



SANOFI PASTEUR



Towards a sustainable procurement of vaccines
Aspen Healthcare Conference, Bucharest, October 23rd 2018

Sanofi Pasteur, 25 years of presence in Romania



VACCINES' MARKET LEADER

- 1st place in value – 40.2 % MS
- 2nd place in volume – 33.1% MS

Top 3 products in value

Hexacima

ADACEL® TETRAXIM®

latest generation of 6-in-1 pediatric vaccine

Leader in pediatric vaccination

Flu immunization > bringing Romania on the innovation map



1st QIV introduced in Romania
standard of care & broader protection

Historical healthcare partner for emergency needs in Tetanos & Rabies



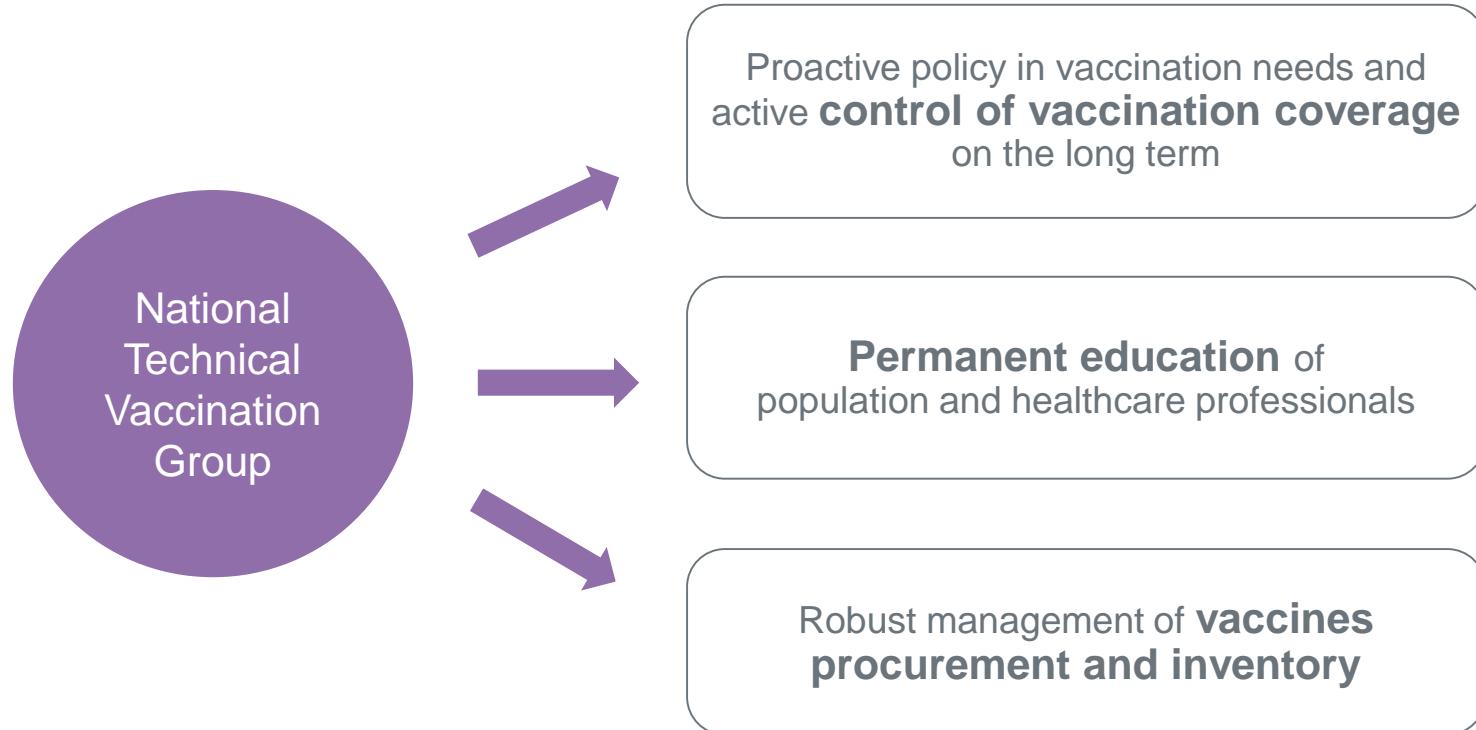
TETAVaX

In 20 years of activity in Romania

