

**LifeSciences BC Submission to
House of Commons Standing Committee on Health (HESA)
on the New Patented Medicine Pricing Review Board Guidelines**

Committees and Legislative Services Directorate

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Impact of New PMPRB Guidelines on the Life Science Ecosystem in British Columbia

Introduction to LifeSciences BC

LifeSciences British Columbia (“LSBC”), a non-profit member-based association, representing Academia and Research Institutions, small to medium enterprises (SMEs), Health Organizations and Funding Agencies, has previously expressed concerns with the potential negative consequences on the Life Sciences sector, as a result of the Patented Medicine Prices Review Board (PMPRB)’s new approach to pharmaceutical pricing in Canada.

Review of Regulations

LifeSciences BC’s observations are based on a careful review of the guidelines in consultation with our stakeholders, who have extensive knowledge and perspectives relevant to the B.C. Life Sciences ecosystem. We recognize that Canada needs to reform its pharmaceutical pricing process, however, we are concerned that PMPRB’s Guidelines released in October 2020, failed to address the significant issues we raised through the PMPRB consultation period.

At LSBC, we acknowledge that none of the concerns raised fall within the statutory remit of the PMPRB, however, we believe that they need thoughtful consideration before implementing the new regulations and guidelines on January 1st, 2021. As expressed throughout the consultation period, we are concerned, that if the guidelines are implemented as currently designed, there will potentially be significant unintended consequences on the life sciences sector resulting in potential collateral damage to innovation, especially as we address the implications of coronavirus disease (Covid-19).

Unintended Consequences

Our concerns are as follows:

1. The new Guidelines are counter-productive to recent and longstanding provincial and federal initiatives critically important to stimulating life sciences innovation and development. As we

navigate through the COVID-19 pandemic, the life sciences sector has never been more critical to the Canadian economy and stability of healthcare system.

2. A high level of unpredictability to pricing of innovative medicines in Canada will potentially be an investment deterrent to B.C. and Canadian based innovation. Pricing predictability is a key requisite for the continued launch of innovative medicines and investment attractiveness in any country.
3. In B.C. we are particularly concerned that continued innovation and advancement of innovative oncology and rare disease products will be negatively impacted.

In our view, the new PMPRB Guidelines raise real and perceptible risks to Canada's and B.C.'s Life Sciences ecosystem and the health options for individuals. Some of the potential unintended consequences of the new guidelines include:

1. Reduced number and size of industry-funded clinical trials in B.C., thereby impacting employment in the private, public, and academic sectors.
2. Reduced or delayed access to new pharmaceutical products, particularly innovative medicines, drugs for rare diseases, compassionate use programs, novel formulations and delivery systems including B.C. innovations to individuals.
3. Reduced patient programs, support, and services currently provided in partnership with industry.
4. Reduced or eliminated pre-competitive investments in our B.C. ecosystem by international pharmaceutical companies.
 - a. at incubators and accelerators
 - b. at centres of excellence and at academic/research centres.
5. Reduced investment in B.C.-created innovation specifically the Canadian life sciences ecosystem broadly. Examples include:
 - a. Instability in the pharmaceutical supply chain
 - b. Risk of losses of high-skilled and high paying jobs

What is at Risk to the Life Science Ecosystem in B.C.

To clarify what is at risk, according to a report published by the Province of British Columbia, in June 2020, the B.C. Life Sciences ecosystem was comprised of approximately 2,000 companies, employing over 17,000 people, generating in excess of \$5.4 billion in revenues, \$1.6 billion in GDP, \$500 million in exports.¹ The Life Sciences sector is one of Canada's fastest growing sectors and will play a critical role in Canada's economic recovery and competitiveness, while delivering innovation and solutions to address the challenges faced by the COVID-19 pandemic.

To avoid the unintended consequences, LSBC is prepared to engage through dialogue, the implications of the PMPRB Regulations and Guidelines on the Life Sciences ecosystem. We will join with other participants to find workable drug pricing solutions, while enabling opportunities for innovation, investment, and high-quality patient-care outcomes.

LSBC calls on the PMPRB, the Ministries of Innovation, Science and Industry and Health Canada, along with industry and other Canadian provinces, to come together and collectively negotiate a solution that determines equitable drug prices, and ensures high-quality patient-care outcomes are not interrupted, while avoiding unintended consequences and potential collateral damage to the B.C. Life Science ecosystem.

It is to all Canadians benefit to ensure the Life Sciences sector remains globally competitive, continues to grow, attract investment, create jobs, positively contribute to the economy, while ensuring reliability and sustainability of our healthcare system.

Respectfully Submitted to the House of Commons Standing Committee on Health

By LifeSciences BC

November 6, 2020

¹ [Life Sciences in British Columbia Sector Profile – June 2020](#) – Government of British Columbia, Ministry of Jobs, Economic Development and Competitiveness