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July 18, 2022

Doug Clark, Executive Director  
Patented Medicine Prices Review Board  
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Dear Mr. Clark,

On behalf of McKesson Canada Corporation (“McKesson Canada”) and our 12,000+ employees across the country, we would like to provide our input on the Notice and Comment issued by the Patented Medicine Prices Review Board (“PMPRB”) on June 30, 2022.

McKesson Canada is one of the country’s largest health care companies & the largest distributor of pharmaceutical products. Uniquely positioned within the Canadian healthcare system, our role as a pharmaceutical wholesale distributor, pharmacy banner operator, patient-care innovator, and specialty solutions provider makes us one of the few companies that operates in and touches every aspect of the healthcare system. This provides us with a 360° view to help improve the cost and quality of healthcare delivery in almost every setting.

While McKesson Canada is supportive of the PMPRB’s decision to adopt a “status quo” approach until the final set of guidelines is adopted, we would like to take this opportunity to underscore our perspective on several critical aspects of the PMPRB’s work that have to date not been addressed.

As has been pointed out throughout the past five years by McKesson Canada and the associations it is a member of (including the Canadian Association for Pharmacy Distribution Management, the Neighbourhood Pharmacy Association of Canada, the Canadian Pharmacists Association, the Association québécoise des distributeurs en pharmacie), the assessment of the new guidelines has completely excluded the major, direct impact they will have on critical funding for pharmaceutical distribution and community pharmacy services in Canada.

While the reforms are intended to generate savings to Canadians and their drug plans by reducing patented medicine prices, they will also lead to a significant loss of pharmacy funding that is a function of the list prices of drugs in Canada. We strongly encourage the PMPRB to conduct a comprehensive assessment of the impact of the proposed Guidelines on pharmaceutical distribution funding and retail pharmacy service funding. An assessment conducted for our industry associations using the 2019 draft of the Guidelines concluded that pharmacies and pharmaceutical distributors will see their funding reduced by nearly \$80 million annually once implemented.

To date, the PMPRB has abandoned aspects of the reforms that will have a significant impact on funding for drug manufacturers. **We are extremely concerned that, despite our urgent appeals, the PMPRB has refused to even measure the impact of the reforms on community pharmacies and pharmaceutical distributors.**

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Given the likelihood that a PMPRB assessment of the impact of the reforms on the community pharmacy and pharmaceutical distribution sectors will corroborate the analysis previously conducted by our industry associations, we strongly encourage the PMPRB to consider directly engaging with this unintended consequence.

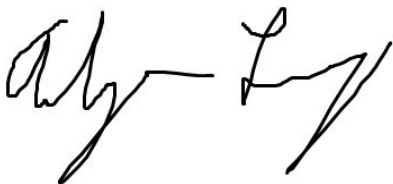
**Specifically, we encourage the PMPRB to formally exclude the “grandfathered” and “gap” medications (i.e., those already in-market) from future price adjustments based on the new basket of comparator countries. Doing so would effectively ‘grandfather’ these medications at current maximum list prices and would prevent the significant and unintended cuts to pharmacy services and distribution funding described earlier.**

In addition, grandfathering existing medications would avoid a major challenge associated with implementing the reforms, which would otherwise trigger thousands of individual price changes that could cause chaos and unintended shortages at the individual community pharmacy level. **Should the Board decide to proceed with price changes to existing medicines, we strongly encourage the PMPRB to work collaboratively with the industry associations representing manufacturers, community pharmacy, pharmaceutical distributors, and with patient groups to ensure a smooth and well-thought-out implementation protocol as July 1, 2023 approaches.**

Thank you again for the opportunity to provide input on the proposed amendments. We urge the PMPRB to consider the full impact of the Guidelines on the sustainability of Canada’s drug supply system and the viability of its community pharmacies moving forward.

If in the interim you have any questions about McKesson Canada, our submission, or require any assistance on any other issue, please do not hesitate to contact me directly.

Sincerely,



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