



Diego Guarin MD MPH MA
 Senior Director HEOR & HTA Strategy, LATAM, Merck KGaA
 ISPOR Health Science Policy Council & ISPOR LA Consortium
 Co-Chair FIFARMA Healthcare Sustainability Working Group

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Latin America Key facts

- Population 2016 (millions): 637.7 (EU: 511.5)
- Population Growth (annual): 1% (EU: 0.4%)
- Life expectancy at birth 2015: 75yr (EU: 81yr)
- GDP 2016: U\$5.201 trillion (↓ \$6,276 in 2014)
- GDP per capita 2016: U\$8,252 (↓ \$10,070 in 2013)
- Unemployment rate: 8.1%
- Macroeconomic trends:
 - Political instability
 - FX volatility and growth cycles
 - Fiscal austerity

Source: World Bank Database 2017, AMI 2017

Latin American Presidents Struggling with Low Popularity



FX volatility exacerbates growth cycles in LATAM – 2018 will pleasantly surprise

Latin America's Potential GDP (USD Billion)



Fiscal austerity is ongoing in Brazil, Mexico and Venezuela
 Chile & Peru have some latitude for fiscal expansion

Fiscal Surplus as % of GDP



LA Healthcare sector Key Facts

- Universal Healthcare Coverage: ~70%
 - Approximately 30% of the population of Latin America and the Caribbean do not have access to health care for economic reasons and 21% do not seek care because of geographical barriers.
 - Limited Private Health Insurance (PHI) coverage: ≤5% (Colombia, Mexico) up to only 20% (Brasil, Chile)
- Insufficient healthcare expenditure as % of GDP: avg. 8% (OECD: 12%)
 - High private share (OOP/PHI) 40-60%
 - Low public expenditure 3.5% (OECD: 8.2%)
 - Low per capita expenditure (PPP) avg. U\$1,100
- Mixed healthcare market growth trends
 - ↑ Argentina, Brasil and Chile
 - ↓ Colombia, Mexico and Peru

Source: WEF 2016, AMI 2017, IDB 2016

Figure 4.1 Population Coverage of Pooling Mechanisms with Ring-Fenced Financing, Relative to GDP per Capita (PPP in Current International \$, 2013)

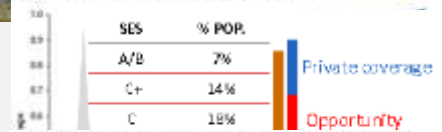


Figure 2. Per capita income and public health expenditure in Health as % of GDP, LAC 2011



KEY MARKET GROWTH TRENDS



- Brazilian market turnaround
- Volume growth of 3% in 2018 – up from 1% in 2017 – driven by Brazil + Southern Cone.
- Mexico rebound expected in as government spend increases at end of *sexenio*.
- Smaller markets gain appeal amongst large players.

Three Key issues for Patient Access to better Healthcare in LATAM

1. A fragmented health system where parallel sub-systems co-exist, with different risk pools, sources of funding and benefit plans
2. A pharmaceutical expenditure growing 5-10 times faster than healthcare expenditure due to aging populations, UHC and new technologies
3. A market access environment: regulatory (avg. 15 up to 26m), pricing (up to 3m) and reimbursement process (up to 30m) that is delaying patient access

Figure 3.2 Population Coverage by Type of Scheme, 2000–10 (or Nearest Year)



Source: IDB 2016, IMS 2011, Beishon et al. 2014, Liberty et al. 2015, FIFARMA 2017

Patient involvement in Health Technology Assessment Advocating for a Patient Centered System

