

POSITION PAPER OF HEALTHCARE WORKING GROUP

*Prepared by
Healthcare Working Group
Vietnam Business Forum*

The EuroCham Healthcare Forum and Amcham Healthcare Group have come together to create a platform for all stakeholders operating in the healthcare industry to discuss and cooperate. We have involved almost all industry players counting from Innovative Pharmaceuticals, International Quality Generics, Medical Devices, Diagnostics, Nutrition, Health Insurance, Distributors, Retail Pharmacies, Hospitals, Clinics, etc. to work together to advocate and achieve goals: creating a good quality and sustainable healthcare in Vietnam. We have set many topics to collaborate on areas where there is an express agreement on collective representation, especially at the high-level forums such as Vietnam Business Forum Mid-Term today. It is our honour to bring the following voices to the Government's to join our efforts supporting Vietnam joining the global economy through implementing our proposed healthcare solutions.

I. Shaping the future of Vietnam's healthcare sector

1. High value, sustainable life sciences sector development:

Vietnam has the potential to build a high value, self-sustaining life science sector and position itself as an attractive investment destination in ASEAN. Taking a sectoral approach to healthcare will stimulate the development of a healthcare eco-system in Vietnam consisting of not only manufacturing, but also of service providers, clinical research organizations, and others thus also boosting small and medium-sized enterprises and eventually enable exports to replace overseas development assistance by attracting sustainable FDI and PPPs. This presents a unique window of opportunity for collaboration from key stakeholders both from the public and private sector, in working towards the shared objectives:

- **Facilitate fast and sustainable access to safe and high quality treatment solutions for Vietnamese patients.** This would not only improve the quality of treatment and patient experience in Vietnam, but also in the long term help reduce the outbound medical tourism;
- Send a strong **signal to existing and future investors about the stability and predictability of Vietnam's investment environment**, thus creating opportunities for investments. As a result, the Vietnamese economy will benefit from the generation of high knowledge-based jobs, taxes, etc. and establish itself as an attractive investment destination in the region;
- Bring opportunities for **collaborations, partnerships to develop local capability**. The exposure to international best practices and technical know-how will help Vietnam businesses to attain sustainable growth, meeting the demands of Vietnam healthcare and potential for exports, thus contributing to the overall life-sciences sector development.

2. Home care/ Home-Treatment (Out-Patient)

Given the limited bed capacity of Vietnamese hospitals, there is an imbalance of 'supply and demand'. The number of patients needing treatment and the overcrowded hospitals are a challenge that MOH aims to overcome. But even healthcare systems with greater bed capacity have established home care services to improve the follow-up of chronic and long-lasting diseases for patients who return to their homes to continue treatment after being discharged from hospital. Patients in Vietnam are currently overburdened with high out-of-pocket payments and,

therefore, require affordable treatment options. However, affordable treatment should not be at the cost of quality.

Out-of-pocket healthcare spending is a significant burden for households. The indirect costs of healthcare, such as travelling, meals during hospitalization and loss of income during treatment put patients and their families under enormous financial pressure. In the absence of professional and organised home care services, patients tend to care for themselves with the help of their family. This causes a lot of concern to patients and potential additional health complications due to the lack of professional follow-up. Moreover, in most cases, patients will return to hospital several times and, for some, with more severe conditions.

We believe that Vietnam should support the creation and development of a professional homecare scheme that empower patient access to treatment with the involvement of healthcare professionals, in order to reduce the number of hospital visits, especially by patients with chronic diseases. Home care can empower patient access to treatment, can help to address the problem of overcrowded hospitals, reduce high public spending on chronic diseases and mitigate out-of-pocket healthcare spending for households. At the same time, it can help to improve quality of life for all patients suffering from chronic diseases. We are willing to support the development of home care scheme together with the Government.

II. The Enablers

1. Business environment

Through dialogues with the Government, we are highly encouraged to see that the above vision of a high value, sustainable healthcare sector development aligns with the long-term strategy of the Vietnamese Government, and the Government's acknowledgment of the private sector's value and role on the journey to make this vision a reality.

