Canadian Pharmacists Association | Association des pharmaciens du Canada

A Discussion Guide for PMPRB Phase 2 Consultations on New Guidelines

Submission by the Canadian Pharmacists Association

Executive summary

On behalf of the Canadian Pharmacists Association (CPhA), we appreciate the opportunity to provide feedback on the PMPRB Phase 2 guidelines regarding transitional provisions for existing medicines. While we remain concerned about how the regulations and guidelines could impact Canadians' access to new and innovative medicines, we will focus our feedback on the transitional provisions for existing medicines.

Specifically, we recommend:

1. **Three-year transition period:** We recommend a minimum transition period of three years following the implementation of the new guidelines before initiating reviews for existing medicines. This timeline would provide the necessary time for pharmacies to adjust to the financial impact.
2. **Six-month notice for pricing decisions:** We also recommend that stakeholders, including pharmacies, be given at least six months' notice of any pricing decisions made by the PMPRB. This advance notice would allow pharmacies to adjust their operations and inventory accordingly.

By adopting these recommendations, the PMPRB would support a smoother transition for all stakeholders and help mitigate the risk of unintended consequences that could adversely affect patient access and care.

Background

1. Transition time

We appreciate the Board's consideration of a transitional period for reviewing existing medicines. CPhA strongly recommends a minimum transition period of **three years** before initiating any review of existing medicines.

Pharmacists do not have visibility into international list prices and, as a result, cannot predict what kind of price reductions will occur because of changes to the PMPRB guidelines. Sudden and unpredictable changes in drug pricing can have a significant operational and financial impact on pharmacies, especially independent community pharmacies who may lack largescale corporate analysis and support.

A three-year transition period would provide pharmacies with sufficient time to adjust their business models, plan for potential revenue reductions, and manage their inventory accordingly. This longer timeframe would help ensure stability in the supply chain, allowing pharmacies to continue providing patients with timely access to necessary medications. Reducing this transition time to one or two years would expose pharmacies to greater risks of financial disruption, potentially leading to reduced access to medications, especially in rural and underserved communities where pharmacists are often the primary healthcare providers.

2. Six-month notice for pricing decisions

In addition to the three-year transition period, CPhA recommends that the PMPRB provide stakeholders, including provincial and territorial governments, as well as pharmacies, with a **minimum of six months' notice** before any pricing decisions are implemented. Known as a washout period, this allows pharmacies to manage their current inventory purchased at higher prices before being impacted by any regulatory price drops. It helps prevent financial losses by providing time to sell off or adjust stock at previous price points, ensuring pharmacies are not left with overvalued inventory that will not be reimbursed at its original cost.

3. Operational continuity and Patient Access:

Ensuring business continuity for pharmacies is essential to maintaining patient access to medications. Pharmacies are already operating in a highly challenging environment, with increasing pressure from rising overhead costs, labor shortages, and the ongoing complexities of drug reimbursement systems. Disruptive changes to drug pricing without adequate transition periods could exacerbate these challenges and negatively impact patient care.

In particular, smaller, community-based pharmacies that serve vulnerable populations, such as those in rural and remote areas, may not have the financial resilience to absorb sudden revenue drops. In these areas, pharmacists are often the primary and sometimes sole healthcare providers, and any disruption to their operations could have significant consequences for patient access to medications.

The proposed three-year transition and six-month notice period would help safeguard the financial sustainability of pharmacies and protect patient access to vital medications.

4. Collaboration with Pharmacists:

While we understand that the PMPRB's mandate does not explicitly govern some of the downstream actors such as pharmacies, we believe that these important factors should guide the Board's decisions.

Pharmacists are on the front lines of patient care, and their expertise and insights are invaluable in understanding how pricing regulations will affect both patient access and pharmacy operations. A collaborative approach will help ensure that the new guidelines are applied in a manner that aligns with the realities of pharmacy practice, ultimately benefiting both the healthcare system and the patients we serve.

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Conclusion:

In conclusion, while CPhA supports the objective of ensuring affordable patented medicines for Canadians, we believe that a measured and well-communicated transition period is essential for mitigating the potential negative impact on pharmacies.

We appreciate the opportunity to provide feedback and look forward to continued collaboration with the PMPRB on this important issue.

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