

July 18, 2022

Doug Clark, Executive Director
Patented Medicine Prices Review Board
Box L40, Standard Life Centre
333 Laurier Avenue West, Suite 1400
Ottawa ON K1P 1C1

RE: Response to PMPRB Price Review Approach During the Interim Period following publication of Amendments to the Patented Medicines Regulations

Dear Mr. Clark,

We are writing to you today as the key stakeholders representing Canada's pharmacies, pharmacy professionals, and pharmaceutical distribution sectors. Collectively, we have provided essential support to the health system throughout the ongoing pandemic by administering more than 18 million COVID-19 vaccines to support the largest immunization campaign in history, distributing and administering millions of COVID-19 tests, all while continuing to deliver more than 780 million prescription medicines each year.

We're pleased that the Patented Medicine Prices Review Board's recent interim consultation period provides an additional opportunity to consult stakeholders. **We request that an impact analysis of the new Guidelines on our sector be carried out and the results of that analysis be considered in the redaction of the new Guidelines, so they do not negatively impact medication access and patient care across the country.**

The reimbursement models in Canada are such that funding formulas for pharmacy services and pharmaceutical distributors are related to drug prices. These services ensure that patients get their medications safely and in a timely way, across every community in the country. The proposed changes to Canada's patented medicines pricing model will place a significant burden on pharmacies and pharmaceutical distributors, in ways that directly affect business operations and service delivery, and patient access to quality care and medications.

Under the existing 2020 Guidelines, pharmacies and pharmaceutical distributors are facing an estimated \$77.6 million annual impact. This loss will have a significant consequences on the sector's ability to deliver medications and supportive patient care. Pharmacies who rely on markup revenue to support patient care services may be forced to curtail those services or pass the costs on to Canadians.

Distributors who presently can offset the losses associated with rural and remote deliveries may be forced to narrow geographic coverage or lower delivery frequency to adjust to further revenue decline. Canada's most vulnerable, including those in remote, rural, and Indigenous communities, will be hardest hit, along with Canadians taking medications that require the most complex care.

The projected losses come at a time in which pharmacies and distributors are operating under considerable strain due to labour, warehouse space, and fuel cost increases, combined with record

inflation and workforce shortages, with no source of new revenue to meet these challenges. These pressures cumulatively jeopardize patient access to drugs and services that are critical to maintaining community care, especially in rural and remote regions.

To avoid these potentially dire consequences, **we urge the PMPRB to:**

- **Ensure the Guidelines exclude existing in-market medicines, and those launched prior to the final publication of these Guidelines, from reassessment against the PMPRB11.**
- **If this is not within the purview of the PMPRB, then we alternatively advise the PMPRB to mitigate the impact on existing in-market medicines and apply a more lenient framework, for example, by applying the Highest International Price Comparison test to these medicines.**
- **Implement a reasonable transition period (e.g., two reporting periods) between the final publication of the new Guidelines and their full implementation.**

We believe this will better prepare the sector to manage the financial impacts of the new Guidelines. This will also allow time to manage new prices, minimize supply chain disruption, and determine if a new framework for pharmacy service funding is needed to ensure support services that maintain specialized care for patients with complex conditions.

The key considerations noted above will provide the sector with the stability that is essential to support the health system as it continues to recover from the impacts of the pandemic.

We look forward to ongoing dialogue with you on the new Guidelines during this consultation period.

Sincerely,



Hugues Mousseau,
Director General,
**Association québécoise
des distributeurs en pharmacie
Association des bannières et des chaînes de
pharmacies du Québec**



Angelique Berg,
President & CEO,
**Canadian Association for Pharmacy Distribution
Management**



Glen Doucet,
Chief Executive Officer,
Canadian Pharmacists Association



Sandra Hanna,
Chief Executive Officer,
Neighbourhood Pharmacy Association of Canada