



Canada

Recent and planned developments in pharmaceutical policies 2017

Special topic: e-health for medicines launched by public authorities or addressing them

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RECENT DEVELOPMENTS

Since 2010, Canada's provincial and territorial governments have come together through the pan-Canadian Pharmaceutical Alliance (**pCPA**) initiative to collectively negotiate the prices of brand name and generic drugs as a way to achieve greater value for publicly funded drug programs. In January 2016, the federal government formally joined the **pCPA** initiative.

As of March 2017, the **pCPA** has completed 148 negotiations for new brand name drugs and reduced the price of the 18 most commonly prescribed generic drugs to 18% of the brand price. Effective April 2017, the **pCPA** generics initiative will further reduce the prices of six generics to 15% of the brand reference products.

Further to a price agreement reached by the **pCPA** in February 2017 with the manufacturers of six hepatitis C drugs, Canadian public drug plans will begin covering these drugs for all hepatitis C patients, regardless of genotype or level of liver fibrosis, starting in 2018.

In April 2016, the **pCPA** issued guidance to manufacturers on how it will approach price negotiations for the reimbursement of biosimilars, following Health Canada's approval of a number of these drugs, including infliximab, filgrastim, insulin glargine and etanercept.

In November 2016, Health Canada issued new guidelines on submission requirements for biosimilar drugs.

In June 2016, the **PMPRB** released a discussion paper on Guidelines reform as a first step in modernizing its legal framework to more effectively protect consumers from excessively priced patented drugs. Consultations on the discussion paper closed in November 2016 and next steps in the modernization process will be announced shortly.

In April 2016, **CADTH** announced it would no longer accept confidential submitted prices for the purpose of conducting its economic evaluations of new drugs. The submitted price will be disclosed in all applicable reports. In March 2017, **CADTH** updated its Guidelines for the Economic Evaluation of Health Technologies.

The Canadian Association of Provincial Cancer Agencies (**CAPCA**) has launched the pan-Canadian Cancer Drug Funding Sustainability Initiative to strengthen how decisions are made to fund cancer treatments, with plans to more effectively consider clinical, operational and implementation issues.

PENDING DEVELOPMENTS

In Budget 2017, the federal government committed to invest \$140.3 million over five years to improve access to pharmaceuticals, lower drug prices and support appropriate prescribing. This funding is earmarked for Health Canada, **CADTH** and the **PMPRB**. Details on how the funding will be spent to advance this commitment have not yet been announced. Budget 2017 also committed \$950 million over five years towards the development of innovation superclusters, including in the life and biosciences sector.

In December 2016, the federal government announced that it would spend an additional \$65 million over five years for national measures to respond to the opioid crisis and implement the government's Opioid Action Plan. In addition, the federal government will provide \$10 million in urgent support to British Columbia to assist with its response to the overwhelming effects of the emergency in that province. Canadian public drug plans are consulting on and implementing policies focused on opioids, including the delisting of a range of high-strength opioids from their formularies (e.g. Ontario).

In March 2016, the Parliamentary Standing Committee on Health (**HESA**) undertook a study on the development of a National Pharmacare Program.

In October 2016, Canada and Europe signed off on the Comprehensive Economic and Trade Agreement ("**CETA**"). The **CETA** implementation bill (Bill C-30), which includes amendments to Canada's **Patent Act** to extend pharmaceutical patents by up to two years, was introduced into Canadian Parliament on October 31, 2016. The bill passed third reading in the House in February 2017 and is currently at the second reading stage in the Senate.

BACKGROUND

In Canada, pharmaceutical pricing and reimbursement is a shared jurisdictional responsibility between the federal, provincial and territorial governments. At the federal level, Health Canada reviews new drugs for safety, efficacy and quality and the Patented Medicine Prices Review Board (**PMPRB**) sets their ceiling price for as long as they are patented. The Canadian Agency for Drugs and Technologies (**CADTH**), an independent, not-for-profit agency funded by federal, provincial and territorial governments, conducts economic evaluations of new drugs and makes reimbursement recommendations to participating public payers. The recommendations are not binding but are considered by the public drug plans when making formulary listing decisions. At the provincial and territorial level, health ministries and drug plan managers decide which drugs to reimburse for their beneficiary populations and negotiate prices directly with pharmaceutical manufacturers. Outside of government, private health insurers manage employer-sponsored drug plans and also negotiate prices directly with manufacturers. The rules governing whether and to what extent private insurers are bound by reimbursement decisions by public drug plans, or benefit from their price negotiations, vary by province.



E-HEALTH FOR MEDICINES

National

Canada Health Infoway is an independent, not-for-profit organization funded by the federal government. Its aim is to work with each province and territory in the creation a network of interoperable electronic health record solutions that links clinics, hospitals, pharmacies and other points of care. EHRs will help improve Canadians' access to health services, enhance the quality and safety of care, and help the health care system become more efficient. In its 2017 Budget, the Canadian federal government committed \$300 million over five years, for Canada Health Infoway.

Provincial/Territorial

Health care in Canada is delivered at the provincial/territorial level. Each jurisdiction manages its own E-Health portal.

Measure by jurisdiction: PharmaNet-eRX (British Columbia); Netcare (Alberta); eHealth Saskatchewan; Manitoba eHealth; eHealth Ontario; Dossier Santé Québec; SHARE (New Brunswick); Secure Health Access Record (Nova Scotia); Prince Edward Island Drug Information System, HEALThe NL (Newfoundland and Labrador); RAVEN (Yukon)

Provided by: Canada's provinces and territories

Aim: In the context of pharmaceuticals, the provincial and territorial eHealth initiatives aim to improve patient safety through further reduction of adverse drug events; support better patient care delivery by identifying and addressing potential medication issues at the point of prescribing; and to support medical decision-making and timely care by making more comprehensive patient medication profiles available to authorized users.

Target group: Patients, physicians and pharmacists

Further information: Systems established with the assistance of Canada Health Infoway touch on a number of aspects of health care delivery such as registries of patients and providers; drug, lab and diagnostic imaging systems; and clinical reports and immunizations.