

STATEMENT

NEW CIHI REPORT SHOWS VALUE OF NEW MEDICINES IN HEALTH CARE SYSTEM, Rx&D

Ottawa, May 15, 2008 – The following is a statement by Russell Williams, President of *Canada's Research-Based Pharmaceutical Companies (Rx&D)* regarding the release of the pharmaceutical report by the Canadian Institute for Health Information (CIHI).

“The value of new medicines and vaccines as a cost-effective component in our health-care system is clearly demonstrated in the CIHI report. Brand-name medicines account for less than 10% of overall spending in our health-care system.

“We note that public drug plans in Canada account for less than 40% of total drug expenditures, one of the lowest rates among OECD countries. The OECD median was 64.5% while Canada's was 38.7%.

“People who most rely on Canada's public drug system (seniors and socially disadvantaged) do not have the same level of public coverage for prescription medicines as those in other OECD countries, nor do they have access to the same level of coverage as those who have private insurance through their employers.

“We also note that generic drugs are driving most of the growth in spending, according to a recent report by IMS Health. The report found that excluding biologic medicines, brand name sales grew by only 1.4% while generic sales jumped by almost 21%.

“The Competition Bureau and other studies have found that generic drug prices in Canada are among the highest in the world and are on average about 30% above prices in other developed countries. Canadian patients have been paying too much for generic drugs for decades and governments should take a closer look at this issue, just as the Competition Bureau did. In contrast, prices for patented medicines have been nearly flat over the last 10-year period and have actually dropped in recent years when inflation is taken into account.

“The generic drug makers also continue to claim the recent PM(NOC) amendments will extend patent protection, contravene a Supreme Court of Canada decision and raise drug costs. These assertions are not true. If their position prevails, the potential consequences are loss of jobs and investments into research and development here at home. In fact, the generic drug manufacturers are trying, through political maneuvering, to protect a loophole in the PM(NOC) Regulations to get earlier access to the market and the fruits of our research to discover new medicines and vaccines.”

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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 more than 50 member companies in Canada and is responsible for generating 100,000 jobs across Canada.

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