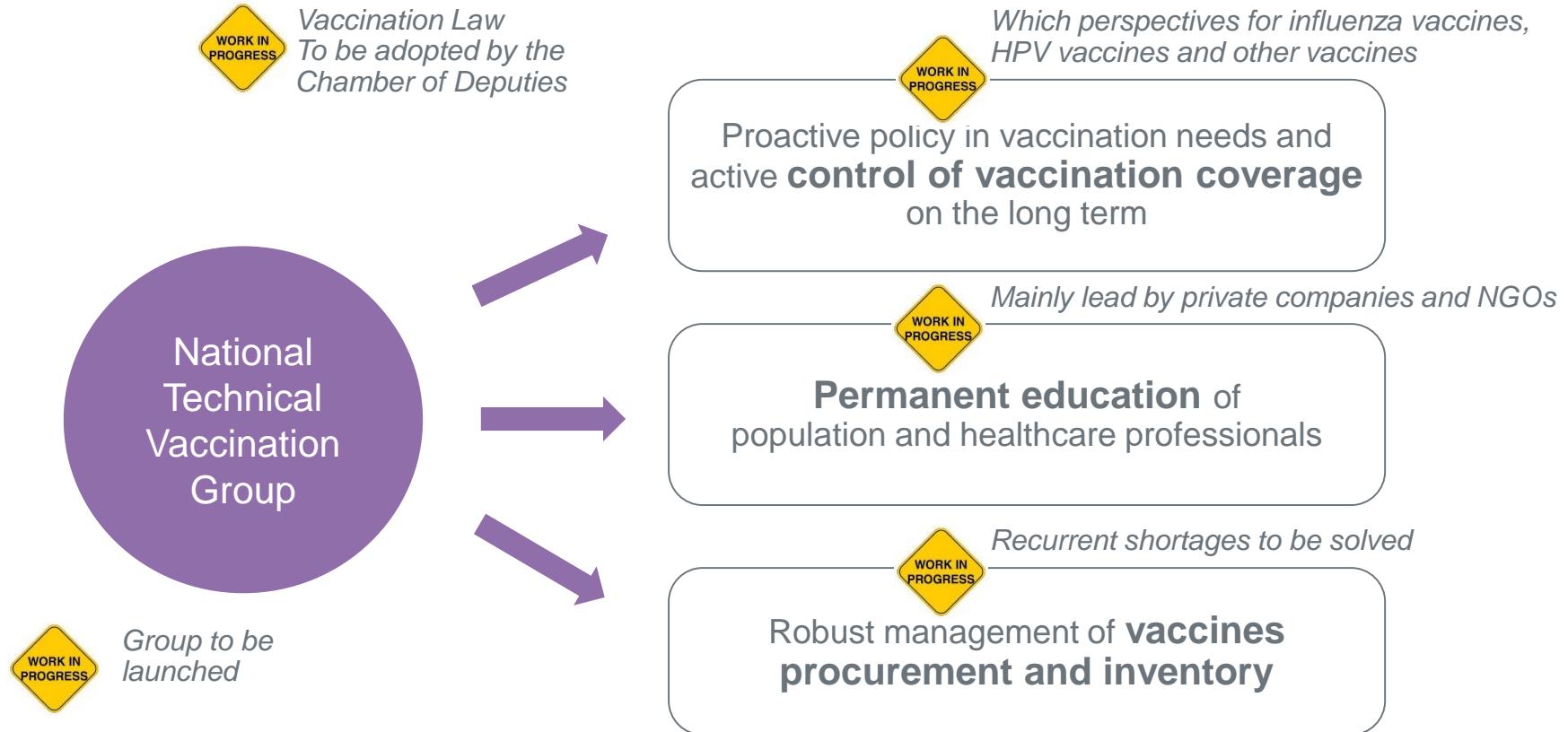
more than **3M** young population
over **5M** adults
immunized with our vaccines

*IQVIA MAT June 2018, CPP (Consumer prices)

The Vaccination ecosystem, an essential call for long term and sustainable policy



The Vaccination ecosystem, an essential call for long term and sustainable policy



THE CHALLENGES WE FACE IN MANUFACTURING COMPLEX VACCINES

3 main challenges contribute to delays in providing vaccines to the people who need them:

- 1: The global demand for vaccines is increasing**
- 2: The long cycle time it takes to make a vaccine**
- 3: The number and complexity of quality control tests**

Sanofi Pasteur experience in 2018

We have vaccines...

