

# INCREASING ACCESS TO INNOVATIVE MEDICINES

**Written Submission for the Pre-Budget Consultations  
in Advance of the 2026 Newfoundland and Labrador Budget**

FEBRUARY 2026



**RECOMMENDATION 1**

**COLLABORATE WITH THE FEDERAL GOVERNMENT TO PROACTIVELY ADDRESS THE NEW U.S. DRUG PRICING APPROACH**

**RECOMMENDATION 2**

**REFRAIN FROM ENGAGING WITH THE FEDERAL GOVERNMENT ON NATIONAL PHARMACARE, UNLESS IT FOCUSES ON UNINSURED OR UNDERINSURED NEWFOUNDLANDERS AND LABRADORIANS**

**RECOMMENDATION 3**

**DEVELOP A NEWFOUNDLAND AND LABRADOR-LED ACCELERATED ACCESS FRAMEWORK FOR INNOVATIVE MEDICINES**

**RECOMMENDATION 4**

**STRENGTHEN AND PRIORITIZE NEWFOUNDLAND AND LABRADOR'S LIFE SCIENCES SECTOR AS A KEY DRIVER OF HEALTH AND ECONOMIC DEVELOPMENT**



## INTRODUCTION

Canada's healthcare system is being shaped by an increasingly complex global political landscape. In this environment, Canadian patients face growing risks to timely access to healthcare innovations<sup>1</sup> that save and improve lives.

Innovative medicines play an essential role in keeping Canadians healthy and relieving pressure on our healthcare systems. A 2025 study by Dr. Frank Lichtenberg at Columbia University showed that sustained investments in innovative medicines reduced hospital days in Canada by 55 per cent in 2022, saving close to \$80 billion in hospital costs. Despite the enormous cost-savings, Canadians still wait too long for the medicines they need, and in many cases, they cannot access new, life-saving treatments at all. Currently, only 18 per cent of new medicines launched globally are available through Canada's public drug plans, compared with the OECD average of 28 per cent<sup>2</sup>. Canadians also wait an average of two years to access these new medicines through public drug plans, following Health Canada approval<sup>3</sup>, with inequities across provinces and territories.

Innovative Medicines Canada (IMC) represents the country's innovative pharmaceutical companies. IMC and its members are committed to improving the health of Canadians through the discovery, development, and delivery of innovative medicines and vaccines. The innovative pharmaceutical industry supports over 110,000 high-value jobs, invests \$3.2 billion annually in R&D, and contributes \$18.4 billion yearly to the Canadian economy<sup>4</sup>. In Newfoundland and Labrador, specifically, the industry contributes \$18 million to the economy each year.

**A new U.S. drug pricing approach, known as most-favoured nation (MFN) pricing, threatens access to new medicines and R&D investment in Canada and provinces like Newfoundland and Labrador. It requires manufacturers to align U.S. drug prices with lower prices in a group of reference countries, including Canada.**

**Many peer nations are moving swiftly and strategically. The U.K.<sup>5</sup> has already reached a bilateral agreement with the U.S. on drug pricing. In Ireland<sup>6</sup>, the government has signed a framework agreement with the Irish Pharmaceutical Healthcare Association (IPHA) and Medicines for Ireland (MFI) on the pricing and supply of innovative medicines. Canada—and by extension, Newfoundland and Labrador—risks falling behind without complementary measures to protect our access, investment, and competitiveness.**

Collaboration between industry and government is essential to develop policies and regulations that position Canada as an attractive destination for future R&D and life sciences investment. Canadian scientists and clinicians benefit from access to cutting-edge scientific developments, while patients get earlier access to innovative medicines through clinical trials. As a home to multiple innovation centres, including the Health Innovation Acceleration Centre, Newfoundland and Labrador has a unique opportunity to position itself as a viable market for innovation.

IMC has prepared this submission in advance of Newfoundland and Labrador's 2026 budget to outline a path forward that prioritizes the province's patients and improves their access to life-saving medicines and vaccines. IMC looks forward to engaging meaningfully with this new government to develop solutions that benefit all Newfoundlanders and Labradorians.

<sup>1</sup> Healthcare innovation in this context refers to: innovative treatments which use the best available science and technology; seamless care pathways, including better screening and diagnostics; and the expanded use of health data and real-world evidence to improve healthcare decision-making at the individual, system, and population levels.

<sup>2</sup> PhRMA (2023), Global Access to New Medicines Report.

<sup>3</sup> Conference Board of Canada (2024), Access and Time to Patient: Prescription Drugs in Canada.

