INNOVATIVE MEDICINES CANADA

# PRE-BUDGET SUBMISSION 2026

FEBRUARY 2026

## EXECUTIVE SUMMARY

As the preamble to the Québec Life Sciences Strategy 2025–2028 underscores, the global economic and political landscape is changing rapidly. The new U.S. drug pricing approach, known as most-favoured-nation (MFN) pricing, could have far-reaching ramifications. Quebec needs to urgently enhance its competitiveness while ensuring rapid access to innovative therapies—both to meet public health needs and remain an attractive destination for life sciences investment.

RECOMMENDATION 1

### MITIGATE GLOBAL PRESSURE BY PROMOTING INNOVATION IN QUEBEC

RECOMMENDATION 2

### DEVELOP AND RAPIDLY DEPLOY A QUEBEC-LED ACCELERATED REIMBURSEMENT MODEL

RECOMMENDATION 3

### IMPROVE QUEBEC'S BUSINESS ENVIRONMENT: FROM ITS INTELLECTUAL PROPERTY FRAMEWORK TO MARKET CONTROL

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**IMC aims to partner with the Quebec government to help advance the province's prosperity and public health outcomes.**

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## INTRODUCTION

Innovative Medicines Canada (IMC) is pleased to contribute to the Quebec government's consultations on its 2026-27 budget. Availability of and timely access to innovative medicines, like cancer therapies and vaccines, remains a significant issue for the province, with Quebec still lagging well behind other jurisdictions.

The global economic and political landscape is also changing rapidly. The new U.S. drug pricing approach, known as most-favoured-nation (MFN) pricing, and negotiations for the renewal of the Canada-United States-Mexico Agreement (CUSMA) could have significant consequences for Canada and provinces like Quebec. Given the essential role of pharmaceutical innovation in improving the health of Quebecers, it is crucial that drug policies remain flexible to meet medical needs while supporting faster market access without excessive red tape.

The latest Quebec Life Sciences Strategy (QLSS)[1] recognizes the increasingly competitive international landscape and the pressures faced across the entire therapeutic innovation cycle. Quebec is facing growing competition to attract life sciences investment, clinical research projects, and high-value contracts that underpin growth in an innovation- and technology-driven sector and help ensure Quebecers benefit from timely access to innovative medicines.

**IMC welcomes the QLSS guidelines, which explicitly prioritize innovation, collaboration, and better access to therapeutic advances, recognizing that economic competitiveness and patient benefits must progress in tandem.**

Quebec must continue to support the life sciences sector to ensure the healthcare system continues to access innovative medicines and modern technologies, and that Quebecers receive the care and treatments they need. The province has a number of important assets that make it well-positioned for continued leadership in the sector. In this context, the Performance Branch of the Ministère de la Santé et des Services sociaux (MSSS) has been tasked with reviewing the entire pathway leading to the listing of drugs in Quebec, in line with the Quebec government's commitment to remain a Canadian leader in this field.

[1] https://cdn-contenu.quebec.ca/cdn-contenu/adm/min/economie/publications-adm/politique/PO_strategie_sciences_vie_2025-2028_MEIE_EN.pdf

# SECTOR BACKGROUND

## QUEBEC AND CANADA ARE AT A CRITICAL INFLECTION POINT

For over a century, scientists in Quebec and across Canada have made remarkable discoveries that have paved the way for today's advances in genomics, precision medicine, artificial intelligence, and vaccine development. Quebec's universities and hospitals are world-renowned. Canada's research-based pharmaceutical industry is an economic engine, supporting over 110,000 jobs and contributing $18.4 billion to the economy annually.[2]

Beyond its direct economic contribution, timely access to therapeutic innovations has a powerful impact on public health. The stakes extend well beyond economic security or supply chain resilience.

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**Rapid and equitable access to therapeutic innovations is an essential pillar of a strong and resilient healthcare system. It plays a critical role in protecting public health and strengthening the healthcare system's ability to respond to current and future health challenges. It also ensures that Quebecers can benefit from medical advances that prevent, treat, or slow the progression of disease.**

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Historically, both Quebec and Canada have established themselves as leaders in health and life sciences innovation. However, changes in the global economic landscape are creating new business challenges and risk diverting attention away from patient care. Investment in life sciences is not being fully optimized, and the number of clinical trials is declining faster here than elsewhere. As a result, Quebecers often wait too long to access medicines that could improve—or even save—lives.

## A GLOBALIZED SECTOR UNDER PRESSURE

Access to innovative medicines is a global challenge. Canada, including Quebec, ranks 19th out of 20 OECD countries and last in the G7 in terms of timely access to innovative medicines.[3] This lack of competitiveness, compounded by inefficient processes, directly affects the availability of new medicines and the attractiveness of both the country and province as destinations for investment in research and development.

