pCPA Update

Industry Session

June 16, 2015
Agenda

1. Welcome & Introductions
2. Update on stakeholder engagement
3. Update on progress of the pCPA
4. Share proposed mission, mandate of the Office
5. Share proposed guiding principles for the pCPA process
6. Share proposed governance structure of pCPA & Office
7. Consult on 2 key issues
8. Q&A Session
Evolution of P/T Collaboration on Pharmaceuticals

Brand: Pan-Canadian Pricing Alliance
Announced by Premiers in August 2010

- Goals – to negotiate collectively to:
  - Increase access to drugs
  - Improve consistency of decisions
  - Achieve consistent and lower drug costs
  - Reduce duplication & improve use of resources

Generic Value Price Initiative
Announced by Premiers in July 2012

- Goals:
  - Achieve better prices for generic drugs
  - Improve consistency in pricing and approach

Now collectively referred to as the pan-Canadian Pharmaceutical Alliance
pCPA
Stakeholder engagement
Stakeholder Engagement

• IBM Consultation:
  • In-person sessions and interviews with over 20 stakeholder groups
  • Written feedback invited through IBM consultations: 20 responses
• Numerous individual meetings held between drug plan staff, Senior Executives and stakeholders
• Since Health Ministers announced the establishment of the Office of the pCPA (Oct 2014):
  • Feedback solicited through pCPA webpage: 10 responses
  • Over 20 presentations and interviews to public forums by co-lead jurisdictions
Themes of Stakeholder Feedback

- Improve transparency & consistency of process
  - Clear mandate, goals
  - Transparency around leads, process, decisions, timelines
  - Streamlining and formalizing process

- Improve timeliness and accountability
  - Time and commitment to post LOI implementation
  - Development and reporting of performance metrics
  - Earlier engagement
  - Need for a formal appeal mechanism

- Improve stakeholder engagement
  - Opportunity for ongoing engagement with stakeholders
  - Patient input into the process
  - Appropriate timing for engagement with various stakeholders

- Other
  - Allow for value-based partnerships and innovative agreements
  - Identify obstacles which create duplication or delay
  - Interim funding during negotiations
Approach to addressing key challenges

Office of the pCPA: establishes dedicated resources to work towards addressing, where possible, the challenges raised below

Improve transparency and consistency of process
- Website launched
- Monthly updates on status of negotiations
- Transparency and consistency incorporated into proposed guiding principles
- Office key deliverables: Development of ‘Playbook’ and formal process, best practices, standardization of process & tools, negotiation support

Improve timeliness and accountability
- Areas identified for input from Senior Executives of pCPA: framework/principles/accountability
- Stakeholder sessions in fall to focus on co-development of performance metrics
- Development of governance structure

Improve stakeholder engagement
- Increase in stakeholder engagement over last 6 months
- June sessions (today)
- Commitment to round-table sessions in Fall 2015 once Office is staffed.
- Office deliverable: Stakeholder engagement plan including determining appropriate avenue for ongoing stakeholder engagement
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Progress
Evolution of P/T Collaboration on Pharmaceuticals

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pCPA Brand Initiative

No Negotiations, collective or individual

Pan Canadian Negotiations

Dealt with at the P/T levels

Confirm participation and lead jurisdiction

PCPA informs manufacturer of decision

LOI signed

PLA with individual jurisdictions

*as of April 30, 2015
pCPA Generic Initiative

- Implemented a tiered pricing framework for generic drugs
- Established a central price-submission process in SK to be transitioned to pCPA Office
- As of May 21, 2015, 99 price submissions have been actioned through the central process
- Continue to work on implementation issues, develop key performance indicators and plan for framework evaluation
Establishment of the Office

- Hiring underway with job postings for all (5) Office FTEs
- Space secured for Office staff
- Transition team leading development of:
  - Guiding principles for pCPA process
  - Mandate and Mission of the Office
  - Governance structure for pCPA & Office
  - Initial stakeholder engagement sessions (today)
  - Phased implementation approach to the Office’s mandate
- Negotiations continue while these activities are underway
pCPA Office

