FEBRUARY 4, 2021 • 1 MIN READ

Drug pricing and reimbursement: Federal drug price control

A video series based on the Global Legal Insights publication "Pricing & Reimbursement 2020-Canada"

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This video is the third in a series of four which will explain the legal framework of the health care system, and regulation of drugs and drug pricing, in Canada at the federal and provincial levels. The series is based on the Global Legal Insights publication "Pricing & Reimbursement 2020-Canada". The fourth video in the series will be published next week.

Patented Medicines Prices Review Board: how does it help to control drug pricing in Canada?

Under the *Patent Act*, the Patented Medicine Prices Review Board (PMPRB)—a federal body—has jurisdiction to determine whether a patentee of an invention, pertaining to a medicine, is selling the medicine at a price that is excessive in any market in Canada. Health Canada does not regulate the price of drugs sold in Canada. The PMPRB regulates factory-gate sales (first sale) from a manufacturer to a wholesaler, distributor, hospital or pharmacy. The PMPRB does not regulate retail sales.

If the price of a patented medicine is deemed excessive, the PMPRB can order a manufacturer of a patented medicine to lower the price of the medicine and offset excess revenues. The PMPRB can hold public hearings on the question of whether a price of a patented medicine is excessive if a voluntary agreement on price has not been reached.

To discuss these issues, please contact the author(s).