

pCPA Objectives

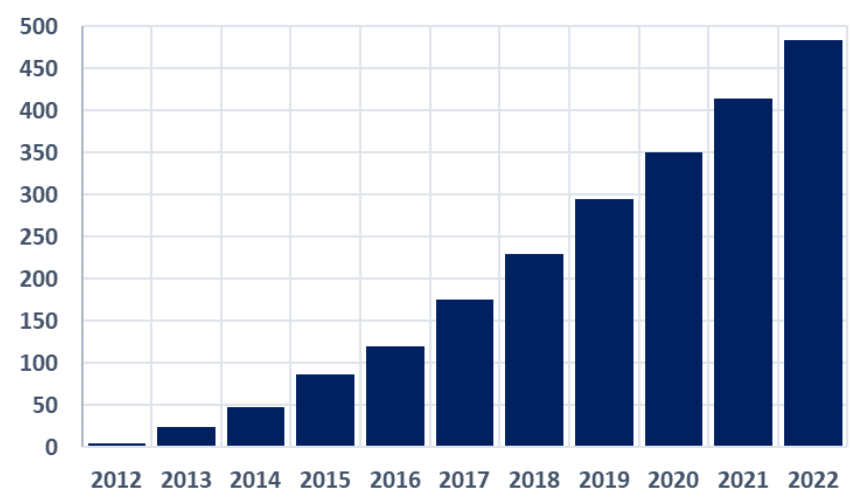
Established in 2010, the pCPA, is a collective of all Provinces, Territories, and the Federal Government working together to:

- **Increase access** to clinically relevant and cost-effective treatments
- Achieve consistent and **lower drug costs**
- **Improve consistency** in funding decisions
- **Reduce duplication** and optimize resource utilization

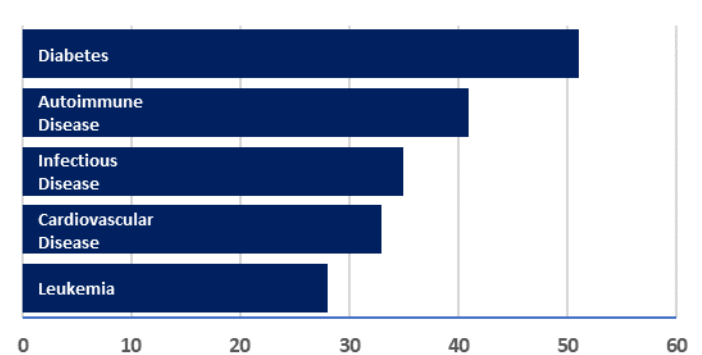
Increase Access and Reduce Duplication¹

- Since pCPA's inception, **484** negotiations have reached a Letter of Intent (LOI):
 - **187** in oncology
 - **182** for biologics, including **48** for biosimilars
 - **53** for EDRDs

LOIs Completed



Top Therapeutic Areas - Completed Negotiations



Lower Drug Costs

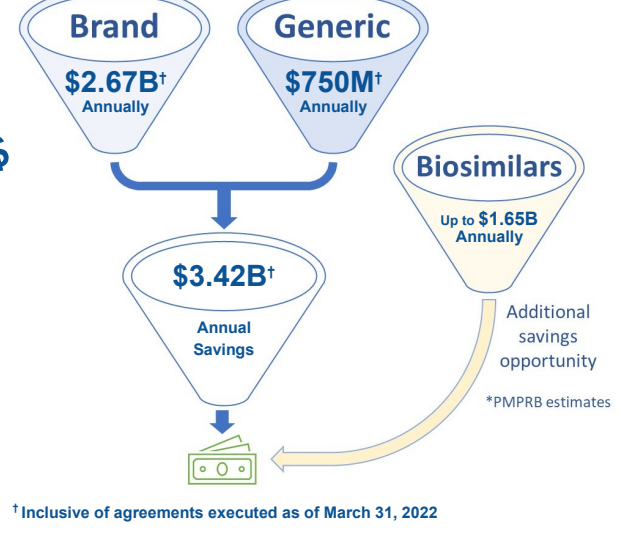
Generic Drugs

Apr 2018: The pCPA and CGPA negotiated a 5-year initiative reducing prices of nearly 70 of the most commonly prescribed generic drugs by up to 90%

