



**Canadian Treatment Action Council**

P.O. Box 203  
555 Richmond St. West, Suite 1109B  
Toronto, Ontario M5V 3B1  
Phone/Fax: (416) 410-6538  
Email: [ctac@ctac.ca](mailto:ctac@ctac.ca)

---

October 20, 2008

Ms. Ginette Tonget  
PMPRB  
Ottawa, ON

Re: The PMPRB Proposed Guidelines

Dear Ginette,

CTAC is writing to share its views on the proposed new Guidelines on drug pricing in Canada. It has come to our attention that you will be meeting with the CEOs of nine pharmaceutical companies on October 21, 2008. We feel that you should have our views prior to this meeting. We also would like to apologize for being late in the delivery of our position on this matter. Among other issues, the recent federal election was both unexpected and time consuming for our organization: our main focus was to raise the issue and ensure that federal parties included a catastrophic drug plan as part of their platforms. Please accept our apologies.

CTAC understands that your proposed guideline changes will include at least the following three changes that are of great concern to our organization:

1. Average Selling Price (ASP) that includes the cost of drug used in Compassionate Access Programs
2. A requirement that manufactures disclose their contributions to community-based consumer groups
3. A requirement that manufactures disclose the sales price of any and all agreements negotiated with provincial drug plans

CTAC strongly opposes these proposed changes for the following reasons:

1. If the PMPRB now intends to force companies to deduct the cost of compassionate access programs this will, in effect, mean the end of such programs. As these programs are generally put in place for people living with life threatening and/or serious, chronic disease, this will negatively impact the health of these populations. CTAC, on behalf of the HIV/AIDS community,

a population that requires new therapies and early access to new drugs, and has long fought for these much needed programs.

2. CTAC fails to understand the relevance and rationale of this position. Surely it is the right of a company to make any philanthropic contribution they deem appropriate as long as they are in keeping with government regulations and the *RX&D Code of Conduct*.
3. CTAC considers this to be completely irrelevant to the federal government's role in the regulation of drug prices: especially since reimbursement of drugs is a provincial matter. Nor does the *Canada Health Act* include drugs as part of federal jurisdiction, except in a hospital setting. The PMPRB has specific and limited jurisdiction to monitor excessive drug pricing based on a basket of countries, as set out in the regulations. Moreover, CTAC fails to see how the PMPRB could possibly account for the various drug prices that undoubtedly prevail in other comparator countries; particularly the United States. Finally, CTAC's position is that if a particular buyer has the buying-power to negotiate a discount that surely has nothing to do with the retail price of a drug and is a private contractual matter between the buyer and seller; and any such agreement may well be based on other commitments between the parties about which we have no knowledge.

Given the strong opposition to these guideline changes by a number of patient groups and other stakeholders, CTAC strongly urges the PMPRB to reconsider these Guideline changes. As usual, CTAC is more than pleased to meet and discuss this issue in greater detail at your earliest convenience.

Sincerely,

Louise Binder  
Chair, CTAC