Jiří Lukeš – Managing Director, Czech Republic & Head, Out-Patient Market (OPM) Division Central Europe, B Braun Medical

What we can work to improve is the first step in a patient's journey through the system. Currently, there are many barriers, and patients do not have access to the right information, or are not directed to the right professional.

16.03.2020

Tags: Czech Republic, B Braun, Medtech

Jiří Lukeš, of B Braun Czech Republic, introduces the success of the affiliate he helped establish over 27 years ago, and why he feels that the local business is doing considerably better than counterparts in neighbouring CEE countries. Moreover, Lukeš shares the focus of the business, moving away from being a simple product supplier and putting the emphasis on B Braun as an essential partner to the whole healthcare system, offering added value services that continue to ensure their contribution to a sustainable national healthcare system.

B Braun has been present in the Czech market for over 25 years, and you have been a part of the company's growth and expansion since the very beginning. Can you give our audience an overview of the current footprint of B Braun in the country?

Very soon after we created the stand-alone affiliate in the Czech Republic in 1993, we established B Braun as a leading company. Today, we have kept this positioning. In the country, we are active across all the group's divisions and distribute the entire portfolio. We are also very strong in the provision of services, mainly in the field of chronic dialysis but also in the areas of ambulatory care, surgery, neurology, and nutrition. Thanks to all these segments, we have a strong presence compared to our competitors.

From our point of view, 2019 was a successful year. We fulfilled our financial targets of growth and profit and continued our growth from the previous year. After a few years of stagnated growth two or three years ago, we are back working in a positive direction. Every year, we bring new products or new innovations to the Czech market. However, we continue to capitalize on previous launches to build on this growth trajectory.

What exciting products are you proud to have launched in recent years?

A completely new product, for stoma patients, was the launch of our Be1® capsule in December, which is a modern capsule for colostomies. It helps to maintain discretion, continence, and control over the body, as it neutralizes escaping gases. What is important is that we received reimbursement straight away, which is fantastic for patients to start using this unique device.

B Braun is split into four different business units: Hospital Care Division, Aesculap Division, Out-Patient Market (OPM) Division, and B Braun Avitum. What are the strengths of these divisions in the country and which are driving the growth of the affiliate?

As mentioned, we are present in all these divisions, with equal strength and equal split in terms of revenue. Another strength is concerning our provider business, especially in the field of chronic dialysis. We have around a 30 percent market share in this segment, second only to Fresenius Kabi.

Our aim has been to improve patients' access to care, and we made considerable investments in this area over the past 25 years. Five years ago we started offering ambulatory care with a focus on patients with chronic ailments. This scope includes the field of surgery, nutrition, and wound care. In Brno, patients can have access to comprehensive care and professional examinations all under one roof. This makes us unique within the B Braun global group.

In the B Braun Group's annual report, the Czech Republic was specifically mentioned as a key growth driver for the global group. Why is the Czech Republic among one of the top growing affiliates within the CEE region?

In the CEE region, B Braun affiliates were established at a similar time in the early nineties. In the beginning, we were managed from an Austrian HQ to help get the businesses up and running. “Why is it now that the Czech Republic is doing better than the other countries?”, I cannot say. However, it may have to do with young and enthusiastic management, myself included, as I was the oldest at that time although only 35 years old. I see this as the main advantage from the beginning, not only because we were young, but also well educated in the healthcare professions. Myself, a clinical pharmacist, the second was a physician, and the third, an economist with an IT background, made up the first Board of local management. We have upheld this tradition as many of our current managers have a background in a healthcare profession. This means they have good knowledge of the market, along with a high level of business intelligence; they know the processes well. This results in a good relationship with the customer, which is crucial to a successful affiliate.

Compared to other countries, including even Germany, we have a good relationship with our customers. We know them personally and capitalize on this advantage. Moreover, in 2000, we took over the management of Slovakia and ensured this business mindset was the case there also.

Our professional background means we can be a partner to the healthcare system in the country, which is evident through our educational activities. Through our Aesculup Academy, we run training and education courses. The local academy here is one of the largest globally for B Braun in terms of the number of courses, events and participants, second only to Germany. Another aspect is that we have a certified course by the Ministry of Health, to help improve the education of healthcare professionals. We cooperate with two of the top medical universities in the country, and our training courses are in their curriculum.

