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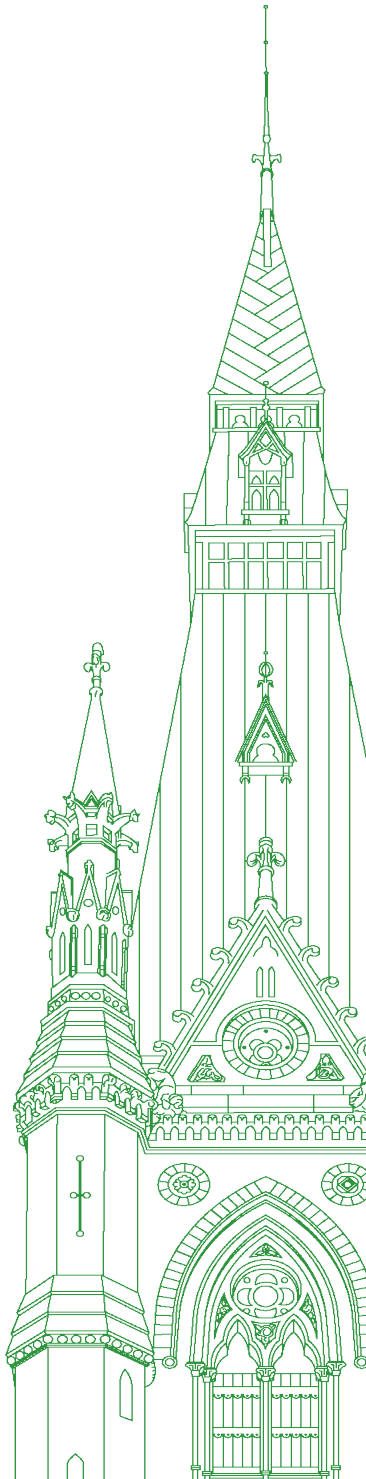

Chair: Mr. Sean Casey

Standing Committee on Health

Wednesday, September 27, 2023

● (1930)

[*English*]

The Chair (Mr. Sean Casey (Charlottetown, Lib.)): I call this meeting to order.

Welcome to meeting number 79 of the House of Commons Standing Committee on Health.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. I believe all of our witnesses are here in person. There are just a couple of MPs who are remote, so I can dispense with all the notes with respect to hybrid participation. In accordance with our routine motion, I am informing the committee that all remote participants have completed the required connection tests in advance of the meeting.

Pursuant to Standing Order 108(2) and the motion adopted on September 18, 2023, the committee is holding a briefing session on natural health product regulations.

I am pleased to welcome our witnesses from the Department of Health: Linsey Hollett, assistant deputy minister, regulatory operations and enforcement branch; Dr. Celia Lourenco, associate assistant deputy minister, health products and food branch; and Dr. Supriya Sharma, chief medical adviser and senior medical adviser, health products and food branch.

Thank you for taking the time to appear today. I know that some of you have made some significant personal and professional sacrifices to be here.

You have up to five minutes to provide your opening statement. I understand that Dr. Lourenco is going to do that.

Welcome. You have the floor.

Dr. Celia Lourenco (Associate Assistant Deputy Minister, Health Products and Food Branch, Department of Health): Thank you.

[*Translation*]

Good evening, everyone.

[*English*]

I would like to thank the committee for the opportunity to appear before you today.

My name is Celia Lourenco. I am the associate assistant deputy minister of the health products and food branch at Health Canada. I'm joined by Dr. Supriya Sharma, chief medical adviser at Health Canada, and Linsey Hollett, assistant deputy minister of the regulatory operations and enforcement branch.

Natural health products, or NHPs, such as vitamins, minerals and herbal remedies, are used daily by Canadians to maintain and improve their health. These products are regulated under the natural health products regulations, which were established nearly two decades ago in response to a study undertaken by this very committee. The regulations take into account the lower risk profile of these products and their ability to make health benefit claims.

Since that time, Health Canada has estimated there are over 200,000 products available to Canadians on the market. Our highest priority is to ensure that Canadians have access to safe, high-quality products to help care for themselves and their families.

[*Translation*]

While progress has been made over the past 20 years, the 2021 audit by the Commissioner of the Environment and Sustainable Development found significant gaps in oversight, underscoring the need for more action. This includes the need for increased oversight of the quality of natural health products, improved product labelling, greater monitoring of labels and advertising, and introducing a proactive risk-based inspection program.

Following the audit, Health Canada made firm commitments to strengthen its oversight of natural health products, as we discussed last year with several of your colleagues at the Standing Committee on Public Accounts.

● (1935)

[*English*]

While NHPs are often perceived as lower risk, they are not without risk, especially if products contain contaminants or are used improperly. When Canadians reach for a product,it is essential that they have confidence in its safety. They also need to be able to trust that what's on the label accurately represents what's inside the bottle, and that the health claims the product makes are truthful.

Health Canada recently conducted a pilot to proactively search the web and identify potential instances of non-compliant advertising. The equivalent of 3,800 advertising incidents were identified, and our assessment confirmed that 2,070 made cancer claims not permitted by Health Canada.

Furthermore, when we looked at the NHP marketplace between 2021 and 2023, there were 100 voluntary recalls of licensed NHPs for safety issues.

[*Translation*]

Additionally, Health Canada launched a pilot inspection program between March 2021 and March 2022 during which 36 sites of manufacturers and importers were inspected for good manufacturing practices. The pilot revealed issues ranging in severity at all sites, reinforcing the need for a permanent inspection program.

[*English*]

These gaps are why we are making changes to improve the safety of NHPs. Last year, Health Canada introduced new labelling regulations to help ensure that consumers have the information they need when choosing products.

This year, new legislation was passed to allow Health Canada to act on serious safety issues like ordering recalls or requiring warnings on labels if a company doesn't take action voluntarily.

[*Translation*]

More recently, Health Canada completed open and transparent consultations, garnering close to 5,000 responses, on a proposal that would see industry pay fees so that the department can, among other things, inspect manufacturing sites to improve product quality and safety.

[*English*]

The regulatory activities currently conducted by Health Canada in overseeing NHPs are currently paid for fully by taxpayers. In comparison, regulatory services for all other health products are funded through a mix of service fees and public funding.

If Health Canada does not charge fees for its services, the department is unable to strengthen its oversight of NHPs. While NHPs undoubtedly offer public health benefits, they also benefit private enterprises that make up the multi-billion dollar industry for these products. Ensuring sustainable funding of the oversight of NHPs while preserving accessibility and quality requires balancing taxpayers' contributions and industry's contributions more equitably.

We understand that many small businesses worry about the additional cost new fees would bring, and about their ability to continue marketing their products to Canadians. This is why we are proposing significant mitigation measures, such as meaningful fee reductions and waivers for small businesses.

As we complete the review of the thousands of comments received on our recently concluded consultation, we are considering how best to adjust our proposed approach to address the many concerns raised prior to further engagement with stakeholders.

[*Translation*]

In closing, Mr. Chair, we have a commitment to Canadians to ensure that the natural health products they rely on every day to maintain and improve their health are safe, and we have a plan to do just that.

We will now be pleased to answer any questions you may have.

[*English*]

The Chair: Thank you very much, Dr. Lourenco.

We will now begin with rounds of questions, starting with the Conservatives.

Dr. Ellis, you have six minutes, please.

Mr. Stephen Ellis (Cumberland—Colchester, CPC): Thank you very much, Mr. Chair, and thank you to the witnesses for being here.

I'll ask Dr. Sharma first.

Dr. Sharma, we've known each other for some time. I thank you for being here. I appreciate that.

You've made some comments in the media about misinformation and disinformation related to what was going on here. It pains me a bit. I think there's a bit of a truism here: If you tax the farmer who grows the food and you tax the trucker who ships the food, then the person who buys the food is going to have to pay more for it.

If you could, briefly tell me the difference here in the scheme. If you're taxing people who make these products and people who distribute these products, then how is the consumer not going to have to pay more?

Dr. Supriya Sharma (Chief Medical Advisor, Department of Health): Thank you.

Chair, to first clarify the comment I made in the interview, when we were talking about misinformation and disinformation, it was specifically in the context of some of the initiatives that were insinuating that Health Canada was specifically anti-NHP. We've heard at times that we were going to ban parsley or go into people's gardens and pull out cilantro. It really was in the context of some rhetoric that was out there that the misinformation and disinformation comment was made. It was really to illustrate that we're happy to have the conversation about any regulation we put forward, including the cost recovery regulations, but it's constructive if it's based in fact.

We have a program where the costs of the entire regulatory framework are currently borne by taxpayers, so 100% of those taxes, those costs, are borne by the taxpayer. There are gaps in the system now. We know that, through pilot programs we have on inspections, on good manufacturing practices, on surveys we've done, on claims and on advertising, we have a compliance gap there. Necessary improvements need to be made in order to regulate these products effectively to ensure they're safe, effective and of high quality, and Canadians can go into a safe marketplace. That's the principle.

Then, the proposal is—

● (1940)

Mr. Stephen Ellis: Thanks very much, Dr. Sharma.

I would point you back to the question, if I may, related to the cost recovery program. We also know very clearly that 20% of manufacturers and distributors in this industry have clearly said they're likely to go out of business, which will reduce consumer choice.

Once again, if we're going to put costs on the backs of small and medium-sized businesses in Canada, is it not true that consumers are going to have to pay more as well?

Dr. Supriya Sharma: We're very concerned about small and medium-sized businesses. We know they're the backbone of the economy and they want to have products for Canadians that are safe and effective. That's why we have fee mitigation for those small businesses, such as decreases of 25% to 50% in costs for small companies, and if it's their first submission there would be a complete fee waiver.

The proposals out there are for consultation, really. We have had, as Dr. Lourenco said, thousands of comments. We're in the process of looking at those and making modifications. We'll put forward a new proposal, but it comes down to the fact that there are improvements that need to be made. Those improvements require some resources, so the question is, where do those resources come from?

Really, this is the only health product line where 100% of the costs for the regulatory framework are from appropriations, from taxpayer dollars.

Mr. Stephen Ellis: Did I hear you correctly—for everyone who's in attendance here—that through the consultation process there's an expectation that fees for small and medium-sized businesses are going to be less?

Dr. Supriya Sharma: That's part of the proposal. There's a definition for qualifying small businesses, so they can qualify for a reduction in fees of between 25% to 50%, and again, for their first submission the fees are waived completely.

Mr. Stephen Ellis: I saw that originally, but what I heard you say was that through the consultative process that is going to change again and those fees will actually be less.

Dr. Supriya Sharma: I said that is part of the current proposal. No fees have been put in place at this point in time. It's just a proposal that's been out for consultation, and that's closed. The proposed fee mitigation was between 25% to 50%, but if we get comments that are different, then that could potentially change. We're open to comments.

Mr. Stephen Ellis: With that being said, when can manufacturers and distributors expect to hear back on this consultation process and the reduced fee?

Dr. Supriya Sharma: We received 4,700 comments. The consultation period just closed. I will say, though, that in those comments there are a lot that simply say, "We do not want to pay fees at all."

Only about one per cent to three per cent of all the comments were constructive suggestions on how to change the framework or the cost recovery fee structure. We're in the process of going through those now. In the coming weeks we can come back with a summary of the changes we may be putting forth in response to those comments.