Global policies, such as the new U.S. drug pricing approach, are putting pressure on prices. In this context, Quebec must foster competitive business conditions and efficient processes that attract and retain life sciences investment, and encourage the launch of new medicines.

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**The most effective jurisdictions rely on collaborative business models and partnerships between governments and the innovative pharmaceutical industry to facilitate access to life-saving therapies and better meet the needs of patients.**

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[2] Statistics Canada (2023), The Canadian Research and Development Pharmaceutical Sector, 2020, https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2023001-eng.htm

[3] Conference Board of Canada (2024), Access and Time to Patient: Prescription Drugs in Canada, https://www.signal49.ca/product/access-and-time-to-patient-jan2024/

## A SHIFTING GLOBAL ECOSYSTEM: AN OPPORTUNITY FOR QUEBEC

At first glance, the changes currently reshaping the global pharmaceutical ecosystem—including geopolitical pressures, redefined value chains, and increased competition for innovation and investment—may appear to pose risks for less agile jurisdictions. However, they also present a unique opportunity for Quebec to strengthen its competitiveness by implementing modern, targeted, and sustainable policies that can quickly generate meaningful benefits for the province's healthcare system and economy. Best practices in comparable international jurisdictions demonstrate that it is possible to simultaneously improve patient access, investment attractiveness, and healthcare system performance.

## THE ONTARIO EXAMPLE: THE FAST PROGRAM

Ontario's Funding Accelerated for Specific Treatments (FAST)[4] program is a strong example. It is designed to accelerate patient access to innovative therapies while generating real-world evidence and effectively integrating innovations into the healthcare system. By fostering close collaboration between government and industry, the FAST program enables earlier patient access, maintains budgetary discipline, and creates value for the healthcare system while enhancing the province's competitiveness.

## STRENGTHENING ACCESS AND INNOVATION IN QUEBEC

These are the goals guiding our efforts as we work with partners across the sector to advance a shared vision: a healthier, more prosperous Quebec driven by life sciences innovation. We firmly believe that improved health outcomes and economic growth are inextricably linked.

As such, it is imperative to accelerate access to innovative medicines to meet patient needs, alongside modernizing the healthcare system and the innovation environment that supports it. Together, these efforts can position Quebec as a sustainable leader in pharmaceutical innovation.

[4] Government of Ontario (2026), Ontario Fast-Tracking Access to Six Breakthrough Cancer Drugs, https://news.ontario.ca/en/release/1006950/ontario-fast-tracking-access-to-six-breakthrough-cancer-drugs

## RECOMMENDATION 1

# MITIGATE GLOBAL PRESSURE BY PROMOTING INNOVATION IN QUEBEC

As the preamble to the Québec Life Sciences Strategy 2025–2028[5] notes, "the global economic and political landscape is evolving rapidly. The potential application of MFN clauses and new U.S. tariffs in the short term could create major disruptions…"

This official recognition highlights the urgent need for Quebec to strengthen its competitiveness while ensuring timely access to innovative therapies, so it can respond effectively to public health needs and remain an attractive destination for life sciences investment.

Without ambitious, coordinated action, Quebec risks losing its competitive edge to jurisdictions that are actively investing in innovation and healthcare. Greater strategic alignment and mobilization across trade policy and other provincial measures will therefore be essential to support innovation and improve market access.

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**The pursuit of competitiveness must leverage therapeutic innovations at every stage, from scientific discovery and research and development, to effective integration into the healthcare system.**

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Quebec has all the necessary assets to support a full, mature life science ecosystem, in which targeted, high-impact, and cost-effective actions could quickly enhance the province's domestic and international competitiveness. Doing so would reinforce Quebec's leadership in pharmaceutical innovation, benefiting both established companies and the many start-ups and small- and medium-sized enterprises (SMEs) with a strong presence in the province and across Canada.

IMC asks the Quebec government to:

**1.1** Mitigate global pressure (e.g., MFN, CUSMA) by promoting innovation in Quebec.

[5] Government of Quebec, Ministère de l'économie, de l'innovation et de l'énergie, Québec Life Sciences Strategy 2025-2028, https://cdn-contenu.quebec.ca/cdn-contenu/adm/min/economie/publications-adm/politique/PO_strategie_sciences_vie_2025-2028_MEIE_EN.pdf

## RECOMMENDATION 2

# DEVELOP AND RAPIDLY DEPLOY A QUEBEC-LED ACCELERATED REIMBURSEMENT MODEL

### Currently, Quebec and the rest of Canada lag Ontario and many international peers in providing timely access to innovative medicines.

