Compendium of Policies, Guidelines and Procedures, June 2009

Implementation: January 1, 2010

Regulatory Affairs and Outreach Branch

Montreal, Quebec
March 2, 2011

Toronto, Ontario
March 3, 2011

Overview

- **Guidelines: one year later**
  - Scientific Review
  - Price Review
- **Filing**
  - Schedule
  - Corrections
  - Block 5 sources

Guidelines: one year later

- **Scientific Review**
  - HDAP members have applied new levels of therapeutic improvement since late fall 2009
    - Like opportunity to distinguish moderate from slight or no
    - Results for reviews in 2010 – 11 Moderate Improvement, 4 of which were based on secondary factors – evidence for secondary factors has included clinical trials, surveys, expert opinion

Guidelines: one year later

- **Scientific Review**
  - Making information about new "moderate improvement" drug products publicly available sooner
  - The PMPRB currently publishes the results of the price review for a drug product once it is patented and sold and the price is within the Guidelines
  - Potential changes to this practice will be discussed with the patentees

Guidelines: one year later

- **Price Review**
  - Non-patented comparator drug products:
    - Clarification – Board Staff to include price of relevant non-patented drug product in price test unless of the view that price is excessive as a result of absence of competition or other market conditions (October 2010 NEWSletter)

Guidelines: one year later

- **Price Review**
  - ITCC:
    - Clarification of wording – ratio approach calculates "premium" price over prices of comparator drug products from domestic price test (July 2010 NEWSletter)
  - Offset calculation:
    - Annual calculation using previous year's NEAP (October 2010 NEWSletter)
    - Rebound to previous higher NEAP

Guidelines: one year later

- **Price Review**
  - **Existing Drug products subsequently sold by another patentee:**
    - Clarification that in the case of a merger and acquisition agreement, the DINs sold by the new patentee will be considered as a continuation of the original DIN for purposes of the application of the Guidelines and the CPI-Adjustment Methodology (January 2011 NEWSletter)

Guidelines: one year later

- **Price Review**
  - **DIP Methodology**
    - Not being implemented at this time (January 2011 NEWSletter)
    - DIP Methodology Working Group established to develop recommendations for adjustments to the Guidelines
    - Report of DIP Working Group to be presented to Board on March 4, 2011
    - In the meantime, if the ATP of an existing patented drug product appears to exceed the Guidelines and the patentee believes it is as a result of the discontinuation of a benefit, the patentee should contact its Senior Regulatory Officer at the PMPRB

Guidelines: one year later

- **Price Review**
  - **Any market price review**
    - Existing patented drug products
      - linked to DIP Methodology
      - not being implemented at this time (January 2011 NEWSletter)
    - New patented drug products
      - price in introductory period cannot exceed Maximum Average Potential Price (MAPP)

Guidelines: one year later

- **Price Review**
  - **Other elements of the Guidelines**:
    - Assessment by Board Staff of:
      - the impact of the thresholds for opening an investigation
      - the requirement for a Voluntary Compliance Undertaking (VCU) after three years of offset

Guidelines: one year later

- **Reporting on results of price reviews of new patented drug products:**
  - Guidelines up-to-2009
    - Summary reports prepared for new active substances
  - Current Guidelines
    - Focus not on new active substances
    - Starting in 2010, new report to be developed to provide information on level of therapeutic improvement, comparators, comparable dosage regimens and MAPP for all new patented drug products where price is within the Guidelines

General Information about Filing

- A Form 1 must be submitted before a Form 2 and always maintained up to date
- Updated Form 2 Block 4 and Block 5 templates are sent to patentees by Board Staff each time a new Form 1 is received and approximately 45 days before the semi-annual regulatory filing
- All forms including Form 3 must be sent to the same address: compliance@pmprb-cepmb.gc.ca
- Company contact information should be maintained up to date

Schedule for FORM 1 Medicine Identification Sheet (electronic format including Product Monograph)

Information	Timing	Patent Act	Regs
Identity of the drug product, patentee and patent(s)	Earliest of: Seven (7) days after the date of the first NOC issued Seven (7) days after date of first sale in Canada	80(1)(a) 80(2)a)	3(1) 3(2) 3(3)
Updating information on identity of the drug product/patentee	Within thirty (30) days after any modification of information		3(4)

