

Terms of Reference Working Group on Price Tests

Mandate

The mandate of the Working Group (WG) is to develop advice and options for possible changes to the Patented Medicine Prices Review Board's (PMPRB) price tests, aligned with any decisions taken by the Board on the categorization of medicines, the international therapeutic class comparison, and related matters, including the current reasonable relationship test and the market exchange rate methodology.

Deliverables

- The WG will provide advice and options, in the form of a written report and a presentation to the Board (if requested), evaluating the current price tests and their relevancy following recommendations accepted by the Board from the reports by the Working Groups on International Therapeutic Class Comparison and Therapeutic Improvement, as well as provide options for any changes to the current price tests.
- The price test options for each category of medicine should include thresholds that result in a clear hierarchy of price premium.
- The WG will consider other related price test issues intrinsic to the implementation of the price tests (e.g., reasonable relationship test, exchange rate issues, etc.).
- The advice put forward by the WG will be accompanied by a clear rationale for the options and recommendations, as well as consideration of the impact (e.g., advantages/disadvantages) from a variety of stakeholder perspectives.

Reports and Timeframe

- Executive Summary of Report and Recommendations: Late April, 2008
- Final Report and Recommendations to the Board: May 6, 2008

Membership

The Working Group shall be composed of 6-8 members including:

Chair: Senior Board Staff member

Members: Up to two representatives of the innovative pharmaceutical industry
Up to two representatives of the biotechnology industry
Up to two consumer representatives
Up to two representatives of provincial/territorial governments
One representative of private payers
One economist
One clinician

Secretariat: Board Staff member

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Where possible, members may be selected from among those who participated in the previous Working Groups on International Therapeutic Class Comparisons and Therapeutic Improvement.

The names of the Working Group members will be published on the PMPRB Web site.

Organization and Structure

Chair:

The PMPRB will chair this working group. The Chairperson's responsibilities include keeping the Working Group focused on the exercise, maintaining open and effective communication, and ensuring that issues raised and analyses provided are considered and recorded, all while meeting the necessary timelines.

Members:

All members of the WG will have equal status.

Secretariat:

PMPRB Staff will provide secretariat services, including a note-taker for meetings.

Confidentiality of Working Group Deliberations

The deliberations of the WG are confidential and members are expected to respect the confidentiality of any materials provided by the PMPRB Staff and/or collected by the WG during the course of its work.

Meetings

- An initial face-to-face meeting of the Working Group in late March 2008.
- Teleconference/videoconference meetings as needed.
- If requested, a presentation of the final report to the Board in May 2008.

Location of Meetings

Working Group meetings will take place at the PMPRB offices in Ottawa, unless availability of space or other considerations necessitate off-site meetings.