Mr. Stephen Ellis: What we heard originally from the minister in the House of Commons was that 700 people had been injured and hospitalized due to natural health products. Where is the reference for that?

Dr. Supriya Sharma: The reference was to adverse events reported to Health Canada in the last two years. We received over 1,000 reports of adverse reactions that were potentially linked to natural health products.

● (1945)

Mr. Stephen Ellis: Where is it, though? I've searched and I can't find it anywhere.

Dr. Supriya Sharma: That's available in the Health Canada database. We actually put those out publicly. We've done that and compiled those numbers. You would have to do a search for "adverse events" and "natural health products".

Mr. Stephen Ellis: Would you table that with the committee, please, Dr. Sharma?

Dr. Supriya Sharma: We can provide the reference. Again, this is publicly available information, but we can provide that.

The Chair: Next we go over to Dr. Powlowski, please, for six minutes.

Mr. Marcus Powlowski (Thunder Bay—Rainy River, Lib.): Thank you all for being here.

I don't know about the rest of the MPs, but certainly my email inbox was inundated with complaints about this law. I received all kinds of postcards, and I have to say I'm a little perplexed as to why. I understand to a certain extent why, but certainly for parts of it it's hard to see why you wouldn't be advocating for it. My understanding is that previously Vanessa's Law, which requires hospitals and producers to report on the adverse effects of drugs, didn't apply to natural health products, but this is changing that.

I wanted to ask you a bit about the adverse effects of some medications, and I looked it up. With some of them, there can be interactions. For example, St. John's wort can interact with SSRIs —which are treatments for depression—and cause serotonin syndrome, which can be deadly. With regard to hepatotoxicity, there's a whole bunch of drugs implicated in that, particularly drugs in a class of pyrrolizidine alkaloids and ayurvedic medications that have it, such as comfrey and echinacea. Gingko biloba has antiplatelet, antithrombotic properties, so it interacts with Coumadin, NSAIDs and Aspirin.

I have another one here that I wrote down, from the Canadian Medical Association Journal this summer, August 2023. It had a case report of somebody presenting with lead toxicity. They eventually found out that the lead was coming from ayurvedic medicine the person was taking in order to try to get pregnant. They stopped it and she got better, but Public Health Ontario looked into ayurvedic medications and found one in which 13% of the content was lead.

First, do you agree with some of these? I don't believe my saying it is going to get it entered into the record. Secondly, have people been complaining? Have producers of naturopathic medications actually been complaining about having to report serious adverse effects, and have doctors been complaining? I find it hard to believe that people would actually complain about having to report such things. Am I wrong? Are they not complaining?

Dr. Supriya Sharma: The short answer is they're not complaining, because it's not in effect yet, that specific provision under Vanessa's Law.

Under the Vanessa's Law provisions, some have come into effect already. For example, there's the ability to compel a recall of a product. I think people were surprised to know that before June 2023, we could recall a head of lettuce but we didn't have the authority to compel a recall of a natural health product. So that's in effect.

The mandatory or the compulsory reporting of serious adverse events by health care institutions is a provision, but it needs regulations in order to come into effect, so it actually isn't in effect yet. We will be bringing forward regulations and will go through the full consultation process before we do that.

People haven't been complaining about that part of it.

With respect to the adverse events, I think you did a really good job of going through some of the challenges. What we've said is that “low risk” is not “no risk”, and there are products that present a risk by themselves. Comfrey is an example of that. It was used as a tea, and it has very severe hepatotoxicity, liver toxicity, associated with it. There have been deaths associated with comfrey. It still can be used as a topical, on the skin, but even then it shouldn't be used on broken skin, because it can be absorbed and cause liver toxicity as well. It can be quite dangerous.

There are other products that can be quite dangerous, either because they're contaminated or because they're being used in combination with other products. Again, it's rare to have very serious events, but in general if a product has an effect on the body, then it can have a negative effect or an adverse effect as well, and the question is, what's the likelihood of that and what can you do to mitigate that? It's really about having information for consumers so that they can use those products safely and we can monitor those products. Then, if safety issues come up, we can do that.

There have been products.... There's a product called aristolochia that has been used for over 2,000 years, but recently—it started in the nineties but really it was in the 2000s—we found out that it can cause renal failure and cancers in the urinary system as well.

The products are not “no risk”.

● (1950)

Mr. Marcus Powlowski: One of the other parts of the law, in my understanding, is the requirement for honesty in advertising and not being able to make unsubstantiated claims.

I talked to a colleague of mine who was practising medicine, and he asked how big of a problem it is. I wondered, because I'm getting all these emails and postcards about this, whether it's really that big a problem. We're getting this big political hit because of this.

He said that he had a lot of patients who weren't taking their statins, which have been proven by a whole bunch of studies and medical analyses to reduce mortality—all-cause mortality but particularly cardiovascular-related mortality. I think the number he needed to treat was 35. A lot of his patients were not taking their statins because they were taking a natural health product that claimed to reduce cholesterol but was totally unproven.

My assertion about how many people are being hurt.... If you have presumably 35 people who are not taking statins because of that one person, there's going to be an adverse effect.

The Chair: Dr. Powlowski, you're out of time. I'm sorry about that.

It was a long preamble. It was interesting.

[*Translation*]

Mr. Thériault, you have the floor for six minutes.

Mr. Luc Thériault (Montcalm, BQ): Thank you, Mr. Chair.

We'll try to define what's at stake. My question is for all three of you, and whoever feels most comfortable can answer it.

From the outset, I must say that your regulatory intention is laudable. I think even the industry agrees on this one. We're talking about natural health products. We have people's health at heart.

The measure you propose stems from an audit by the Office of the Auditor General. However, as things stand, if we don't modulate the regulatory intent by establishing more appropriate guidelines in terms of implementation and how to achieve the objectives of this reform, if I may call it that, it could ultimately produce effects contrary to those sought. The industry, among others, has pointed this out. We're told that the financial burden will be far too great. I'll be discussing this with you later, if I get the chance. This burden will be detrimental to research, innovation and competitiveness, and will result in major job losses. We certainly don't want to destroy an industry.

If we were to go ahead, we could find ourselves in conditions of unequal competition for regulated products. We could then see products making their way into Canadian homes that have not been approved or scrutinized at all. We can't afford to do that. People would use the Web to bring in these products. That's what I mean by effects contrary to the original objective.

To remedy this, have you done any impact studies, particularly with regard to pricing to recover some of the costs associated with regulation?

What do you have to say about these issues?

Dr. Celia Lourenco: Thank you for the question.

[*English*]

In developing our cost recovery proposal, we have given significant thought to the impact on small business. We understand that a large percentage of manufacturers that market natural products in Canada are small businesses. We estimate that it's at least 60% of them. In our cost recovery proposal, we've put forward mitigations in terms of the impact on those businesses. We included a 25% to 50% reduction in the proposed fees, as well as a first submission from any small businesses being at no cost.

● (1955)

[*Translation*]

Mr. Luc Thériault: Yes, you said that earlier.

I'm going to take advantage of the fact that you're talking about costs to ask you what evidence you relied on to measure and establish costs.

By the way, there are no taxes on pharmaceuticals, but there are on natural health products. Have you taken this into account? Wouldn't the revenue from sales taxes on natural health products enable the government to implement these regulatory measures?

Dr. Celia Lourenco: Thank you for the question.

[*English*]

Our cost recovery proposal was developed based on strict Treasury Board guidelines for the development of costs, using a similar process as is used for other types of health products in terms of how these costs are developed. In terms of contributions of businesses to the economy, in terms of whether they pay GST or contribute in other ways, that does not factor into the development of the model for the cost recovery proposal.

As I've already said, we did very significantly look at the impact on small business and put in place mitigation measures to address small businesses.

[*Translation*]

Mr. Luc Thériault: However, you are aware that pharmaceutical companies benefit from patents and are therefore able to break even and absorb costs like those you want to recover here. It's peanuts to them.

Do you have a study? Does what you've established take into account an impact study and evidence as to the real effects? What did you base your criteria on?

[*English*]

Dr. Celia Lourenco: Thank you.

Our criteria, as I've mentioned, were developed based on very strict guidelines from the Treasury Board in terms of developing costs for services provided to industry. In that process, we look at what the costs would be of providing those services, and based on that we then determine what the costs would be to industry across the different types of services provided.

Other elements related to contributions to the economy or—

[*Translation*]

Mr. Luc Thériault: I apologize for interrupting, but I only have a minute left.

Are you open to accommodations in response to the industry's criticism? The regulations are in place. Now, in implementing the guidelines, are you open to the idea of different categories, for example? Let's take the case of an herbalist: it's going to cost so much for each of his products. Couldn't we establish a fixed cost for a given quantity of a product, for example?

Is there still a willingness to sit down with people and find a way not to damage their businesses to the point where they're going to disappear, along with the supply of their products? Is there an opening?

[*English*]

The Chair: Give a brief answer if possible, please.

Dr. Celia Lourenco: Yes, absolutely. We are taking into account all the comments, and we will be coming out with an updated proposal. We'll sit down with stakeholders to address their concerns.

The Chair: Thank you, Mr. Thériault.

Next we have Mr. Davies, please, for six minutes.

Mr. Don Davies (Vancouver Kingsway, NDP): Thank you, Mr. Chair. Thank you to the witnesses for being here.

There's some controversy, but I think there are some facts and points on which there is broad common agreement among everybody in Canada. I think everybody wants natural health products to be safe and properly labelled, and for the claims made to be backed up by evidence and science. We know that something like three out of four Canadians rely on natural health products in some way as an integral part of their daily or weekly health regimen.

I think the other thing that is often overlooked is that this is an industry that is well regulated now. Some of the comments made seem to suggest sometimes that we don't have a lot of regulation. Industry and product users are asserting to me and other members of this committee, and probably to you, that they believe that the current regulations are quite effective—or perhaps they're not enforced enough—and that the proposed regulations are, if I may paraphrase, perhaps a solution in search of a problem, or may even constitute a cure worse than the disease.

I want to test that thesis with you. I've done some research. I went back, and 25 years ago this committee studied natural health products and issued 53 recommendations to Health Canada. You're familiar with those.

What is more interesting is that I found a document on Health Canada's website from 2003, entitled “Natural Health Products Directorate (NHPD) Progress on the 53 Recommendations of the Standing Committee on Health”. This is from 20 years ago. I wanted to put a few things to you to test that thesis about where we are.

Health Canada said this about recommendation 18:

> 18. Inspection activities be performed consistently and on a regular basis by inspectors knowledgeable about the products.
>
> Status:
>
> a. The NHPD is developing an inspection strategy for [natural health products]. The goal of the strategy is to ensure an appropriate level of oversight for these products, and consistency in its application.

Are you telling me that did not happen?

● (2000)

Ms. Linsey Hollett (Assistant Deputy Minister, Regulatory Operations and Enforcement Branch, Department of Health): Over the last, I'm going to say, 15 years, what we've seen at Health Canada in terms of what we call postmarket oversight—inspection, in plain language—is a gradual ramp-up. In and around the time when the report that's being cited would have come out, there was little activity, and it was more reactive than proactive.

