Fair Drug Prices Submission

August 11, 2011

The Honorable Madeleine Dube
Minister of Health, Government of New Brunswick
Department of Heath
520 King St. 6th floor
Fredericton, New Brunswick E3B 5G8

Dear Minister,

Re: Fair Drug Prices for New Brunswickers

Thank you for the opportunity to share our views on how to reduce drug expenditures in New Brunswick. I have been a pharmacist in Nova Scotia for over 20 years and have worked in many areas of pharmacy including hospital, community, academia and the pharmaceutical industry. Currently, I work for STI Technologies Limited (STI) and am writing from this perspective.

STI began operations in 2001 with a vision to provide a more effective and safer way for the pharmaceutical industry to implement prescription drug sampling programs. Early success led the company to leverage its SmartTechnology platform in order to invent and deliver innovative solutions to the Canadian health care industry beyond sampling. This STI platform uses smart cards and involves community pharmacy in the dispensing of prescription medications. This system allows for the proper labeling, storage and distribution of medication with no increased cost to the health care system. As a result, patient medication profiles are more complete at the patient's pharmacy, allowing the pharmacist to effectively screen for potential drug-drug interactions. This also benefits provinces such as New Brunswick that are implementing drug information system, as the medication samples provided through smart cards will be captured in this drug information database. Focusing on using transactions and reimbursement as the source of real-time intelligence allows all of the players (industry, pharmacy, prescriber, and payer) to optimize their patient relationships.

STI is a proud Atlantic Canadian company and a recognized innovator and thought leader in the Canadian pharmaceutical industry. We are pleased to have won the prestigious Manning Innovation Award, and have recently been named to Progress Magazine's fastest growing and best places to work lists for 2011.

We would like to suggest two solutions to reduce the amount ofmedication waste in the system that in turn will reduce the financial burden on the provincial prescription drug program. Specifically, our solutions address the waste of medications that are dispensed but never administered or not finished due to limited efficacy or tolerability and the waste that occurs with traditional sampling programs.

The proposed solutions are described below:

1. Trial Prescription Program for Chronic Medications

Many patients (drug naive patients) will receive their first prescription for a 90 day supply of a new medication, take it for a few days then decide to discontinue the medication due to lack of efficacy or unacceptable tolerability. For these reasons, it makes good sense to trial a 1-2 week supply of all newly prescribed medications to ensure safety and efficacy for the patient.

Pharmacists are well positioned to implement and monitor a trial prescription program to ensure patients are on appropriate therapy and obtain optimal drug outcomes. If drug related problems are identified they can be addressed in the early days of therapy. This also eliminates waste due to premature discontinuation of medications because patients have to return to the pharmacy after their trial is completed giving the pharmacist another opportunity to promote adherence to the medication once it is deemed appropriate therapy for the patient.

If there was a provincial mandate for a sampling program for all chronic medications, the first trial prescription could be provided by the manufacturer. This and the reduction of waste is where the substantial savings occur.

Ironically, a 90 day supply is often written as a cost saving measure because only one professional fee is incurred every 90 days as opposed to monthly. This strategy fails when the patient discontinues the therapy before completing the 90 days of therapy and thus the medication is unused and wasted.

2. Generic Sampling Program

Currently, patients are switched to generic products when the patent expires on a brand name product. We suggest first giving a 1-2 week sample of the generic product for the same reasons outlined above. This eases the transition from brand to generic products and allows the patient to determine if efficacy and tolerability will be maintained on the generic product.

Preventing Generic Erosion: This is interesting, when a new brand name product is introduced to a genericized market. What traditionally happens is the brand name products will be prescribed and the generic use will begin to erode and decline. This is the impact of pharmaceutical sales, marketing and specifically the sampling of the newer brand name product to physicians. If generic companies adopted similar strategies, they can prevent and potentially avoid the erosion of the use of generics and may in fact increase generic utilization rates. This strategy has already been employed successfully in other provinces. This also occurs when brand name products go generic when other brands in the same drug class are also available. The use of the other brands within the class increases as physicians switch patients from one brand instead of having the patient transition to the generic. In the US and other provinces physician academic detaining of generics has been shown to prevent this effect and

with the addition of a generic sampling program combined with physician detailing the behavior has declined significantly.

Sampling will always be a key element of the marketing strategy to physicians and important for the patient care model and the health care system. Generic companies, unlike brand pharmaceutical companies, are not burdened with over a hundred of years of behavior aroundphysical sampling (traditional sampling). Generic sampling should be based on the more modern alternative of smart cards, which include the pharmacist in the delivery of the sampled medication to the patient, allowing the patient to benefit immediately from increased safety, track ability, and efficiency.

Summary

Reducing the amount of medications dispensed and not consumed and promoting a more accountable prescription drug sampling or trial prescription programdelivered through pharmacy will result in proper use of medication, early identification of drug related problems and optimal drug therapy outcomes. In effect, this will lessen the financial burden on the prescription drug program and ultimately the New Brunswick health care system. The savings to the New Brunswick health care system can be considerable and will extend for many years to come.

STI has the technology, the people, and the experience to deliver both of these solutions seamlessly. Thank you for hearing our perspective. We would invite you to contact us to discuss further.

Respectfully Submitted,

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STI Technology Limited