We see that the Czech Republic is one of the most over-regulated markets, with increasing difficulty in market access and reimbursement procedures. How would you asses this landscape for medical devices?

For many years, the Czech healthcare system has been well-financed. One big advantage of market access in the Czech Republic is that the reimbursement system has been quite stable. Patients have good access to all medical devices they need, with reasonable full coverage of reimbursement. Of course, there are always exceptions, but mainly regarding new innovations which can prove difficult to receive reimbursement straight away.

There was always open discussion in the past concerning the reimbursement system, especially in the past two years when discussing the new law for reimbursement of medical devices. We have

plenty of opportunities to communicate B Braun's value proposition to all these stakeholders. Now, this is fully implemented, although there was a lot of risk during its implementation. The State Institute for Drug Control (SUKL) is the responsible authority and are quick to rectify anything that may go wrong. Sometimes, it is needed further discussions to argue a device's medical need, but it is important to have these clear rules for reimbursement.

From my point of view, although the system is particularly rigid, it is to ensure sustainability. To ensure sustainability, it is important to be conservative, and these two attributes are achieved in parallel in the Czech Republic.

What initiatives are you putting in place to ensure the Czech affiliate continues to contribute to this sustainability mindset?

B Braun is not just focused on one business area; we are responsible for the lives of patients. This is an important distinguisher from our competitors. As mentioned, we focus our courses on the quality of services provided by the healthcare system. We want healthcare professionals to have the know-how to better deal with patients, whilst adhering to safety regulations for both them and the patient.

For the patients, we have recently launched a webpage "lepsipece.cz", which translates in English to "Better Care". Here, they can find articles on different topics about their condition, products or how to receive our services. This has been well received in the country with a lot of people using this as a source of good information.

Moreover, we are working with patient ambassadors, who are patients themselves that we have supported to communicate with others in a similar situation to them. For example, we have worked with David Raminski, a Czech Paralympic Archer, for over ten years. He visits spinal centers to show that there is life after a serious operation, to offer people who may have become disabled that this is hope and that they should remain optimistic.

Last week marked the 20th anniversary of the first Green Star medical store. Can you introduce this distribution channel and how you continue to build and expand this project?

Green Star medical stores are where patients have access to the medical devices we offer and is unique to the Czech Republic and Slovakia. It is based on a franchise system, so we have partners, who are the pharmacists or specialized medical shops across the whole country. They are then responsible for the delivery to the patient. We have a system in place for these stores to easily react to problems or complaints. Also, they offer added value, for example, home-delivery and other services.

As we are always focused on access to care, these stores will offer not only our products but all medical devices if needed, including those of our competitors. Of course, we prefer that patients are using our products, but this is not the end goal. What this means, is that our objective is to go beyond the product and offer a good service as well. In order to achieve this, we need knowledgeable healthcare professions in these Green Star stores, so we regularly organize training events and so on. Moreover, it is important to educate the patient or caregiver on how to use effectively our devices, so this is another target audience for our training programs.

On a final note, how would you asses the Czech Republic's ability to close the gap on Europe?

Concerning the healthcare sector, from a patient's point of view, it is extremely developed. Everyone in the country has access to healthcare regardless of their problem. The system is almost fully reimbursed. Of course, there are always exceptions, with co-payments for some drugs. However, the level of payment is low and acceptable in relation to social expectation. The quality of our hospitals is also of a high level, in line with other mature countries such as Belgium, the UK and France. Yes, there will always be a benchmark to aspire too, like hospital care in Germany or Switzerland, but we have achieved a solid quality at a local level.

What we can work to improve is the first step in a patient's journey through the system. Currently, there are many barriers, and patients do not have access to the right information, or are not directed to the right professional. Moreover, Czechs continue to use a lot of "unofficial" sources of information, like the internet or word of mouth, on how they should treat their symptoms. The same can be said for patients discharged from the hospital; management in this area could also see some improvements. We see that the system runs well, but many are misguided by the lack of correct information. There is space for improvement here.

See more interviews