



INNOVATIVE
MEDICINES
CANADA

INCREASING ACCESS TO INNOVATIVE MEDICINES

Written Submission for the Pre-Budget Consultations
in Advance of the 2026-2027 New Brunswick Budget

FEBRUARY 2026



RECOMMENDATION 1

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

RECOMMENDATION 2

DEVELOP A NEW BRUNSWICK-LED ACCELERATED ACCESS FRAMEWORK FOR INNOVATIVE MEDICINES

RECOMMENDATION 3

REFRAIN FROM ENGAGING WITH THE FEDERAL GOVERNMENT ON IMPLEMENTING PHARMACARE, UNLESS IT FOCUSES ON UNINSURED OR UNDERINSURED NEW BRUNSWICKERS



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 innovations¹ that save and improve lives.

Innovative medicines play an essential role in keeping Canadians healthy and relieving pressure on healthcare systems. A 2025 study by Dr. Frank Lichtenberg at Columbia University shows 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 some cases, they cannot access important new treatments at all. Currently, only 18 per cent of new medicines launched globally are available through Canada's public drug plans, compared with an OECD average of 28 per cent². Canadians also wait an average of two years to access new medicines through public drug plans, following Health Canada approval³, with inequities across provinces and territories.

Innovative Medicines Canada (IMC) represents the country's innovative pharmaceutical companies. Together, we 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 annually to the Canadian economy⁴. Canada is also recognized as a G7 leader in clinical trials per capita with over 3,100 ongoing trials⁵, 60-75 per cent of them industry sponsored. In New Brunswick, specifically, the industry supports nearly 400 high-value jobs, contributes \$50 million to the economy each year, and conducts 118 clinical trials⁶.

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. It requires manufacturers to align U.S. drug prices with lower prices in a group of reference countries, including Canada. Given the New Brunswick government's desire to grow the province's clinical trials footprint, IMC urges this government to act.

Many peer nations are moving swiftly and strategically. The U.K.⁷ has already reached a bilateral agreement with the U.S. on drug pricing. In Ireland⁸, 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, New Brunswick—risks falling behind without complementary measures to protect our access, investment, and competitiveness.

Collaboration between industry and government is essential to develop policy frameworks and regulatory approaches 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. Both are key drivers of physician recruitment and retention, which is essential to sustaining a competitive and resilient healthcare ecosystem.

¹ 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.

² PhRMA (2023), Global Access to New Medicines Report.

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

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

⁵ GlobalData, Clinical Trials Database, January 2025.

⁶ Statistics Canada, custom tabulation, Industry Accounts Division, reference years 2018 to 2022; custom tabulation, Research and Development in Canadian Industry Survey, reference year 2018 to 2022.

⁷ 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

⁸ 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

IMC has prepared this submission in advance of New Brunswick's 2026-2027 budget to outline a path forward that prioritizes the province's patients and improves their access to life-saving medicines and vaccines, while building a robust and resilient economy. This path aligns with the New Brunswick government's priority to improve healthcare access for all New Brunswickers. IMC looks forward to engaging meaningfully with the government to develop solutions that benefit patients province-wide.



RECOMMENDATION 1

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

In May 2025, the U.S. government issued an executive order introducing a new drug pricing approach, known as most-favoured nation (MFN) pricing, which links American prices to lower 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 New Brunswick, 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 favorable market for drug launches and investment.

IMC asks the government of New Brunswick 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), and better reflect patient benefits, the value of innovation, and Canada's market attractiveness for launching new medicines.
- Elevating the above asks through the Council of the Federation (COF) and other federal, provincial, and territorial discussions.

RECOMMENDATION 2

DEVELOP A NEW BRUNSWICK-LED ACCELERATED ACCESS FRAMEWORK FOR INNOVATIVE MEDICINES:

Earlier treatment can lead to significantly improved patient outcomes and help shift New Brunswick's healthcare system from reactive to proactive care, improving overall efficiency. Yet, Canadian patients wait an average of two years after Health Canada's regulatory approval to gain access to innovative medicines through public drug plans. In New Brunswick, the wait time is 557 days⁹.

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

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 conference¹⁰. 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 Orbis¹¹, involving Health Canada, mark a critical step toward closing access gaps that can arise following a positive recommendation by Canada's Drug Agency (CDA), 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) program¹². 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 New Brunswick, to follow Ontario's lead on accelerating access to innovative medicines.

IMC asks the government of New Brunswick to:

- 2.1** Develop and announce a New Brunswick-led accelerated access framework for innovative medicines by the end of 2026, modeled after the Ontario government's FAST program.
- 2.2** Collaborate with industry to grow the province's clinical trials footprint.
- 2.3** Commit to listing products within 30 days of a completed negotiation with the pan-Canadian Pharmaceutical Alliance (pCPA) to prevent delays.

⁹ IQVIA Market Access Metrics Database, January 1, 2012, to March 31, 2025. Analysis: Innovative Medicines Canada. Excludes CDA resubmissions, non-sponsored submissions, and requests for advice. Excludes products with pCPA negotiations subsequent to the first negotiation.

¹⁰ 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

¹¹ Health Canada web page, Project Orbis

¹² Government of Ontario web page, Funding Accelerated for Specific Treatments (FAST) pilot program

RECOMMENDATION 3

REFRAIN FROM ENGAGING WITH THE FEDERAL GOVERNMENT ON IMPLEMENTING PHARMACARE, UNLESS IT FOCUSES ON UNINSURED OR UNDERINSURED NEW BRUNSWICKERS:

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 Canadian healthcare landscape. In New Brunswick, 499,400 residents rely on private drug coverage, which covers nearly twice as many drugs and provides access approximately three times faster than public plans¹³.

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 New Brunswick's government engage with the federal government on a bilateral Pharmacare agreement, IMC recommends a fiscally responsible and sustainable strategy that focuses on targeted support for uninsured and underinsured New Brunswickers. 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 timely access to innovative medicines for New Brunswickers.

IMC asks the government of New Brunswick to:

- 3.1** Refrain from engaging with the federal government on implementing Pharmacare in its present form.
- 3.2** If the government of New Brunswick 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.



¹³ Data from Statistics Canada, Canadian Institute for Health Information, Life Insurance Association of Canada, and Conference Board of Canada.

CONCLUSION

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

As the province develops its 2026-2027 budget, IMC encourages the government to implement its recommendations and advance policies that improve patient access to medicines and promote investment in innovation. By doing so, New Brunswick can:

- Help patients prevent or delay illnesses, 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

IMC 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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