

September 28, 2018

Dr. Eric Hoskins
Chair
Advisory Council on the Implementation of National Pharmacare Secretariat
Brooke Claxton Building
70 Colombine Driveway
Ottawa, ON K1A 0K9

Dear Dr. Hoskins,

On behalf of the Danish Life Sciences Forum (the Forum), thank you for the opportunity to provide input to the Advisory Council on the Implementation of National Pharmacare (Advisory Council).

The Danish Life Sciences Forum was created earlier this year as a way for Danish life sciences companies to collaborate around shared opportunities and challenges in the Canadian marketplace, and build on their foundations in Denmark and experience globally. With the support of the Danish Trade Council, which acts as the forum secretariat, the group currently consists of Novo Nordisk Canada Inc., Leo Pharma Inc., and Lundbeck Canada – all foundation owned companies that are beholden to all societal stakeholders, and with a long-term mission to find cures in their therapeutic areas. Ultimately, the Forum hopes to work with government partners to increase investments and trade in life sciences products and services and ensure everyone has equitable access to the right medicines.

The Advisory Council has an important and historic opportunity to improve access and affordability of medications for Canadians. As you begin to assess potential approaches to national pharmacare, examining different international pharmacare models to see what lessons other countries have to offer Canada will be important. In that respect, given the many similarities between Canada and Denmark – including a similar standard of living, business culture, societal values, and a general ambition to be ahead of the curve when it comes to finding innovative solutions to problems – we believe there is a lot that our two countries can learn from each other.

To that end, we would like to offer you our support and a Danish perspective on the national pharmacare discussions. Our input complements that of our industry association Innovative Medicines Canada. For your consideration, below we offer six recommendations that may help your efforts to develop a national pharmacare system in Canada:

Considerations for national pharmacare:

1. **Focus on patients and optimal health outcomes:** Canadians are qualified by their multiculturalism – each person is different, as is their response to certain medications. Pharmacare should recognize this ethnic diversity by ensuring that patients have access to a full range of medications. As well, each Canadian deserves to have access to the right treatment at the right time to support their health, regardless of their income, age, or geographic location. While a more cohesive system of drug coverage would naturally lead to cost-savings for public and private payers, the forum believes that this should not be the sole focus in developing a

national pharmacare system. Such an approach could lead to a more limited toolbox available to patients, and potentially poorer health outcomes for our diverse population.

2. **Ensure timely access to the best medicines:** An optimal national pharmacare approach would ensure early adoption of new health technologies, as well as promote their appropriate use. National pharmacare should also ensure that evaluations, funding decisions and listings on public drug programs are completed within a reasonable and predictable timeframe, so that Canadian patients have timely access to the medications they need.
3. **Aim for a pragmatic approach:** The approach to national pharmacare should be one that is sustainable and practical to implement within Canada's unique federal system and culture. On the question of how national pharmacare should be delivered, while some countries (including Denmark) use a single-payer public system, such an approach would be impossible to implement in Canada without a substantial increase in taxes.¹ Considerable tax increases may not be welcome by Canadians, especially given that many people already enjoy good quality coverage under their existing employer-sponsored plans. As such, opting for a mixed public-private system may be a more pragmatic approach as it will reduce the financial burden on Canadian tax payers while focusing attention and resources on those individuals that currently lack coverage.
4. **Consider long-term added value when making decisions:** Improved value to patients and the health system should guide all coverage decisions for national pharmacare. Such a value-based system should be able to recognize the benefits that a medicine brings to individual patients as well as the overall healthcare system and society, by reducing hospitalizations and other costly complications of disease, now and in the future.
5. **Support and encourage innovation:** The potential for technological innovation in healthcare is vast. New technologies deliver more precise, efficient, and effective interventions at the right time in a patient's care and drive cost-savings to the system. Innovation in medicine is poised to be an engine that drives improvements across the healthcare continuum, while fueling Canada's growth and competitiveness. Pharmacare should be designed in a way that supports the life sciences ecosystem and ensures that Canadians continue to have access to the latest innovations in medicine.
6. **Use national pharmacare to achieve more affordable medicines:** At the moment, the federal government is attempting to lower the prices of innovative medicines in Canada by introducing new rules aimed at changing how the Patented Medicine Prices Review Board (PMPRB) determines maximum allowable prices. Using regulation to drive down prices in this way will have unintended consequences in terms of patient access to new medicines and the ability of the pharmaceutical industry to continue to invest in Canada. Based on our experiences in Denmark, negotiation – as opposed to regulation – is the right vehicle to achieve lower drug prices. The pan-Canadian Pharmaceutical Alliance and insurance providers currently have the capacity to negotiate high-value commercial terms with manufacturers. National pharmacare represents an opportunity to bolster these initiatives.

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

THE TRADE COUNCIL

On behalf of the Danish Life Sciences Forum, thank you once again for considering our input to the Advisory Council consultation on national pharmacare. We look forward to engaging with the Advisory Council and supporting your efforts regarding this important initiative in the months and years to come.

Yours sincerely,

Kerry Allerton



KERRY ALLERTON

SENIOR ADVISOR, HEALTHCARE AND LIFE SCIENCES

MOBILE +1 (647) 631 6947

EMAIL: kerall@um.dk

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

ROYAL DANISH CONSULATE GENERAL

2 BLOOR STREET WEST, SUITE 2120

TORONTO, ON M4W 3E2, CANADA

ⁱ The Institute of Fiscal Studies and Democracy, 2018, *National Pharmacare in Canada: Choosing a Path Forward* (<http://www.ifsd.ca/web/default/files/Presentations/Reports/18006%20-%20National%20Pharmacare%20in%20Canada-%20Choosing%20a%20Path%20Forward%20-%2016%20July%202018%20-%20Final.pdf>)