<sup>4</sup> Statistics Canada (2023), The Canadian Research and Development Pharmaceutical Sector, 2020.

<sup>5</sup> Government of the United Kingdom press release, "Landmark UK-US pharmaceuticals deal to safeguard medicines access and drive vital investment for UK patients and businesses," Department for Science, Innovation and Technology, Department of Health and Social Care, Department for Business and Trade, National Institute for Health and Care Excellence, December 1, 2025

<sup>6</sup> Government of Ireland press release, "Minister announces new Framework Agreements in principle with Irish Pharmaceutical Healthcare Association (IPHA) and Medicines for Ireland (MFI) on Supply and Pricing of Medicines," Department of Health, January 20, 2026

## RECOMMENDATION 1

### COLLABORATE WITH THE FEDERAL GOVERNMENT TO PROACTIVELY ADDRESS THE NEW U.S. DRUG PRICING APPROACH:

In May 2025, the U.S. issued an executive order introducing a new drug pricing approach, known as most-favoured nation (MFN) pricing, which links American prices to the lowest prices paid in a group of reference countries, including Canada. As a result, international scrutiny of pharmaceutical pricing has intensified, creating uncertainty for new product launches, innovation, and investment.

Canada's exposure is driven by a longstanding gap in innovative pharmaceutical investment and its specific inclusion as a reference market in U.S. pricing benchmarks. However, this is not just a federal pricing issue. For provinces like Newfoundland and Labrador, the new U.S. drug pricing approach highlights the importance of clear and predictable funding to promote confidence in Canada as a competitive and reliable market for innovation. This predictability is essential for companies making long-term decisions about where to invest, launch, and grow. Creating shared value for Canadians, government, and industry reduces risks to patient access, innovation, and competitiveness.

Incremental, multi-year federal government funding to the provinces for innovative medicines would send a strong signal that Canada is committed to creating a favourable market for drug launches and investment.

IMC asks the Newfoundland and Labrador government to:

#### **1.1 Collaborate with federal counterparts to proactively address the new U.S. drug pricing approach by:**

- Supporting predictable, multi-year funding to provinces for innovative medicines and system sustainability in the 2026 federal budget.
- Reviewing Patented Medicine Prices Review Board (PMPRB) limitations to better reflect global market realities.
- Working with Canada's Drug Agency (CDA) to ensure drug cost-effectiveness assessments, including the Incremental Cost-Effectiveness Ratio (ICER) considerations, better reflect patient benefits, and support Canada as an attractive market for launching new medicines.
- Elevating the above asks through the Council of the Federation (COF) and other federal, provincial, and territorial discussions.

## RECOMMENDATION 2

### REFRAIN FROM ENGAGING WITH THE FEDERAL GOVERNMENT ON IMPLEMENTING PHARMACARE, UNLESS IT FOCUSES ON UNINSURED OR UNDERINSURED NEWFOUNDLANDERS AND LABRADORIANS:

All Canadians should have access to the medicines they need, when they need them, regardless of age, income, or postal code. Private drug plans remain a vital part of the healthcare landscape. Of Newfoundland and Labrador's 521,000 residents, 342,000 rely on private drug coverage, which covers more medicines and provides access approximately three times faster than public plans. Furthermore, an additional 144,700 are eligible for coverage through the provincial drug plan. Between the private and public plans, a total of 93.4 per cent of Newfoundlanders and Labradorians have access to coverage<sup>7</sup>.

IMC does not support the *Pharmacare Act*'s single-payer model, which would reduce treatment choices, slow access to new medicines, and impose significant costs without improving access to innovative medicines. However, should the Newfoundland and Labrador government engage with the federal government on a bilateral agreement, IMC recommends a fiscally responsible, sustainable strategy that focuses on targeted support for uninsured and underinsured Newfoundlanders and Labradorians. This approach would build on Canada's existing private and public drug coverage systems. A predictable and attractive market, including for private payers, is essential for early access to cutting-edge medicines for Newfoundlanders and Labradorians.

IMC asks the Newfoundland and Labrador government to

- 2.1** Refrain from engaging with the federal government on implementing Pharmacare.
- 2.2** If the Newfoundland and Labrador government chooses to participate in bilateral discussions, focus the Pharmacare program on targeted support for those who need it most—the uninsured and the underinsured—rather than replacing existing private drug coverage.



<sup>7</sup> Data from Statistics Canada, Canadian Institute for Health Information, Life Insurance Association of Canada, and Conference Board of Canada.