New medicines are not always accessible when Quebec patients need them. In fact, only 18 per cent of new medicines launched globally are available through Canada's public drug plans, compared to the OECD[6] average of 28 per cent.[7] Even when new medicines are available, Canadian patients wait almost twice as long as patients in comparable countries. According to data compiled by IQVIA, Canada ranks last among G7 countries and 19th out of 20 OECD countries in terms of the time it takes for patients to access new medicines through public plans.

On average, patients wait 24 months[8] after Health Canada approval before an innovative medicine is added to the Quebec drug formulary. As a result, Quebec has lost its competitive edge when it comes to timely access to medicines.

IMC asks the Quebec government to:

**2.1** Collaborate with the MSSS and the innovative pharmaceutical industry to develop and rapidly deploy a Quebec-led accelerated reimbursement model, thereby positioning the province as a leader in innovation and timely access to life-saving therapies.

As with similar processes in other jurisdictions, this modern and ambitious framework will need to include business criteria and rules. A transitional agreement will establish reimbursement terms and conditions until a final agreement is negotiated through the pan-Canadian Pharmaceutical Alliance (pCPA).

#### MAKING UP FOR LOST GROUND NOW

The aim is to ensure timely access to innovative treatments, drawing inspiration from initiatives such as Ontario's FAST[9] program and European models that accelerate the listing of innovative medicines.

This approach offers several advantages, including:

- Timely access to innovative medicines for patients and healthcare professionals.
- Improved health outcomes, meaning patients could return to work and participate in society quicker. This would help transform healthcare spending into a productive investment for the Quebec economy.

[6] OECD: Organisation for Economic Co-operation and Development

[7] PhRMA (2023), Global Access to New Medicines Report, https://cdn.aglty.io/phrma/global/resources/import/pdfs/2023-04-20%20PhRMA%20Global%20Access%20to%20New%20Medicines%20Report%20FINAL-1.pdf

[8] Conference Board of Canada (2024), Access and Time to Patient: Prescription Drugs in Canada, https://www.signal49.ca/product/access-and-time-to-patient-jan2024/

[9] Government of Ontario, Ontario Connecting Patients to Life-Saving Cancer Drugs Faster, news release, October 7, 2025, accessed [date accessed], https://news.ontario.ca/en/release/1006579/ontario-connecting-patients-to-life-saving-cancer-drugs-faster

- A positive impact on other areas of healthcare spending.
- Greater domestic and international competitiveness, strengthening Quebec's leadership in a highly competitive global environment.
- An advantage for Quebec over the rest of Canada in attracting and retaining life sciences investment.

A similar approach, inspired by best practices in Europe and starting as soon as the INESSS publishes its Notices to the Minister, was proposed in Quebec several years ago.

IMC is committed to working closely with the MSSS and the Quebec government to capitalize on this opportunity and rapidly deploy a Quebec-led model, thereby positioning the province as a leader in healthcare and pharmaceutical innovation.

## RECOMMENDATION 3

# IMPROVE QUEBEC'S BUSINESS ENVIRONMENT: FROM ITS INTELLECTUAL PROPERTY FRAMEWORK TO MARKET CONTROL

In an era of growing global competition and evolving value chains, the ability of Quebec and Canada to attract and retain life sciences investment depends on the predictability and quality of their business environments. This includes access to therapeutic innovations that address public health needs.

### LEVERAGE QUEBEC'S LIFE SCIENCES LEADERSHIP AND WORK WITH THE FEDERAL GOVERNMENT TO ADDRESS GLOBAL PRESSURE

A strong intellectual property (IP) framework, robust data protection, market access, and predictable drug pricing, including those administered by the Patented Medicine Prices Review Board (PMPRB), are key determinants of investment decisions. Although Quebec has a world-class pharmaceutical ecosystem, it must evolve in line with the current global context if the province is to remain competitive. American policy initiatives, including the new U.S. drug pricing approach, are also influencing launch and investment strategies, with potential implications for Quebec.

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**One way to strengthen competitiveness is to align Quebec's IP practices with comparable but more competitive jurisdictions. This could involve extending the duration of IP protections to match those in the European Union. Doing so could help narrow the gap with global markets, stimulate investment, and promote rapid access to innovative medicines for Quebec patients.**

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### SEIZE OPPORTUNITIES TO MODERNIZE POLICIES AND STRATEGIES TO STRENGTHEN QUEBEC COMPETITIVENESS

#### Creation of the IQSSS

The Quebec's government's Bill 7 provides for the merger of the Institut national d'excellence en santé et en services sociaux (INESSS) and the Institut national de santé publique du Québec (INSPQ) to create a new entity: the Institut québécois de santé et de services sociaux (IQSSS).

