CANADIAN FEDERATION OF NURSES UNIONS
LA FÉDÉRATION CANADIENNE DES SYNDICATS D'INFIRMIÈRES ET INFIRMIERS

Submission by
The Canadian Federation of Nurses Unions (CFNU)
to the

House of Commons
Standing Committee on Health

Study

on

Patented Medicine Prices Review Board's Guidelines

November 6, 2020

About the Canadian Federation of Nurses Unions (CFNU)

The CFNU is the voice of nearly 200,000 unionized nurses and nursing students across the country. We are proud to advocate for our members and promote the nursing profession on the national level, and we work tirelessly to protect the quality of health care for our patients and our universal public health care system.

On behalf of Canada's nurses, we appreciate the opportunity to offer our support for the work of the Patented Medicine Prices Review Board (PMPRB) – which enables our patients to obtain more affordable access to necessary medicines – and extend our gratitude to the House of Commons Standing Committee on Health (HESA) for considering this brief.

Context on the PMPRB's Final Guidelines

On October 23, 2020, the PMPRB released its final Guidelines for the amended *Patented Medicines Regulations* ("Amended Regulations") set to come into force on January 1, 2021. The release of the final Guidelines follows previous drafts of the Guidelines being released by the PMPRB for public feedback (November 21, 2019 and June 19, 2020) and a consultative process dating back to 2015.

After the release of each draft of the Guidelines, the PMPRB held lengthy and thorough consultations with the pharmaceutical industry, insurance industry, patient groups, labour groups and other stakeholders. The CFNU participated in these consultations by presenting detailed submissions and attending sessions in person and online.

We are grateful for the important work conducted by the PMPRB on this matter. While our submissions highlighted concerns with the various drafts of the Guidelines which did not get incorporated into the final Guidelines, we are supportive of the Guidelines and the Amended Regulations overall, and look forward to having them come into force in a few weeks' time.

As the final report of the Advisory Council on the Implementation on National Pharmacare recommends, the regulatory reforms should be implemented so "the PMPRB will be able to assess whether the price of a new medication is in line with the health benefits it offers patients, as well as its overall affordability, and set a maximum price that reflects these considerations."

It is important to bear in mind that the Amended Regulations were supposed to come into force on July 1, 2020, and hence the release of the final Guidelines have been delayed, as well. Certain stakeholders are vehemently opposed to the PMPRB's mandate, which is to protect consumers in Canada from excessive patented drug prices. The delays must be understood with this opposition in mind.

The stakeholders opposed to the lowering of patented medicine prices are determined to derail these regulatory changes, and can draw on enormous resources and influence in their efforts to do so. While they have been unable to prevent the PMPRB from doing their work, their pressure has compelled the PMPRB to – in the PMPRB's own stated rationale – make numerous concessions to such interests.

Given the fact that this study is being conducted after years of extensive consultation with all stakeholders by the PMPRB, and within weeks of the Amended Regulations and its associated Guidelines coming into force, it appears members of HESA have been led to believe that such consultations were

insufficient. It is important to note that in addition to the numerous public meetings and webinars held by the PMPRB, over 40 bilateral meetings took place between the PMPRB and pharmaceutical companies, trade associations and consultants (this number refers to meetings held directly following the release of the draft Guidelines from November 2019; it does not account for bilateral meetings outside that period).

We urge members of HESA to embrace the PMRPB's consumer protection mandate, recognize the evidence-based approach the PMPRB has adopted in bringing forth the Amended Regulations and their associated Guidelines, and commend the PMPRB for having already engaged in extensive public consultations on the much-needed changes set to come into force.

Support for the PMPRB's Amended Regulations and Final Guidelines

Canada has the second-highest spending per capita on patented medicines among OECD countries. In 2019, we spent more on prescription drugs than we did on physicians. In 2017, Canadians with drug costs of $10,000 or more represented 2% of beneficiaries. However, they accounted for more than one-third of public drug spending.

The Regulations and Guidelines we currently have in place have permitted the pharmaceutical industry to profit immensely at the expense of consumers in Canada. While profits will continue to be vast for the industry, the regulatory changes set to come into force will enable savings for Canadians of an estimated $13.2 billion over ten years. It also sets the stage for the implementation of a national universal public pharmacare program.

The Amended Regulations and associated Guidelines were designed to more closely align the prices of patented medicines in Canada with countries whose populations and economies are similar to Canada's. While certain stakeholders have attempted to make the case that making medicines more affordable will lead to fewer new medicines being launched in Canada, fewer clinical trials and lower R&D investments, the PMPRB has persistently presented the facts to rebut such claims.

Despite the PMPRB's persistent efforts to address these claims, they continue to be stated as fact, and will continue to be echoed by certain stakeholders and pundits in the coming weeks and months. It is important that the PMPRB's data be considered as more trustworthy to HESA than the claims made by pharmaceutical companies, insurance companies, and certain patient groups who receive generous funding from profit-driven interests.

As the PMPRB concludes, there are no early signs that patented medicine price reforms are resulting in fewer new medicines being launched in Canada, nor are there any early signs that such reforms are resulting in fewer clinical trials initiated in Canada. Regarding R&D investment, there are countries which have much higher R&D investment and lower patented drug prices than Canada.

Certain groups have expressed concerns about the introduction of drugs for orphan diseases in Canada. This question has been looked at by distinguished academics in Canada, including Dr. Joel Lexchin, who have found that while drug prices in Australia are on average 25% lower than those in Canada, there was no statistical difference in the number of drugs approved in the two countries.

There has been heightened attention as of late on the breakthrough therapy for the treatment of cystic fibrosis, known as Trikafta. While concerns have been raised that the medicine has not been made

available to patients in Canada due to the manufacturer's concerns about the regulatory changes set to come into force, it should be noted that the company in question, Vertex, has negotiated a deal with both the United Kingdom and Switzerland. In both instances, these countries were able to negotiate a lower price, proving that pharmaceutical companies may complain about receiving lower prices but will still cut a deal at the end of the day. We should not let them hold patients' health hostage through their excessive pricing demands.

Finally, the data provided by the PMPRB tells us that roughly 10% of the new drugs marketed offer significant therapeutic advancements. That means that the overwhelming majority of new patented medicines do not offer significant improvements over the medicines that already exist. The PMPRB must have the ability to regulate in the public interest when pharmaceutical patentees are misleading consumers in Canada in this regard.

Conclusion

We call on all members of HESA to listen to the experts in the regulatory body that has been mandated to protect consumers in Canada from excessive patented medicine prices. HESA should acknowledge the very extensive consultations held over the past five years on the regulations and guidelines in question, and recognize the generous concessions already made to the pharmaceutical industry.

While certain groups will continue to cry foul, it is also important for HESA to consider conflicts of interest, as it is common practice for such groups to receive generous funding from the very pharmaceutical companies, all of which are strongly opposed to any and all regulation of the pricing for patented medicines in Canada.

We look forward to working with HESA on a path to implementing a national public universal pharmacare program, where the PMPRB can play a vital role in ensuring fair and accessible prices for Canada in our quest to provide universal access to prescription drugs for all.