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October 6, 2008

PMPRB Notice & Comment, August, 2008 Draft Revised Excessive Price Guidelines Submission from ClaimSecure Inc.

In response to the PMPRB's Notice & Comment relating to the proposed new Excessive Price Guidelines, ClaimSecure Inc. respectfully submits the following observations and recommendations aimed at addressing the possibilities of:

- (a) The price variability between the patented medicines sold to the non-government market versus the government market within the provinces and territories.
- (b) The price sold to the non-government market which may or may not exceed the current Maximum Non-Excessive (MNE) price set by the Board.

ClaimSecure adjudicates and manages the Drug, Dental and Extended Health Benefit claims for nearly 1.3 million Canadians on behalf of its customers, which include Insurers and Canadian corporations ("Customers"). This represents in excess of \$350 million in drug benefit claims. ClaimSecure's Customers represent a portion of the non-government market which is also known as the Private Plan market. The Private Plan market currently represents over fifty (50) percent of the entire prescription or non-prescription medicines sold by drug manufacturers in Canada.

It is ClaimSecure's observation, and is of concern to its Customers, that since the enactment of Ontario's Transparent Drug System for Patients Act (TDSPA), the generic drug manufacturers are selling at a higher price to the private plan market versus that of the Ontario government (ODB) market. ClaimSecure respectfully requests that PMPRB consider means within its new proposed guidelines to prevent the spread of price variability between the government and non-government markets for the patented medicines. This would be in line with the following statement on page 8 of the PMPRB's Notice & Comment issued in August 2008:

"The Board's mandate is to ensure that prices of patented medicines sold in Canada are not excessive in any market in Canada. The Board believes that it is important to ensure that introductory prices are not excessive for any class of customer or in any province / territory. For existing drug products, the Board agrees that any market price reviews only be carried out on a case-by-case basis where price variability in different markets appears to be an issue."



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In addition, ClaimSecure recommends that no Canadian resident directly or indirectly should have to pay for a patented medicine above the Maximum Non-Excessive (MNE) price. A suggestion to accomplish such goal is for the Board to publish the current MNE price for all the patented medicines on a regular basis. This will allow ClaimSecure, on behalf of its Customers, to monitor the price sold by the patentees to the Private Plan market.

ClaimSecure believes that the Private Plan Payers are part of the stakeholder groups. We look forward to working with the Board to further define the existing guidelines and to protect all Canadians in all markets against excessive price and price variability from patented medicines.

Respectfully Yours,

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ClaimSecure Inc.