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## **Board member of federal drug-pricing agency resigns over concerns about panel's independence**

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A board member of the federal agency that has the task of creating new rules to rein in high drug prices resigned Thursday, saying Ottawa has undermined the process and appears to be caving to pharmaceutical industry interests.

Matthew Herder, director of the Health Law Institute at Dalhousie University, said in his resignation letter, which he posted on Twitter, that the federal government has “fundamentally undermined the board’s independence and credibility.”

The Patented Medicine Prices Review Board has for years been trying to create and bring into force new rules designed to change how drug prices are set in Canada, which could save billions in health spending annually.

Canada has some of the highest drug prices in the world. The pharmaceutical industry is opposed to the changes, saying they will decrease access to new drugs and clinical trials and jeopardize efforts to improve access to drugs for rare diseases and other initiatives.

Ottawa dropped some drug pricing reforms to meet need for ‘strong’ pharmaceutical industry, Health Minister says

In October, the PMPRB released draft guidelines that would be used to implement drug-price reform. The rules were supposed to come into effect Jan. 1. But late last year, Health Canada requested the PMPRB board pause the process indefinitely, saying the draft rules contained a number of substantive changes from previous iterations and that more stakeholder consultation was required as a result.

It was just the latest in a series of stalled attempts to bring new drug-price rules into force. Innovative Medicines Canada, which represents the pharmaceutical industry, also requested the implementation be suspended, saying it wanted “more meaningful stakeholder consultation and a thorough impact analysis.”

Mr. Herder wrote in his letter that the repeated roadblocks set up by Ottawa and “the absence of political courage to support meaningful policy reform” led him to resign.

“It is difficult enough for a sector-specific regulator to do its job in the face of a hostile industry,” Mr. Herder wrote. “But when government adds its voice to that of industry, all that lies before the regulator is an endless tunnel with no light.”

Mr. Herder declined an interview request. He’s the second board member to resign from the PMPRB in recent months. In December, acting chair Mélanie Bourassa Forcier resigned.

On Thursday, online media outlet The Breach reported that federal Health Minister Jean-Yves Duclos personally intervened to delay the implementation of the new drug-price reform rules, following extensive lobbying from the pharmaceutical industry.

In a statement, Innovative Medicines Canada CEO Pamela Fralick said the group “meets with government stakeholders to discuss topics relating to the life sciences ecosystem including the availability of medicines in Canada.”

Mr. Duclos was not available for an interview Thursday, according to spokesperson Emelyana Titarenko. In an e-mail, she said the Patent Act requires the PMPRB to “consult with various parties, including the minister, before the issuance of any guidelines.” That is why Mr. Duclos wrote to the PMPRB chair “to share his views with respect to the proposed guidelines,” she wrote.

But an advocacy group made up of researchers, patients and caregivers is raising alarm at the federal approach to drug reform, saying it appears Ottawa is trying to permanently derail the long-awaited changes.

“They’ve had lots of excuses for not implementing the guidelines,” said Colleen Fuller, a member of the group. “The bottom line is the guidelines are not implemented and I don’t believe they will be.”

Ottawa’s inertia on drug-price regulations is tantamount to malpractice

Ms. Fuller added that the recent appointment of a board chair with long-standing ties to the pharmaceutical industry is problematic, given that the PMPRB’s job is to rein in excessive drug prices.

Thomas Digby was named to a five-year term as board chair on Feb. 1. On his website, Mr. Digby describes himself as an intellectual property and transaction attorney with decades of experience working in the pharmaceutical and biotech sectors.

“I do think he has a relationship with the industry that will compromise the ability of the board to confront industry,” Ms. Fuller said.

Mr. Digby did not immediately respond to a media request.