

PRESS RELEASE

Smart Regulation: A step in the right direction

Ottawa, March 24, 2005 – *Canada's Research-Based Pharmaceutical Companies (Rx&D)* welcomes the federal government's plan announced today by Treasury Board President Reg Alcock to renew Canada's regulatory system.

This renewed initiative, under the *Smart Regulation Report on Actions and Plans*, highlights three areas of importance to patients, physicians, health care stakeholders, and the research-based pharmaceutical community in Canada: the timeliness, efficiency and transparency of the drug review process; the exercise of greater vigilance regarding the safety and therapeutic effectiveness of products currently on the market; and, access by Canadians to appropriately prescribed and cost-effective drug therapies.

The cost-effectiveness of new medical therapies was most recently documented by Professor Frank Lichtenberg of Columbia University. Professor Lichtenberg estimated that for every \$1.00 invested in newer medicines (vs. older medicines), \$6.00 to \$8.00 is saved in other parts of the health care system. About 2/3 of this reduction is in hospital costs and the other 1/3 is about evenly divided between savings in physician and home care costs.

"This is a significant step forward to align Canada's regulatory system with other countries involved in innovation and the discovery of new medicines," stated Rx&D President Russell Williams.

As this renewal process gets underway, Rx&D is confident the initiatives to improve the drug approval process, monitor the safe and effective use of medicines, and improve access to new medicines will meet the federal government's objective of making Canada internationally competitive.

"Our member companies are committed and ready to work in partnership with patients, stakeholders and governments to ensure the health care initiatives under the *Smart Regulation* will achieve what is best for those who matter most – patients," concluded Mr. Williams.

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 more than 22,000 men and women working for over 50 member companies in Canada.

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