



# WRITTEN SUBMISSION

## Ontario Government 2019 Pre-Budget Consultation

**Innovative Medicines Canada**

January 24, 2019





## INTRODUCTION

Innovative Medicines Canada is the national voice of Canada's pharmaceutical industry representing over 45 research-based pharmaceutical companies dedicated to providing Ontarians with innovative medicines that treat disease and improve lives. Our industry brings exceptional value for money, making substantial investments in the health and economic well-being of Ontarians.

With an economic impact of over \$1.35 billion annually, our members support over 7,000 direct and 12,000 indirect jobs and maintains a dynamic presence in an open for business Ontario. Each year we fund over 3000 clinical trials, enable leading research and investigation at Ontario's universities, and support innovative patient-centred health care delivery.

Our submission outlines how an improvement in government service and a reduction in unnecessary regulation will drive savings within the health system and productivity across the economy.

## OUR MEMBERS





## ON OHIP+ AND SAVING TAX PAYERS MONEY

IMC recommends that Ontario continue to play a leadership role within Canada, and work with other provinces to ensure that the federal government's National Pharmacare program maintains provincial autonomy, decision making and improves access to medicines for Ontarians in a fiscally sustainable manner.

The fiscally prudent approach to a national pharmacare program would maintain the mixed public-private insurance system and address the gaps for those without insurance or those who are underinsured. This is consistent with Health Minister Christine Elliott's June 30th announcement on changes to the previous governments OHIP+ program:

*"Today, our government is announcing our intent to fix the OHIP+ program by focussing benefits on those who do not have existing prescription drug benefits... This new system would be more efficient, saving the taxpayers money and dedicating resources to the people who need it most."*

## ON PRICING REFORM

IMC is gravely concerned about Health Canada's proposed amendments to the Patented Medicines Prices Regulations. The Patented Medicines Pricing Review Board's own case studies show a reduction of up to 70% on the ceiling price of medicines, a hit no industry could sustain.

The proposed changes will also:

- create an additional layer of red tape on an already heavily regulated industry;
- impede Ontario's ability to negotiate drug prices with manufacturers, which currently saves Ontario over \$1.2B annually based on the Ontario Auditor Generals 2018 report;
- make Ontario (and Canada) a less attractive place to invest in high-value research and development, undermine innovation and send the wrong signal to global investors - all of which support job creation in Ontario; and
- have profound negative consequences for Ontarians ability to access the latest innovative medicines which help keep patients out of hospital and support ending Hallway Medicine.

We recommend that Ontario continue to play a leadership role within Canada, and work with other provinces to ensure the federal pricing reform changes do not jeopardize Ontario's competitiveness as a global destination for health innovation, research and clinical trials.

## ON PCPA AND RED TAPE

Ontario can help grow its life sciences sector and restore Ontario's position as a leader in providing timely access to medicines by improving the delivery of government programs such as the pan-Canadian Pharmaceutical Alliance (pCPA), which negotiates the prices of medicines for public drug plans.



Ontario can use its leadership within the pCPA to: (1) improve the pCPA's accountability and transparency; (2) implement performance targets and require evaluation of the pCPA against these measures; (3) implement a timeframe for listings following pCPA negotiation; and (4) restore the pCPA's mandate to its original intent of increasing access to medicines, improving consistency and reducing duplication.

## **ON GROWING THE SECTOR**

Recognizing that some of Ontario's more traditional economic sectors are declining, now more than ever IMC calls on the government to direct its attention to the Life Sciences sector as an industry capable of enabling strong economic growth, attracting global investment, facilitating career placement for STEM graduates and generating significant job creation.

IMC recommends Ontario acts decisively to competitively position Ontario by formally striking a joint economic strategy table with Finance, Health and Economic Development, Trade & Job Creation alongside key industry leaders.

## **CONCLUSION**

Ontario has a bold vision for economic development and its health care system. Our industry contributes to both health and economic development as innovators that alleviate hallway healthcare while creating jobs to strengthen Ontario's life science's economy.

As the province develops its budget and fiscal approach for 2019, we urge the government to consider innovative medicines as an investment in Ontario's economy and its citizens.



## BRINGING RESEARCH TO LIFE

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