Canada

Recent and planned changes in pharmaceutical pricing and reimbursement and overview of the medical devices system

	Changes in pricing	Changes in reimbursement
PHARMACEUTICALS	*Nationally, the ex-factory gate price of patented drugs is regulated by the Patented Medicine Prices Review Board (PMPRB). The PMPRB is responsible for regulating the prices that patentees charge for patented drug products sold in Canada to ensure that they are not excessive. The PMPRB has no authority to regulate the prices of non-patented drugs and does not have jurisdiction over prices charged by wholesalers or pharmacies, or over pharmacists' professional fees. The PMPRB implemented its current Compendium of Policies, Guidelines and Procedures January 1, 2010 which provide patentees with a description of the price review process.* *Prices of non-patented products, distribution margins and pharmacy service fees are regulated/negotiated at the provincial/territorial level of government.* *In recent years, governments in Canada have become aware of a major discrepancy between the prices of generic drugs sold in Canada and the prices of those sold overseas. A 2011 study done by the PMPRB looking at 2008 prices showed that foreign mean and median prices were, on average, 29% and 37% less than corresponding Canadian prices. Based on this study and others, Canada's provinces and territories have implemented polices to reduce the amount they pay for generic drugs, typically tying the reimbursement price for these drugs to some percentage of the price of the branded product. In 2013-14, this percentage has ranged from 18% to 40% of the brand price.* *In January of 2013, all of Canada's provinces and territories (except Quebec) joined together to use their combined purchasing power to lower the generic prices on six of the most common generic drugs sold in Canada to 18% of the brand price. Effective April 1, 2014 provinces have added four additional interchangeable products to the 18% limit and implemented a national scheme based on number of suppliers. In addition, provinces are leveraging their purchasing power to negotiate national product listing agreements, as part of the*	*Each provincial/territorial jurisdiction makes decisions about which drugs it is willing to reimburse. Most maintain a positive formulary of those drugs it will reimburse and at what price. The jurisdictions are aided in their decision process by the Common Drug Review (CDR) at the Canadian Agency for Drugs and Technologies in Health. CDR conducts reviews of the clinical, cost-effectiveness, and patient evidence for drugs and provides formulary listing recommendations to Canada's publicly funded drug plans (except Quebec).*

	Pan-Canadian Pricing Alliance.	
	Other changes related to medicines • In October 2013, the government of Prince Edward Island introduced a catastrophic drug plan to assist individuals or families with high prescription drug costs relative to their income. • On May 1, 2014, the government of New Brunswick plans to roll out the first phase of its catastrophic drug plan • In 2014, the government of Alberta plans to introduce a Albertans, a new Drug and Supplementary Health Benefits Program that will offer its residents, regardless of age, access to comprehensive drug and supplementary health benefit coverage.	
MED. DEVICES	**Pricing and reimbursement system of medical devices** *In Canada, medical devices are regulated by Health Canada's Therapeutic Products Directorate and are subject to the Medical Devices Regulations under the Food and Drugs Act. These Regulations are designed to ensure that devices offered for sale in Canada are safe, effective, and meet quality standards.* *The prices of medical devices are not regulated in Canada.* *Provincial Ministries of Health, Regional Health authorities and individual hospitals are the primary decision makers whether to purchase/reimburse individual devices.* *The Canadian Agency for Drugs and Technologies in Health contributes to the decision making process by providing with the evidence, analysis, advice, and recommendations about the effectiveness and efficiency of health technologies including medical devices.*	