New Strategic Plan for the PMPRB

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On December 15th, 2015, the Patented Medicines Prices Review Board ("PMPRB") released its Strategic Plan 2015-2018 ("Strategic Plan") (PDF).

The Strategic Plan comprises a fresh vision, a revised mission statement and four (4) new strategic objectives, namely:

1. Consumer-focused regulation and reporting;
2. Framework modernization;
3. Strategic partnerships and public awareness; and
4. Employee engagement.

Background

The PMPRB was initially conceived as a "consumer protection pillar", to ensure that the prices of patented medicines sold in Canada are not excessive while increasing R&D in Canada (to 10% of revenues).

However, increasingly, the effectiveness of the PMPRB in carrying out its regulatory role is being questioned. In particular, this may be due to the recent phenomenon of high priced patented drugs and record low pharmaceutical R&D in Canada as noted in the PMPRB's 2014 Annual Report (PDF).

According to the Annual Report, in 2005 only France and Italy had lower patented drug prices than Canada (among the comparator countries, (i.e. U.S., the U.K., Germany, Switzerland, Sweden, France and Italy ("PMPRB-7")) and today only Germany and the U.S. are higher. Prices in France, Italy and the UK are 13-25% less than Canadian prices; whereas in Sweden and Switzerland, they are 3-4% less. Conversely, R&D continues to decline, to 4.4% of revenues from sales of patented medicines in Canada for all patentees (5.0% for Rx&D members) – a fraction of the 21.8% average in the PMPRB-7.

In addition, recent provincial drug cost containment measures, including, for example product listing agreements ("PLAs"), call into question the effectiveness of a federal pharmaceutical price regulator in Canada since this process results in confidential drug pricing; the PMPRB's price ceilings are based on public list (formulary) prices, rather than the PLA price.

It is within this context that the PMPRB recognized the need to adapt to the rapidly evolving pharmaceutical marketplace.

Vision

The PMPRB has adopted a fresh vision:

A sustainable pharmaceutical system where payers have the information they need to make smart reimbursement choices and Canadians have access to patented drugs at affordable prices.

Mission

It also revised its mission:

Providing stakeholders with price, cost and utilization information to help them make timely and knowledgeable drug pricing, purchasing and reimbursement decisions.

Acting as an effective check on the patent rights of pharmaceutical manufacturers through the responsible and efficient use of its consumer protection powers.

Strategic Objectives

Finally, the PMPRB also adopted four (4) new strategic objectives:

Strategic objective 1: Consumer-focused regulation and reporting
The PMPRB will adopt a more consumer-centric approach:

In terms of its **regulatory function**, the PMPRB will focus its enforcement activities on cases that are most relevant to payers and that may clarify aspects of its regulatory mandate and on options to improve the coherence of its price ceiling setting process in an effort to achieve affordable prices for all consumers.

In terms of its **reporting function**, the PMPRB will work with public and private payers to pursue opportunities for further collaboration, e.g. to facilitate and standardize the sharing of pricing, utilization and cost data so that insurers can make timely and better informed decisions for the benefit of patients.

Strategic objective 2: Framework modernization
The PMPRB will examine whether and to what extent changes to its regulatory framework are warranted in order to ensure that Canadians pay their fair share for patented drugs.

In the short term, this entails examining options to modernize and simplify the PMPRB's guidelines in light of issues such as affordability, market power, price transparency, international and domestic price differentials and regulatory burden.

In the longer term, the PMPRB will engage its federal, provincial and territorial partners in discussions on broader reform which would take into account international best practices, including, more integrated decision making on cost effectiveness, reimbursement and pricing.

Strategic objective 3: Strategic partnerships and public awareness
The PMPRB will engage with various pharmaceutical industry stakeholders in the following four (4) ways:

1. Intensify partnerships with public payers to provide ever more timely and relevant market intelligence;

2. Expand the scope of pharmaceutical topics on which it reports to provide private payers and consumers with information to help them make better, more cost effective choices;
3. Work closely with international counterparts in sharing knowledge and best practices; and
4. Adopt a more proactive approach to communicating its regulatory and reporting achievements to stakeholders and the public.

Strategic objective 4: Employee engagement
Finally, the PMPRB will work to attract, recruit and retain a highly qualified, skilled, motivated and diverse workforce. It will also implement a comprehensive internal communications strategy to enable more structured dialogue between branches, management and employees.

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While this Strategic Plan sets out a three (3) year vision, the PMPRB will re-evaluate its priorities annually and adjust them as required to ensure that it continues to anticipate and respond to the emerging threats and opportunities in its environment.

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