



Stephen Frank
President and CEO

March 3, 2020

The Right Honourable Justin Trudeau
Prime Minister of Canada
House of Commons
Ottawa, Canada
K1A 0A6

Dear Prime Minister,

I am writing on behalf of the life and health insurance industry to indicate our strong support for the proposed draft guidelines to support implementation of the amendments made to the Patented Medicines Regulations which will come into force July 1, 2020. It is the view of our industry that these changes are essential to ensuring the affordability of prescription drugs in Canada and we are completely aligned with the direction proposed.

We share the view that patented drug prices in Canada are too high relative to other economies and these added costs are putting enormous strain on the viability of both public and private drug benefit plans. Canadian patented drug prices are among the highest in the world. Among all OECD member countries, only the United States and Switzerland have higher patented drug prices than Canada. According to OECD data, Canada spent \$860 USD per capita in 2017 on pharmaceuticals; this is well above the average \$529 USD spent among OECD countries. In fact, only three of those countries, Japan, Switzerland, and the United States, spent more per capita.

We acknowledge that there are many interests and issues involved in the PMPRB review that contribute to its complexity, however, we believe the proposed changes strike the right balance between reducing the high cost of prescription drugs in Canada for public and private plans while also continuing to ensure Canadians have access to affordable and necessary medications.

For these reasons we believe it is crucial that the government move ahead with the PMPRB modernization framework as planned. I look forward to the opportunity to hear from you on this important matter.

Yours sincerely,

Original Signed By

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