What we've seen, though, over the last eight or nine years is a solid ramp-up. By that I mean starting with very time-specific and small inspection-like projects, to an inspection pilot a couple of years ago in response to the Auditor General's report, and now an interim inspection approach whereby we're trying to keep momentum going until such time as we can fund a more permanent inspection program.

Mr. Don Davies: Thank you. I have a lot to get through.

I want to move to risk assessment, and Dr. Sharma spoke of this.

Recommendation 20 of this committee from 25 years ago states:

> 20. Claims be assessed to ensure that there is reasonable evidence supporting the claim.

The status then reads:

> c. A guidance document on the Standards of Evidence will be published before January 1, 2004, when the new Regulations come into force.
>
> d. Prior to sale, all NHPs will be assessed to ensure there is reasonable evidence to support the claim and safety of the product.

Is it your evidence before us that in 2004, that did not happen?

Dr. Supriya Sharma: Before 2004, it did not happen.

Before we put the national health products regulations in, we did not have a premarket system, so before products were on the market, they weren't being reviewed. We have that now.

Actually, that is one part of the system—whether it's been the OAG or others who have looked at it—that is said to be running well. The standards for approval for authorization before the products go on the market are done, and they're working well.

Mr. Don Davies: More on risk, it says:

> The level of evidence required to support a claim for a NHP is based on the level of claim and any safety concerns about one or more ingredients in the NHP.

I think we would all agree that's a wise move.

I take it that's been in place as well, and Health Canada has been ensuring that the claims made are based on the claim made about the safety impacts.

Dr. Supriya Sharma: Yes. The idea is that for these products, the level of evidence that's required should match the type of product it is and what it's being used for.

I will say that through the self-care framework, which was launched in 2018, we have also introduced classes of products based on the ingredients and whether or not there's something called a monograph there. Not only was a system put in place, but it's now being refined to more closely match the products.

Mr. Don Davies: I want to turn to adverse reactions. It says:

> Status:
>
> a. The NHPD is developing an adverse reaction reporting system for post-market monitoring.
>
> b. Product licence holders are required to notify the NHPD within 15 days of any serious adverse reactions occurring in Canada, and any serious, unexpected adverse reaction occurring outside of Canada.

That's been in place, has it not, since about 2004? How many adverse reaction reports have you had since then?

Dr. Supriya Sharma: If you're saying from 2004 to 2021, we've had over 8,000 adverse reactions reported in which the natural health product use had a suspected role, and over 5,000 of those were labelled as serious. A serious adverse reaction is something that either causes you to be admitted to hospital or prolongs a hospital stay.

● (2005)

Mr. Don Davies: Was there a causal relationship established?

The Chair: That's your time, Mr. Davies.

Can you answer that very briefly, Dr. Sharma?

Dr. Supriya Sharma: Not for all of them, but we do causality assessments. In the vast majority of those, there was a causal link to the natural health product.

Mr. Don Davies: Could you supply that data to the committee, please?

Dr. Supriya Sharma: I will check. The only thing is that there are personal identifiers and personal information in those reports, so I don't know if redactions or other reviews would be necessary before submitting them.

Mr. Don Davies: Perhaps you can supply the metadata. Just the numbers.

Dr. Supriya Sharma: We'll take that back and we'll see what we can provide.

The Chair: Thank you, Mr. Davies, and thank you, Dr. Sharma.

We'll go to Dr. Kitchen, please, for five minutes.

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Thank you, Mr. Chair.

I want to thank everyone for being here. It's greatly appreciated. Thank you for your presentation.

Dr. Lourenco, in your comments you talked about a number of irregularities being identified. You gave certain numbers. Dr. Sharma touched on the 8,000 at this point in time, and those are since 2004. That's basically 470 reactions in a year, in simple math.

My question to you is this: If you've identified them and there's a regulatory process in place, what steps have you taken once you've identified them to go through the regulatory process and get answers?

Dr. Supriya Sharma: I'll just say that over the years, in terms of the adverse-reaction reports, they have been increasing. If you look at the last two years, we've had about 1,000 in the two-year period, with over 700 of them being serious, so they are increasing. We have more products, so it's understandable that we'll have more reports.

Overall, though, that's likely a very serious under-reporting, and that's the case for all health products.

Mr. Robert Kitchen: I appreciate that.

We're increasing over how many products?

Dr. Supriya Sharma: That's a good question. In terms of the products that have been authorized, there would be over 200,000 products. However, we believe that potentially only half of those are marketed. There's no requirement for companies to notify Health Canada if they're marketing the products, so we don't really have that number. We've tried. In April we tried to do a survey of companies to get an idea of the number of products that are marketed, and we got only about an 8.3% response rate on those—

Mr. Robert Kitchen: Thank you.

In comparison to medicine, in particular pharmaceuticals, etc., when we look at, for example, grapefruit having a huge impact on ticagrelor or Lipitor, how many reactions do you get on that, how many responses? Comparing that numbers-wise, I anticipate that you'd have a significantly higher number along those lines.

Dr. Supriya Sharma: For pharmaceutical drugs, prescription drugs, we do have higher levels. It's in the tens of thousands. We also have a requirement for increased reporting under Vanessa's Law. We have the requirements for health institutions to be reporting those adverse events as well. That's already shown an increase in reports. Yes, in general, there are more adverse events reported.

Mr. Robert Kitchen: Thank you.

I'm just going to read here, and this is a quote from what the minister said in the House:

> It is very disturbing that there were more than 700 cases last year where there was a serious adverse health impact, including hospitalization

Would you agree with that?

Dr. Supriya Sharma: I would say, for these products or any products that are taken to help people improve or maintain their health or prevent disease, if you have a serious adverse event—

Mr. Robert Kitchen: I apologize for interrupting, but what I'm hearing is that you're not agreeing with that. The reality is that the minister reported this number. You've indicated that you have records of it, reference to it. I'm just asking you, can you give us an example of the 700-plus, by the sounds of it? I'd like to know how that research is collected, where it's stored and where it's provided to the public.

Dr. Supriya Sharma: In doing surveillance of the products once they're on the market, one of the inputs into that is the adverse reactions that get reported to Health Canada. We know those are vastly under-reported for all products. We know they're even more under-reported for natural health products. We did a pilot with poison control centres in the past and, for example, through poison control centres, in a three-month period, they got more reports related to natural health products than we did in an entire year, so we know it's under-reported.

That's not the only input in terms of looking at the safety of the products. We look at publications. We work with our international counterparts. There is a lot of information that we look at to make sure we're assessing the safety of the products.

● (2010)

Mr. Robert Kitchen: Thank you.

I've just brought a simple sample, a very small sample, of what I received from my constituent. All 338 of us here have received these, and I have significantly more back in my riding. They basically talk about the huge economic impact it's going to have. These inflationary taxes that you're putting on these natural health products are going to escalate this even more. There are big concerns, because the average Canadian, I would say to you, who utilizes or doesn't even know this is going on, is not going to know about it until all of a sudden—boom—it's going to be in their laps.

What economic impact work have you done to show the implications this will have on Canadians?

Dr. Celia Lourenco: We're hearing feedback through our consultation with all of the affected stakeholders. We've also received quite a large number of comments, up to about 5,000 comments through our consultations. We're taking that back, and we're reflecting on the proposals to put forward, and we'll make adjustments and do additional—

Mr. Robert Kitchen: Then you haven't done an economic impact?

The Chair: That's your time. Can you answer briefly?

Dr. Celia Lourenco: What we did was an assessment of what fees would need to be charged in order to support the program that we currently have and that we'd like to bolster in order to respond to the recommendations from the Auditor General that identified a number of gaps.

The Chair: Thank you, Dr. Lourenco.

Next we have Dr. Hanley, please, all the way from Whitehorse, for the next five minutes.

Mr. Brendan Hanley (Yukon, Lib.): Thank you very much, and I add my thanks to the witnesses for appearing today.

I want to start with a bit of the big picture, Dr. Sharma. If you look at the effect of Vanessa's Law as it applies to therapeutic health products and medical devices since 2014, could you talk about the big picture of how that has helped to improve our information and consumer safety, basically, as regards therapeutic health products?

Dr. Supriya Sharma: Certainly. Vanessa's Law really was quite a shift in terms of the authorities we have to regulate products. One of the tools that comes with Vanessa's Law is the ability to compel a recall. Again, it's not that we would get to the point where we would force a company to do a recall, but having that ability in place makes it easier for companies to comply when we have to do a recall.

It would take months to do a recall. Sometimes we wouldn't have companies providing information. It would take a long time for that to happen. Now that we have those provisions, that process or that time has really shortened. We have the ability to require tests and studies. If a safety issue comes up, we have the ability to go to the company and, again, make that request.

Again, a lot of these things are regulatory backstops. If they know that we have the authority to compel something to happen, then they're more likely to comply with those requests. It really has made the regulation of the products more efficient. When we're responding to safety issues that are urgent, we have those tools at our disposal. It also gives us the ability, if needed, to levy fines and penalties up to $5 million. We have provisions in Vanessa's Law about the sharing of confidential business information for public health benefits, and we've done that as well.

There's a whole series of tools that have made that—

Mr. Brendan Hanley: I'm sorry to interrupt, but I think that gives us a picture. I think what you're describing is already regulated products with additional measures that were broadened with Vanessa's Law, and now what we're proposing is to bring similar.... It's almost like there's a parallel between already regulated products—natural health products—now coming under this umbrella, so that we have additional measures in place to provide that safety and assurance for Canadians consuming natural health products. Would that be more or less accurate?

● (2015)

Dr. Supriya Sharma: That's correct.

I think we had very blunt instruments before. You know, if all you have is a hammer, everything looks like a nail. Now we have more refined tools to be able to regulate the products appropriately.

Mr. Brendan Hanley: Do you think it would be a potential benefit for businesses that the additional safety assurance, labelling, etc., would reassure consumers? In my mind, that should be an advantage for businesses selling these products.

Dr. Supriya Sharma: Absolutely, and it creates a level playing field. If you're a compliant company, you won't feel the difference. You were already complying. You're already taking appropriate steps with respect to your products if a safety issue arises, so you won't feel the difference. For other companies that are potentially not compliant, it will bring them into compliance and give them the incentive to be in compliance.

Again, it's a level playing field. I think that's beneficial to all companies and, of course, to Canadians, because it improves the safety of the products they're taking.

Mr. Brendan Hanley: On thresholds for businesses, I'm thinking of some very small businesses in my constituency that might make lotions or creams. What would be the implications for these local, very small businesses that are making natural health products?

Dr. Celia Lourenco: We certainly put in our proposal measures to reduce the impact on small businesses. As we've already discussed, we've received a number of comments, and we know that we have to take a look at the proposal we've put forward. We'll consider other potential measures to address businesses and perhaps to look at micro-businesses, even, and see if there are additional mitigation measures we can put in place to be able to support those businesses, because we understand that they are important for Canadians. They contribute to the economy, and we want to make sure Canadians will continue to have access to a variety of products—not just for current companies, but also for companies in the future that may want to have access to the market. We also want to support small companies in setting up shop in Canada and growing in Canada.

The Chair: Thank you, Dr. Hanley.

Thank you, Dr. Lourenco.

[*Translation*]

Mr. Thériault, you have the floor for two and a half minutes.

Mr. Luc Thériault: It hurts being limited to two and a half minutes.

