

PMPRB Symposium 2002 – Highlights

One year ago, we conducted a survey of our major stakeholder groups as part of our annual Environmental Scan exercise. The results of the survey showed that our stakeholders are mostly concerned about:

- ♦ the rising cost of drugs;
- ♦ the need for research and development;
- ♦ the impact of emerging technologies; and;
- ♦ transparency in the PMPRB's operations.

This input was taken into account by the PMPRB in developing our Research Agenda which is updated and published annually in the January edition of the NEWSletter. It also played a major part in developing the program for our Symposium 2002 which was held in Ottawa on October 7 and 8.

The Symposium brought together experts and others interested in questions related to pharmaceutical pricing from across Canada and from other major countries. Its purpose was to share information and facilitate a dialogue on issues related to drug price regulation in Canada — to examine current trends and to identify the challenges and opportunities.

Although the planning for this conference went back one year, its genesis actually goes back several years. In 1997, the Standing



PMPRB Symposium 2002, October 7 – Professor Sir Michael Rawlins, Chairman, National Institute for Clinical Excellence, UK.



PMPRB Symposium 2002, October 7 & 8, 2002, Fairmont Château Laurier, Ottawa, Canada.

Committee on Industry recommended that the PMPRB consult with stakeholders to find out what further information we could provide to the public. In response to the public consultations which led to the *Road Map for the Next Decade* in 1998, we have been continually seeking new ways to share information on major pharmaceutical trends.

We were delighted that the Symposium attracted the participation of a broad range of the PMPRB's stakeholders including representatives of consumer groups, health professionals, departments and agencies of both senior levels of government and the pharmaceutical industry.



PMPRB Symposium 2002, October 7 – The Honourable Anne McLellan, Minister of Health; Dr. Robert G. Elgie, Chairperson, PMPRB; Professor Lloyd Sansom, Chairman, Pharmaceutical Benefits Advisory Committee, Australia; Mrs. Margaret Sansom.

The Board wishes to thank the speakers and panelists for their participation in the PMPRB Symposium 2002.

- Bruce Brady**, Canadian Coordinating Office for Health Technology Assessment
- Tim Caulfield**, University of Alberta
- Vernon Chiles**, Green Shield Canada
- Michael Decter**, Canadian Institute for Health Information
- Murray Elston**, Canada's Research Based Companies
- Colleen Flood**, University of Toronto
- Stéphane Jacobzone**, Organisation for Economic Co-operation and Development
- Panos Kanavos**, London School of Economics
- Jim Keon**, Canadian Generic Pharmaceutical Association
- Andreas Laupacis**, Institute for Clinical Evaluative Sciences
- Jacques Le Lorier**, Centre hospitalier de l'Université de Montréal
- Mark J. Lievonon**, Aventis Pasteur
- Stuart MacLeod**, University of British Columbia (formerly of McMaster University)
- Terry McCool**, Eli Lilly Canada Inc.
- Robert Y. McMurtry**, Commission on the Future of Health Care in Canada
- Steve Morgan**, University of British Columbia
- Jeffrey Poston**, Canadian Pharmacists Association
- Sir Michael Rawlins**, National Institute for Clinical Excellence, UK
- Lloyd Sansom**, Pharmaceutical Benefits Advisory Committee, Australia
- Barbara Shea**, Saskatchewan Health
- Ian Shugart**, Health Canada
- Linda Tennant**, (formerly) Ontario Ministry of Health and Long-Term Care
- William J. Tholl**, Canadian Medical Association
- Don Willison**, McMaster University

The major theme throughout the two-day Symposium was to examine approaches to assessing the value of new drugs in other countries and to identify the major issues in Canada. Among others, we heard from Professor Sir Michael Rawlins, the Chairman of the National Institute for Clinical Excellence, or NICE, in the UK and Professor Lloyd Sansom, the Chair of the Pharmaceutical Benefits Advisory Committee in Australia.

They told us about some of the current issues and practices in those countries, including continued efforts to enhance evidence-based decision-making; to increase transparency; and to link the reviews of new drugs to appropriate prescribing and utilization.

