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BUDGET: DRUG POLICY AND ECONOMIC DEVELOPMENT ARE INDISSOCIABLE

Russell Williams

The pharmaceutical research community has high expectations on the eve of the tabling of Quebec's budget. They are as great as the challenges its companies are facing, not the least of which is to attract new R&D investment in the face of fierce competition, in particular, from our southern neighbour, the United States, as well as countries with emerging economies such as India and China.

In the past, the Quebec government has displayed leadership and adopted a winning strategy to develop the pharmaceutical research sector. Its bold vision for the future, a dynamic business environment and broad social and political consensus, has enabled Quebec to capture close to half of the investment in the innovative drug industry in Canada. To continue as a front runner, Quebec must now renew the conditions that will give its partners in the knowledge-based economy the capacity to compete in the new world order.

The pharmaceutical research community collaborated on Health and Social Services Minister Philippe Couillard's drug policy project — the first of its kind in North America. We received, with interest, his willingness to consider the impact of drugs from the standpoint of the health system by according equal importance to the benefits of a dynamic pharmaceutical industry in Quebec. To ensure the strength of the industry, we believe there must be total synergy between drug policy and Quebec's economic policy, which also relies on a strong, innovative pharmaceutical industry generating high-quality jobs.

It is essential that we renew our partnership with a drug policy harmonized with Quebec's economic policy. The new drug policy is obviously of tremendous importance to our industry, but it is also a question of the business environment in which we are evolving, an environment that has deteriorated somewhat in recent years.

More specifically, in our sector, patients' access to new drugs reimbursed by the *Régime général d'assurance médicaments* has fallen from an average of 80 per cent between 1996 and 1998 to nearly 50 per cent in 2005. In plain language, this means that one out of two patients is deprived of our discoveries, and patients demanding access to new therapies. The price freeze on drug reimbursement has now lasted 10 years, while the Consumer Price Index has increased by more than 20 per cent over the same period.

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What innovative industry, irrespective of its area of activity, can withstand the freezing of its prices during such a lengthy period without suffering repercussions? Our ability to generate new discoveries is closely linked to our capacity to generate revenues.

The drug policy proposes the end of the “no price increase” policy to correct the situation, but the suggested compensatory measures are so restrictive that it is difficult for our industry to accept them. If we wish to maintain a well-established research community in Quebec and attract new investment, we must react quickly and in partnership, as we have done in the past in Quebec, with resounding success.

When policies favourable to our sector were adopted in the past, the industry has always responded positively. This is illustrated by the fact that subsequent to the establishment of the 15-year rule in 1988, R&D investment in Quebec has increased by 670 per cent. This rule allows the reimbursement of an innovative product up to 15 years after its drug formulary listing.

We are aware of the place occupied by new drugs in our health care system today, because in many respects, they replace surgery, reduce waiting lists, improve quality of life, and enable people to stay longer in their own homes. Innovative drugs, therefore, play a determining role in a health system desirous of providing what is best for patients.

Our industry plays a predominant role in economic matters with 50,000 jobs depending on it, and more than \$450 million in R&D invested yearly in Quebec. Of this amount, over \$30 million goes to hospitals and universities. Our activities generate in excess of \$2 billion annually for the Quebec economy.

History tells us that Quebec has always placed great value on the partnership that unites us and has always acknowledged the pharmaceutical research industry’s important contribution to our collective wealth. Knowing this, we turn to the future with confidence. For we are not only a health care partner, but a business partner, as well.

Russell Williams is the President of Canada’s Research-Based Pharmaceutical Companies (Rx&D). Prior to his appointment as Rx&D President, Mr. Williams was a member of the Quebec National Assembly for nearly 15 years and served as Parliamentary Assistant to the Minister of Health and Social Services.