



PA in Brazil

Public Affairs Council
Simone Tcherniakovsky
Corporate Affairs Director

Sept 6, 2017



The views and opinions expressed in this presentation do not necessarily reflect company's positioning and are based on the speakers' experience

Agenda

- About Novo Nordisk
- Healthcare system SUS
- Health Agenda
- Stakeholders
- How we do Public Affairs
- Key takeaways



Novo Nordisk at a glance

Novo Nordisk is a global healthcare company with more than 90 years of innovation and leadership in diabetes care.

This heritage has given us experience and capabilities that also enable us to help people defeat other serious chronic conditions: haemophilia, growth disorders and obesity.











employs approximately 41,400 PEOPLE

DKK 111.8
BILLION
IN TOTAL REVENUE









SUPPLIER OF NEARLY
HALF OF THE
WORLD'S INSULIN

28,000,000 PEOPLE USE OUR PRODUCTS

PRESENT IN BRAZIL FOR OVER 25 YEARS



R\$ 104
MILLION
INVESTED IN R&D
IN BRAZIL

15
CLINICAL TRIALS
SINCE 2011



EMPLOYS AROUND

1,300 PEOPLE

BIGGEST
INSULIN
PRODUCTION
SITE IN LATIN
AMERICA



MONTES CLAROS SITE

PRODUCES 15% OF ALL INSULIN CONSUMED IN THE WORLD



25%

OF THE NATIONAL PHARMACEUTICAL EXPORTS COME FROM MONTES CLAROS

2,400,000
BRAZILIANS USE OUR
DIABETES PRODUCTS
EVERY DAY



Novo Nordisk in Brazil

Since coming to Brazil more than 25 years ago, Novo Nordisk has established a **strong presence** in the treatment of diabetes, haemophilia, growth hormone and obesity.

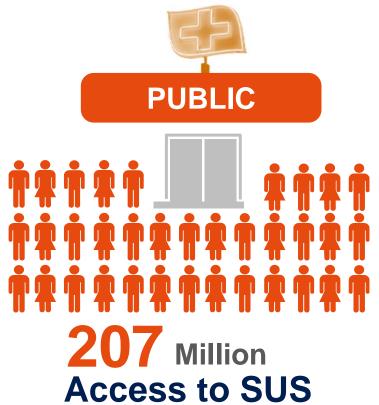
Along the past year, NN has achieved the market leadership in diabetes care and growth hormone in the country.

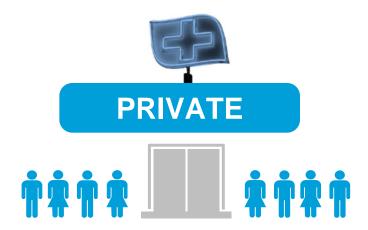




Healthcare system







48 Million Health plans



Source: ANS





SUS INSTITUTIONAL FRAMEWORK



ADMINISTRATORS

DECISION MAKERS

PUBLIC CONTROL

MoH

TRIPARTITE INTERAGENCY COMMISSION (CIT)

NATIONAL COUNCIL OF HEALTH (CNS)

NATIONAL CONFERENCE OF HEALTH

MoH

CONASS

CONASEMS

BIPARTITE INTERAGENCY COMMISSION(CIB)

STATE COUNCIL OF HEALTH (CES)

STATE CONFERENCE OF HEALTH

27 STATES

HEALTH STATE

SECRETARIES (HSS)

CONASS

SECRETARIES

HEALTH STATE

27 COUNCILS

COSEMS

REGIONAL INTERAGENCY COMMISSION(CIR)

HEALTH MUNICIPAL SECRETARIES

HSS REPRESENTATIVE MUNICIPAL COUNCIL OF HEALTH (CMS)

MUNICIPAL CONFERENCE OF HEALTH

5,567 COUNCILS

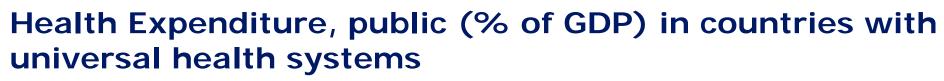


Source: Prof Aquilas Mendes

HEALTH MUNICIPAL SECRETARIES

5,567 MUNICIPALITIES

CONASEMS (NATIONAL) COSEMS (STATE)





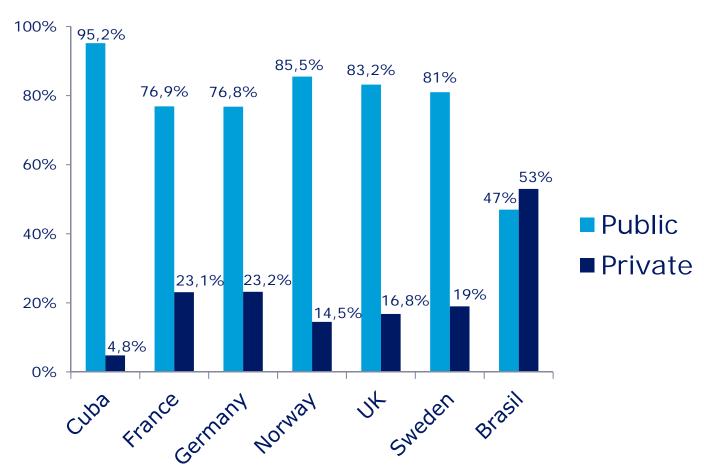
| Countries | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------|------|------|------|------|------|
| Brazil | 3,9 | 3,7 | 3,8 | 3,9 | 3,9 |
| Cuba | 11,2 | 9,7 | 9,5 | 8,1 | 8,2 |
| France | 9,0 | 9,0 | 8,9 | 9,0 | 9,0 |
| Germany | 9,0 | 8,8 | 8,4 | 8,6 | 8,7 |
| UK | 8,1 | 8,0 | 7,7 | 7,8 | 7,6 |
| Sweden | 8,1 | 7,7 | 7,6 | 7,8 | 7,9 |