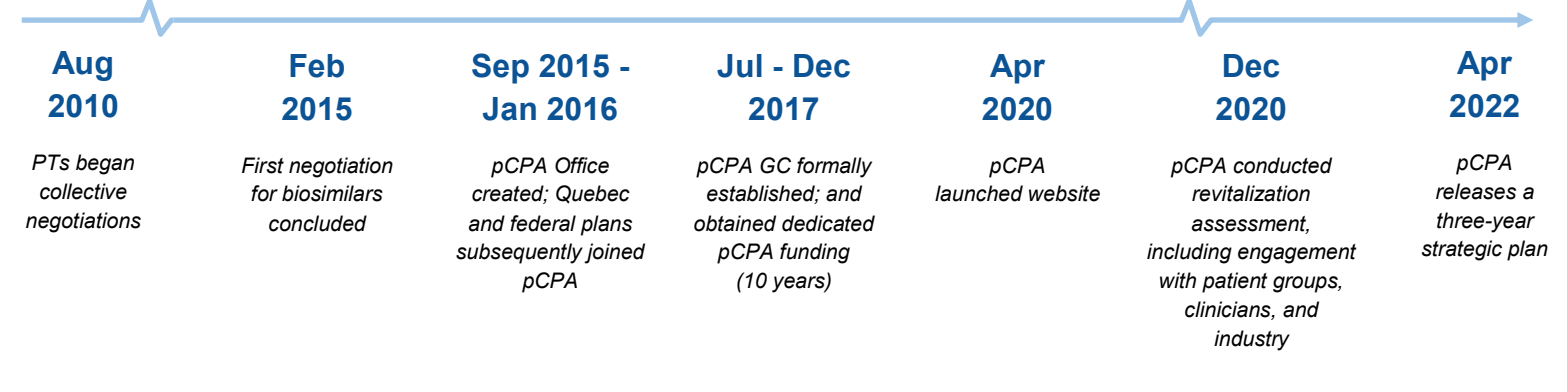
- **Significant savings** for Canadians who use prescription generic drugs
- Up to **\$3 Billion** in savings to Public Drug Plans over the ensuing 5 years
- **> 4400** pCPA generic price assessments¹



