ENERFLEX

October 24, 2016

Patented Medicine Prices Review Board
(Rethinking the Guidelines)
Box L40, 333 Laurier Avenue West, Suite 1400
Ottawa, Ontario K1P 1C1

To Whom it May Concern:

Re: Enerflex Ltd. Response to the PMPRB Consultation Paper

Please accept the attached answers to your questions as the Enerflex Ltd. response to your consultation paper.

Should you require any further information on our responses, please contact me at tdrach@enerflex.com or at 403-720-4375. Thank you for the opportunity to provide feedback.

Yours truly,

Tracey Drach,
Global Human Resources Manager
Enerflex Ltd.

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1. **What does the word "excessive" mean to you when you think about drug pricing in Canada today?**

   A drug price that exceeds an organization's pooling limit is considered excessive. The pooling limit is our maximum risk that we are willing to take on.

   For example:

a. **Should a drug that costs more annually than a certain agreed upon economic metric be considered potentially excessively priced?**

   No. Even though a drug may be considered excessively priced, an economic metric may not work for all drugs. Some drugs for some conditions are more expensive to develop and bring to market. A metric may not work for more complicated diseases.

b. Should a drug that costs exponentially more than other drugs that treat the same disease be considered potentially excessive?

   Yes. Plan sponsors want to offer a treatment that is both cost effective and medically effective. The lowest cost alternative is preferred.

c. In considering the above two questions, does it matter to you if a very costly drug only treats a small group of patients such that it accounts for a very small proportion of overall spending on drugs in Canada?

   Yes, it matters but that is the nature of speciality drugs. However, plans need to take measures to protect themselves from ultra high drugs that are not effective.

d. Conversely, if a drug's price is below an agreed upon metric and in line with other drugs that treat the same disease, should it be considered potentially excessive if it accounts for a disproportionate amount of overall spending on drugs in Canada?

   No, this means that this is a preferred drug for both doctors and patients for a particular condition.

e. What economic considerations should inform a determination of whether a drug is potentially excessively priced?

   The main economic consideration is does the cost of the drug put plan sponsors or insurers in financial risk.

2. **Given that it is standard industry practice worldwide to insist that public prices not reflect discounts and rebates, should the PMPRB generally place less weight on international public list prices when determining the non-excessive price ceiling for a drug?**

   Yes, although not everyone has access to discounts and rebates. The international public list prices should be considered but with less weight seems appropriate.

3. **In your view, given today's pharmaceutical operating environment, is there a particular s. 85 factor that the Guidelines should prioritize or weigh more heavily in examining whether a drug is potentially excessively priced**?

   The two factors that should be focused on are:
   - the prices at which the same medicine has been sold in the relevant market;
   - the prices at which other medicines in the same therapeutic class have been sold in the relevant market;

   These two factors will help to identify if a drug pricing is offside.

4. **Should the PMPRB set its excessive price ceilings at the low, medium or high end of the PMPRB7 countries (i.e. the US, the UK, Sweden, Switzerland, Germany, France and Italy)?**

   At the low end. With the new drugs recently released, plan sponsors are being overwhelmed with drug costs.

5. **Does the amount of research and development that the pharmaceutical industry conducts in Canada relative to these other countries impact your answer to the above question and if so, why?**

   Yes, perhaps the reason that we have the third highest costs in the PMPRB7 is because we are not doing sufficient research and development whereas our peers with lower costs are doing more.

6. **What alternatives to the current approach to categorizing new patented medicines (based on degree of therapeutic benefit) could be used to apply the statutory factors from the outset and address questions of high relative prices, market dynamics and affordability?**

7. **Should the PMPRB consider different levels of regulatory oversight for patented drugs based on indicators of risk of potential for excessive pricing?**

   No, this is complicated. Patented drugs should go through the same regulatory process.

8. **Should the price ceiling of a patented drug be revised with the passage of time and, if so, how often, in what circumstances and how much?**

   If we are discussing the same patented drug, it makes to adjust it slightly with CPI and with consideration to what is occurring with the PMPRB7.

9. **Should price discrimination between provinces/territories and payer types be considered a form of excessive pricing and, if so, in what circumstances?**

   Yes, any circumstances that creates an inequitable buying power and reduces access to drugs should be considered excessive pricing.

10. **Are there other aspects of the Guidelines not mentioned in this paper that warrant reform in light of changes in the PMPRB's operating environment?**

    No not that we think of at this time.

11. **Should the changes that are made to the Guidelines as a result of this consultation process apply to all patented drugs or just ones that are introduced subsequent to the changes?**

    Ideally, it can be applied to all patented drugs to ease some of the costs pressures created by recent releases.

12. **Should one or more of the issues identified in this paper also or alternatively be addressed through change at the level of regulation or legislation?**

    Yes, something needs to be done to ensure Canada is doing the appropriate amount of research and development in this area.