Source: World Bank, 2015. Available at http://data.worldbank.org/indicator/SH.XPD.PUBL.ZS. For Brazil, (Brasil, 2015)

Despite advances, Brazil is far distant from countries with universal healthcare system with public expenses, which average is 8% as of GDP.



Public and Private Funds in some Universal Health Systems Financing, 2010

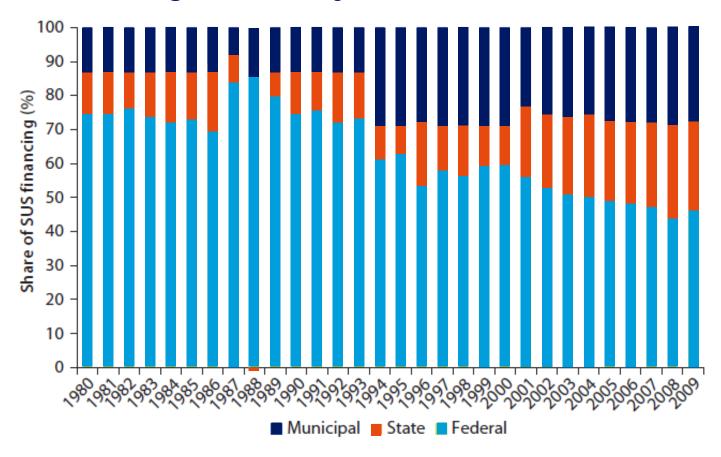




Source: WHO (2013)



Share of SUS financing in Brazil, by level of Government: 1980-2009





Sources: Based on Ministry of Health, SIOPS data; Medici 1991; Ministry of Finance, STN 2010. **Note:** SUS = Sistema Único de Saúde.



Health Agenda – some context

Focus on administrative efficiency and resources management

- Agenda focused on an aggressive price negotiation with the industry
- The savings in medicines purchase, together with administrative reform and revision of IT contracts led to the reduction of more than R\$ 3 billion. The savings allowed the increase of funds transfer to states and municipalities.

MoH "philosophy"

- Appointment of several heads of Secretaries and Coordination with limited knowledge and experience in the health sector, but with strong political connections with PP (Ministry`s party).
- Strengthening of ties with state and municipal governments, mainly from Parana State.



Source: Prospectiva consulting



Health agenda – movements and trends

MAIN PROGRAMS

- No structural changes to the main health programs;
- Limited advances in the low-cost private health insurance plans;

PDPS

- PDPs as a tool to allow access to local health demands and not to develop the productive sites;
- Greater interaction between federal and state governments. MoH as protagonist to boost the agenda.

CONITEC (HTA agency)

- Rationalize the use of technologies within SUS
- Increasing of transparency at CONITEC's decision.





CMED (CHAMBER OF ECONOMIC REGULATION)

- Due to increasing discussions about judicialization, there is a trend that CMED pressures for a joint submission of sanitary registry and price dossiers.

JUDICIALIZATION

- Greater attention to additional and no planned expenses; methods to rationalize and restrict judicial demands should increase;
- Agreements of MoH with CMED, ANVISA and CONITEC.





LEGISLATIVE

- Focus on economic agenda /social security, political and labor reforms. Sectorial agenda is losing space;
- Key health themes for 2017:
 - National policy for rare diseases
 - Clinical research
 - Regulatory agencies







Regulators Communities









Stakeholders continue to expand





Patients



Payers







HCPs Shareholders





Trade





Media entities

Embassy

Policy makers









NGOs





How NN does it





Advocate

 Advocates for public policy that protects the patient with a focus on diabetes, obesity, hemophilia and growth disorders

Mitigate

 Ensures Government policies promote a positive business environment or do not threaten profitability

Engage

 Collaborates with internal and external stakeholders to maximize credibility, accountability, and value to the company

Integrate

Ensure that PA is part of business decisions



Key takeaways







LOCAL EXPERTISE

Consider having a local expert and/or an external political consultant in Brasilia - the environment is increasingly complex and a "360° Vision" is a must.

CHALLENGING ENVIRONMENT

The political scenario and the fiscal situation will remain turbulent throughout 2018. If your business is highly government driven, think on "shared solutions" to increase your chances of success.



More than ever it is advisable to work on a multi-stakeholder environment



ISSUES + STAKEHOLDER

Overlap stakeholder analysis with issues management. Include relationship between stakeholders and agenda



CIVIL SOCIETY

Patients organizations and civil society are increasingly engaging and influencing in policy decision-making forums (e.g fast acting insulins and cannabidiol cases)



INTEGRATION OF COMM & PA & ACCESS

The more integrated Communications & PA & Access plans are , the more robust the strategy, increasing opportunities for potential engagements.



Increasing importance of states & municipalities to assure the implementation of public policies







"Brazil is not for beginners"

- Tom Jobim