You said earlier that there had been 5,000 serious cases in 17 years. I assume you're going to provide us with that information.

Since the model is copied from the one used to audit and inspect pharmaceutical products, do you have any figures for adverse reactions to pharmaceutical products over this same 17-year period?

Could you provide us with these figures, in the same way? Could you share them with us? Do you have any idea of the proportion of adverse reactions, over 17 years, for the pharmaceutical products on which you collect information?

Dr. Supriya Sharma: Are you talking about the verification of prescription pharmaceuticals?

Mr. Luc Thériault: I'm talking about over-the-counter drugs. These are products that come from pharmaceutical companies.

Dr. Supriya Sharma: It's because there are categories.

Mr. Luc Thériault: These are not natural health products.

Dr. Supriya Sharma: There are natural health products, there are over-the-counter pharmaceuticals, but there are also...

Mr. Luc Thériault: We know that, but do you have any figures to give us?

Dr. Supriya Sharma: You want numbers on side effects, correct?

Mr. Luc Thériault: Yes.

Dr. Supriya Sharma: Yes, we do.

Mr. Luc Thériault: Are you going to provide them to us?

Dr. Supriya Sharma: Yes.

Mr. Luc Thériault: Thank you.

As for labelling, the Regulatory Impact Analysis says, and I'm quoting Health Canada here, that “a preliminary scan did not identify important environmental impacts and concluded that a detailed strategic environmental assessment is not required” and that “the additional environmental impact of this initiative over and above the normal labelling process is expected to be minimal.”

However, the industry has been testing labelling with the new requirements in mind. To comply, not only the labels, but also the containers will have to be bigger. You've been told that modifications are needed. In a regulatory impact assessment, you stated that “no evidence was presented to support the claims made” by industry regarding additional costs and environmental impact. However, you didn't have an environmental impact assessment either, because you hadn't deemed it necessary to do one.

Are you open to the idea of having a more updated labelling model, worthy of 2023? Already, the labelling is outdated. You're going to ask that we operate with paper, labels, boxes and so on. This model will be applied for the next 10 years, so why aren't you using QR codes? Otherwise, in three years' time, this will be obsolete and, on top of that, you'll have hurt the industry.

How do you see it? Are you open to changes in this regard?

● (2020)

[*English*]

Dr. Supriya Sharma: With respect to using a QR code on the label, there were a number of things that we looked at.

One was that, with a QR code.... It's not at the point of sale, so you're not able to do a comparison between products that have a similar label.

Also with respect to QR codes, the challenges are that not everyone has a cellphone, so they may not necessarily be able to use them. They may not want to use their data. If it goes to a website that has a lot of information, it might be long and they won't read it. It's very difficult to enforce the information on a website, because you can change it very quickly.

The other thing is this: If you take that key information off the label and just have the QR code, the only thing left on the label is the marketing.

It's a possibility, but there are a lot of reasons that, at the point of care, you don't have that information.

Mr. Chair, there was a question on the environmental impact of the labelling, if I may answer.

The Chair: Go quickly, please.

Dr. Supriya Sharma: When we did the survey of companies, they told us that within a six-year period they normally change their labels anyway, regardless of whether there are any other requirements or new regulations in place. That's why there's a six-year period to phase in.

There is no recall of products, so the enforcement is at the level of manufacturing. We're not destroying any product. We're not recalling any product, so the impacts, in terms of the environment, are minimal.

The Chair: Mr. Davies, go ahead, please, for two and a half minutes.

Mr. Don Davies: Thank you.

Let's go back to 2003, if I can take you back 20 years. I'm going to read again from Health Canada's document. It says:

> b. The [natural health product directorate] recognizes that product labels should assist consumers in making informed choices with respect to NHPs.
>
> c. Labels should assist in selecting products that meet individual needs and expectations, as well as the merits and limitations of products.
>
> d. Labels should allow consumers and others to fully understand how products are to be used and stored to ensure their maximum benefit, and to be aware of any adverse reactions or other risks associated with the use of the product.
>
> 33. [Natural health product] labelling provide[s] consumers with all relevant information needed to make informed choices.

For the recommendation that product labelling “be standardized to provide clear and consistent product information”, you reported the status as follows:

> NHP labelling requirements apply to all NHPs, therefore clear and consistent product information will be available to consumers.

Now, there's a whole list of things that the NHP regulations in 2003 required: “the dosage form”; “the net amount of...weight, measure or number”; “a list by proper name...of each medicinal ingredient per dosage unit, and...the authorized potency”; “a qualitative list of all non-medicinal ingredients”; “the recommended use or purpose; the recommended route of administration; the recommended dose and...duration of use; the risk information...including any cautions, warnings, contra-indications or known adverse reactions associated...; the recommended storage...; the lot number; the expiry date [and] a description of the source material of each medicinal ingredient that the product contains...when the ingredient is a plant or plant material....”

My question is this: If that is what you were telling Parliament in 2003—that that's what was going to be captured by labelling—what is the case to be made 20 years later to say that we need to change the labelling so that consumers are aware of things? I know you weren't the author at the time, but either it was not true then, or it's not required now. Help me understand that.

Dr. Supriya Sharma: It was true then, and it is required now. We have done considerable consumer consultations and health professional consultations, and what we've found is that there are challenges with the labels. There are challenges in terms of a lack of contrast. They are difficult to read, and the font size in some cases might be four points, which is microscopic. There's no standardized way that the warnings are displayed. There isn't modernized information on how you contact the companies. There isn't allergen information on the labels. Overall, it isn't presented in a way that is standardized. It is different from product to product. It is very difficult to compare.

There is information there; it's just how legible it is and how easy it is to access. We have gotten a lot of feedback on that. The labelling is really putting it in a standardized way with all of that information that—

● (2025)

Mr. Don Davies: I think I've said this to you before, Doctor, but—

The Chair: That's your time. I'm sorry, Mr. Davies; you're over time.

Mr. Doherty, you have five minutes, please.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Thank you, Mr. Chair, and thank you to our guests for being here today.

This is my first meeting with witnesses after coming back on this committee, so I apologize because I wasn't part of the study or previous studies.

I want to go to Mr. Davies' comment regarding the natural health product directorate.

Pardon me, but I believe, Dr. Lourenco, that you were part of Health Canada 22 years ago. You've been with Health Canada for 22 years.

Dr. Hollett, you probably have been there for 10 or 12 years. It's 20? Well, congratulations and thank you.

Dr. Sharma, you're just probably at 10 or 12 years, I think. You've been there for 20 as well. Okay, so collectively, you've all been here since around about the time that the testimony we just heard was ramping up.

There were 53 recommendations. Where are we with the 53 recommendations? Again, it's just in the last nine years that you've been ramping up on the recommendations. Is that correct?

Dr. Celia Lourenco: Those 53 recommendations go back to 1998, when the standing committee at that time recommended—

Mr. Todd Doherty: That's right, and then, in 2003, you started working on them.

Dr. Celia Lourenco: We implemented new regulations in 2004. Then, from there, we made several improvements to the program, both operational improvements and improvements in terms of making sure that we use a risk-based approach to the regulation of these products and that we provide appropriate guidance and direction to industry wanting to market products in Canada. We've made several changes over the years.

Mr. Todd Doherty: Out of the 53 recommendations, where are we with them?

Dr. Celia Lourenco: On the 53 recommendations, the majority of them were pretty much addressed, with the exception of cost recovery. Cost recovery is one that's outstanding. The committee at that time recommended that the government look into it and take an approach to make sure we consult with industry to develop a cost recovery system.

Mr. Todd Doherty: Why have you only started to ramp up on it in the last nine years? Is it capacity? Is it personnel? Is it cost? What is it?

Dr. Celia Lourenco: With regard to what, exactly?

Mr. Todd Doherty: You said you've started to ramp up on the recommendations in the last nine years. I believe it was Ms. Hollett's....

Dr. Supriya Sharma: The 53 recommendations were to create an entire framework for natural health products, a set of regulations. That's been done.

Mr. Todd Doherty: That is also what we're talking about.

Dr. Supriya Sharma: That's been done. I think the comment that Ms. Hollett was making was specifically on one part of the inspections. There was a promise to increase inspections. That's started a bit.

What we're at right now is the phase in which.... When the regulations came in, in 2004, we had maybe 50,000 products, maximum.

Mr. Todd Doherty: Now we have about 200,000.

Dr. Supriya Sharma: Now we have about 200,000. We have over 800 facilities. There's been a large increase in the industry. In order to ramp up further on inspections, for example, we need additional resources. There are other places where we need additional resources. Part of what we're seeking is for some—not all—of those costs to be borne through cost recovery.

Mr. Todd Doherty: How many small businesses would you say are in the industry?

Dr. Supriya Sharma: We have those numbers.

Mr. Todd Doherty: It is your testimony that you've done about 5,000 consultations. Is that correct?

Dr. Supriya Sharma: In terms of the percentage, it's a bit difficult to know the exact number, but we estimate at least 60% of the businesses in the natural health product space would be small and medium-sized—

Dr. Celia Lourenco: It's 63% of 6,000.

Mr. Todd Doherty: Okay, thank you.

I've been elected for about eight years, and I have to say that this is probably the topic that I've received the most mail and the most feedback from my constituents about, asking me to make sure we're standing up for consumers and standing up for small businesses. What the industry is telling us is that it wasn't so much a consultation as it was, "This is what we're going to do." The ones I've talked to, at least, feel that their feedback wasn't heard or wasn't taken into account. They also say that they have regulations and that there isn't the capacity for Health Canada to really enforce them or follow suit with what they're promising.

What would your feedback be for that, or your answer to what the industry is saying?

● (2030)

Dr. Supriya Sharma: On the consultation space, if I look at all the health products that Health Canada regulates, I think the natural health products sector is the one that has the most consultations. Through the associations, we've had technical briefings; since 2016 we've had over 4,500 consumer and health care professional consultations; and in 2019 alone we met with 70 different companies one-on-one. There has been an incredible number of consultations.

I understand that the cost recovery regime is challenging, and I think everyone can have their opinion on that, but I think the one thing that you cannot say is that we did not consult. We are absolutely open to feedback and dialogue.

I wanted to say that we're all in this for the same purpose. We want people to have—

Mr. Todd Doherty: You want people to be safe, but you also want people to be listened to.

Dr. Supriya Sharma: —access to those products and we want them to be safe, effective and high quality. That's exactly what we want.

We use these products every day. As people have said, 73% of Canadians use these products. That 73% was back in 2010. We know that's increased. Through COVID, we know that people have even more interest in terms of having access to products that they select to help maintain their health. We're absolutely there.

Again, we've done tons of consultations. We will continue to do those consultations to get feedback. The labelling is an example of how we put something forward, we got feedback, we made modifications and then we moved forward. We took those into consideration.

The Chair: Thank you, Dr. Sharma.

Next up is Mr. Jowhari, please, for five minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair, and welcome to our witnesses.

Thank you, Dr. Sharma. I know you had an international commitment and you changed that on short notice. This shows commitment to the topic at hand and respect for our committee, as well as care for Canadians and their safety. I thank you for that.

A lot of conversation is being had around cost recovery and portrayal of cost recovery as a tax, not only on small businesses but also, ultimately causing an increase in the price. Therefore, it's another level of tax on the consumer during this inflationary time.

