Elaine Mcgillivray

From: Sylvie Dupont
Sent: Tuesday, October 07, 2008 7:02 AM
To: Elaine Mcgillivray
Subject: FW: Oct 2008 Excessive Pricing.doc

From: Steve Long [mailto:Steve.Long@gov.ab.ca]
Sent: Monday, October 06, 2008 7:17 PM
To: Sylvie Dupont
Subject: Oct 2008 Excessive Pricing.doc

Hi Sylvie:
Please find attached my comments on the Excessive Pricing Guidelines.

Steve Long

Alberta Health and Wellness

10025 Jasper Avenue
P.O. Box 1360, Station Main
Edmonton, Alberta
T5J 2N3

Monday, October 06, 2008

Ms. Sylvie Dupont
Secretary of the 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 review the proposed revisions and provide feedback to the Board on the Excessive Price Guidelines. The work the Board has accomplished since its inception has been invaluable in establishing a framework to maintain competitive pricing for patented medicines for Canadians.

We have read and support the Underlying Principles identified by the Board and updated in the May 31, 2007 Communique (lowest reasonable price, Canada should pay its fair share, value-based pricing, simplicity/transparency, international parity/consistency, accessibility combined

with affordability and consistency overtime – some test of "excessiveness" applied over life of patent).

The Branch would like to raise a single concern with the Board's fulfillment of its mandate. The Board's mandate is to protect consumers and contribute to Canadian healthcare by ensuring that prices charged by manufacturers for patented medicines are not excessive. The Branch believes a further principle, consistent pricing and value of pharmaceuticals for all Canadians is required to fulfill this mandate. We believe the current process of averaging pricing across all jurisdictions and between private and public sectors before determining whether a price is excessive or not, results in significant differentials in what individual Canadians will pay to access drug therapy. The confidentiality afforded to manufacturers in their submissions to CDR and PMPRB to protect business practices, goes against the simplicity and transparency principle outlined by the Board. We believe all Canadians, whether their therapies are funded through an employer/employee drug benefit or through a provincial drug plan in Nova Scotia, Ontario or Alberta, or when paying out of pocket should be dealt with fairly and consistently. The current structure instead sets a framework that allows for excessive prices paid by one group of Canadians to be offset by lowered prices for others.

The differences in pricing may have the unintended consequence of compromising the recommendations made by the Common Drug Review. Products that receive a "do not list" recommendation may be subsequently listed in a jurisdiction at a reduced price. This listing will result in increased prices for other jurisdictions and increased pressure to list from physicians and patients to gain access.

To support the proposed additional principle, the Branch recommends, that the Board consider establishing a maximum price range for products in addition to the maximum non-excessive price. The range should be established at 10% of the maximum non-excessive price. We believe setting such a price range would maintain competition in the market and provide manufacturers with some pricing latitude while ensuring a fair price for all Canadians.

We look forward to receiving the updates to the Excessive Price Guidelines at the conclusion of this consultation.

Yours truly,

Steve Long, B.Sc. (Pharm), M.B.A.
Executive Director

This email and any files transmitted with it are confidential and intended solely for the use of the