



C o m m u n i q u é

Price Reduction for Remicade

OTTAWA, April 1, 2003: The Patented Medicine Prices Review Board has accepted a Voluntary Compliance Undertaking (VCU) agreed to by Schering Canada Inc. (Schering) and Board Staff that will have the effect of lowering the price of the medicine Remicade.

Upon releasing its decision to accept the VCU, the Board indicated that the VCU benefits patients with an immediate price reduction of approximately 20%, bringing the price of Remicade within the Board's Price Guidelines.

The terms of the VCU require that the average transaction price not exceed \$909.51 per vial for the balance of 2003. Under the Guidelines, future price increases for Remicade will be limited to increases from that 2003 price based on the Consumer Price Index (CPI). Also, to offset excess revenues from past sales of Remicade, Schering will make a payment to the Government of Canada in the amount of approximately \$7.8 million.

On December 16, 2002, the Board issued a Notice of Hearing pertaining to the allegations of Board Staff that Remicade has been, and was being, sold by Schering at prices exceeding the Guidelines. A pre-hearing conference was held in February and the matter was scheduled to be heard by the Board commencing on April 22. On March 18, Schering and Board Staff filed a joint submission proposing that the Board approve the VCU to resolve all issues raised by the Notice of Hearing.

Remicade is sold pursuant to a Notice of Compliance issued by Health Canada on June 6, 2001 for the treatment of Crohn's disease and to a Notice of Compliance issued on September 27, 2001 for the treatment of rheumatoid arthritis.

The Board's Order is a public document and available on the PMPRB website or by contacting the Secretary of the Board.

The PMPRB is an independent quasi-judicial tribunal created under the *Patent Act*. The PMPRB protects consumer interests and contributes to Canadian health care by ensuring that prices charged by manufacturers of patented medicines are not excessive.

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