



Sous-commissaire de la  
concurrence

Deputy Commissioner of  
Competition

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September 26, 2013

Mr. Kelly Olstad  
President  
Alberta College of Pharmacists  
1100-8215 112 St. NW  
Edmonton, Alberta T6G 2C8

Dear Mr. Olstad:

**Contribution to the Alberta College of Pharmacists consultation on its  
proposed prohibition on inducements**

The Commissioner of Competition is responsible for the enforcement and administration of the *Competition Act* (the “Act”). The Act is a federal law of general application that applies to virtually all business activity in Canada. It includes provisions that address a wide range of anti-competitive conduct, including abuse of dominance and agreements between competitors that negatively impact competition. In addition, it includes provisions for addressing misleading advertising and deceptive marketing practices. The Act also empowers the Commissioner of Competition to advocate for competition. It is in our role as advocate for competition that we are contacting you.

It is our understanding that the Alberta College of Pharmacists (the “ACP”) is engaged in public consultations regarding the proposed prohibition on inducements offered by pharmacists. We have reviewed your consultation document titled *Inducements for Drugs and Professional Services: A Basis for a Prohibition* and understand that much of the opposition to inducements in conjunction with drugs, blood products or professional services stems from concern that these inducements alter the consumption patterns of patients in such a way as to be disruptive to the ability of pharmacists to provide impartial decision-making, proper coordination and continuity of care, and the effective operation of health teams and Alberta’s health system. The ACP maintains that it is not acceptable for pharmacists and pharmacy technicians to offer individuals inducements when purchasing pharmaceutical drugs and pharmacy services. Inducements cloud decisions that should be based solely on what is best for patient’s health.

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As you are no doubt aware, the importance of prescription drugs to Canadians cannot be overemphasized. The Competition Bureau's Generic Drug Sector Study provides some insight into this point:

“Canada's health system is an area where competition is often viewed as playing a limited role. The reality is that competitive markets are responsible for delivering many of the products and services on which our health system relies. Given their importance to the welfare of Canadians and because this is a large market — at approximately 10 percent of GDP, health related markets have been a key enforcement and advocacy priority for the [Competition] Bureau for several years.

The [Competition] Bureau's health-related advocacy activity has focused on pharmaceuticals. This reflects the role of pharmaceuticals in treating patients and their importance as a source of health care costs — at \$17.8 billion in 2006, they are the second largest source of health care costs.”<sup>1</sup>

Given this fact, we submit that the manufacture, distribution and retailing of pharmaceutical drugs should be as competitive as possible to ensure that consumers benefit from the highest quality, best service and lowest prices possible.

While we understand the view that consumer choice over medication should be primarily influenced by medical need, it is not clear from your document that the ACP's views on the impact of inducements on consumer decisions to purchase prescription drugs is based on any empirical evidence. We would respectfully suggest that, without such evidence, it is difficult to conclude that any of the negative consequences associated with this consumer behaviour can be determined. Furthermore, we would submit that the economic reality facing many consumers is that they must choose between a host of important products and services, including those falling under the health care umbrella, based on their income. This income constraint can have a significant impact on a consumer's choice to fill prescriptions, seek medical treatments or purchase other essential goods and services. We would ask that you consider the possibility that inducements by pharmacists for prescription drugs and pharmacy services translate into greater purchasing power for consumers, particularly for low income Canadians, which will improve their access to necessary health services.

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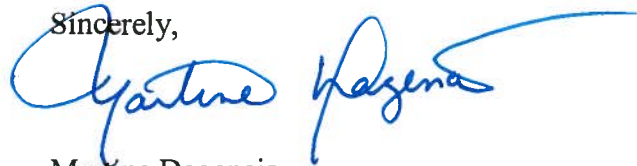
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<sup>1</sup> Competition Bureau, Generic Drug Sector Study, October 2007.

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If you would like to discuss this matter with us or if we can be of any further assistance to you, please do not hesitate to contact Chris Busuttil, Major Case Director and Strategic Policy Advisor, Economic Policy and Enforcement Branch, at (819) 994-6058.

Sincerely,

A handwritten signature in blue ink, appearing to read "Martine Dagenais", with a long, sweeping horizontal stroke extending to the right.

Martine Dagenais  
Deputy Commissioner of Competition  
Economic Policy and Enforcement  
Branch

