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CIHI REPORT CONFIRMS PATIENTS WAIT LONGER FOR ACCESS TO NEW MEDICINES

Ottawa, May 11, 2006 – Yesterday's release of the report *Drug Expenditures in Canada 1985 to 2005* by the Canadian Institute of Health Information (CIHI) shows once again that patients across Canada are waiting longer to gain access to new medicines, says *Canada's Research-Based Pharmaceutical Companies (Rx&D)*.

The report points to "significant variation in public drug spending" from one province to another. "This underlines the fact that Canadians do not have equal access to new medicines and vaccines once they have been approved by Health Canada," declared Rx&D President Russell Williams. "The province in which you live will depend upon which therapies physicians and patients will have access to treat illness and disease."

Not only do patients have unequal access to new lifesaving and quality of life medicines, a recent IMS report* states the average time it takes to list a new approved medicine or vaccine on a provincial formulary jumped from 19 months in 2000 to 27 months in 2005 - an increase of 42%. This is on top of the nearly 20 months it takes for a new medicine to be approved by Health Canada.

CIHI reports an estimated \$25 billion in public drug expenditures last year, of which \$20.6 billion is attributed to mostly prescribed drugs. CIHI's drug expenditures include *patented medicines*, non prescription drugs (including over-the-counter drugs, and personal hygiene products such as lubricants, wart removers, adhesive bandages, cotton swabs, dental floss, to name a few), generic drugs, pharmacy professional fees and mark-ups. According to CIHI, prescription drugs represent 17.5% of total health expenditures in Canada in 2005.

"It is important for Canadians to understand that the portion attributed to *patented prescription medicines* account for less than 8% of Canada's health-care dollar, not the 17.5% one might gather from the report," stated Mr. Williams. "New medicines and vaccines are an investment in our health-care system, not a burden to Canada's economy."

CIHI also found that when compared to other OECD countries, Canada "was far below the median when it came to how much of the total drug bill was publicly financed." In this regard, Mr. Williams noted that "New medicines and vaccines have proven to be cost-effective and continue to contribute greatly to an improved quality of life and enhanced health care for Canadian patients."

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**Prescription drug purchases by Canadian hospitals and pharmacies reach \$16.57 billion in 2005*, IMS Health Canada news release, March 15, 2006.

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The Rx&D president next illustrated how innovative medicines and vaccines, along with improved public health, changes in lifestyles, and disease management programs, have contributed to the reduction of death rates in a number of areas. For example, over a period of 20 years, lung disease and HIV/AIDS have been reduced by more than 70%. Death rates from heart attacks have also fallen by 70%, and, despite Canada's aging population, our country has witnessed a 35% reduction in hospitalizations.

Also, a study by Columbia University estimated that every dollar invested in newer medicines relieves the system of expenses seven times greater in other areas of health care by reducing hospital, physician, and home care costs. "Clearly, new medicines are cost-effective and help save valuable health-care dollars that can be invested in other health-related areas," remarked Mr. Williams.

"The research-based pharmaceutical community in Canada is committed to work in partnership with all levels of government to ensure that patients remain the first priority in our health-care system and that they and our health-care professionals have access to the best optimal therapy possible," 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 over 22,000 men and women working for 50 member companies in Canada and is responsible for generating 100,000 jobs across Canada.

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