

Government Relations Update

**Mylan**

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Federal Government:

The Prime Minister Steven Harper shuffled his Cabinet in January. The Honourable Leona Aglukkaq continues as Minister of Health.

Provincial Governments:

The key issues are generic drug pricing and reimbursement for pharmacy services. Recent announcements in Alberta regarding proposed pricing for generic drugs require new pricing for April 1. And, the fate of professional allowances in Ontario continues to be in question as bilateral discussions between government and pharmacy groups continue.

Alberta:

Gene Zwozdesky, the new Health Minister of Canada's oil rich province announced key elements of his Pharmaceutical strategy II late January. Prices of existing products in the government formulary are to be reduced to 56% of the Alberta brand. New products, ie., newly genericised molecules, are to be priced at 45%. Today there are many existing products priced below 56%. At this time, Government is not seeking to apply 45% pricing to existing products when an "existing" product from a new manufacturer seeks formulary listing. Pharmacies will be reimbursed at current prices until June 1st. There is considerable work to implement the changes.

A report titled, *The Foundation for Alberta's Health System*, published by the Minister's Advisory Committee on Health, recommends that Alberta have its own Health Act. The Premier has asked the Minister of Health and Wellness to review and respond to the report which acknowledges the current legislative and regulatory regime is complex and outdated.

Ontario:

The Minister of Health, Deb Mathews met with the Coalition of Ontario's community pharmacies on February 3. Bilateral discussions between government and pharmacy on pharmacy reimbursement have been reignited. In addition, the generic industry will be involved in discussions with the Executive Officer. Meetings will be scheduled in the three-to-four weeks running up to the provincial budget (end March/early April). It is hoped that a two pronged approach will help address pharmacy's need for a new reimbursement model which includes payment for current and future services. Stakeholders have been told that the government is seeking to end professional allowances even though these funds currently subsidize



pharmacy services to patients. The discussions with the Executive Officer will focus on price of generics drugs and professional allowances.

The Regulated Health Professions Statute Law amendment Act , 2009 (Bill 179) was passed in December. The act will be enabled by regulations prepared by the Ontario College of Pharmacists. Pharmacists will be able to prescribe certain drugs, like those used in smoking cessation. They will be able to renew, adjust and adapt existing prescriptions. Pharmacists will also be able to administer medications by injection or inhalation to facilitate patient education and demonstration. This should allow provision of emergency and routine immunizations. The Act also enables remote dispensing which is a challenging concept. The regulations are to be drafted on behalf of government this winter.

The government appointed 25 Ontarians to participate in a Citizen's Council to provide opinions on the values that reflect the needs, culture and attitudes on drug policy. Profiles of the members can be found on the Ontario Public Drug plan website. Visit

http://www.health.gov.on.ca/en/public/programs/drugs/councils/citizens_council.aspx

British Columbia:

The government has retained negotiators to work on a pharmacy reimbursement and generic pricing model in BC. Given the change process seen in Alberta, experience shows that the negotiators must have a clear understanding of unintended consequences from change. BC requires a new arrangement be struck on pharmacy reimbursement and generic pricing by June 30.

Quebec:

The National Assembly of Quebec reconvened on February 9, 2010.

"Plus maximum prix" or Quebec's maximum price policy counterintuitively incents patients to receive a brand product even when a generic product exists. This affects generic products like oral contraceptives. Dialogue with government is needed to change this policy.

The 15 year rule in Quebec enables brand products to be fully reimbursed for 15 years after launch in Quebec even when a lower priced generic is available.

Gen-Med Amlodipine, (Gen-Med is a division of Pfizer) was removed from the "Liste du medicament" on February 1.

**Nova Scotia:**

The Atlantic Provinces are attempting to work together to establish a collective approach on generic drug pricing. The Atlantic regimes are different as compared to Ontario, Quebec, and in future Alberta as these provinces do not have regulated prices. It is expected that an engagement with, Nova Scotia, will begin in March/April.

Nova Scotia approved regulations which will enable pharmacists to prescribe for minor ailments as well as to adapt and renew prescriptions. Standards of practice will now be established to enable implementation of the regulations over the coming year.

Newfoundland & Labrador:

Pre-budget consultations were due to conclude February 8.

Prince Edward Island:

Canada's smallest province saw a Cabinet reshuffle in January. Carolyn Bertram replaces Doug Currie as Minister of Health and Wellness.

Manitoba

A decision was made to enable an exclusive listing for Gen-Med's Amlodipine. Gen-Med is a division of Pfizer. Manitoba took the longest time of any jurisdiction to determine listings of Amlodipine. Savings from generic companies would have offered over \$16,000 per day.

Private Payers:

Ontario's private payers are waiting for government to make changes to its generic drug pricing regime before taking action. They are hoping for lower prices as well as single pricing across the province. The government reduced prices in the ODBF and introduced off-formulary interchangeability in 2006, yet prices for all drugs reimbursed by private payers have not come down. It is strange the amount of attention given to the price of generic drugs, while so little attention is given to the prices paid by private payers for brand name drugs which have steadily been on the rise (net prices to government having been obscured through product listing agreements).

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Medavie Blue Cross in Atlantic Canada has reportedly reached settlements with independent pharmacies. Pharmacy has been asked to respect the Medavie client drug benefit cards to pay for prescriptions. This follows a dispute over new contracts that were designed to provide pharmacies with only 60% of the brand price when a generic was dispensed