

7 March 2019

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House of Commons
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Regarding Proposed Reforms to the Patented Medicine Prices Review Board (PMPRB) Regulations

On behalf of several of Canada's leading life sciences innovation organizations, I am writing to reiterate our increasing concern regarding the proposed changes to the Patented Medicine Prices Review Board regulations. In our letter of August 2018, we registered our concerns regarding the serious impacts for the future of Canadian healthcare and our innovation economy, and that the proposed changes are in conflict with the stated goals of your government. These included serious impacts to economic investments and access to innovative, life-saving medicines for Canadians. Since then, the public and private statements from the Government of Canada have done nothing to allay these concerns.

We write on behalf of Canada's broader pharmaceutical, biotechnology and life sciences sector, which employs thousands of Canadians, in exactly the type of high-value, boom-and-bust resilient positions that any government should want to foster. The proposed reforms seem designed to remove the life sciences sector from Canada's economic diversification strategy.

When first announced by then Minister of Health Jane Philpott in May 2017, the proposed reforms were intended to lower the cost of prescription drugs in Canada and better protect Canadians against excessive drug prices. However, in seeking to make drugs more affordable, Health Canada ignores any strategy aimed specifically at the relatively small percentage of Canadians without a public or private drug benefits program and who are prescribed patented medicines. It is our assertion that the proposed approach uses a sledgehammer where a scalpel would do, and the collateral damage will harm patients, Canada's standing as a world-class health system, and threaten thousands of Canadian jobs.

In its 2018 analysis of the proposed regulations, Ernst and Young warned that these reforms would impact market factors in such a way that Canadians could expect fewer innovative products to be launched in Canada. We ask, which innovative medicines and vaccines will Canada forgo under Health Canada's new approach? When Canada can no longer compete for clinical trials because it does not offer the international standard of care, which countries will gladly absorb those clinical trials into their R&D ecosystem?

In its publication of illustrative case studies applying the proposed regulations, the PMPRB showed that price ceilings for the most innovative products would be reduced by up to 70%, an unsustainable policy environment for any industry. Such revenue losses would inevitably lead to thousands of Canadian layoffs, the elimination of many research collaboration investments with Canadian universities, and the severance of ties between pharma and biotech companies and multiple small business incubator services across Canada. Across Canada, we already see the impact of the business uncertainty created by these proposed regulatory changes: pharmaceutical and biotech job openings cancelled, academic partnership and collaboration discussions put on pause, investment and sponsorship renewals delayed or declined.

In this economic environment, the federal government should be seeking opportunities to develop resilient, high-value employment growth in other sectors. Canada's pharmaceutical and biotechnology sector is a natural fit for such an economic diversification strategy. It defies logic that the Government of Canada would seek to hamstring employment growth in this vital industry and reduce patient's access to new medicines.

Our organizations strongly recommend that Health Canada seek alternative approaches to make drugs more affordable for Canadians struggling to pay for their prescriptions, approaches that ensure the next wave of innovative product are available to Canadians and ensure that thousands of Canadian jobs are not put at risk.

Sincerely,



Mel Wong, President & CEO
BioAlberta



Frank Béraud, President / CEO
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Jason Field, President & CEO
Life Sciences Ontario

