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Pfizer Canada Inc.

VIA EMAIL: leanne.jardine@qnb.ca

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Ms. Leanne Jardine
Executive Director
Pharmaceutical Services Branch
New Brunswick Ministry of Health
HSBC Place, 6th Floor
P. O. Box 5100
Fredericton, NB, E3B 5G8

Re: *Fair Drug Prices for New Brunswickers Consultations*

Dear Ms. Jardine:

On behalf of Pfizer Canada (Pfizer), thank you for the opportunity to provide input on New Brunswick's plans to reduce the cost of generic medications in New Brunswick and support pharmacy services.

Pfizer is Canada's leading developer of new innovative medicines and vaccines. In 2009, we expanded our operations into the multi-sourced segment under our GenMed division. In addition to being committed to innovation and discovering new treatments, Pfizer wants to ensure that Canadian patients have access to high quality multi-sourced medicines within a fair and competitive marketplace.

For these reasons, Pfizer was actively involved in New Brunswick's generic price reform consultations over the past several weeks, and is pleased to be able to provide written input. We also hope to be able to provide more specific input when draft regulations are developed and pre-published for public comment, later this year. We support the complimentary participation and submissions of our industry associations, Rx&D and BIOTECanada. In addition, we commend the government for reaching out to non-CGPA members, allowing GenMed to participate in the initial consultation phase.

In summary, Pfizer supports the generic price reforms undertaken in other provinces and announced in New Brunswick. Greater competition within the multi-source segment will bring greater value to consumers and governments. These reforms should be undertaken to optimize health resource allocation and ensure a patient-centred approach. In this context, Pfizer Canada has recommendations on the province's themes for the consultations: generic prices and pharmacy services.

Generic drug prices

As noted in the consultation document, generic price reductions that have been achieved in other jurisdictions have the potential to provide major savings for the New Brunswick health system. Pfizer believes that investing these savings into an expanded public drug program for low-income and uninsured New Brunswickers, as well as those facing catastrophic drug costs, will lead to better outcomes for patients and the health system.

However, one preventable unintended consequence of lower multi-source prices is the eventual diminished access to innovative medicines. Our concern is that maintaining the use of current implicit pharmacoeconomic thresholds against significantly reduced multi-source prices may result in more negative decisions for new products entering the market and rationing of products that are on the New Brunswick formulary, which suddenly face generic competition. Ultimately this could decrease access to medicines for New Brunswick's patients in a way that is detrimental to patient care and create greater inefficiencies in the healthcare system. This would be the wrong direction for the province, as today's healthcare

professionals need access to an extended range of therapies to address the medical necessities of an aging population that face complex and overlapping health challenges.

When considering generic drug price reforms, New Brunswick should also consider the evolution and mandate of the Atlantic Common Drug Review (ACDR). Pfizer would welcome the support of New Brunswick in evolving the ACDR towards greater transparency and best practices in HTA, including clear criteria and considerations that support ACDR recommendations beyond efficacy, safety and cost-effectiveness. This expert committee would also benefit from broader stakeholder engagement as they form their opinion on any given health technology.

The province's goal of lower generic drug prices and addressing generic drug company rebates (i.e., professional allowances) to pharmacists should also lead to a more competitive market. If rebates are permitted, rules need to be applied fairly and across the board to all generic drug suppliers. The objective should be to eliminate barriers to market entry and provide a level playing field for both traditional generic companies and new suppliers of multi-source medicines.

A variety of multi-source procurement policies could also be considered in parallel, beyond regulated price reductions. These include issuing tenders specifically for multi-source segmented products, which would encourage manufacturers to provide the best possible prices.

Pharmacy services

Pfizer supports New Brunswick's efforts to appropriately compensate pharmacists for the critical role they play in health care.

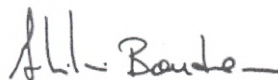
Additional increases in fees to ensure pharmacists are fairly compensated for their services to patients, such as adherence, chronic disease management programs, smoking cessation and vaccine administration, may further benefit the health system. As such, Pfizer would be interested in collaborating with the healthcare providers on optimal drug use programs. New Brunswick's proposed PharmaCheck program – to help patients manage multiple medications – is a step in the right direction.

We look forward to more information on how the province intends to move on this initiative. We have significant concerns that financial incentives and enabling policy changes may be provided to pharmacists to engage in therapeutic substitution. It is our position that financial incentives to switch or adapt prescriptions within a therapeutic category are nearsighted, anti-innovative policies that put the potential for short term savings ahead of optimal patient outcomes. Lessons from other jurisdictions, including British Columbia, have shown that therapeutic substitution policies, such as Reference-Based-Pricing that focused on cost control can lead to poor patient outcomes (even adverse events), less cost savings than anticipated, and act as a disincentive to undertake research into new drugs and vaccines.

In conclusion, Pfizer strongly recommends that New Brunswick enhance focus on accelerating improved access to innovative biopharmaceuticals, continue to support the evolving role of pharmacists, and ensure a level playing field in the province's multi-source market.

Once again, thank you for the opportunity to take part in these consultations. If you have any questions, or would like further information regarding our recommendations, please do not hesitate to contact me.

Sincerely,



Ghislain Boudreau
Vice President, Public Affairs
Pfizer Canada Inc.

c.c. Gerry McCarron, Manager, Health Policy & Patient Access, Atlantic Region, Pfizer Canada