Schedule for FORM 2 Information on the Identity and Prices of the Medicine (electronic format)

Information	Timing	Patent Act	Regs
- Price & sales data for the drug product sold to each class of customer (H, P, W, O) by province/territory in Canada - Publicly available ex-factory price to each class of customer in Canada and 7 countries listed in Regulations	- When a drug product is first offered for sale in Canada, no later than thirty (30) days after the first day of sales -Each year: On or before July 30 (Jan. 1 to June 30 reporting period) On or before Jan. 30 (July 1 to Dec. 31 reporting period)	80(1)(b) 80(2)(b)	4(1)(e) 4(2) &(3) 4(1)(f)

Form 2 Block 4: Sales of the medicine by the reporting patentee in final dosage form in Canada

Patented Medicines Regulations Subsection 4(4):

a) in calculating the average price per package of medicine, the actual price after reduction given as a promotion or in the form of rebates, discounts, refunds, free goods, free services, gifts or any other benefit of a like nature and after the deduction of the federal sales tax shall be used; and

b) in calculating the net revenue from sales of each dosage form, strength and package size in which the medicine was sold in final dosage form, the actual revenue after any reduction in the form of rebates, discounts, refunds, free goods, free services, gifts or any other benefit of a like nature and after the deduction of federal sales taxes shall be used.

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

DIN 1234567 strength/unit: 1 mg/tab package size: 100

sold to wholesale only (customer = 3) only in Ontario (province = 6)

500 packages of 100 sold at 10$/package

$100 given to wholesale for promotion of Drug A

100 packages of 100 sold at 8$/package (rebated/discounted $2)

50 packages of 100 given as free goods

25 packages of 100 returned and not refunded

25 packages of 100 returned and refunded at 8$/package

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 1

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	500.00	5000.0000		6	3
1234567	1 MG/TAB	S1	100.00	0.00	-100.0000		6	3
1234567	1 MG/TAB	S1	100.00	100.00	800.0000		6	3
1234567	1 MG/TAB	S1	100.00	50.00	0.0000		6	3
1234567	1 MG/TAB	S1	100.00	-25.00	0.0000		6	3
1234567	1 MG/TAB	S1	100.00	-25.00	-200.0000		6	3

ATP: $0.0917/tab

Patentee may be asked to confirm what is included in each line (one category of transactions per line)

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 2-a

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	600.00	5800.0000		6	3
1234567	1 MG/TAB	S1	100.00	0.00	-300.0000		6	3

ATP: $0.0917/tab

Row 1: positive revenues (sales at regular price, sales at discounted price)
Row 2: no/negative revenues (returns with or without refunds, promotion, free goods)

Patentee may be asked to confirm what is included in each line (various categories of transactions per line)

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 2-b

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	650.00	5800.0000		6	3
1234567	1 MG/TAB	S1	100.00	-50.00	-300.0000		6	3

ATP: $0.0917/tab

Row 1: positive packages sold (sales at regular price, sales at discounted price, free goods)
Row 2: no/negative packages sold (returns with or without refunds, promotion)

Patentee may be asked to confirm what is included in each line (various categories of transactions per line)

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 2-c

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	625.00	5800.0000		6	3
1234567	1 MG/TAB	S1	100.00	-25.00	-300.0000		6	3

ATP: $0.0917/tab

Row 1: positive/no revenue (sales at regular price, sales at discounted price, free goods, returns without refunds)
Row 2: negative revenue (promotion, returns with refunds)

Patentee may be asked to confirm what is included in each line (various categories of transactions per line)

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 2-d

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	650.00	5700.0000		6	3
1234567	1 MG/TAB	S1	100.00	-50.00	-200.0000		6	3

ATP: $0.0917/tab

Row 1: positive/no packages sold (sales at regular price, promotion, sales at discounted price, free goods)
Row 2: negative packages sold (returns with or without refunds)

Patentee may be asked to confirm what is included in each line (various categories of transactions per line)

