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## **Submission by the Canadian Pharmacists Association to the PMPRB Draft Consultation**

The Canadian Pharmacists Association (CPhA) appreciates the opportunity to comment on the Patented Medicines Prices Review Board's (PMPRB) Draft Guidelines consultation.

Pharmacists are the last point of contact between a patient and the medications they need, making the profession particularly sensitive to the downstream impacts of pharmaceutical policies and pricing decisions.

While we also concerned about the impact that the new regulatory regime will have on the availability of new and innovative therapies, our chief concern relates to the lack of safeguards to protect the accessibility of existing drugs and the impact that the cost compressions will have on pharmacy operations. By not grandfathering drugs currently on the market, we anticipate a considerable amount of disruption for the sector and will result in a significant impact on pharmacies.

Our submission highlights two substantive concerns with the proposed guidelines and their potential impacts on:

1. Pharmacy operations and inventory management
2. Drug availability and shortages

**Given the current environment in which pharmacies are operating, we strongly urge that the implementation of the PMPRB be further delayed to allow the sector to navigate the current supply challenges and work with the federal government to develop a coordinated plan to mitigate the risks to pharmacies.**

### **Impact on pharmacy operations and inventory management**

Under the new proposed guidelines, existing patented medicines will be subjected to the maximum list price (MLP) or the highest international price (HIP) of the new basket of countries (PMPRB11). An



Impact Analysis of PMPRB Guidelines on Pharmacy (October 2022) conducted by Neighbourhood Pharmacies Association of Canada (NPAC) has estimates an annual impact of \$113 million on the pharmacy sector (pharmacies and distributors). Neither the Guidelines nor any of the assessments to date have factored in the impact on pharmacies or others within the supply chain.

Many of the services that are provided to patients to support their use and adherence to therapies are build into the price of the drug. In fact, many of the therapies that will be impacted by the new regulatory regime and guidelines require complex cold chain storage, handling, administration and counseling. Pharmacies are constantly investing in and adapting their infrastructure to ensure the safety and security of the supply chain from manufacturers all the way to the patient. By subjecting these drugs to a new pricing structure, we anticipate a significant downstream impact on the ability of pharmacies to provide the level of care that Canadians have come to expect for the medications they are currently taking.

In addition, frequent and unpredictable reassessments are extremely challenging and can have a detrimental impact on how pharmacies manage their inventory. In anticipation of the price reductions, but without a predictable timeline for when manufacturers will change their prices, we believe that many pharmacies will delay purchasing for fear that they will be left covering the difference between the price they paid for the drug and the updated list price as determined by the new regulatory framework.

*We therefore recommend the following:*

- 1. That the PMPRB reserve the reassessment of existing patented medicines to be responsive to specific issues, for example responding to complaints regarding the price of a medicine, to limit the number of drugs to be re-benched.*
- 2. That the federal government work with stakeholders and provincial governments, to coordinate adequate washout periods, allowing pharmacies to manage their inventory accordingly and minimizing the risk of disruption for patients.*

## **Drug availability and shortages**

In the last decade, pharmacists have seen a dramatic increase in drug shortages and supply issues and spend an average of 20% of their time managing shortage (2018). Supply issues are common across the country but can be especially challenging in rural and remote areas where there are fewer pharmacies to serve large areas. While shortages are a global phenomenon, and can be caused by a variety of factors, our recent experiences have shown the importance of having a robust pharmaceutical presence in Canada and ensuring that Canada is an appealing market for manufacturers. The COVID procurement



process demonstrates that having a multitude of alternative products can protect Canadians from unintended supply issues.

The regulations as they are written, shifting from a prescriptive, clear-lined approach, to the proposed more uncertain framework, have the potential to disincentivize companies from prioritizing supply to Canada now and into the future. Bringing further uncertainty to the pharmaceutical sector within the current environment only increases the risk of compromising access to medications for Canadians and putting pressure on pharmacists at a time where they are struggling to keep up with the unprecedented levels of COVID, flu and RSV is especially concerning.

*CPhA recommends that the PMPRB pause the implementation of the new guidelines to ensure that an impact analysis can be conducted and to mitigate any negative impacts on pharmacies.*

## **Conclusion**

Pharmacists have worked tirelessly to support families through the recent shortages of children's acetaminophen and ibuprofen, as well as the alarming shortage of antibiotics. As the national association representing the profession, we have tried to be a resource to Health Canada and to the government in resolving these shortages.

With the health care system under immense strain, pharmacy teams must remain focused on providing care to Canadians. The implementation of the PMPRB Guidelines at a time where the cost of inflation and labour is at a premium will have an even more pronounced impact on pharmacies and we strongly urge the government to consider a pause on the implementation to allow for the external environment to stabilize.

On behalf of Canada's 40,000 pharmacists, we thank you for the opportunity to submit to this consultation and look forward to the PMPRB's response to address the issues we have highlighted.