Overall Savings from Negotiations



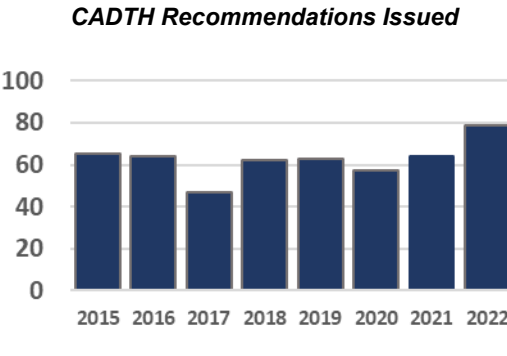
Improve Consistency



pCPA File Volumes and Timelines¹

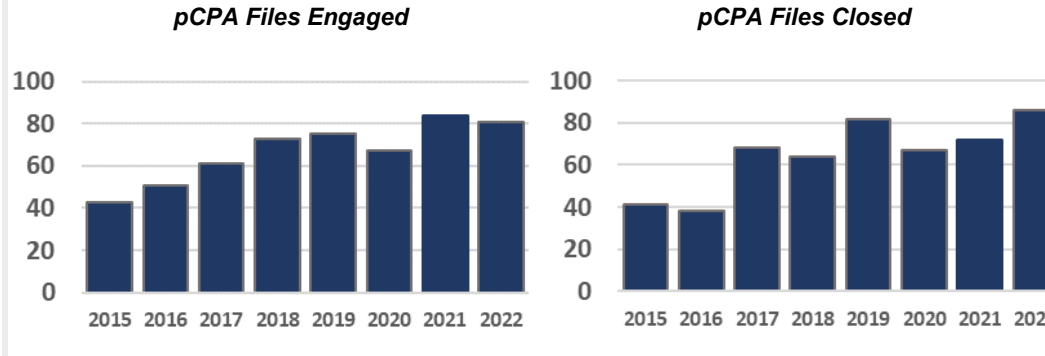
Annual HTA Activity

- The volume of recommendations has **remained stable** over time



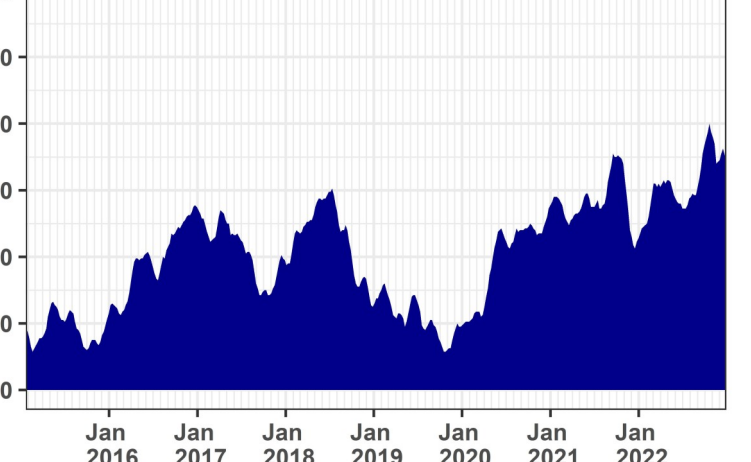
Annual pCPA Activity

- The pCPA has **increased its capacity** to conduct negotiations since its inception, notwithstanding the impacts of the COVID-19 pandemic



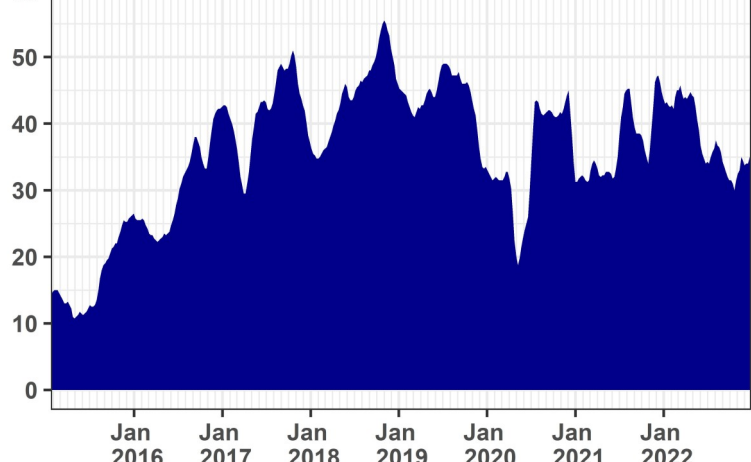
pCPA Phases	1: Initiation	2: Consideration	3: Negotiation	4: Completion
(See Brand Process Guidelines)	The pCPA evaluates whether new drugs, existing drugs, or line extensions require pCPA consideration	The pCPA gathers information informing whether a drug should enter negotiations	pCPA and the Manufacturer negotiate clinical and financial terms for listing the drug	The negotiation leads to either agreement and a fully executed LOI, or it ends with a close letter
	Acknowledgment Letter (LOA)	Engagement Letter (LOE)	Initial Agreement	Letter of Intent (LOI)

pCPA Phase 2 - Files In Consideration



- There was growth in files in consideration over time, yet **significant improvements were made** with very few files in consideration during **2019**
- The COVID-19 pandemic impacted pCPA capacity, leading to more files in consideration from **2020 to 2022**

pCPA Phase 3 - Active Negotiations



- pCPA capacity to lead files has grown over time, with an **increase** in active negotiations **up to 2019**
- There was a brief reduction in active files in early 2020, followed by an increase in 2021 and 2022 approaching prior levels

