

THE PHARMACEUTICAL RESEARCH INDUSTRY IN QUEBEC (2005)

KEY FACTS:

Quebec, February 1, 2007

EMPLOYMENT

- In Quebec, the biopharmaceutical community creates more than 50,000 direct and indirect jobs¹.

RESEARCH AND INVESTMENT

- More than \$2 billion invested directly in the economy of Quebec².
- \$450 million invested in research and development².
- Of this total, more than \$30 million are allocated to universities and hospitals².
- Quebec attracts more than 50% of all investments in pharmaceutical research in Canada².

OUR PRESENCE HERE

Quebec's pharmaceutical research community operates 25 head offices and 13 business offices in the province.

BENEFITS

- New drug therapies help patients avoid more onerous treatments such as hospitalization and surgery.
- According to the OECD³, over a 20-year period, new medicines have helped to reduce hospitalization due to diabetes and respiratory diseases by **44%**. The number of deaths due to heart attacks has decreased by **64%**.

DRUG COST AND PRICE

- Patented prescription medicines account for less than **ten cents** of every dollar spent on health care in Quebec⁴.
- In Canada, the Patented Medicine Prices Review Board (PMPRB) regulates patented medicine prices.
- According to the PMPRB, the price for patented medicines in Canada is on average **8% below** the international median price⁵.
- According to the PMPRB, Canadian patients pay on average **30% more for generic medicines** than the international median used by the Board⁶.

¹ PricewaterhouseCoopers, 2005

² Patented Medicine Prices Review Board Report (PMPRB), Palmer and D'Angelo Consulting Inc.

³ Eco-Santé OECD, 2005

⁴ Rx&D calculation based on data from the Canadian Institute for Health Information, IMS Health Canada, and PMPRB reports published in 2006

⁵ PMPRB, 2005 Annual Report

⁶ PMPRB, Non-Patented Prescription Drug Prices Quarterly Report, Canadian and Foreign Price Trends Report, June 2006

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KEY FACTS:

DRUG COST AND PRICE (continued)

- According to the PMPRB, the price for patented medicines has remained stable or decreased slightly since 1993. In fact, in Quebec, the patented medicine prices have been frozen since **1994** while, over the same period, the consumer price index rose by **22%**⁷.
- According to RAMQ (Quebec Health Insurance Plan) data, **90%** of the annual increase in the Plan's expenses is due to an increase in the volume of prescriptions, coupled with a rise in the number of people insured.

THE 15-YEAR RULE

- The *15-year Rule* does not extend a patent. It allows full coverage by the RAMQ for a period of 15 years following inclusion on the Quebec Drug Plan. Should the patent expire prior to this period, the patient, in concert with the physician, may choose between the original drug and its generic copy. The *15-year Rule* also enables a patient to continue therapy with a patented medicine, while avoiding a substitute that could cause complications. The physician benefits from a greater latitude to prescribe the medicine.
- According to a study by the Quebec Ministry of Finance, the abolition of the *15-year Rule* would have a downward impact of \$340 million on the real gross domestic product (GDP).

Canada's Research-Based Pharmaceutical Companies (Rx&D) is an association of members dedicated to improving the health of all Canadians. As partner of the health-care system, our discoveries help eliminate the need for medical procedures such as surgery, which have a significant impact on patient quality of life and health-care budgets. Our community represents over 22,000 men and women working for 50 member companies in Canada, including more than 10,500 workers in Quebec.

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For Further Information:

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⁷ PMPRB, 2005 Annual Report