*Proposed* Mission, Mandate, Guiding Principles, Governance
pCPA Office: Mission & Mandate

Mission:

Driving collective pCPA success through achievement of value-driven, effectively communicated and evaluated outcomes

Mandate:

Providing leadership and operational excellence to participating public drug plans to collectively achieve the objectives of the pan-Canadian Pharmaceutical Alliance
Guiding Principles for the pCPA process

**Holistic:** consideration of value from multiple perspectives

**Predictable:** communication of process, timelines, participation, decision making

**Consistent:** consistent process & approach, recognizing unique nature of negotiations

**Transparent:** timely and regular public reporting

**Efficient & Effective:** reduce duplication and align with current national HTA review

**Collaborative and representative:** cross-jurisdictional engagement with stakeholders

**Respectful:** Recognition of different perspectives and needs amongst stakeholders

**Ethical:** reflect ethical principles such as validity, veracity and autonomy

**Value-driven:** achieving value for the health care system
Delivering on our Mission & Mandate

1. Leadership
2. Negotiation Expertise
3. Centralized support for generics initiatives
4. Communications
5. Quality
6. Strategic linkages
7. Support pCPA Steering Committee and Executive Leadership Team
8. Standardization
9. Monitoring, performance benchmarking and reporting
10. Negotiation, analytical and administrative support
pCPA - Governance Structure

1. Premiers (Council of the Federation)
2. Health Care Innovation Working Group
3. Conference of the Deputy Ministers of Health
4. P/T Drug Program Senior Executive Leads ("pCPA Executive Group")
5. pCPA Senior Executive Sub-Group ("pCPA Steering Committee")
6. P/T & Cancer Agency Staff
7. Office of the pCPA
pCPA Governance: Authority

The pCPA operates under the authority of the Council of the Federation’s Health Care Innovation Working Group.

- The Conference of Deputy Ministers of Health has *delegated* the strategic and operational responsibility for the pCPA to the P/T Drug Program Senior Executive Leads ("ADM Table") from each participating jurisdiction.

- This group proposed to be known as the **pCPA Executive Group**
pCPA Governance: Executive Group

• The pCPA Executive Group includes the Drug Program Senior Executive Lead from each participating jurisdiction; due to differing P/T structures, may include ADMs, Executive Directors, Directors and Managers.

• Will meet up to twice annually and on an “as-needed” basis to provide strategic guidance through the pCPA Steering Committee and where applicable, through the Drug Plan Directors and Staff.
pCPA Governance: Steering Committee

• A sub-set (4 or 5 members) of the pCPA Executive Group will assume responsibility for directing and supporting pCPA initiatives; this group is to be known as the pCPA Steering Committee.

• Will meet quarterly and on an “as-needed” basis to provide general oversight, direction and executive-level support for the pCPA initiatives.
The pCPA Office is NOT a decision making authority but provides administrative, analytical, negotiations, measurement, policy and communications support to pCPA participating jurisdictions.

The pCPA Office Manager is the “public face” of pCPA, liaises with a variety of “internal” and “external” stakeholder groups and reports:

- Functionally to the Director, Drug Program Services - Ontario MOHLTC
- Operationally to the pCPA Steering Committee
pCPA
Consultation on key issues
Key issue #1: Innovative Agreements

**Issue:** Industry has asked pCPA to increase use of value-based partnerships and innovative agreements

**Questions for audience:**

1. What are industry’s suggestions for how these types of agreements can be incorporated into negotiations in a timely and efficient way for all participating jurisdictions?
2. What other options, preferably transparent, exist outside of volume/rebate type agreements?
Key issue #2: Transparency

**Issue:** Improving transparency of the process

**Questions:**

1. What parts of the process should be transparent?
2. How will industry commit to increasing its transparency in the process?
3. Are there other suggestions for ways to improve transparency recognizing confidential nature of individual negotiations?
Q&A Session