

## 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-effective and cost effective drug treatment options;
- **Improve consistency** of decisions among participating jurisdictions;
- Achieve consistent and **lower drug costs** for participating jurisdictions; and
- **Reduce duplication** of effort and improve use of resources.

## Increase Access and Reduce Duplication<sup>1</sup>

- Since pCPA's inception, **405** negotiations have reached a Letter of Intent (LOI):
  - **152** in oncology
  - **130** for biologics, including **35** for biosimilars
  - **37** for EDRDs



## Lower Drug Costs

**Generic Drugs**

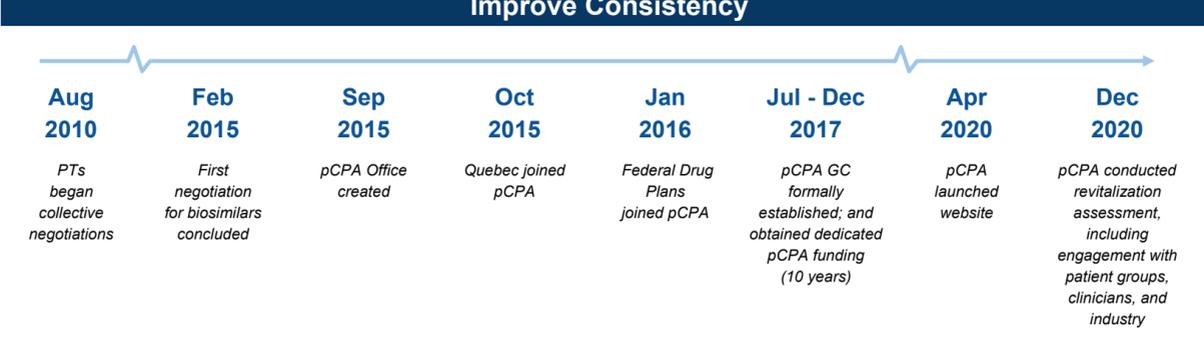
**Apr 2018:** The pCPA and CGPA negotiated a 5-year initiative reducing prices of nearly 70 of the most commonly prescribed generic drugs by up to 90%

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

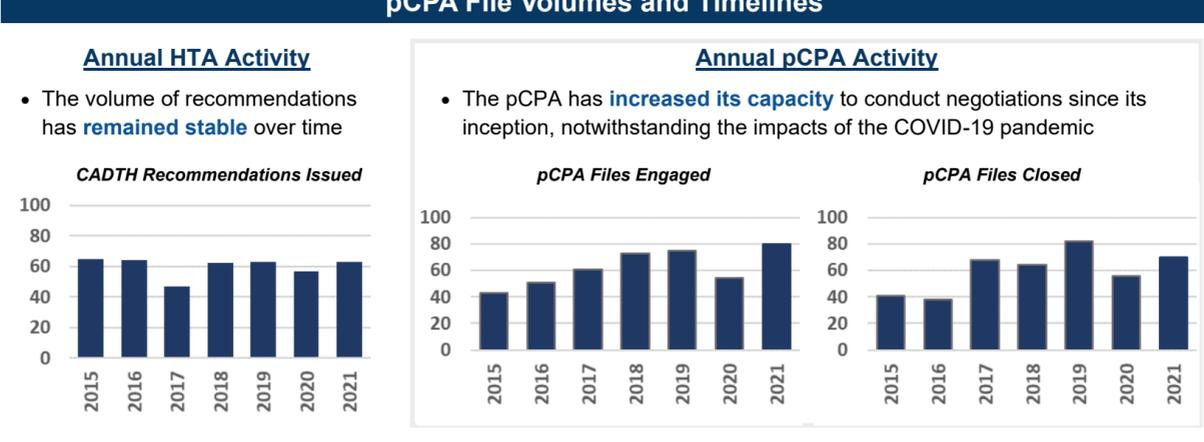
**> 2800** pCPA generic price assessments<sup>1</sup>

**Overall Savings from Negotiations**

## Improve Consistency

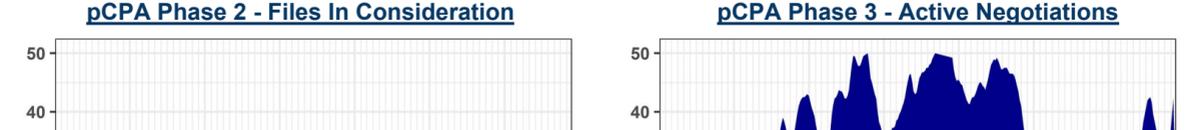


## pCPA File Volumes and Timelines<sup>1</sup>

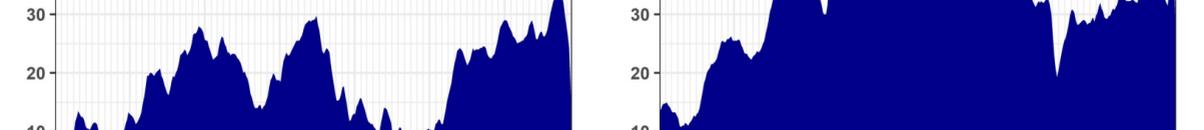


pCPA Phases	1: <u>Initiation</u>	2: <u>Consideration</u>	3: <u>Negotiation</u>	4: <u>Completion</u>
(See Brand Process Guidelines)	The pCPA evaluates whether new drugs, existing drugs, or line extensions require pCPA consideration	The pCPA gathers information informing whether a drug should enter negotiations	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



## pCPA Phase 3 - Active Negotiations



- 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 in **2020 & 2021**
- 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 approaching prior levels

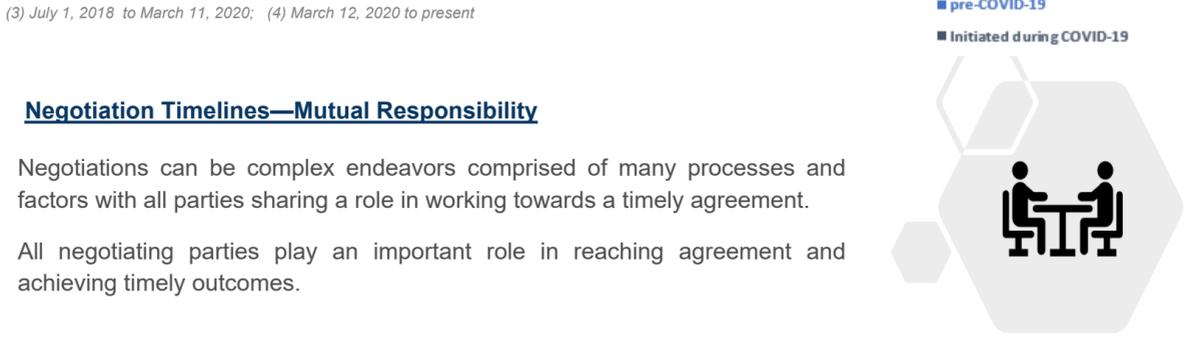
## pCPA Negotiation Timelines

- 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 <sup>2</sup>	Pre-COVID-19 <sup>3</sup>	During COVID-19 <sup>4</sup>	BPG Target
Time to Engage	3.4	1.9	4.4	2 months
Active Negotiation	6.9	5.2	4.6	4 months
Total Time (Engaged HTA only)	10.5	8.4	10.4	6 months
Total Time (All Files)	8.9	6.4	8.3	Variable

### Files Meeting Brand Process Guideline Targets (%)



(1) All data effective Dec. 31, 2021; (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