

MEMORANDUM

DATE: 19th February 2018

TO: Stephanie Simons, Pharmacy Council; George Grundmuller, Pharmacy Owners; John Tomlinson, BGA and Pitt & Co. Ltd.; Cheryl Peek-Ball, Chief Medical Officer; Janel Desilva, Pharmacy Inspector; Annabel Fountain, Bermuda Medical Doctors' Association

FROM: Ricky Brathwaite, Bermuda Health Council

RE: Improving Consumer Pricing of Pharmaceuticals

This letter serves as notice of continuing consultation and measures to improve consumer pricing of pharmaceuticals in Bermuda's market.

The Bermuda Health Council Act of 2004 section 5 tasks the Bermuda Health Council "to regulate the price at which drugs are sold to the public." Though this topic has been approached in the past in the 2011 Pharmaceuticals Policy Options Report and in the Health Strategy 2014-2019, a resurging concern for drug pricing was highlighted during the 2017 Health Services Survey. Bermuda's residents clearly said "medicine was too expensive" and that "they need more help getting medicine for the elderly."

In response over the course of the past four months, the Bermuda Health Council has engaged:

- Chief Medical Officer
- Pharmacy Inspector
- Pharmacy Owners' Association
- Bermuda Medical Doctors Association
- Pharmacy Council
- BGA
- Independent pharmacies
- Health insurers
- International stakeholders in pharmaceutical coordination and procurement

Through meetings and email dialogue with the Pharmacy Owners' Association, Pharmacy Council, and BGA (a leading importer of pharmaceuticals in Bermuda), on island medication costs have been confirmed from importation to point of sale. Along with medication costs, the components of the dispensing fee and the average dispensing fee costs were discussed. Additionally, claims data were reviewed to corroborate pricing to consumers.

The culmination of this consultation has been the creation of:

- a preliminary market list of pharmaceutical pricing on island
- review of options for procurement cost savings
- analysis of local pharmaceutical product utilisation

Taking into consideration the dynamics of the pharmaceutical market and the expressed willingness of Bermuda's pharmacies to meet the needs of Bermuda's residents, **the following measures will be enacted as of 19th February 2018:**

- Posting of the preliminary market list of pharmaceutical pricing on Bermuda Health Council's website, www.bhec.bm
- Listing of price per pill (unit) and total consumer pricing guidance

In addition to the public release of this listing, a Request for Proposals (RFP) for a Pharmaceutical Steering Committee is being finalized to be released. The Pharmaceutical Steering Committee will be tasked with review of the impact of the listing, which is the precursor for a drug formulary, as well as, review of patient reports and strategising additional pharmaceutical savings opportunities, for Bermuda's residents.



Ricky C. Brathwaite, PhD, MS, MSHS
Director, Health Economics
Bermuda Health Council