I would like to submit that I see cost recovery as implementation of the regulation, empowering Health Canada to ensure that the products being consumed more and more by all Canadians are safe products. I see cost recovery as actually ensuring the safety of the products and Canadians. When cost recovery comes into effect in April 2025, the burden of that cost is with the taxpayers regardless. Health Canada has to go through all of these regulations to ensure that people are kept safe—whether it comes out of taxpayer money from another bucket or through implementing these fees. As you mentioned, not all of the fees are being taken into account.

I understand there were two pilot inspection programs that the department did. The results are very interesting.

I would like you, for the next three and a half minutes, to spend some time explaining those two pilot programs and how they support us in ensuring safety through what is called cost recovery, and ensuring that Health Canada is empowered to ensure the safety of the product and Canadians.

Thank you.

Dr. Supriya Sharma: I will start with the advertising, then I'll turn it over to Ms. Hollett for the GMP inspection.

The first pilot we did was in 2021. We conducted that pilot project to proactively monitor advertising. What the pilot did, through an AI tool, was to look on the web for advertising of natural health products that involved the word "cancer". There's a prohibition. For certain serious diseases, you can't advertise or label a natural health product to treat or cure that disease. Cancer is one of them. When we did that, we found 3,800 cancer claims. Out of those claims, 63% were not appropriate. They were for treating or curing. They were, for whatever reason, misrepresenting their product with respect to their claims about cancer. That was one. Again, it's a snapshot.

We also just completed another one for other diseases. However, we just finished it. We're looking through the data, as well. It's on depression, obesity and other issues.

There is an issue around companies representing that their natural health products do things that we know they aren't allowed to claim and that, certainly, they can't do.

● (2035)

Mr. Majid Jowhari: Which part of the cost recovery is addressing that?

Dr. Supriya Sharma: The cost recovery will involve increased resources to do that type of surveillance—to look for that and, when those issues arise, to follow up on those advertising complaints. We now have provisions if we need to levy fines or penalties when companies are not compliant. We have the authority to do that as well.

Mr. Majid Jowhari: That's great.

On the second pilot....

Ms. Linsey Hollett: As I mentioned earlier, inspections of NHPs and NHP entities have been growing at Health Canada for some time now.

When the OAG report was released, we welcomed the opportunity to run an official GMP inspection pilot. For members who may not be aware, that is Health Canada inspectors entering companies and assessing companies against good manufacturing practices or standards.

We welcomed that opportunity, because our program has been a very solid program in the reactive space for a very long time, and the ability to enter into the proactive space puts us in a better position to protect health and safety.

Also, we see the benefits of inspection as being across the board—Canadians, entities involved in the supply chain or involved in the industry, and Health Canada. In 2021 we launched the GMP inspection pilot. It was 36 companies, manufacturers and importers, and we did inspections, as I said, based on those good manufacturing practice requirements. We had a chance to consult with and work with industry and industry associations on the inspection pilot, and then we conducted those 36 inspections over the year. We saw what we would consider serious deficiencies in 42% of the inspections that we conducted.

There was great collaboration with the entities we inspected when we made those observations, in terms of their taking timely action to address them. I do want to make that point. However, what we came away from the pilot with was a confirmation of what we've seen over the last number of years: a non-compliance rate or a serious deficiency rate of around 40% to 42%. What cost recovery would allow us to do....When Dr. Sharma earlier in the meeting referred to there being gaps we needed to fill or improvements we needed to make, one of the initiatives that cost recovery would fund is a more robust permanent inspection program.

The Chair: Thank you, Ms. Hollett.

Thank you, Mr. Jowhari.

Next we'll have Mr. Majumdar, please, for five minutes.

Mr. Shuvaloy Majumdar (Calgary Heritage, CPC): Good evening. It's nice to see you all.

Like Mr. Doherty, I'm new to this committee and new to this file, so I did not benefit from participating in the decades of experience that you bring to this.

I was doing some math on this, and I'll tell you, in my by-election campaign during this summer, this was a major issue, especially for the smaller side of the small and medium-sized businesses that you're describing. This would crush them. The anxiety they feel about these taxes that are coming their way as well as the heavy-handedness generally of health policy-makers over the last four to five years.... It has created massive anxieties. I think they would benefit from more empathy when considering how to engage them and to ensure the safety of Canadians in the products they consume.

Health freedom is important, but so, too, is safety.

I was just looking at this, and maybe you can help explain this to me. There are 200,000 products. At $542 tax for each product, that amounts to over $108 million of annual tax revenue for the cost recovery piece of a 53-part program from 20 years ago. An annualized $108 million seems like an excessive approach toward cost recovery, when I can think of the Asian infrastructure bank as one immediate means to accomplish cost recovery for these types of services, which I'm sure cost a lot less than $108 million a year.

Could you explain to me the math around how this is the cost recovery that the Treasury Board's strict guidelines produced, Dr. Lourenco?

● (2040)

Dr. Celia Lourenco: You're referring to the right to sell fee, which is one of the fees that we are proposing in the cost recovery in the proposal. It is a fee that we would apply to companies to have right of access to the market. It's a fee of just over $500 for a regular company, and there would be a 25% reduction if it's a small business.

In our estimation of the revenues from that fee line, we made an assumption that there are likely to be about 50,000 products on the market, not 200,000. We have authorized 200,000 products but, in consultation with stakeholders in the past, our estimate is that there are probably around 50,000 products on the market.

Mr. Shuvaloy Majumdar: There is $30 million in annualized revenue for cost recovery for some 800 facilities that I think Dr. Sharma described. Again, this seems extremely excessive when you think about the 8,000 cases, 5,000 serious ones, that have been considered over the last number of years. It seems very ambitious revenue collection, tax collection, through imposing fees on small companies that are already feeling extremely anxious about heavy-handed health policies that are designed to try to control the products they wish to sell and the consumers who wish to consume them.

I'd like to understand what logic is involved in the $30 million annualized for cost recovery for any program of this scale.

Dr. Celia Lourenco: With regard to the right to sell fee that we're talking about and the approximately $30 million, these would be the revenues that would be used to cover postmarket activities, to cover the surveillance of advertising and the assessment of adverse drug reactions.

Mr. Shuvaloy Majumdar: You mentioned that. What's the cost of the program?

Dr. Celia Lourenco: The overall cost of the program, based on the current proposal, is about $100 million.

Mr. Shuvaloy Majumdar: Before the proposal, how much was it?

Dr. Celia Lourenco: Before the proposal it was about $46 million, so we do need to ramp up the program.

Mr. Shuvaloy Majumdar: If you don't mind, it would be very helpful to have these figures tabled for the committee to study in more detail, to understand what revenue you're looking at to pay for the cost of the program as it stands. I would love to see that.

Thank you very much.

Dr. Celia Lourenco: The proposal is available online for anyone to download.

Mr. Shuvaloy Majumdar: Could you table it with the committee, please?

Mr. Chair, I should be directing my comments through you. I apologize.

We would ask the witness to table it for the committee to consider.

The Chair: They're able to do that if it's publicly available.

Thank you.

You have 17 seconds. I think we're good. Thanks, Mr. Majumdar.

Mr. Fergus is next, for five minutes.

[*Translation*]

Hon. Greg Fergus (Hull—Aylmer, Lib.): Thank you very much, Mr. Chair.

I'd like to thank the public servants who are here today. We appreciate the value of their years of experience in helping us review the situation.

I'd like to come back to a series of questions that Mr. Thériault, my colleague from the Bloc Québécois, asked you. It's about the number of cases of adverse reactions associated with natural health products. There's a figure of around 700 in the last year, isn't there? Is that a true figure?

Dr. Supriya Sharma: There have been more than 1,000 cases in the last two years, 700 of which were serious.

Hon. Greg Fergus: I see.

Mr. Thériault asked you a question, and I think it makes perfect sense to make a comparison.

So we're talking about 700 serious adverse reactions.

By comparison, how many adverse reactions are associated with regulated products, i.e., medical products that are sold with or without a prescription?

You said this figure was publicly available, but I'd like to have a figure here. Could you give us an estimate?

● (2045)

[*English*]

Dr. Supriya Sharma: We would have to come back to you with the specific number for the adverse effects of non-prescription drugs. I wouldn't have that number right now.

Hon. Greg Fergus: Would you know the number for prescription drugs?

Dr. Supriya Sharma: It's usually in the tens of thousands.

Hon. Greg Fergus: Tens of thousands, but I'm assuming the prescription drug market is much larger or the number of products available relative to the 50,000 natural health products that are available in Canada for sale right now.... Can you give me an estimate of the comparison between the size of the NHPs as opposed to the size of prescription products?

Dr. Supriya Sharma: I can give you the figure for non-prescription products, which are the comparable products to natural health products.

In terms of the size of the industry on a dollar basis—

Hon. Greg Fergus: I'm not sure if a dollar basis would be a good comparison, because I'm assuming you're going to pay more for a non-prescription drug, since they are considered a bit more organized. They have more obligations to report in terms of their ingredients and the like, and being able to recall the stuff.

I'd like to compare, roughly, apples with apples.

Dr. Supriya Sharma: For the numbers of over-the-counter products—that's non-prescription pharmaceuticals—since 1969, there have been over 5,200 products approved. For the natural health products, there have been over 190,000.

Again, it's a bit difficult to compare, because for those over 190,000 or 200,000, we don't know how many of those are marketed. This is because there's no requirement to let us know how many are marketed.

Hon. Greg Fergus: There have been only how many?

Dr. Supriya Sharma: There have been 5,200.

Hon. Greg Fergus: There have been 5,200 over the last 54 years.

Dr. Supriya Sharma: That's for over-the-counter products, yes.

Hon. Greg Fergus: That's for over-the-counter products. It seems low, but there you go.

You're saying the contraindications that could happen with those products are serious ones.

Dr. Supriya Sharma: We'd have to come back to you. The ratio of adverse events to the products is very similar between the over-the-counter, non-prescription pharmaceutical products and natural health products. They're very similar.

Hon. Greg Fergus: All right.

There's nothing that's disproportionate. It's roughly the same.

Dr. Supriya Sharma: That's right.

These products often are side by side on shelves. They're often treating the same things. They are often making the same claims. They're just under two different regulatory frames.

We know from talking to consumers that they're not really aware that they're under two different frames. Again, the overall level of risk is very comparable between those two categories.

Hon. Greg Fergus: I see.

In an international comparison, is that about right as well, or in your experience, in terms of...? Canada is not producing something that's an outlier in terms of this ratio.

Dr. Supriya Sharma: The challenge in the international comparison with respect to natural health products is that there are very different regulatory schemes in different countries. There isn't really a country that has the same system that Canada has. The United States is different. Europe treats them differently. Australia treats them differently. The U.K. treats them differently.

It's a bit like apples and oranges making those comparisons.

Hon. Greg Fergus: I'm going to see if I can test the patience of the chair and slip in one more.

The Chair: Thank you, Mr. Fergus. You're past the time. You used his 17 seconds.

Hon. Greg Fergus: There you go.

[*Translation*]

The Chair: Mr. Thériault, you have the floor for two and a half minutes.

Mr. Luc Thériault: I'll try to make a little summary.

