

STATEMENT

ONTARIO'S BILL 102- AN URGENT CALL FOR CHANGES BEFORE IMPLEMENTATION

August 23, 2006 - The following is a statement by Russell Williams, President of *Canada's Research-Based Pharmaceutical Companies (Rx&D)* recommending major improvements prior to implementation of Bill 102, the *Transparent Drug System for Patients Act*. Rx&D's submission responding to draft regulations of Bill 102 which has been sent to the Ontario Government can be found at: www.canadapharma.org.

"Canada's Research-Based Pharmaceutical Companies (Rx&D) urges the Ontario government to make fundamental changes before Bill 102 Regulations are implemented to ensure that the legislation produces better health outcomes for patients and is consistent with the province's innovation goals.

Draft regulations proposed by the government create many unknowns surrounding the implementation of the Bill that should be addressed through negotiation and partnership. Our submission to the Ontario Government strongly recommends major improvements to ensure that patient access to new medicines is not compromised even further and that knowledge-industry jobs and investment are not put at risk." These include:

Interchangeability of Medicines: The government must clarify the rules regarding the drug interchangeability (Same vs. Similar) to ensure that patients receive the best treatment for their particular condition as determined by their prescribing health professional. The regulations as drafted are unclear and the government's intent to ensure that brand for brand interchangeability does not occur must be clearly articulated.

Pricing Policy and Competitive Agreements: We are concerned that the government is moving ahead with a new pricing policy that would require our members to submit price lists and negotiate agreements before pricing policy guidelines are in place. This severely limits the potential for companies and the government to enter into meaningful and productive discussions with respect to partnership agreements. The federal government through the Patented Medicines Price Review Board (PMPRB) already ensures that prices for patented medicines are not excessive. In fact, Canadian prices for innovative medicines are 8% below the international median and have been consistently below annual increases in the cost of living for almost two decades.

Therapeutic Substitution: To ensure that patient health is not compromised by Bill 102, it is imperative that only the health professional who prescribes a medication should have the authority to change a patient's medication. The legislation should also state clearly and unequivocally that such policies as Reference-Based Pricing and Maximum Allowable Cost will not be implemented, as repeatedly promised by the government during the Bill 102 amendment process.

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“We believe the government must ensure that Bill 102 delivers on its promise to ensure that Ontario patients have better and timelier access to new and innovative treatments. Currently, Ontarians covered under provincial drug program have access to only 15% of new medicines approved by Health Canada and launched over the past two years.

We are also perplexed that no detailed analysis has been done to determine the impact of Bill 102's cost containment measures on investment in research and innovation in the province. For example, at any given time, about 40,000 Ontario patients are benefiting from clinical trials that save the government about \$300 million annually in drug costs. If there is no incentive to do research in Ontario, the rewards of innovation-jobs, investment and research-will go to other countries in a globally competitive environment.

Rx&D members employ 9,000 Ontarians directly and are responsible for generating 25,000 other jobs in other industries. We invested \$421million in research and development in the province last year of which at least \$50 million went to universities and hospitals. Our member companies develop new treatments that improve patient health, relieve pain and reduce the need for surgery and hospitalization.

We urge the Ontario government to reformulate the Bill 102 Regulations to ensure that we meet our fundamental goals of providing quality patient care and promoting research and innovation in Ontario.”

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Canada's Research-Based Pharmaceutical Companies (Rx&D) is an association of members dedicated to improving the health of all Canadians. As partner of the health care system, our discoveries help eliminate the need for medical procedures such as surgery, which have a significant impact on patient quality of life and health care budgets. Our community represents over 22,000 men and women working for more than 50 member companies in Canada and is responsible for generating 100,000 jobs across Canada.

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