



Value, Patient Care, and Secure Supply: **Pan-Canadian Generic Drug Value Price Initiative**

November 6, 2012

About the Best Medicines Coalition

The Best Medicines Coalition (www.bestmedicines.ca) is a broad-based, national alliance of patient organizations and individuals with a shared vision of equitable and consistent access for all Canadians to safe and effective medications, which improve patient outcomes. Within this context, the BMC's areas of interest span from drug approval and reimbursement through patient safety and supply concerns. As an important aspect of its work, the BMC strives to ensure that Canadian patients have a voice and are meaningful participants in health care policy development and pharmaceutical review.

Patient Perspectives on Pan-Canadian Generic Drug Value Price Initiative

Working together to seek value:

The future sustainability of Canadian drug plans is of utmost importance and so, in principle, patients support governments as they attempt to seek value for public drug programs by addressing generic drug prices on a national basis.

- As this initiative proceeds, governments must actively and meaningfully engage all stakeholders, especially patients, as pricing models are identified, considered and executed.
- It is important to consider that value is about more than just price. Both private and public payors should seek to get the best value for patients, but this should include other important considerations such as quality, safety, effectiveness, consistency of supply, reliability, and long-term sustainability.
- Careful consideration must be given to fully understanding which types of generic drugs are best suited to inclusion in a national generic pricing agreement initiative, seeking expert patient and clinical input.
- As scenarios are explored, there should be full reviews undertaken of previous provincial or international bulk pricing initiatives to understand implications.
- As in any health policy consideration, the tendency to view reforms in silos must be avoided, as drug accessibility and utilization are linked to other aspects of health care.
- As possible pricing agreements are negotiated, evaluation criteria must be applied with specific savings objectives outlined. Importantly, if saving objectives are not met, then the program must be cancelled or substantially revised, not expanded as a way to realize savings.
- In the long term, management of pharmaceutical costs should also take the need to encourage innovation for new therapies into account. In addition, any savings realized by pricing strategies should be invested back into drug programs to broaden access to much-needed therapies and improve patient care.

Optimal patient care demands choice and consistency:

To achieve optimal outcomes, patients need the right medication at the right time. Therefore, it is vital that any pricing initiatives uphold basic principles of optimal patient care such as continuity and consistency in drug treatment and ongoing availability and access to a range of choices of effective drugs.

- While there are many instances where switching of medication for therapeutic reasons has clinical benefit, substitution or switching of drugs because of cost, or for economic reasons, often has negative implications for patient care and has been proven to ultimately increase overall health care costs.
- The costs of switching patients from a current medication to a tender-winning brand should be included in program assessment, along with additional unanticipated consequences
- Any schemes to address pricing must uphold the principle of patient choice, as best possible patient care and health outcomes must be the paramount consideration.

Safeguarding against drug shortages:

Safeguards must be in place to protect against destructive drug shortages, which can result from single-source or limited-source purchasing programs.

- Disruptions in drug supply clearly result in patient hardship and diminished health outcomes. Furthermore, there are increased costs to provincial health care budgets. When encountering a drug shortage, patients with previously stable symptom control may experience symptoms requiring emergency department usage or hospital admission. In addition, symptom control does not always return to the previous levels when the drug supply is re-established, leading to longer-term cost increases.
- We strongly suggest more extensive discussion and understanding of the impact of price-lowering agreements on drug shortages. Please allow us more time and advance notice so we may actively contribute to these discussions. As part of this review, there must be a careful consideration of past pharmaceutical reforms and evaluation of what, if any, role these reforms may have played in recent and ongoing drug shortages.
- Contract negotiations with suppliers should include clauses requiring consistency of supply and contingency plans in the event of a disruption, along with systems for advance warning of potential shortages providing intervention opportunities. In addition, there must be an understanding that if contracts are pursued with a single company, it is possible that in subsequent years, this company may be the only manufacturer left in the market and, if so, future competitive bidding might not be effective.

Best Medicines Coalition: Mission, Goals, and Membership

Mission

The BMC is committed to ensuring that all Canadians have safe and timely access to medications, which have been shown, based on best available evidence, to improve outcomes for patients.

Goals

- Establish an effective pan-Canadian drug system, which provides an appropriate standard of efficient, equitable, and consistent access throughout the country.
- Strengthen drug review and post-marketing safety surveillance systems to ensure patients have timely access and comprehensive knowledge of risks and benefits throughout the lifecycle of each drug.
- Implement effective models for meaningful and equitable participation of patients in drug reviews and general health policy development.
- Further public awareness campaigns of relevant issues within the BMC Mission.

Operating Committee

Gail Attara, President & CEO, Gastrointestinal Society (BMC Chair)

Linda Wilhelm, Independent Member (Past Chair)

Denis Morrice, Canadian Epilepsy Alliance (Treasurer)

Harlon Davey, Independent Member

Dr. Katharina Kovacs-Burns, Independent Member

BMC Issue Working Groups:

Drug Access Working Group

Chair: Linda Wilhelm

- Catastrophic drug coverage
- Provincial drug program policy
- Pharmaceutical review
- Private drug insurance environment

Safety and Supply Working Group

Chair: Denis Morrice

- Drug shortages
- Drug safety surveillance/clinical trials
- Progressive licensing

Patient Involvement Working Group

Chair: Kathy Kovacs Burns

- General patient engagement issues
- Patient input into pharmaceutical reviews
- Regulations governing patient representation

Ontario Issues Working Group

Chair: Robert Reinhard

- Drummond recommendations
- Public Drug program/exceptional access

BMC Members

Patient Groups:

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