When I ask you if you have any impact studies on pricing, you answer me by talking about Treasury Board guidelines. That's what we have.

When I ask you if you have any evidence as to the development of mitigation measures for regulatory impacts, you respond by talking about Treasury Board guidelines again.

I also wanted to know if you had any environmental impact studies with regard to labelling. According to Health Canada documents, the department doesn't have any and didn't believe it should. Health Canada points out, for example, that the industry has not proven that there would be impacts as alleged. So far, neither of you seem inclined to pursue this further.

Moreover, you want to develop your labelling requirements over six years, and you claim that the means of labelling you advocate won't be obsolete at the end of that period. You know, there's a way to use a QR code to display a lot of the information you want to see, while still having, on the box, important indications for people's health about the product. You can distinguish the interesting information that should be there when you look at a product's packaging. Just as there are bar code scanners, there could also be QR code scanners. In short, I think your reform is already outdated.

I also asked you if Health Canada was open to changes. Environmental impact is important. It's impossible not to understand that, if we have to display all the necessary information on a bottle or can, this will cause an increase in waste. This seems to me to be common sense. Since environmental impacts are important, is Health Canada open to proposals from people in the field to modulate these requirements?

I'd like to say one last thing. You mentioned inspections. You've started doing them, and you've identified problems. However, have you provided the industry with guidelines so that they can comply and respond well to inspections? What we want is for people who haven't been inspected for years to know your criteria so they can comply. We have to be proactive.

● (2050)

The Chair: Mr. Thériault, your question took three minutes.

Mr. Luc Thériault: Oh, really? Thank you, Mr. Chair. You're very kind.

The Chair: You had two and a half minutes, so there's not enough time left for a response, unless it's very brief.

[*English*]

Ms. Linsey Hollett: I will try. I have two very quick things to say.

We could not agree more. When a sector is inspected for the first time, the actual inspection provides an opportunity not only to assess but also to educate and promote compliance. Two, to help in that cause, we have worked and we continue to work with industry to produce guidance, such that industry has clarity and consistency on what Health Canada expects in order to meet regulatory requirements.

The Chair: Thank you, Ms. Hollett.

We'll go to Mr. Davies, for two and a half minutes for the questions and the answers.

Oh. I see Dr. Sharma. Go ahead.

Dr. Supriya Sharma: Thank you, Mr. Chair.

Just on the first part very quickly, on the labelling, as part of the labelling proposal, a regulatory impact assessment was done. A cost-benefit assessment was done. Then there are also provisions for small packaging. All of that is part of the proposal.

It's now completed and it's going to be implemented. If there are changes that need to be made, we're open to those, but we believe it has taken all of that into consideration.

The Chair: Thank you.

We have Mr. Davies.

Mr. Don Davies: Thank you. I have some short snappers.

I think you talked about the money you'll need to support the program. How much money do you estimate you'll need to support the program?

Dr. Celia Lourenco: Our current estimated cost for the program, with the improvements, is about $100 million.

Mr. Don Davies: It's $100 million.

Dr. Celia Lourenco: Yes.

Mr. Don Davies: You've made a cost-benefit analysis report with respect to new labelling of products. Would you provide the committee with Health Canada's full cost-benefit analysis report?

Dr. Supriya Sharma: It's available publicly, but we can table it, yes.

Mr. Don Davies: Okay. Thanks.

Canadians are currently permitted to bring personal use quantities of a natural health product into the country without requiring specific licences for the import. Do you expect that consumers will be more likely to import products from foreign jurisdictions if these regulatory changes by Health Canada lead to higher prices and perhaps reduce the availability of products in Canada?

Ms. Linsey Hollett: We know that it is a possibility. What we prefer and what is clear in our messaging is that our preference is always for Canadians to use NHPs that have been vetted by the department, that are safe and that are efficacious. While we realize that what you're saying may be a possibility, we already have quite a robust presence at the border. We do, as you say, allow for personal importation, but we are aware of the fact that this may occur—

● (2055)

Mr. Don Davies: A lot of Canadian businesses are telling me that's what's going to happen. They think prices are going to go up and products are going to be restricted, and a lot of foreign companies are not going to bother with the Canadian market because they don't want to retool. That will just result in Canadian consumers ordering things on the Internet. Are you proposing any new restrictions on personal use importation of natural health products? If not, why not?

Ms. Linsey Hollett: We are not at this time. One of the reasons is.... As you say, we have heard, like you, a lot on this topic. On one side, including us as a regulator, as I say, our preference is for Canadians to use products and buy products that have been approved by Health Canada.

However, we have another very vocal group within the country that is saying, “Maintain personal importation allowances,” and, “We want choice,” and, “If I choose to buy something from the United States or anywhere online, I want that choice.” There are two very vocal groups, so there's a very active discussion around finding a balance between those two positions.

The Chair: Thank you, Mr. Davies.

Next we have Dr. Ellis, please, for five minutes.

Mr. Stephen Ellis: Thanks very much, Chair. There are so many questions to ask and so little time.

Through you, Chair, I find it interesting. These products are taxed. The tax revenue from this sector is about $2.3 billion, and you're telling me that you need $100 million more? That's insanity. How can you justify that?

Dr. Celia Lourenco: The cost-recovery proposal was developed based on the current cost of the program and the estimated costs with the improvements that we would like to put in place: improvements to inspections and to monitoring online advertising and just increasing resources in those areas to make sure products on the market are safe for Canadians.

Mr. Stephen Ellis: I don't understand. That means it's $2.4 billion to run a program. Wow, that's a lot of money. It's an exorbitant amount of money.

I guess the other questions I have are related to looking at the scale of these issues.

I hate to say this. Do you know what? I was a family doctor for a long time. We talked about this nebulous number of 700 people who may have been harmed. Some of them, in the words of the minister, might have been admitted to hospital.

I'll follow along with what Mr. Fergus was trying to get at. Prescription drugs admittedly help tons of people, reduce mortality rates and make people live longer. I have a reference for you, if you would like, unlike what you have not been able to provide me: In this country, 50,000 seniors alone were admitted to hospital last year because of prescription drugs, which you already regulate. In the natural health products sector, 700 might have had an adverse event, and some might have been admitted to hospital.

I would suggest to you that we're talking about unnatural regulation. You're trying to regulate a sector that harms almost no people. It makes no sense. This is nonsensical—perhaps $2.4 billion of a budget. I can't even understand it. Also, not only are we going to regulate the natural health products sector in Canada into extinction—we're going to tax it to death—but we're also going to allow Canadians to continue to get medications and natural health products online from unregulated facilities elsewhere. There are no words for this.

I can understand why my colleague brings a small smattering of concerned citizens. Do you know what? This is part of the job. People come up to each of us in public and say, “How can you fight this so I can continue to get the vitamins, probiotics or prebiotics I want to have?” The scale of the issue is minuscule. I can't even understand this, or the money you want to recover. We've already heard from my colleague that the “right to sell” fee—which is one of the fees among an innumerable number of others—is up to $30 million and perhaps $100 million, because it's not simply what is sold. It's actually the licensed product, as I understand.

The amount of money you're asking of consumers is exorbitant. I can only attempt to understand how this government has driven Canada into the proverbial poorhouse and why we need to recover, out of the pockets of Canadians, another multiple billion dollars to fund the foolish spending of this government. I guess that's the only thing. To understand that very clearly is simply to follow the money and to ask, as well, that you table the number of people who are potentially having serious adverse events, some of whom have been admitted to hospital based on some nebulous concept and numbers that no one has been able to find. Trust me: We have searched very hard.

The final thing I would say, through you, Mr. Chair.... There isn't going to be a question here, thank you very much. I realize I have a timer on. The issue here is related to the fact that we're regulating something once again and trying to tax consumers further into the poorhouse when they can't afford to feed their families, put a roof over their heads or heat their homes in the coming winter.

From the bottom of my heart, thank you very much, Mr. Chair.

● (2100)

The Chair: Dr. Powlowski, go ahead for five minutes, please.

Mr. Marcus Powlowski: I'm not going to make a political statement. I'm actually going to ask a question.

Dr. Ellis claims the cost of this program for the regulation of natural health products is $2.4 billion per year.

I'm going to give them the opportunity to respond to those allegations.

Tell me how much this is going to cost per year.

Dr. Supriya Sharma: Thank you, Chair, for the opportunity to respond to the non-question and the question.

Right now, it's a $44-million program. With the changes and the improvements, that will increase to a $100-million program, and we can go through all of those improvements. There are no billions; it's millions. We're not saying that it's an insignificant amount of money. It's a considerable amount of money, but it's the amount of money that we need to make the improvements for Canadians to go into a safe marketplace.

It's a bit like apples and oranges if you're comparing natural health products to pharmaceutical products, because it's all about risks and benefits. What are you treating? You will accept a risk associated with chemotherapy, for example, that you wouldn't necessarily with something that's to treat a headache, for example. It's all about risks and benefits, and what we really are striving for is having a regulatory system that has the appropriate level of touch based on the risk of these products.

What we've found is that there are some parts of the program that are functioning quite well: the premarket review and the standards that have been set. Again, I just want to clarify, because there's been some rhetoric around our all of a sudden changing the levels of evidence that we're looking for. We're not saying that. We're saying that there are some gaps. There are some gaps with respect to how these products are represented to Canadians. There are gaps and there are issues around the quality of these products. We've had 100 recalls over the last year and a half for fibreglass and bacterial contamination in these products. We have a concern around the advertising, the way that these products are represented and what they're claiming to do for people. We have concerns about the facilities.

There are gaps that we need to fill, and there are resources that we need for that. It is a $5-billion-a-year industry that doesn't pay any fees. These are not taxes; these are service fees, and for those service fees they also get accountability. They would get timelines and deadlines for the services that are provided to them, and it's not all of the cost. Australia cost recovers 100% of its costs for this product line. Ours is a portion of those costs.

Mr. Marcus Powlowski: Okay, so the allegation's been made here that this doesn't make sense. The quotation was that the number of people harmed, which is 700 over two years, is minuscule.

Don't you also have to factor in the number of people who are harmed by a claim that is untrue, for example, cancer patients who aren't getting their medications because they believe a product advertisement about a natural product being helpful? Does that not also have to go into the cost-benefit analysis when you look at people who are adversely affected by relying on a natural product that isn't proven? Is that not part of the equation in terms of the $100 million a year that's going to address this problem?

Dr. Supriya Sharma: It is part of it.

Again, I don't want to misrepresent these products. They are generally low-risk, but we had a tragic case of a 19-month-old in Alberta who died because of being given natural health products instead of treatment for meningitis. Dr. Steve Flindall is an emergency physician in Toronto who had a patient who was stable on medications for seizures but was taken off those medications and put on zinc. They went into status epilepticus, which is constant seizures, and died. It does happen.

Really the principle is that Canadians should be able.... They're self-selecting. They're self-selecting these products. They should have the assurance that they're going into a safe marketplace and that, when they're picking up a product, what's on the label is what's in the bottle; the advertising claims that are made are accurate; the quality of the product that's in that bottle is high; and the product is not going to be contaminated with bacteria or other things. That's the principle.

● (2105)

Mr. Marcus Powlowski: Thank you.

Do you know what the increase in price for your average natural health product is going to be as a result of the new cost recovery program?

