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TO: PMPRB, PMPRB.Consultations.CEPMB@pmprb-cepmb.gc.ca

FROM: Grace Paterson, CURAC and ADRP, grace.paterson@dal.ca

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Further to attendance by Grace Paterson at the January 30, 2020 Patented Medicine Price Review Board (PMPRB) Draft Guidelines consultation, the CURAC Health Care Policy Committee has drafted this submission.

The purpose of the Guidelines is to ensure that patentees are aware of the general policies and procedures undertaken by PMPRB staff to identify patented medicines that appear to be priced excessively.

We agree that there is a need to protect Canadians from excessive pricing and agree with the choice of the 11 comparator countries: Australia, Belgium, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, United Kingdom. These countries have similar consumer protection priorities, economic wealth and marketed medicines as Canada.

Canadian researcher, Joel Lexchin, School of Health Policy and Management, York University, has investigated the US Government claim that Americans are "paying more for drugs because they're contributing more than their fair share of the costs of research and development." In Canada, the income from domestic sales is about 10 times greater than research and development costs. The US claim that other countries get a free ride is a myth and it contradicts basic economics and the global nature of pharmaceutical markets and research. (1) This supports the removal of United States as a comparator country when setting the price for a drug.

It was instructive to learn how drugs become approved and available to Canadians, and the role of PMPRB in setting the price of the drug. We can use the drug edaravone, a treatment for ALS, as an example of a new drug that was given a priority review. (2) An analysis of Arthritis Medications revealed that more new and innovative drugs are accessible only through private plans. (3)

The possibility that new drugs might not be available in Canada appears to be outside of PMPRB control. When and where a drug is submitted for approval is at the developer's discretion. Even when a pharmaceutical company receives notice of compliance and can market the drug in Canada based on research completed in Canada on that drug, they may decide not to do so. We have very little power to force such an availability as a single country. The suggestion to form an alliance with the other countries mentioned in the document may be the mechanism by which such drugs may become available to Canadians at an acceptable cost.

There are multiple factors that are taken into consideration to determine whether a medicine is being sold at an excessive price. Budget 2019 proposes to invest up to $1 billion over two years, starting in 2022–23, with up to $500 million per year ongoing, to make high-cost drugs for rare diseases more

accessible. We believe that the revised PMPRB Guidelines will help in making decisions and holding the Treasury accountable for how those funds are spent.

We thank you for the opportunity to provide feedback.

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(Committee members: Linda Kealey, UNB; Ken Craig, UBC; Don Dennie, Laurentian University; Michel Tousignant, UQAM; Daniel Sitar, UManitoba; Thomas Wilson, USASK)

Grace Paterson, Director, ADRP

(1) Light DW, Lexchin J. Foreign free riders and the high price of US medicines. Bmj. 2005 Oct 20;331(7522):958-60.
(2) https://www.als.ca/blogs/how-new-drugs-become-approved-and-available-to-canadians/
(3) The Conference Board of Canada. Accessing Necessary Arthritis Medications: A Pan-Canadian analysis. February 2020