February 19, 2008

Sylvie Dupont, Secretary of the Board
Patented Medicine Prices Review Board
Box L40
Standard Life Centre
333 Laurier Avenue West, Suite 1400
Ottawa, Ontario, K1P 1C1

Dear Ms. Dupont,

Thank you for the opportunity to provide feedback and comment on the Board's Discussion Paper regarding Options for Possible Changes to the Patented Medicines Regulations and the Excessive Price Guidelines dated January 31, 2008. ESI Canada, a Health Benefit Manager, represents the interest of private payers, including insurance carriers and third party administrators. As such, we are very interested in how prices are set and controlled in Canada for all medicines. Please find below comments on the proposed options outlined in the Discussion Paper.

Overall Guidelines Review

Any Market Price Review

ESI Canada supports the commitment to perform price reviews of patented medicines at the level of any market. We would propose that the definition of Class of Customer (hospitals, pharmacies, wholesalers, provinces, territories and others) as specified within the Board's Excessive Price Guidelines be expanded to explicitly include individual private payers.

We support the 4 circumstances proposed regarding when a price review would be conducted. However, if the price review is to occur on a case-by-case basis, we would suggest that the Maximum Non-Excessive (MNE) price be communicated to all class of customers so that each customer can assess the impact to their market and lodge a complaint if needed.

Options to Address Issues Arising from the Federal Court of Canada (FCC) Decision

Regulatory Options

The only option which ESI Canada supports is Option 1 – Maintain the current Regulations and respect the outcome of the FCC decision. In accordance with the Board's mandate, "to protect consumers and contribute to Canadian health care by ensuring that prices charged by manufacturers for patented medicines are not excessive", it would be appropriate to enforce that all benefits listed in the Regulations be used in the calculation of a medicine's Average Price. All benefits should be fully disclosed in each reporting period instead of allowing their inclusion or exclusion to be discretionary. This is the only way in which accurate comparisons can be made and unbiased reporting of actual pharmaceutical trends can occur.

In addition, we appreciate the reporting and monitoring that the Board has initiated on non-patented drug prices however we would like to see the Board expand its jurisdiction to include the regulation of prices of non-patented drugs. This would help ensure that prices charged for all medicines sold in Canada, whether patented or non-patented, are not excessive and would further the Board's mandate of protecting consumers and contributing to Canadian health care.

Thank you for the opportunity to provide feedback on the proposed changes to the Regulations and Guidelines. Please do not hesitate to contact me should you have any questions concerning our comments.

Sincerely,

Johnny Ma
ESI Canada