Since the PMPRB was created in 1987, retail spending on drugs in Canada has increased from about 10% of total health expenditures to more than 15%. Total sales by drug manufacturers have grown by close to 400% to reach \$11.5 billion in 2001. The sales of patented drugs have increased even faster so that they now represent 65% of total drug sales as compared to 45% just a few years ago.



PMPRB Symposium 2002, October 7 – Panos Kanavos, London School of Economics, UK; Réal Sureau, Vice-Chairperson, PMPRB; Stéphane Jacobzone, OECD.

reimbursement under public programs. On the pricing side, these initiatives include reference-based pricing, foreign price comparisons, and mandated price reductions. The United Kingdom continues to control the profits of drug manufacturers through the Pharmaceutical Price Regulation Scheme and actively promotes the utilization of cost-effective drugs through NICE. Some countries are negotiating volume agreements with manufacturers to limit total expenditures.

Professor Panos Kanavos of the London School of Economics, who has just completed a year as a Visiting Professor at Harvard University, also reported on the significant developments in the United States. He pointed out that more and more public programs, especially at the state level, are adopting some of the price control and cost-containment measures that have previously been seen in Europe and elsewhere. For example, a number of states have effectively introduced reference-based pricing programs for their Medicaid plans. In the private sector, HMOs and other major insurers are increasing the rigour of their formulary reviews in deciding which drugs to cover.

Canadians are not unique in facing significant increases in drug expenditures and in continually examining and modifying pharmaceutical policies to address them.

The delegates were privileged to hear Dr. Robert McMurtry, who is serving as Special Advisor to the Romanow Royal Commission on the Future of Health Care. He reported that many Canadians have raised their concerns about pharmaceuticals, particularly on the affordability and accessibility of necessary medications.

All countries are facing significant increases in drug expenditures. Leading economists reported to us on the experiences of other developed countries in attempting to understand and wrestle with double-digit rates of growth in drug plan spending. As

Stéphane Jacobzone of the OECD reported to us, there continues to be a constant evolution in public policy throughout Europe related to the pricing of drugs and



PMPRB Symposium 2002, October 7 – Dr. Robert Y. McMurtry, Special Advisor to the Commission on the Future of Health Care.



Teckles Photography Inc.

PMPRB Symposium 2002, October 7 – Mrs. Jean Jones, O.C., Consumers' Association of Canada; the Honourable Anne McLellan, Minister of Health.

PMPRB Symposium 2002, October 8 – Steve Morgan, Centre for Health Services and Policy Research, University of British Columbia; Tim Caulfield, Health Law Institute, University of Alberta.

Looking at the domestic side, we heard from a number of speakers on four separate panels addressing issues related to:

- ◆ assessing the value of new drugs, including the use of pharmacoeconomics;
- ◆ international experience with pharmaceutical industrial policy: common challenges and lessons for Canada;
- ◆ how the new National Prescription Drug Utilization Information System can be used to promote optimal drug therapy; and
- ◆ the challenges arising from the emerging pharmaceutical technologies.

Our panelists included a wide range of experts: academics in the fields of health policy, economics and law; representatives of the pharmaceutical industry - brand-name, generic, and biotechnology; health care professionals; and senior government officials with responsibility for pharmaceutical policy and drug plans.

Needless to say they didn't always agree, but they were frank in identifying some tough questions and promoting more dialogue.

It is clear that there are no magic bullets or easy answers.



Teckles Photography Inc.

The Symposium provided a concrete example of the dual nature of the mandate of the PMPRB of regulating prices charged by manufacturers of patented medicines to ensure that they are not excessive and reporting to Canadians on pricing and R&D performance for pharmaceuticals.

We take this opportunity to thank our speakers and panelists. Their contribution has been instrumental in our meeting the objective of the 2002 Symposium to provide a forum to share information, ideas and views on current issues in drug prices regulation in Canada. Their participation and that of our delegates was the key element to the success of this event.

In closing, 2002 marks the 15th anniversary of the PMPRB. It has been a particularly busy year and it is clear that 2003 will be the same. We look forward to continuing our work with all our stakeholders in developing and carrying our Research Agenda to fulfill the regulatory and reporting mandates of the PMPRB. ■

Information on the PMPRB Symposium 2002 along with speaker and panelist's presentations are available on our website by clicking on PMPRB Symposium 2002.

PMPRB