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March 16, 2018

The Hon. Helena Jaczek, MPP (Oak Ridges—Markham)
Minister of Health and Long-Term Care and Chair of Cabinet
Ministry of Health and Long-Term Care
10th Floor, Hepburn Block
80 Grosvenor Street
Toronto, Ontario M7A 2C4

Subject: Health Sector Payment Transparency Act consultation period extension request

Dear Minister Jaczek,

We are writing in response to the recently posted draft regulations of the Health Sector Payment Transparency Act, current consultation phase ending April 6, 2018.

In recent years, pharmacies and the pharmaceutical industry across Ontario have partnered with your government to deliver on the policy objective of expanding affordable quality community care, and as an industry we are committed to continued dialogue and collaboration to ensure that Ontarians have access to superior care. With respect to the pending regulations for the Health Sector Payment Transparency Act, we would like to request that the consultation period be extended for at least an additional 90 days to ensure a robust consultation with the numerous stakeholders impacted. The regulations define 31 “recipients”, representing at least 31 distinct types of stakeholders impacted. We feel that the current compressed public consultation period of only 6 weeks, which barely meet the mandatory 45-day *minimum* time period as outlined by Ontario’s Regulatory Policy, would make it nearly impossible for the ministry to engage in robust consultations with impacted stakeholders and to ensure the Legislation and Regulations Committee of Cabinet, along with broader Cabinet will have sufficient time to deliberate on such wide-reaching reforms and impacted stakeholders. Given the Cabinet Committee schedule, we estimate that only ten days would remain for the Ministry to compile all feedback, prepare options for consideration, obtain approval, prepare a package for LRC, and get it on the Cabinet agenda for deliberation.

Furthermore, to ensure compliance with the *Reducing Regulatory Costs for Business Act*, specifically, in order for us to determine the impacts on members of the related costs of implementation for new equipment, IT purchases, training, record keeping, reporting and other administrative activities imposed by the proposed regulation, more time is needed.

While we appreciate and recognize the need for transparency in healthcare, we feel that a number of components of these proposed regulations require further discussion and consideration, namely:

1. The ***timeframe for reporting*** is not long enough for industry given the broad scope of recipients named. We understand that the timeframe was selected based on the experience with similar regulations in other jurisdictions, but it should be noted that the scope of these regulations is much broader and involves many more stakeholders, and hence more exhaustive reporting.
2. Additionally, we feel that the ***timeframe for implementation*** of these reporting requirements is too short, as industry will be required to invest in resources, processes and procedures to operationalize these changes.



3. We question the rationale for **the definition of “drug”** for the purposes of the Act. We recognize the importance of transparency in prescribed and publicly funded products with a “fair market value” as defined by the Ontario Drug Benefits Formulary, but feel that the inclusion of non-publicly funded products that are not required to be sold by prescription would lead to unnecessary reporting and can diminish competition among businesses. We note that the equivalent law in the United States is limited to prescription drugs covered by public insurance programs. We would therefore request to see an exclusion of all consumer health products, not just those regulated as natural health products.
4. In an industry in which the majority of stakeholders are national in operations, changes of this scope in a single province pose **undue administrative burden and costs**.
5. Many investments made in the healthcare sector are made through unrestricted grants that support research and development in a variety of clinical areas without direct disclosure of expenditure from the research organizations to the donors. This process ensures objectivity of research while preventing donors’ involvement and interference in the studies. The reporting requirements of these proposed regulations will complicate this relationship and may lead to a chill effect and **reduction of clinical trials conducted in Ontario** – a province that, today, is a leader in research and development in healthcare.

Overall, we feel that the **scope of disclosure is too broad, and the threshold for reporting is too low**, when compared to other jurisdictions with similar regulations. Again, we recognize the importance of transparency, as it pertains to maintaining objectivity in the delivery of patient care, and in ensuring that commercial practices do not impact the level of patient care provided; but we fail to see how many of the “recipients”, “payers” or “transfers of value” named in these regulations would impact care – and feel that in many cases, these “transfers of value” positively impact patient care through better education, and patient support services.

We thank you in advance for your consideration, and welcome the opportunity to meet with you to further outline the impacts of these proposed changes and discuss the opportunities to collectively deliver better care in our communities over the coming weeks.

Sincerely,

Justin J. Bates
Chief Executive Officer
Neighbourhood Pharmacies

Daniel Chiasson
President & Chief Executive Officer
CAPDM

Gerry Harrington
VP, Policy & Regulatory Affairs
CHP Canada

- Cc. Kathleen Wynne, Premier of Ontario
The Hon. Steve Del Duca, Minister of Economic Development and Growth
The Hon. Jeff Leal, Minister Responsible for Small Business
The Hon. Reza Moridi, Minister of Research, Innovation and Science
The Hon. Charles Sousa, Minister of Finance
Andrew Bevan, Chief of Staff to the Premier of Ontario
Derrick Aranedo, Chief of Staff to the Minister of Health and Long-Term Care