



Canadian Life & Health
Insurance Association
Association canadienne des
compagnies d'assurances
de personnes

Submission to the **PAN-CANADIAN PHARMACEUTICAL ALLIANCE: PCPA TEMPORARY ACCESS PROCESS**

August 17, 2023



OVERVIEW

The Canadian Life and Health Insurance Association (CLHIA) is pleased to provide the views of its members to the pan Canadian Pharmaceutical Alliance (pCPA) for consideration regarding the proposed Temporary Access Process (pTAP), which defines the processes for negotiation of drug pricing for patented drugs with temporary approval by CADTH and/or INESSS. Temporary Access will allow drugs with temporary approval to be funded by public payors.

OVERVIEW OF SUBMISSION

1. pCPA's proposed process requires that pharmaceutical manufacturers who have received temporary approval for their new drug from Health Canada, CADTH and INESSS, but who do not succeed in obtaining a CADTH/INESSS reassessment result that allows drug benefit coverage to continue within the defined period, are required to continue funding for any patient started on the medication during the temporary period. This applies only to publicly-funded drug coverage.

As private payers are not part of this pCPA negotiation, employers funding prescription drug plans in Quebec are disadvantaged. Drugs funded by RAMQ must also be funded through the employer's private plan, yet private payers cannot compel manufacturers to continue to provide coverage in this same situation.

2. We would request that all decision-making around applying and reassessing temporary status be transparent to all payers so that private payers and employers may make coverage decisions based on all the evidence.

3. Lastly, the funding process is complicated given that these will likely be rare disease medications and Health Canada's participation in the funding process is unclear at this time. It is recommended that this be clarified as soon as possible.

WHO WE ARE

The CLHIA is a voluntary association whose member companies account for 99 per cent the life and health insurance business in Canada.



Protecting **29 million** Canadians

26 million with drug, dental and other health benefits

22 million with life insurance averaging \$228,000 per insured

12 million with disability income protection



\$**97 billion** in payments to Canadians

\$**46 billion** in annuities

\$**37 billion** in health and disability claims

\$**14 billion** in life insurance policies



\$8.2 billion in tax contributions

- \$1.3 billion in corporate income tax
- \$1.3 billion in payroll and other taxes
- \$1.7 billion in premium tax
- \$3.9 billion in retail sales tax



Investing in Canadians

- \$1 trillion in total invested assets
- 91% held in long-term investments

Life and health insurers play a key role in providing financial security to Canadians. Additionally, the industry makes a significant contribution to the economy, employing over 158,000 Canadians in high value, professional jobs (as employees or independent agents). The industry is also a major investor in domestic assets and contributes significant revenue through taxes to the federal and provincial governments.

Support for affordable prescription medicines

Canadian life and health insurers provide 26 million Canadians with access to a wide range of health services and prescription drugs, including rare disease drugs, through supplementary health plans. In 2021 insurers paid out more than \$13.4 billion in coverage for prescription drugs in Canada, while in 2020, \$650 million was paid for rare disease drugs to 15,000 Canadians. Canadians pay some of the highest prescription drug costs in the world—our drug prices are third highest among OECD countries.

IMPLICATIONS OF pTAP TO PRIVATE PLANS OPERATING IN QUEBEC

As noted in the Overview, the way that the basic prescription drug insurance plan has been established in Quebec requires that employers providing a benefit plan include a drug plan equal to or better than that provided by RAMQ. This means the formulary offered is at least the same as RAMQ. Should RAMQ start to provide coverage for a medication, the employer plan must as well.

This places employers, private plans and employees at a disadvantage monetarily as they will not have access to pharmaceutical manufacturer coverage if the medication never receives full approval. Our recommendation is that pCPA consider including employer plans in this unique process.

IMPLICATIONS OF pTAP TO PRIVATE PLANS OPERATING ELSEWHERE

The broader overall strategy of providing temporary approval of a new drug, starting with Health Canada and proceeding through to PMPRB, CADTH/INESSS and pCPA review are all important steps in drug review processes by private payers. We would just like to flag that private payers may consider drug reimbursement prior to some of these steps being complete and would ask that these government agencies consider whether there are timing considerations to funding between public and private.

On another note regarding the requirement for the pharmaceutical manufacturer to continue funding the drug once it does not succeed in obtaining approval during the

temporary period, we want to ensure that these claims to be funded by the manufacturer not be sent to private payers should private coverage be available.

TRANSPARENCY OF EVIDENCE AND REASSESSMENT

In order for private plans and employers to make effective listing decisions for medications following the temporary approval process, evidence and recommendations must be made available and transparent to all payers. This would be necessary through all assessment and reassessment processes, including those carried out by CADTH and INESSS and is the reason why this submission will be shared with these organizations as well.

CLARIFICATION ON THE ROLE OF HEALTH CANADA RARE DISEASE DRUG FUNDING STRATEGY

This temporary approval process will apply, in most cases, to drugs for rare diseases as they are most likely to not have sufficient evidence for full approval. Given that the federal government has announced separate funding for drugs for rare diseases, it would be important to have clarity into how the Health Canada funding strategy interacts with the pTAP process, pCPA and provincial funding.

CONCLUSION

We would like to take this opportunity to thank you for your consideration of the views of the Canadian life and health insurance industry. Should you have questions regarding any of our comments, you may contact Joan Weir, Vice-President, Group Benefits at jweir@clhia.ca.

79 Wellington St. West, Suite 2300
P.O. Box 99, TD South Tower
Toronto, Ontario M5K 1G8
416.777.2221
info@clhia.ca