... but have recurrent difficulties in offering them

- **Hexavalent vaccines:**

- Tender for 225,000 doses requested *for delivery within 3 weeks* in March
- Tender for 417,000 doses requested *for delivery within 2 months* (3 months granted the day of the auction)
- *No tender as of today* for the needs of the first semester of 2019

- **6-year boosters vaccines:**

- New tender *pending*. 120,000 doses expected by December 20th (less than 2 months)

- **14-year booster vaccines:**

- *Shortage since June 2019*
- *No tender procedure as of today*

- **Influenza vaccines:**

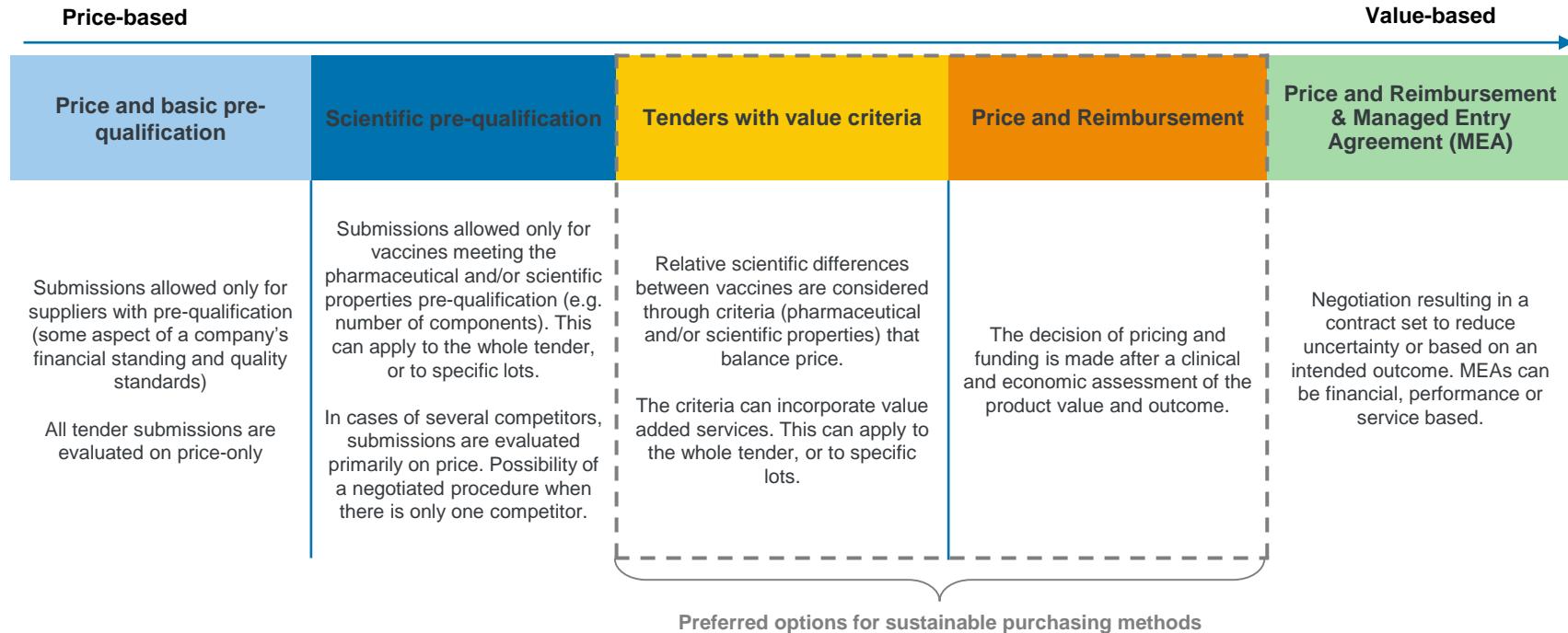
- Tender for 1,000,000 doses in April
- Tender for 300,000 doses by mid of October for delivery within one month



