

ALBERTA-BRITISH COLUMBIA MEMORANDUM OF UNDERSTANDING
PROPOSED JOINT PROCUREMENT OF PHARMACEUTICALS AND MEDICAL DEVICES

BETWEEN:

Her Majesty the Queen in right of Alberta
as represented by the Minister of Health and Wellness
(hereinafter called "Alberta")

and

Her Majesty the Queen in Right of the Province of British Columbia
as represented by the Minister of Health
(hereinafter called "British Columbia")

(collectively, the "Provinces")

WHEREAS:

Spending on pharmaceuticals, medical equipment and medical devices continues to be significant cost drivers within the provincial health care systems;

This agreement sets the stage for developing a collaborative policy framework relative to joint procurement, which may result in considerable cost savings and a more streamlined process for both provinces;

A consistent approach to the procurement of medical devices may have a beneficial impact in terms of patient safety and quality of care; and

The Provinces wish to enter into a Memorandum of Understanding (MOU) with respect to exploring the proposed joint procurement of pharmaceuticals and medical devices for the monitoring and prevention of disease.

THE PROVINCES AGREE AS FOLLOWS:

A. GOALS:

1. The main goal of the proposed joint procurement of pharmaceuticals and medical devices is for the Provinces to explore developing a joint policy framework.
2. The Provinces also wish to explore:
 - a) opportunities to develop a test case for a joint tender process, including but not limited to, publicly funded blood glucose test strips and work on distribution systems and processes; and
 - b) developing a collaborative approach for vaccines purchase, their distribution systems and processes.

B. STRATEGY:

1. To the extent that it is reasonably practical, the Provinces may also wish to undertake the following tasks:
 - a) Examine current purchasing practices for pharmaceuticals and medical devices for the monitoring and prevention of disease;
 - b) Identify current expenditures for a test case;
 - c) Review and assess future demand and supply; and
 - d) Identify key procurement policy issues and proposed strategies to address those issues.

2. The Provinces agree to explore the feasibility of establishing a joint working group consisting of internal and external procurement experts, including pharmaceutical experts, and stakeholders to:
 - a) Identify options for developing a joint procurement strategy;
 - b) Determine feasibility for initiating a joint procurement strategy for a test case in order to better inform joint collaboration;
 - c) Develop an implementation plan for further consideration;
 - d) With legal advice and approval, consider the development of standardized joint procurement contracts to be used by the Provinces; and
 - e) With legal advice and approval, consider the development of common notices of intent to tender each jurisdiction.

C. REPORTING:

The Deputy Ministers will provide an initial progress report to the Ministers of the Provinces by January 31, 2008 and will continue to report progress, results, and the recommended approach at least on an annual basis.

D. INTENTION OF PROVINCES

This MOU is intended to state general principles and record the Provinces' intentions. It is not intended to create any legally binding obligation on the part of the Provinces.

E. AMENDING THE MOU

While the goals expressed in this MOU may be met by each of the Provinces developing separate processes and procedures, the Provinces may agree to amend this MOU or enter into a further agreement or agreement that further the goals set out herein. This MOU may be amended by a written amending agreement signed by both Provinces.

F. REVIEW:

A formal evaluation of progress made against the goals of this MOU will be undertaken at five years from the signing of the MOU.

G. WITHDRAWAL:

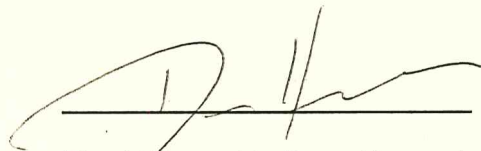
Either Province may withdraw its participation under this MOU with thirty days written notice to the other Province.

H. TERM:

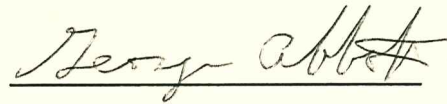
This MOU will commence on the date signed by the Provinces as set out immediately below and shall, subject to early withdrawal by Alberta or British Columbia, expire five years from the date of signing.

Signed at Edmonton
18th day of May, 2007

Signed at Edmonton
18th day of May, 2007

A handwritten signature in black ink, appearing to read 'Dave Hancock', written over a horizontal line.

The Honourable Dave Hancock
Minister of Health and Wellness
Government of Alberta

A handwritten signature in black ink, appearing to read 'George Abbott', written over a horizontal line.

The Honourable George Abbott
Minister of Health
Government of British Columbia