Example: Original Form 2 Block 4
January-June 2010 Filing for Drug Product A

Option 2 Summary

Revenue

2-a

> 0 = sales at regular price, sales at discounted prices

≤ 0 = promotion, free goods, returns with or without refunds

Packages Sold	Revenue	
600	5800	$0.0967
0	-300	

2-c

≥ 0 = sales at regular price, sales at discounted prices, free goods, returns without refunds

< 0 = promotion, returns with refunds

Packages Sold	Revenue	
625	5800	$0.0928
-25	-300	

Packages Sold

2-b

>0 = sales at regular price, sales at discounted prices, free goods

≤ 0 = promotion, returns with or without refunds

Packages Sold	Revenue	
650	5800	$0.0892
-50	-300	

2-d

≥ 0 = sales at regular price, sales at discounted prices, promotion, free goods

< 0 = returns with or without refunds

Packages Sold	Revenue	
650	5700	$0.0877
-50	-200	

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 3

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	600.00	5500.0000		6	3

ATP: $0.0917/tab

Example: Original Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 4

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	600.00		9.1667	6	3

ATP: $0.0917/tab

Which option is best?

Example: Corrections for Form 2 Block 4 January-June 2010 Filing for Drug Product A

DIN 1234567 **strength/unit: 1 mg/tab** **package size: 100**

sold to wholesale only (customer = 3) **only in Ontario (province = 6)**

401 packages of 100 sold at 10$/package

Explanation: sales of 100 tablets (i.e. 1 package) erroneously recorded in the original filing as sales of 100 packages. 500-100 +1

12.5 packages of 100 returned and not refunded

Explanation: 25 half packages (25 x 0.5) were returned and not refunded.

Documentation to support the claim must be provided

12.5 packages of 100 returned and refunded at 8$/package

Explanation: 25 half packages (25 x 0.5) were returned and refunded at 8$/package

Documentation to support the claim must be provided

Example: Corrections for Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 1: Preferred option to file corrections (must be accompanied by letter explaining clearly the changes)

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	401.00	4010.0000		6	3
1234567	1 MG/TAB	S1	100.00	0.00	-100.0000		6	3
1234567	1 MG/TAB	S1	100.00	100.00	800.0000		6	3
1234567	1 MG/TAB	S1	100.00	50.00	0.0000		6	3
1234567	1 MG/TAB	S1	100.00	-12.50	0.0000		6	3
1234567	1 MG/TAB	S1	100.00	-12.50	-100.0000		6	3

ATP: $0.0876/tab

Example: Corrections for Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 2-a (must be accompanied by letter explaining clearly the changes)

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	501.00	4810.0000		6	3
1234567	1 MG/TAB	S1	100.00	25.00	-200.0000		6	3

ATP: $0.0876/tab

Patentee will be asked to provide the details of the transactions as in Option 1

Example: Corrections for Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 2-b (must be accompanied by letter explaining clearly the changes)

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	551.00	4810.0000		6	3
1234567	1 MG/TAB	S1	100.00	-25.00	-200.0000		6	3

ATP: $0.0876/tab

Patentee will be asked to provide the details of the transactions as in Option 1

Example: Corrections for Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 3 (must be accompanied by letter explaining clearly the changes)

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	526.00	4610.0000		6	3

ATP: $0.0876/tab

Patentee will be asked to provide the details of the transactions as in Option 1

Example: Corrections for Form 2 Block 4 January-June 2010 Filing for Drug Product A

Option 4 (must be accompanied by letter explaining clearly the changes)

4 SALES OF THE MEDICINE BY THE REPORTING PATENTEE IN FINAL DOSAGE FORM IN CANADA [1]

Drug Identification Number (DIN) or Assigned Number	Strength/Unit	Dosage Form	Package Size	Number of Packages Sold	INDICATE EITHER (6)		Province	Class of Customer
(2)	(3)	(3,4)	(3,5)	(5)	Net Revenue	AVG Price/Package	(4)	(4)
1234567	1 MG/TAB	S1	100.00	526.00		8.7643	6	3

ATP: $0.0876/tab

Patentee will most likely be asked to provide the details of the transactions as in Option 1