On November 25, IMC participated in the consultations on Bill 7[10] and submitted a brief[11] outlining our recommendations.

Regardless of the proposed merger, INESSS has the potential to become a model of excellence and efficiency, both in Canada and internationally. Updating its methodological approaches and encouraging collaboration with Canada's Drug Agency (CDA) and other international bodies

[10] National Assembly video archive, special consultations of the Committee on Public Finance of the National Assembly of Québec, Innovative Medications Canada, November 25, 2025, https://www.assnat.qc.ca/en/video-audio/archives-parlementaires/travaux-commissions/AudioVideo-111043.html

[11] Innovative Medicines Canada, Projet de loi n°7 – Consultations particulières de la commission des finances publiques de l'Assemblée nationale du Québec, December 2, 2025, https://innovativemedicines.ca/wp-content/uploads/2025/12/20251202_Medicaments_novateurs_Canada_Memoire-PL-7.pdf

could generate significant short-term gains, further enhancing Quebec's competitiveness and scientific reputation.

**Government procurement strategy**

Another opportunity to improve Quebec's business environment lies in the Conseil du trésor's ongoing review and implementation of the new government procurement strategy.

To support this process, IMC participated in an initial roundtable discussion focused on the healthcare sector, presenting a summary of key issues and considerations for our industry based on our members' experiences in certain sub-sectors (e.g., vaccines, blood products, and other therapies that require calls for tenders).

**The goal: efficiency and competitiveness**

IMC looks forward to continuing to work closely with the government during the next stages of the reforms led by the Conseil du trésor, to help identify both the challenges and opportunities facing our members so Quebec remains competitive.

IMC asks that the Quebec government:

## 3.1 Collaborate with the Government of Canada to actively support a predictable, consistent, and competitive business environment—particularly in the context of current trade negotiations and international agreements—through measures such as:

- Advocating for stable and predictable guidelines from the PMPRB, including the reinstatement of the U.S. as a comparable reference country.
- Aligning IP practices with comparable but more competitive jurisdictions, like extending the duration of IP protection to match those in the European Union.
- Supporting clear and predictable implementation of CUSMA commitments, while ensuring pharmaceutical products and innovations are adequately protected, recognized, and promoted in all ongoing international trade negotiations, and that any related decisions are not subordinated to trade arbitrations involving other economic sectors under pressure.
- Collaborating with the life sciences sector on all initiatives that accelerate the assessment and listing of new drugs, as well as any efforts to modernize, simplify, and improve the business environment within the context of reforms led by the MSSS and the Conseil du trésor.

## CONCLUSION

# COLLABORATION, PARTNERSHIP, AND CO-CREATION: THE BASIS FOR A COMPETITIVE AND SUSTAINABLE ECOSYSTEM

The life sciences sector and innovative pharmaceutical industry are crucial to Quebec's economic prosperity and public health. It is not only a matter of supporting therapeutic innovation, but also about building an integrated ecosystem where patients can benefit quickly from advanced therapies and companies of all sizes can grow, innovate, and contribute fully to Quebec's economy.

Such an ecosystem cannot develop in a fragmented framework. Going forward, Quebec's competitiveness hinges on its ability to transcend siloed approaches and cultivate structured collaboration among the government, the healthcare system, the research community, and the pharmaceutical industry. A unified approach will help create synergies between public health objectives, economic performance, and investment attraction.

IMC and its members are committed to working closely with the Quebec government, other levels of government, and relevant stakeholders to support sustainable healthcare systems and ensure that Quebecers have timely access to innovative medicines. In preparation for the next budget, IMC encourages the government to implement the recommendations set out in this document, and adopt policies that promote innovation, collaboration, and the creation of long-term value. This will enable Quebec to:

- Sustainably improve the health and quality of life of its citizens
- Optimize resources and improve the efficiency of healthcare spending
- Cultivate a vibrant, inclusive, and competitive Quebec life sciences ecosystem that can attract investment, create quality jobs, and assert the province's leadership on the international stage

**IMC IS COMMITTED TO WORKING WITH THE GOVERNMENT TO ADVANCE QUEBEC'S PROSPERITY AND PUBLIC HEALTH OUTCOMES.**

## ABOUT IMC

IMC is the association representing Canada's innovative pharmaceutical industry. IMC has 46 member companies, including 18 that are headquartered in Quebec. Together, these companies are transforming healthcare by discovering and developing new medicines and vaccines. IMC members employ thousands of people in Quebec and invest heavily in the province's research and scientific partnerships.

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