If I'm buying my vitamin C or whatever I'm buying, what percentage increase of price will result from implementing these measures?

Dr. Supriya Sharma: If we look at all of the increased costs, it works out to $1.60 per Canadian total for all of the costs, and that's if every cent of those costs is passed along to the consumer.

Again, we have over 60% of these companies that are small and medium, but we have some very large companies as well. Again, we have fee mitigation for it, so—

Mr. Marcus Powlowski: I'm sorry; will it cost your average Canadian $1.60 more because of these regulations?

Dr. Supriya Sharma: It will, if we take all of the increased fees and we pass those directly on to Canadians.

The Chair: Thank you, Dr. Powlowski.

Next we'll have Dr. Kitchen, please, for five minutes.

Mr. Robert Kitchen: Thank you, Mr. Chair. I appreciate that.

When you say $1.60 per Canadian, you're making it out as being for every Canadian, when not every Canadian uses the products.

Number two, the reality is that $1.60 doesn't include the tax that will be put on it by the inflationary costs that are being created by what you're putting onto the product, the $542 per product. On top of that, there are the costs that will be factored in when you start looking at the huge costs that you have on the premarket evaluation, which can range up to $50,000 plus.

When you say $1, you're basing it on a very small factor of the taxes being put on there. The costs that the producer is going to have to put on.... As my colleague indicated, when you grow the food and you tax the farmer and then you tax the transporter, those costs come down on the consumer and on the individual. Those costs are high.

You talked about inspecting facilities and you sort of indicated "inspection-like". The question I have is this: How many have you done?

Ms. Linsey Hollett: Under the pilot program that I mentioned, we did 36.

Mr. Robert Kitchen: You did 36 since 2004.

Ms. Linsey Hollett: That was 36 in one year of the pilot, in 2021-22, but since that time, we've done another 39, and we have 37 more planned between now and March 31.

Mr. Robert Kitchen: You do 37 a year. That's what you're saying at this point in time. That's it, out of—

Ms. Linsey Hollett: No. I'm sorry. We did 36 during the pilot. This year, we're hoping to do in and around 57. For the current structure we're in now, with no cost recovery, we would like to do even more.

Mr. Robert Kitchen: How many people do you have doing this?

Ms. Linsey Hollett: In our program right now—in different functions, not just inspections—there are approximately 22.

Mr. Robert Kitchen: There are 22. How often do you do them?

Ms. Linsey Hollett: How often do we do inspections?

Mr. Robert Kitchen: Yes.

Ms. Linsey Hollett: Right now, companies are not on a cycle. They don't get inspected every two years or three years. We are constantly doing inspections.

Mr. Robert Kitchen: What I'm hearing is you're basically doing 100 per year out of how many businesses in Canada. I was a regulator for a profession in my previous life. I understand regulation very well. Ultimately, you talk about regulating, but it appears to me that you're not following the processes of how the regulations should be done.

What I'd like to get to is that you also talked about being open to feedback. It's fine to say you're open to feedback, but what are you going to do with that feedback? You can say you're open to feedback, but if you don't act on that feedback, what assurances do these businesses have that you actually will act on the feedback they give you?

● (2110)

Dr. Supriya Sharma: You don't have to believe us when we say that; we've actually demonstrated it. When we look at the labelling initiative, there were consultations before the initiative went forward. We put a proposal out, got comments and changed the proposal. We put in a six-year phase-in period to account for the feedback we got from industry, and we got comments from consumers. It was all incorporated. For that initiative, we did a full regulatory program. We took all that feedback; we put it into place, and then we finalized it. We intend to do that for any regulations we put forward.

Mr. Robert Kitchen: You basically got the feedback and you've tabulated that feedback so people can see what was sent to you, and therefore they can see.... That is available.

Dr. Supriya Sharma: Yes.

Mr. Robert Kitchen: Can you provide that for the committee?

Dr. Supriya Sharma: Yes. It's available online, but, yes, we can do that.

Mr. Robert Kitchen: Thank you very much.

When you get that feedback and it suggests to you that the fees are too high, what actions will you take?

Dr. Supriya Sharma: That's what we're in the process of doing now. The fee proposal is just that; it's a proposal. It went out for a 90-day consultation. We put that out. We got 4,700 comments. We are in the process of looking through those comments, and then we'll come back with any changes based on those comments.

Mr. Robert Kitchen: I look at this and, when I see what you're talking about, I still haven't heard from you what you would say to me that I could take out of this office. Can I say to my constituents that it's guaranteed that when they provide that feedback to you, they're going to be listened to? That's the assurance we need. That's what Canadians need, because you're going to tax them, and they need that assurance. How are you going to give that to them?

Dr. Supriya Sharma: Again, this is a cost recovery proposal. It is activities that are done by the regulator to regulate these products. Right now Canadians are paying 100% of those costs, and there are gaps that we need to fill. We need additional resources to do that. There are only two ways of getting those resources: Either Canadian taxpayers pay for it or the industry pays for some of it. Natural health products are the only health product line for which Canadian taxpayers pay all of those fees. It is a $5-billion-per-year industry in Canada. The cost recovery proposals are there based on a very standardized way that we calculate the fees. All of that is there in the proposals.

We have comments. A lot of the comments are, "We never want to pay fees." It's a little difficult to do something with that. If there is constructive feedback or suggestions on how to modify things, we're absolutely open to looking through that.

Mr. Robert Kitchen: If the business has an increased cost, that cost will be relayed to the people.

The Chair: You're well past time, Dr. Kitchen.

Dr. Hanley is next, for five minutes.

Mr. Brendan Hanley: Thank you, Mr. Chair. I'm pleased to have another chance to ask a few questions.

I'm reflecting on the influence....

Speaking of feedback, I understand that the public accounts committee deliberated on these topics last year. I'm quoting some colleagues—Conservative friends—one of whom asked, "What is the level of the sense of urgency to actually get some real, strong deterrents and actual teeth", in reference to the Attorney General report showing NHPs being contaminated.

Another one said, "Do you not find this disturbing, and are there any products out there right now that are supposed to be recalled and are not?"

I sense some perhaps mixed messaging from my Conservative colleagues about the need to address the safety of Canadians with measures like this. I for one am happy to see that Health Canada and the Minister of Health are stepping up to include natural health products where they pose risks, to make sure those gaps are closed.

Dr. Sharma, you've spoken a lot about costs. I think you've clarified a lot of our questions about costs and what they actually mean to consumers.

Can I come back to the $1.60 per Canadian again? Can you elaborate on that, so we understand what that means for Canadian consumers?

● (2115)

Dr. Supriya Sharma: Currently what's happening is that all of the costs are borne by taxpayer dollars for the entire framework.

If we're looking at the incremental increases from the cost recovery revenues, if we spread those costs across all Canadians—not just Canadians using products—if 100% of those costs were passed along by the industry to Canadians, that would be the equivalent of $1.60 per Canadian, regardless of whether they use the product or not. Again, it's really up to the companies what they do with those increased costs.

The $58,000 in terms of the fees, that's a class 3 product of the highest complexity, which is very novel and would take additional time. That's the minority.

The majority of products are class 1. The fee for a new product and seeking to market it in Canada would be just over $1,000. With the fee remissions for a small company, that would be $562. The equivalent of that for a pharmaceutical, prescription medication would be over $500,000 as a fee to Health Canada.

Mr. Brendan Hanley: Thank you very much.

Is it possible that presently we are underestimating some of the risks because of the need to close these gaps in information? Is it possible that we are actually underestimating some of the safety risks of natural health products?

Dr. Supriya Sharma: I think we don't know what we don't know with respect to the products, because we have a reactive system. In the postmarket space, in the inspection space, and in the advertising complaint space, it's reactive, so it's based either on doing pilots or on something coming to our attention. That's when we can investigate. We really don't have a system that's proactive. We're definitely missing things.

Again, I don't want to misrepresent these products as being riskier than prescription products. That's not the case. They are low-risk, but they are not no-risk. We know that in certain circumstances they can cause considerable harm because of how the products are used, if they're overused, if they're contaminated, if they're used inappropriately. There definitely is an underestimation of the risks.

Mr. Brendan Hanley: Given that a large percentage of our population uses natural health products, we want to make sure we address potential gaps in safety so that we can provide assurance to Canadians. It also helps support the many businesses that are appropriately profiting from the sale and production of these products.

I'm probably out of time right about now.

The Chair: You are indeed out of time.

Mr. Thériault, you have two and a half minutes.

[*Translation*]

Mr. Luc Thériault: Thank you, Mr. Chair.

You mentioned a $5-billion industry. That implies $2.8 billion in tax revenues. We're talking about a $100-million program. You have received no indication from Treasury Board as to how much sales tax this industry generates. Nor do you have any indication of the impact that cost recovery fees and mitigation measures will have on this figure. It has to be said that some companies may disappear. We don't know anything about that, yet.

This is a $100-million program, which you present as one for which the taxpayer pays. However, given the sales tax and the revenue generated by the tax, don't you agree that there is negotiating room to, first, really measure the true impact of this measure on businesses, particularly small businesses, and to adjust what is planned?

All over this grid, I see all sorts of figures: 58,000, 40,000, 23,000. There's still room for development. You're not basing this on any hard data.

● (2120)

Dr. Celia Lourenco: Thank you for the question.

[*English*]

As I mentioned, we are currently looking at the comments we received through our consultation, and we will adjust our proposal.

Based on the proposal we have consulted on, if we look at the majority of companies on the market, over 60% of the companies are small businesses. A large majority of them market only a small number of products, one to five products. Most of them maintain those products on the market, so they're not bringing in new products, for example.

If we're looking at the current fees being imposed on the majority of those companies, up to $2,000 a year is what a company, a small business, would pay in order to market their five products. That being said, we understand that could still be difficult for some businesses. We are looking at all the comments we have received and we'll take additional measures to mitigate impacts.

The Chair: We go to Mr. Davies, please, for two and a half minutes.

Mr. Don Davies: I want to explore the policy around this cost recovery, and I'll tell you what I'm thinking.

First of all, this idea that we're not getting money from this industry is wrong. NHPs pay sales tax. Pharmaceuticals do not. That's a policy choice. Every time a consumer goes to a store and buys a natural health product, they are sending money to the federal government, and probably the provincial government as well. They are being taxed.

Number two, it's been said repeatedly that these natural products are the only line of health products for which Health Canada does not currently charge fees. Aren't we comparing apples to oranges? Pharmaceuticals, particularly brand names, get 20 years' patent protection of monopolistic pricing power. Natural health products do not. Also, pharmaceutical products, for 80% of Canadians, are reimbursed through insurance plans. Natural health products are not. Taking one thing and saying, “We can have cost recovery for NHPs, just the same as we do for the other ones,” without taking into account the entire physical structure, strikes me as being not only unfair but financially wrong. I just want to state that.

I find myself unclear about the data. We say that the products are low-risk, but that low risk is not no risk. Well, there are no products that have no risk. A basketball, or a kleenex, or my coffee in front of me has a risk.

I'm trying to find out the actual data you have that suggests a change is required. You said 80% of the products in the sample were advertised with misleading product information and 56% were marketed with misleading label information. However, Health Canada's own compliance monitoring project from 2015 found the opposite. The label review found that 92% were compliant. How do you explain the discrepancy between those two reports?

