Patented Medicine Prices Review Board

Conseil d'examen du prix des médicaments brevetés

FOR RELEASE: February 21, 2005

C o m m u n i q u é

Price Reduction for Evra

OTTAWA, February 21, 2005: The Patented Medicine Prices Review Board has concluded proceedings commenced in December 2004, in regard to the medicine Evra by accepting a Voluntary Compliance Undertaking (VCU) by Janssen-Ortho Inc. Under the terms of the VCU, Janssen-Ortho will lower the price of Evra by approximately 45% to $4.47 per patch.

This price reduction is consistent with the PMPRB's Price Guidelines on introductory prices. Pursuant to the Guidelines, future price increases for Evra will be limited to increases in the Consumer Price Index (CPI). Also, to offset excess revenues from past sales of Evra accrued from the date of first sale to June 30, 2004, Janssen-Ortho will make a payment to the Government of Canada in the amount of $1,359,263.67. The balance of excess revenues remaining, estimated at $2 million, for the period July 1, 2004 to December 31, 2004, will be offset by reducing the price of one other patented drug product that is being sold in Canada by Janssen-Ortho.

On December 23, 2004, the Board issued a Notice of Hearing pertaining to the allegations of Board Staff that Evra was being sold by Janssen-Ortho at prices exceeding the Guidelines. A pre-hearing conference had been scheduled for February 24, 2005. Janssen-Ortho and Board Staff filed a joint submission proposing that the Board approve the VCU to resolve all issues raised by the Notice of Hearing.

Janssen-Ortho began selling Evra in Canada in October 2002 pursuant to a Notice of Compliance issued by Health Canada on August 20, 2002. Evra is a transdermal contraceptive patch indicated for the prevention of pregnancy in women who elect to use hormonal contraceptives.

The documents are available on the PMPRB website or by contacting the Secretary of the Board.

The PMPRB is an independent quasi-judicial tribunal created under the *Patent Act*. The PMPRB protects consumer interests and contributes to Canadian health care by ensuring that prices charged by manufacturers of patented medicines are not excessive.

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