



January 12, 2016

Mr. Guillaume Couillard
Director, Board Secretariat
Communications and Strategic Planning
Box L40
333 Laurier Avenue West
Suite 1400
Ottawa, Ontario K1P 1C1

Re: PMPRB Initiative #2 - List Price Relative to MAPP Verification

Dear Mr. Couillard,

On behalf of the Canadian life and health insurance industry, I am providing our comments regarding your proposed changes to section C11 that will require patentees to ensure their domestic list prices for new drugs are below the Maximum Average Potential Price (MAPP).

The CLHIA is a voluntary trade association with member companies that account for 99 percent of Canada's life and health insurance business. In Canada, at the end of 2014, the life and health insurance industry provided approximately 22 million Canadians with prescription drug benefit coverage and made payments of about \$10.2 billion for prescription drugs.

As you are aware, in most cases, private payers reimburse list price for prescription drug claims. The recent increasing ratio of domestic Block 5 prices to the national average transaction price from 1.059 to 1.079 since 2010 is a concern to private payers and ultimately results in higher costs for those Canadians covered by private insurance or paying out of pocket. As such we fully support the PMPRB's proposal to require patentees to ensure that domestic list prices for new drugs are below the MAPP on a go forward basis. We also applaud the PMPRB for taking proactive steps to adjust your guidelines in response to changing market practices and encourage the PMPRB to develop a systematic process for evaluating domestic prices to ensure that they are and continue to be below the MAPP.

Canadian Life and Health Insurance Association
79 Wellington St. West, Suite 2300
P.O. Box 99, TD South Tower
Toronto, Ontario M5K 1G8
416-777-2221 www.clhia.ca

Association canadienne des compagnies d'assurances de personnes
79, rue Wellington Ouest, bureau 2300
CP 99, TD South Tower
Toronto (Ontario) M5K 1G8
416-777-2221 www.accap.ca

Thank you for bringing forward this important initiative. We would be pleased to discuss this at your convenience or provide any other information that you would find helpful. Please contact Joan Weir, Director- Health and Dental at (416)-359-2003 or jweir@clhia.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Frank". The signature is written in a cursive style with a large initial "S" and a distinct "F".

Stephen Frank
Vice President, Policy Development and Health