In order to make this shared vision a reality, we need a few key enablers:

- **Create a clear legal framework** that provides investors with **predictability** as well as **incentives** to attract investment, would further encourage and enable multi-national corporations to invest, transfer knowledge and technical know-how to Vietnam as well as partner with local companies.
- **Optimize the administrative procedure** to shorten the process of bringing new, high quality treatment solutions to patients, addressing the increasing need of a growing Vietnamese populations for **fast and sustainable access to safe and high quality treatment solutions**;
- **Form an Inter-Ministerial Taskforce under the leadership of a senior Government representative** to develop and lead the implementation of a Roadmap for sector's development.

We remain committed to play a proactive role in the development of a clear and predictable legal foundation and a positive business environment that both attracts even more investment and meet current and future demands of Vietnamese patients.

2. Ethical Standards and Regulatory Compliance

a. Promoting high ethical standards in Vietnam

As the Vietnam healthcare landscape is rapidly evolving, together with Vietnam' trust and integrity play an increasingly important role in shaping relationships between healthcare professionals and the pharmaceutical industry that truly serve the best interest of patients.

The EuroCham Healthcare Forum, with members being the Medical Device Sector Committee, Pharma Group and International Quality Generics Group, are very proud to have signed a **Consensus Framework for Ethical Collaboration** under the APEC forum with healthcare stakeholder groups in Vietnam – including the Vietnam Medical Devices Association (Vimedas), Vietnam Pharmaceutical Companies Association (VNPCA), Vietnam Medical Association and Vietnam Women Union Association. This Framework is a **first of its kind in Asia**, and represent a significant milestone in our joint efforts to promote and strengthen ethical practice in the country.

We believe that our global experience, our strong ethical value and practices will bring meaningful contribution to this partnership. We are committed to work with all signatories through frequent dialogues to promote high ethical standards, fairness, integrity and transparency in interactions with healthcare practitioner, towards the development of higher quality; more efficient healthcare system in Vietnam to best serve patients and in general improve the health of the people of Vietnam.

We welcome all stakeholders in the healthcare sector to join the dialogue with us to further strengthen ethical standards for the benefit of patients.

b. Medical Devices Industry Code of Conduct

Understanding the issues of risk and unfair competition among industry players, including foreign investment and local enterprises in Vietnam, the Medical Devices Industry Code of Conduct is being built to facilitate ethical interactions between corporate members that develop, manufacture, sell, market or distribute medical technologies in Vietnam and those individuals and entities that use, recommend, purchase or prescribe medical technologies in Vietnam. The spirit of the Code of Conduct shall be focused on: i) strict compliance with the law and regulations in the territory; ii) prioritising people and patient health and safety; and iii) the promotion of scientific and educational activities to bring the best benefits to patients.

An ethical business environment is one of the greatest concerns for multinational companies, especially when seeking to invest in 'high risk' jurisdictions. We believe that the commitments on high ethical standards shall create an environment in which Vietnam can better attract investments in the field of healthcare with further long-term benefits to the community.

Considering the key role of Ministry of Health (MOH) in regulating and leading the development of healthcare in Vietnam, to create a transparent business environment we would recommend MOH support us in promoting ethical collaboration among industry players, particularly:

- To support multinational companies who have to follow and implement their international industry code in Vietnam as well as in their communication activities towards Government-related stakeholder groups (e.g. implementation of APACMed measures in 2018).

Please kindly note that our suggestions in this Position Paper are made on behalf and in the interest of all Healthcare Working Members and these suggestions are only a number of examples of our matrix of healthcare topics that we are going to work with each other in the upcoming months at Vietnam Business Forum.

On behalf of VBF Healthcare Working Group, we would like to thank the Government and Vietnam Business Forum for the opportunity to raise the issues key to our heart. It is key for us to ensure the high ethical standards, fairness, integrity and transparency to develop better the healthcare system in Vietnam both in terms of quality and efficiency to improve the health of Vietnamese citizens; a sustainable business environment so that foreign companies can be confident in investing and partnering in developing the healthcare sector in Vietnam; and creating of Home-care scheme can help Vietnamese patients to have access to services and address the Government's concerns on overload of public facilities and their high spending especially for chronic diseases. The VBF Healthcare Working Group invites Vietnam Business Forum colleagues and partners to work with us to implement these ideas to have more sustainable healthcare development in Vietnam so that we can together help each other to join and contribute to the global value chain.