Key Points when Filing Data Corrections

- Reconcile original data with data revisions
- Explain every change in data revisions and support with evidence
- File consistently over time
- Board Staff will inform the patentee when the data corrections are accepted

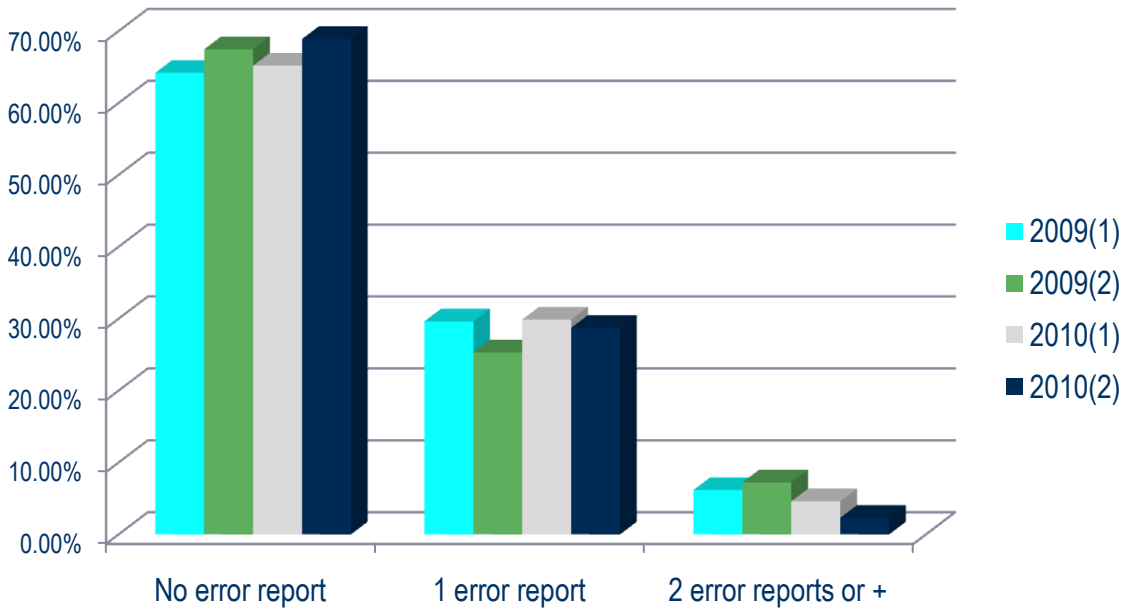
Prevention: Make it right in the first filing

Filing Form 2 Block 5 - Publicly available ex-factory prices for Canada and other countries

- Public source
- Do not forget publicly available ex-factory price for Canada
- No duplication of prices
- Block 5 prices are used in two tests:
  - at introduction: Median International Price test
  - Highest International Price Comparison test
- Patentee will be asked to provide copies of sources for any discrepancies found between its Block 5 prices and Board Staff's Block 5 prices

Filing : Error reports for the last 4 reporting periods (2009 and 2010)

Reports Generated	2009(1)	2009(2)	2010(1)	2010(2)
No error report	64.20%	67.47%	65.20%	68.97%
1 error report	29.63%	25.30%	29.88%	28.73%
2 error reports or +	6.17%	7.23%	4.60%	2.30%



Communication with Board Staff

- **Query to PMPRB Staff**
  - **Guidelines: Ginette Tognet**
    Tel: (613) 954-8297 E-mail: ginette.tognet@pmprb-cepmb.gc.ca
  - **Scientific and new meds: Catherine Lombardo**
    Tel: (613) 952-7620 E-mail: catherine.lombardo@pmprb-cepmb.gc.ca
  - **Filing Form 1 and 2: Beatrice Mullington**
    Tel: (613) 952-2924 E-mail: beatrice.mullington@pmprb-cepmb.gc.ca
  - **Investigation: Senior Regulatory Officer assigned to Company**
  - **Form 3: Lokanadha Cheruvu**
    Tel: (613) 954-9812 E-mail: lokanadha.cheruvu@pmprb-cepmb.gc.ca

- **All other questions: 1-877-861-2350 pmprb@pmprb-cepmb.gc.ca**