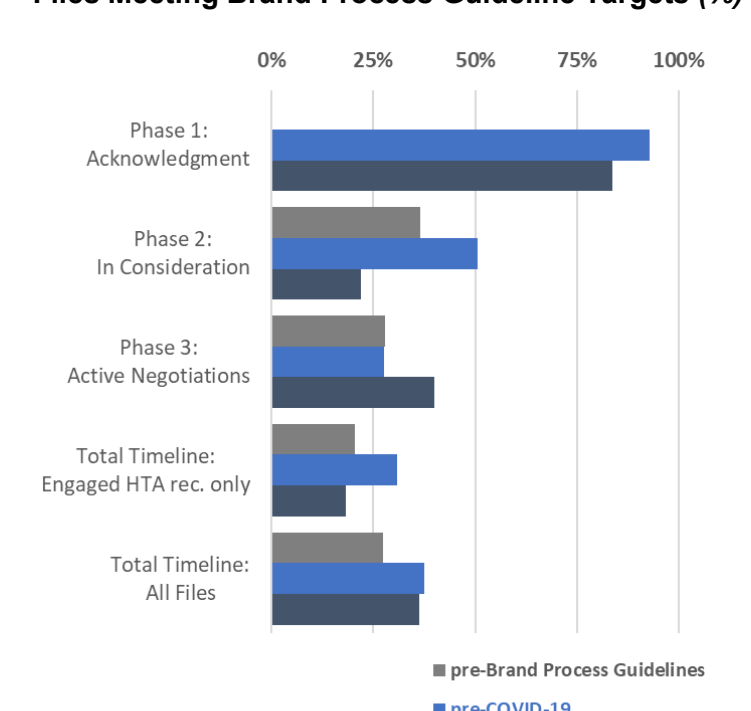
pCPA Negotiation Timelines

- Median negotiation timelines **improved** with the introduction of the Brand Process Guidelines, but have **been impacted** by the COVID-19 pandemic
- Most files complete Phase 1 within target timelines; a minority of files are within target timelines for engagement, negotiation, and overall timelines

Median Time To Complete Negotiation Stages (Months)

	Pre-BPG ²	Pre-COVID-19 ³	During COVID-19 ⁴	BPG Target
Time to Engage	3.4	1.9	4.2	2 months
Active Negotiation	6.9	5.2	4.7	4 months
Total Time (Engaged HTA only)	10.5	8.4	10.4	6 months
Total Time (All Files)	8.9	6.4	6.9	Variable

Files Meeting Brand Process Guideline Targets (%)



(1) All data effective Dec. 31, 2022; (2) Pre-Brand Process Guidelines (BPG): Jan. 1, 2015 — June 30, 2018; (3) July 1, 2018 to March 11, 2020; (4) March 12, 2020 to present

Negotiation Timelines—Mutual Responsibility

Negotiations can be complex endeavors comprised of many processes and factors with all parties sharing a role in working towards a timely agreement. All negotiating parties play an important role in reaching agreement and achieving timely outcomes.



COVID-19 Pandemic Response

Jurisdictions have responded to shifting drug plan responsibilities

Oversight of pharmacy-based **distribution of COVID-19 Vaccines & therapeutics (Paxlovid™)**

Adjustment to **remote work** and **claims volatility** during lockdowns

Monitoring and management of **drug shortages**

Review of clinical criteria for special authorization to **respond to COVID-19-related conditions**

The pCPA has implemented measures to address capacity constraints and manage negotiations

Prioritization

A principled approach to prioritizing negotiations using clinical and economic considerations

Increased Lead Capacity

The pCPA Office prioritized staffing up to lead negotiations; and jurisdictions shifted resources away from policy development and process improvement

Targeted Negotiations

Structured process where pCPA and manufacturers adhere to specific timelines to streamline negotiations