Dr. Supriya Sharma: On the two reports, one was the CSED's, the OAG audit. There was a consumer protection organization that raised the issue around cancer claims. They looked at the ones that the consumer protection organization had raised: 88% of those made advertising claims that were false or misleading, and then 56% of the labels had false or misleading information. Again, though, it was a small sample. That's one they did.

When we did it at Health Canada, it was something similar. We had a look online, on the web, and used AI to look at that. We had 3,800. In that one, we found that 63% of them were making false or misleading treatment claims or false or misleading claims related to cancer. It's the 88% and 63%, but again, you have to look at how those samples were taken. That's the apples and oranges—

Mr. Don Davies: Thank you.

The compliance rate is wrong....

Dr. Supriya Sharma: That was on the label. That's not advertising claims. That's on labelling overall, having the ingredients, etc., on that.

Mr. Don Davies: That's on the labelling. Thank you for clearing that up.

The Chair: Thank you, Mr. Davies, and thank you, Dr. Sharma.

We have Mr. Doherty, please, for five minutes.

Mr. Todd Doherty: Thanks, Mr. Chair.

Dr. Sharma, I want to go back to one of the comments you made earlier on. You referenced some deaths attributed to natural health products. One was the 18-month-old toddler in Alberta. I believe you're referring to Ezekiel Stephan.

Isn't it true that the situation is different from what you're stating? The baby didn't pass away from using or taking natural health products. The baby ultimately passed away because the parents didn't believe in going to the hospital. The baby was very sick, and they first tried home remedies to try to get the baby better. The death wasn't necessarily attributed to a specific natural health product. Isn't that correct?

● (2125)

Dr. Supriya Sharma: Again, the information we have is the same as people have in terms of what was in the news. My understanding was they were using natural health products and natural treatments instead of—

Mr. Todd Doherty: Like garlic tonics—

Dr. Supriya Sharma: —antibiotics, because the child ended up having bacterial meningitis. That's what—

Mr. Todd Doherty: That's right. That's correct, but you can't specifically tie that to one specific natural health product that was mislabelled or dangerous. Is that correct?

Dr. Supriya Sharma: The point there, I think, was in relation to another comment from people thinking that a natural health product might be used for something that it's not—

Mr. Todd Doherty: What you're saying is that your comments are being misrepresented. Is that right?

Dr. Supriya Sharma: No. I was just giving context, so the other context—

Mr. Todd Doherty: With all due respect, I believe you to be a good person, but the context you used in your testimony today was to say that, well, a vast majority of these health products are safe. There was a tragic loss of a toddler from one. You used that as your testimony, and the reality of your testimony is that you misrepresented that situation. Is that correct?

Dr. Supriya Sharma: Respectfully, Chair, the idea is that we did a survey. Products are making claims again cancer. They're not allowed to make treatment claims against cancer—

Mr. Todd Doherty: I know, but I'm not talking about cancer.

Dr. Supriya Sharma: —and if somebody believes that claim and takes that medication for cancer instead of treatment—

Mr. Todd Doherty: Sure, but—

Dr. Supriya Sharma: —then that could have serious consequences. For a child who has meningitis and the parents believe—

Mr. Todd Doherty: —Ms. Sharma, specifically for this testimony—

Dr. Supriya Sharma: I'm just trying to finish my sentence, Chair.

Mr. Todd Doherty: I have a short period of time. I'm sorry, and we're just.... Your testimony was—

The Chair: I'm going to interrupt you for one second. Your time won't stop.

Dr. Sharma, you are entitled to as much time to answer the question as it takes him to ask the question, and I will make sure that you get that, but you won't get any more.

Go ahead.

Mr. Todd Doherty: I just want to be clear and give you a chance to clarify or withdraw that statement, because in fact it is misrepresentation of this.

Listen, I don't want anybody to pass away from taking natural health products. I had a natural health store back in the nineties as well. That dates me. I too was on the end of saying, "Well, this is the next thing that's going to get you muscles and what have you." Did I know? No, I didn't.

I guess your point today is that because of a product being unregulated, we saw the death of an 18-month-old toddler. That was how your comments came across. I'm just asking you to withdraw that, because in fact it was the parents, in their wishes, who didn't believe in hospitals at the time. They thought they could deal with the sickness. I guess they didn't understand the depth and the seriousness of the illness, and they tried with home remedies to make their child.... They loved their child, by all accounts. I believe they were charged with undue care ultimately....

I think your comments were misleading. You may not have intended it. That child didn't die because they used a natural health product. He died because they didn't get the appropriate treatment in a timely fashion. Is that correct?

The Chair: Now, Dr. Sharma, you won't be interrupted. You have two and a half minutes to answer the question, and that is the last question from Mr. Doherty.

Dr. Supriya Sharma: Respectfully, Chair, I'm a pediatrician. That's how I was trained. I was trained to look after children. I don't think there's anything more tragic than the loss of a child, and I don't think any parent should have to live through that. I'm sure that these parents very much loved their child.

That was not the intent. The intent of the discussion we're having is that if you have natural health products that make claims against serious diseases and people believe those claims, they may be using those treatments instead of using treatments that could potentially help their own condition or that of their loved ones. That was really the context.

The other example was a physician who said that one of their patients was taken off their medications and put on a natural health product for seizures, and that this had tragic consequences. It was just in that context.

I don't want to cast aspersions on any parents. It's just that when products are being misrepresented there can be consequences, and it's not just the toxicity of the product itself.

● (2130)

The Chair: Yes, Dr. Ellis.

Mr. Stephen Ellis: On a point of order, Mr. Chair, I think we asked that there be an answer to the question, not an expansion of it or a redirection around other things. The question was very clear. It was related to the fact that you cannot regulate what parents do to their children. Regulating natural health products would not have meant this child lived longer if his parents had chosen to do something different. That answer does not answer that question at all.

The Chair: I'm sorry, Dr. Ellis. That isn't a point of order.

If you could finish your answer, Dr. Sharma, we'll get on with the last round. Go ahead and finish.

Dr. Supriya Sharma: Thank you, Chair. I'm done.

Mr. Don Davies: Mr. Chair, can I ask a question that might clarify it for everybody?

The Chair: Well, the last question is going to go over here.

Mr. Don Davies: I think it would help Dr. Sharma and all of us with this. In that case, did the product that was given make a claim that it would treat the particular ailment the child had?

Dr. Supriya Sharma: We don't have the details, but the understanding was that the parents believed it could treat the condition the child had.

The Chair: The last round of questions goes to Mr. Fergus for five minutes or less.

Hon. Greg Fergus: With great trepidation, I'm going to continue the conversation along that vein. I think Mr. Davies asked a very good question, and I think your answer was very illuminating. The reason I say "with great trepidation" is the proviso that no one wants to impute or cast aspersions upon any parent. I know Mr. Doherty would agree with this, as well. As you mentioned, the death of a child is a tragedy beyond measure.

I think the point you made in your final answer in responding to Mr. Davies is that what often happens is that if you believe a claim about a product but that claim is unverified or unsubstantiated, it can have tragic consequences. It's not like a belt and suspenders in that you take a natural health product and a product that has undergone scientific rigour and study to make a validated claim. People usually pick one or the other.

I can see the attraction and why people would want to take natural health products. People are very concerned about what goes into their bodies, and so on and so forth. That's a very current view in Canada, and it has existed for a very long period of time. I'm not going to call into question what people's intentions are.

However, it seems to me that the minimum we would want to do to ensure that Canadians are safe, especially when it seems to having the same type of adverse.... As you said in answer to my last question, if the number of people who have adverse reactions to prescription drugs is the same as for natural health products, then you would want to make sure the claims made about those natural health products, or the ingredients of those natural health products, are clearly defined, so that people can understand what they're taking and make sure they know what's going into their bodies. Is that a fair comment to make?

Dr. Supriya Sharma: Yes, it absolutely is. When the claims that are being made—what someone is saying that product is doing—are accurate, truthful and supported by evidence, then they're appropriate for that product. When you look at that label and you can read it and understand it; when you know what's in the product, what the adverse events and allergens are, and how to contact the company; and when you have assurances that what's in that bottle or that tube is of high quality and not contaminated or adulterated in any way, shape or form, all of that then allows you, the consumer, to have the confidence that you are going into a safe marketplace and can have confidence in those products. That's really the goal.

That's not just our goal at Health Canada; that's every company's goal, as well. We're all working towards the same thing, to make sure that information is accurate and people can make informed decisions about their own health.

● (2135)

Hon. Greg Fergus: That's all I have.

The Chair: Colleagues, I'm going to pose a question to you. Then I'm going to dismiss the witnesses to give you a minute to think about the question. Then I'm going to ask you to answer the question. Then we're going to call for adjournment.

Our calendar calls for us to commence a review of the draft report on medical devices at our next meeting, but we have not yet finished the draft report on children's health. My question for you is this: Do you want to do medical devices or children's health at our next meeting? Park that for now. I'll come back to you to see if you have an answer for me right away.

To our witnesses, thank you so much for the patient and professional manner in which you handled all of the questions, as per usual. Thanks for the work you do on behalf of Canadians and for being here at this late hour in this climate.

Members, what's your wish for the next meeting?

Yes, Dr. Ellis.

Mr. Stephen Ellis: Mr. Chair, I'd like to move a motion, actually, since you brought up some committee business:

> That the committee conduct its upcoming study on women's health concurrently with its study on the opioid crisis, owing to the escalating opioid epidemic, which is having a devastating impact on the health of Canadians.

The Chair: All right, considering the hour, can we consider that to be a notice of motion to be dealt with after the appropriate 48 hours' notice?

Mr. Stephen Ellis: Well, Chair, I think it is actually in order. You yourself brought committee business into this. I think it's germane that we bring this up now in a public meeting and that we highlight how important the opioid crisis is. We should bring it up sooner than later and actually have this particular study run concurrently with the women's health study.

Mr. Don Davies: Chair, I have a point of order. Dr. Ellis moved his motion and finished speaking, and then you took the floor. I had my hand up to take the floor next, and then Dr. Ellis just jumped in. I don't think he was recognized after that.

Mr. Stephen Ellis: He asked me a question.

The Chair: I'm sorry. I don't know that I saw your hand, Mr. Davies. Do you have an intervention now?

Mr. Don Davies: Yes.

The Chair: Go ahead.

Mr. Don Davies: I move to adjourn.

The Chair: Just hang on one second here.

An hon. member: I don't think you can do that. There's a motion on the floor.

The Chair: There was an attempt to put a motion on the floor. I rule the motion out of order because we are not in committee business. You're free to challenge the chair on that if you wish, but I asked a simple a question as to what you want to do next week.

Committee business wasn't on the agenda. We're not in committee business. You can answer or not answer the question if you'd like. That doesn't open the door. The motion requires 48 hours' notice, because we're not in committee business. The motion is out of order.

I will now entertain a motion for adjournment.

Yes, Mr. Davies.

Mr. Don Davies: I move to adjourn.

The Chair: Is it the will of the—

● (2140)

Mr. Stephen Ellis: I want to challenge the chair.

You suggested I could, Chair, actually.

The Chair: A motion to adjourn is not debatable.

Is it the will of the committee to adjourn the meeting?

(Motion agreed to)

The Chair: The meeting is adjourned.