware of their rights. The lack of medical centers and their accessibility is not only an issue in small rural towns, but in Bogota itself. There is plenty of congestion in the medical centers and many people typically do not get the medical attention they need in the correct amount of time. The volume of specialists is also insufficient to treat the volume of patients. There is also a general attitude towards a preference for specialists instead of approaching general physicians, therefore causing further congestion in the system.

In essence, our priority as an organization is to ameliorate the current healthcare system at hand in regards with its logistics and level of access. Moreover, we want to find new sources of funding in order to bring cost-efficiency into the system and elevate it to its most optimal levels.

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