## RECOMMENDATION 3

### DEVELOP A NEWFOUNDLAND AND LABRADOR-LED ACCELERATED ACCESS FRAMEWORK FOR INNOVATIVE MEDICINES:

Earlier treatment can lead to significantly improved patient outcomes and help shift Newfoundland and Labrador's healthcare system from reactive to proactive care, improving overall efficiency. Yet, Canadian patients currently wait approximately two years after Health Canada's regulatory approval to gain access to innovative medicines through public drug plans.

Without improving timely access to new medicines, Newfoundland and Labrador risks falling behind in delivering optimal health outcomes, improving population health, and creating an attractive ecosystem for life sciences investment. By reducing the time it takes for patients to access medicines, Newfoundland and Labrador can strengthen its competitiveness as a destination for research investment, clinical trials, and biomanufacturing.

IMC welcomes the agreement by Canada's premiers to take meaningful action to accelerate provincial listings of life-saving medicines, as announced by Premier Doug Ford at the December 24 Council of the Federation press conference<sup>8</sup>. This includes the premiers' call for all stakeholders, including pharmaceutical manufacturers, to work together to deliver better access to innovative medicines for patients. Initiatives like Project Orbis<sup>9</sup>, involving Health Canada, mark a critical step toward closing access gaps that can arise following a positive recommendation by Canada's Drug Agency, contributing to a more sustainable and manageable health system.

In October 2025, Ontario demonstrated leadership in advancing timely access and innovation through its Funding Accelerated for Specific Treatments (FAST) program<sup>10</sup>. This has made Ontario a critical partner in shaping federal investment approaches that support predictable launches and long-term system sustainability. IMC urges other provinces, including Newfoundland and Labrador, to follow Ontario's lead on accelerating access to innovative medicines.

IMC asks the Newfoundland and Labrador government to:

- 3.1 Develop and announce a Newfoundland and Labrador-led accelerated access framework by the end of 2026, modeled after the Ontario government's FAST program.**
- 3.2 Commit to listing products within 30 days of a completed negotiation with the pan-Canadian Pharmaceutical Alliance (pCPA) to prevent delays.**

<sup>8</sup> Innovative Medicines Canada press release, "Innovative Medicines Canada Applauds Premiers' Agreement at 2024 Council of the Federation Meeting to Accelerate Access to Life-Saving Medications," December 16, 2024

<sup>9</sup> Health Canada web page, Project Orbis

<sup>10</sup> Government of Ontario web page, Funding Accelerated for Specific Treatments (FAST) pilot program

## RECOMMENDATION 4

### STRENGTHEN AND PRIORITIZE NEWFOUNDLAND AND LABRADOR'S LIFE SCIENCES SECTOR AS A KEY DRIVER OF HEALTH AND ECONOMIC DEVELOPMENT:

Continued dialogue between the life sciences sector and key government partners—including the premier's office, treasury board, and key ministries—is essential to keeping Newfoundland and Labrador's sector strong and growing. Patients and the economy will benefit from having companies invest in R&D and clinical trials in Newfoundland and Labrador. Strengthening Newfoundland and Labrador's life sciences ecosystem will not only drive health innovation but also create high-value jobs, attract global partnerships, and increase clinical trials.

IMC asks the Newfoundland and Labrador government to:

- 4.1** Send a delegation of representatives to the 2026 BIO San Diego International Conference to support opportunities for biotechnology and pharmaceutical sector leaders, public sector representatives, and health science researchers to develop partnerships that will lead to greater investment in Newfoundland and Labrador's life sciences sector.
- 4.2** Continue to develop and implement a Newfoundland and Labrador life sciences strategy that recognizes and prioritizes the sector as a cornerstone of economic diversification and innovation.



## CONCLUSION

IMC continues to work productively with all levels of government and stakeholders across Canada, including Newfoundland and Labrador, to support sustainable healthcare systems and ensure patients have timely access to the innovative medicines and vaccines they need.

As the province develops its 2026 budget, IMC encourages the government to implement IMC's recommendations and advance policies that improve patient access to medicines and promote investment in innovation. By doing so, Newfoundland and Labrador can:

- Help patients prevent or delay illness, live longer, and enjoy a better quality of life.
- Improve efficiencies in healthcare spending and healthcare human resources.
- Foster a robust domestic life sciences sector, drive economic development, and create jobs.

## ABOUT IMC

Innovative Medicines Canada represents Canada's innovative pharmaceutical industry. IMC helps its members discover, develop, and deliver innovative medicines and vaccines, and contribute to the life sciences ecosystem across the country. Guided by a strict Code of Ethical Practices, IMC members work with governments, private payers, healthcare professionals, and stakeholders to contribute to the overall health of Canadians.





## FOR MORE INFORMATION

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