



Messages on healthcare and pharma by the new Spanish Coalition Government in Spain

The PSOE-Unidas Podemos Coalition Program contains various relevant measures dedicated to healthcare and pharma

On 8 January 2019, Mr. Pedro Sánchez (Spanish Socialist Party) took office as President of the Government in Spain after having obtained the favourable vote of the Congress. His Government is the first coalition government, with Ministers belonging to two different political parties, in Spain's recent history. The coalition is formed by PSOE (Group of the Progressive Alliance of Socialists and Democrats in the European Parliament) and a far left-wing party called Unidas Podemos (Group of the European United Left - Nordic Green Left). The new Minister of Health, Mr. Salvador Illa, took office on 13 January 2019. Although the Minister of Health has not yet appeared before the Health Commission of the Congress to explain its plans, we make below some preliminary comments regarding the messages on healthcare and pharma arising from the PSOE-Unidas Podemos Coalition Program and from Mr. Sanchez's inaugural speech before the Congress.

Elimination of co-payment for medicinal products

The Program includes the agreement for removal of all co-payments introduced in 2012, starting with those which affect pensioners and socioeconomically vulnerable households. The estimated cost of this measure is circa 600 Mio Eur per year. The concern is that the Ministry of Health (MOH) and the regions will have to see where these funds are obtained from.

Prices of medicines

The Program states, and President Sánchez referred to this specifically in his speech, that the Government shall make changes on policies related to the pharmaceutical industry. Such policies will be oriented to favour public healthcare, prioritising efficiency and transparency in pricing procedures.

The Program does not give additional details, so we will have to wait to see how this point is developed, but in our view, one may expect the MOH to be fairly more strict requesting companies to provide information about their development costs. We may also expect increased cross-border transparency of prices in line with the resolution approved by the 72nd Global Health Assembly (OMS) in May 2019.

Health Technology Assessment

The Coalition Program expressly acknowledges the financial challenge that the incorporation of technology in the National Health System (NHS) means.

In view of this, the Program indicates that the NHS will focus on cost-effective and safe technologies, and on technologies whose effectiveness have been previously evaluated. We think it is a very good idea: sustainability efforts should not always fall only on medicines.



Healthcare spending and healthcare digitalization

The program foresees that healthcare expenditure should reach 7% of GDP in 2023. At present, the expenditure is around 6% of the GDP, below the European average. Further, the Government aims to increase efficiency of the public healthcare system and consolidate a new assistance model based on knowledge and research.

Orphan Drugs

The Program specifically mentions that the public healthcare system shall focus on rare diseases guaranteeing access to diagnosis and treatment of all people, regardless of where they live and the pathology which affects them.

However, there is no mention of specific funds, whether ear-marked or not, to fund this initiative. In any case, we think it is a very relevant initiative at a time where regulatory incentives for the development of orphan drugs are being reviewed.

Public rather than private

The Program includes a commitment to move towards a direct public health management, thus eliminating assistance models that combine public and private elements. Our reading is that public research will also be favoured.

Cohesion fund

The Program states that the volume of the Cohesion Fund shall be increased. This surely

responds to the tensions that CAR-T therapies are creating in regions where treating centres are located. It is worth mentioning, however, that payment of the treatment should be made by the prescribing centre.

Conclusions

The new coalition Government has ambitious challenges in the health and pharmaceutical field. However, we still do not know where the resources to pay those measures will come from.

The Coalition Program refers to a tax reform with the objective to increase tax collection. From our view, it is clear that the sustainability of the system requires the broadening of the taxpayer base, something that is impossible to achieve without economic growth and job creation. At this point, open-mindedness is needed and all kind of measures should be analysed.

The control of the expenditure on medicines is, of course, an important measure; but it cannot be the only one.

Further, it would not be reasonable for such measure to be the most relevant one in the near future, especially taking into account that the sector has made considerable efforts during the last years.

Finally, in the legal and regulatory field, we expect (if the trend observed in recent months is maintained) intense normative production and a high degree of transparency regarding the work of the authorities.