

Evidence that regulating pharmaceutical prices negatively affects R&D and access to new medicines.

Description

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Yanick Labrie, MSc

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Abstract

The Canadian federal government will be implementing changes to the guidelines used by the Patented Medicines Prices Review Board (PMPRB) on January 1, 2021. The amendments aim at imposing stricter price controls for patented medicines marketed in Canada. In response to an opinion piece arguing that tightening price controls in Canada would keep life-saving new drugs out of the country, the Executive Director of the PMPRB stated that there is no evidence of a link between pricing, research and development, and access to medicines. The objective of this paper is to test the veracity of that statement. A systematic review of published academic studies from January 1995 to May 2020 was conducted using the following databases: Academic Search Complete, EconLit, JSTOR, PubMed and Web of Science. Additional searching was performed with the aid of Google Scholar. Only empirical studies performed on populations of developed countries were considered eligible. Reference lists of papers identified were screened to track additional relevant publications. A total of 921 studies were retrieved after the initial search. Out of this retrieval, 34 articles were found eligible based upon study design, outcome measures and inclusion criteria. Searching through the reference lists of the retrieved articles yielded 15 additional articles. A total of 49 studies were considered to have met the inclusion criteria and relevant to be included in this review. Forty-four of the 49 studies reviewed showed a significant negative relationship between drug price controls and investment in pharmaceutical R&D or access to innovative drugs. The claim that there is no link between price and R&D or access to medicines is not supported by the evidence from the scientific literature.

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