

Topics and Trends in Canadian Pharmaceutical Marketing: Volume 3, 2007



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JOINT ONCOLOGY REVIEW

Nine Provincial Health Ministers, all but Quebec's, have agreed to have cancer drug reviews (Joint Oncology Drug Review [JODR]) conducted on their behalf by the Ontario Committee to Evaluate Drugs (CED).

The Ontario CED is prominent for effectively opposing the introduction of new cancer drugs. Once the standard is applied across the country, it will likely result in reduced access to cancer drugs.

We will have less access to medications if this spreads to more sub-specialty reviews such as this one.

BILL 102: (Perhaps incorrectly named) the Transparent Drug System for Patients Act

Pricing negotiations

It looks like all final arm wrestling and negotiations are over as we now have seen the fall of the last bastions that were holding out with the Ministry. Congratulations to any and all who did indeed negotiate and did not abdicate!

Cost to operator update

Given the above update regarding pricing (which was responsible for > 2,000 SKU's of price variance from the Ontario Drug Benefit [ODB] book price) Cost to Operator (CTO) is apparently no longer in effect. The following is a quote from the Ministry in Bulletin Board System (BBS) No. 7020 and if anyone understands it...please give me call!

"Eligible CTO claims—What will be accepted: Pharmacists may apply to be reimbursed for

lost revenue as a result of lost mark-up on claims that were submitted as CTO claims in accordance with the regulations. This applies to claims submitted between October 23, 2006 and April 2, 2007. The maximum amount payable that the Ministry will reimburse is the total mark-up allowed per claim based on the drug benefit price (DBP) published in the Formulary as at October 23, 2006. The maximum amount payable is not based on the purchase or market price of the product."

Current mark-up for ODB claims reduction

As of April 1, 2007, the mark-up paid on eligible ODB claims was reduced from 10% to 8%. The Ontario government continues to penalize the indirect distribution channel, which now represents > 90% of the market.

On April 1, 2007, Pharmacists' Professional Services was launched as eligible benefits under the ODB Program.

Phase 1: April 1, 2007

The initial professional service will be a medication review for ODB patients who are taking three or more prescription medications. Pharmacists will be reimbursed \$50 for each completed medication review.

Phase 2: In-depth Consultation Services

Currently under development, pharmacists may provide their patients with a more in-depth medication consultation service. As part of Phase 2, the Ministry will recognize other sectors of pharmacy practice (*i.e.*, long-term care and hospital outpatient) for the provision of Medication Consultation Services.

This is the first time long-term care has been mentioned... so maybe it is back on the agenda and a targeted sector.

FEDERAL BUDGET

More money given, finally some accountability

Federal Health Minister Clement has stated that he believes that most provinces will agree to the accepted clinical timelines for treatment.

This is a first to tie-in performance for additional funds (in this case a \$612 million trust fund).

RESEARCH INVESTMENTS

Announcements were made to increase both grants and loans as well the Scientific Research and Experimental Development program.

Local investment into vaccines was also announced, specifically local programs for an HPV vaccine.

The Federal Government announced an investment of an additional \$400 million to enable Canada Health Infoway to continue its work of accelerating the development of electronic health records for Canadians, while supporting efforts to develop wait time management information systems.

A great deal of activity continues in the development of physicians office software programs, as this is the gatekeeper for success.

There must be a transparent and easy to use system at the physician/patient interface.

INTELLECTUAL PROPERTY

The Supreme Court of Canada's decision in the AstraZeneca case has now been interpreted by the Federal Courts.

In essence, the key issue at stake is that generic manufacturers may no longer be obliged to address all listed patents on the molecule.

The implications are that Health Canada does not necessarily have to notify the innovator before it issues a Notice of Compliance (NOC) and indeed may issue a NOC for generics products while proceedings to prohibit have started.

DISTRIBUTION

Pfizer in the United Kingdom (UK) has chosen the Unichem Alliance Boots Group as their sole distribution partner and the action is being investigated by the government with respect to trade exclusivity.

The move and investigation is being closely watched by competitors, as well as by the remaining distributors in the UK.

PRIVATIZATION

We have all watched the painfully slow acceptance that we indeed have a two (perhaps three) tiered healthcare system and recent developments in British Columbia defy logic.

A private hospital was all set to open in December 2006 and the Health Minister waded in threatening reprisals and everything was put on hold.

The owners have found a loophole in that the physicians running the ER are from out of province and the Minister has acquiesced and we have a full-fledged private hospital in Canada.

QUEBEC

The industry has put forward price increases and awaits the final negotiations with respect to potential paybacks to the public purse.

We still await the application of the remainder of the Law 130 regulations..... stay tuned. **CPM**

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