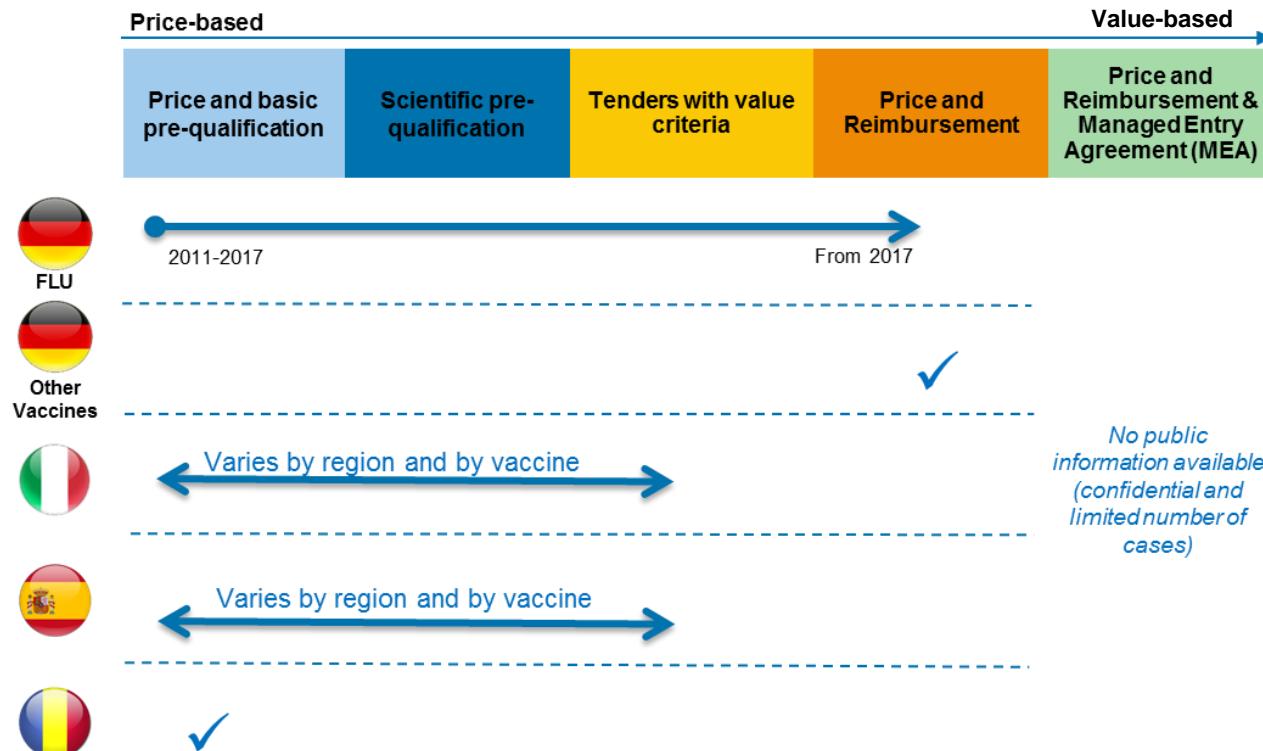
Improvement needed:

- ✓ **ANTICIPATION** of needs and procedures
- ✓ **TRANSPARENCY** and dialog around evolution of procedures

Beyond necessary evolution of tender procedure, a call for re-thinking the purchasing methods to better match with expected outcomes for the population



The use of purchasing methods differs between countries, type of vaccines and has shown some changes over time



While price-based tenders can reduce the price of vaccines, they do not lead to sustainability in vaccines supply

- Although there are many factors that affect the sustainability of supply (manufacturing capacity, payer budgets, transport logistics etc), the way vaccines are purchased has been found to exacerbate supply issues



In 2012, the influenza tender winner who was solely responsible for supplying influenza vaccines across several landers was unable to deliver the one million doses due to identified impurities



Due to the tender framework (which only solicited one supplier and the costs associated with production) no other influenza suppliers had produced or stocked excess doses. As the regions could not purchase from another producer, they instead had to reach out to other regions to purchase their excess stock

- In recent years manufacturers have exited the vaccines market (for example Baxter and Crucell in the influenza market)
- Some countries have recognised the negative impact of price based tenders on vaccine R&D and have modified purchasing methods to help incentivise investment in this area

"The market is not attractive to companies and therefore, we have seen manufacturers leaving in the past. Overall the current model means there are fewer incentives to invest for future manufacturers." – National Institute of Public Health



"The impact of price based tenders for influenza on incentivise to invest was one of the justifications to legislate against the use of tender for vaccines. This was approved by the Drug Reinforcement Act this year. The current system of P&R for vaccines better incentivises R&D for vaccines as all suppliers can obtain market share" - Bundestag



Overall, moving toward more sustainable vaccine purchasing methods brings significant benefits



Competition

They ensure that prices reflect value, encouraging competition over the medium term



Value added services

They encourage manufacturers to provide additional services to support vaccination programmes



Vaccination coverage

They are associated with higher levels of vaccine coverage rates



Supply sustainability

They help to minimise risk of vaccines shortages thanks to better anticipation



Incentives to invest

They provide incentives for investment in vaccine R&D ensuring that there are new vaccines in the future and sufficient capacity

- This research has emphasised the importance of having pricing framework discussions at multi-stakeholder level, and at an early stage