

Canadian Pensioners Concerned, Inc. Ontario Division.

Our Commentary on the Status Report by the Health Council of Canada, January 2009

National Pharmaceuticals Strategy: *A Prescription Unfilled*

We strongly support the original goals of the Pharmaceutical Strategy and regret that the First Ministers have moved away from their original ideas. We recognize the importance of Provincial constitutional jurisdictions. We also believe that political agreements could have been made that would have moved the agenda closer to its ultimate goals – a national catastrophic drug strategy, reducing the costs of medications, improving patient safety and creating an effective national drug formulary that would provide Canadians with access to coverage to the same medications from coast to coast to coast.

1. Canadians need a national catastrophic drug strategy and the coverage of expensive drugs for rare diseases that would protect them from hardship no matter where they live in the country. A joint funding effort could have achieved this goal. Cost sharing is the obvious route to go and this can be achieved if all governments and their publics are determined to make it happen. Equal access for all citizens in need is an obvious policy and the constitutional niceties are not an obstacle to this – political will is!

We agree with the Council's recommendation that a clear move by all governments to bring down the cost of drugs would be a very useful first step. However, we do not believe that the way to achieve that price reduction is for provincial or territorial governments to create monopoly delivery systems that will reduce their budget costs while at the same time hurting all those not covered by provincial or territorial plans. This is counterproductive to the interests of all Canadians.

2. There are strategies available to reduce the cost of prescription drugs and some of the provinces have moved in that direction – though not all - and none of them have done enough. The Patented Medicines Prices Review Board (PMPRB) has played an important role but it must move more effectively to challenge the prices of drugs as they appear on the market. We therefore see a potential to expand the Role of the PMPRB in the following ways:

- a. The PMPRB should report on the differential cost of drugs from one province to another.
 - b. The PMPRB should report on the secret deals being signed between brand-name drug companies and provincial governments. These non-transparent deals might lower prices for some provinces but those savings are being by allowing these companies to charge more to all other payers (patients, employers, unions). The public should know the real prices being paid by taxpayers for prescription medicines.
 - c. As per the Competition Bureau reports of October 2007 and November 2008, the PMPRB should undertake to separate the net costs charged by generic pharmaceutical manufacturers to pharmacies from the prices being paid to pharmacies for these products by governments and other payers. While the Competition Bureau found that the generic pharmaceutical industry in Canada is highly competitive, it expressed concern that this competition might not be reflected in the prices charged by pharmacies for these products. (We note that the sales data cited in the Council's report is from a July 2006 and does not reflect the significant price reductions for generic drugs that have been implemented by several provinces, including Ontario, Quebec, Nova Scotia and British Columbia since that time. It also does not reflect the price increases provinces have allowed brand-name drug companies – although these higher list prices may have been a trade off for brand-name drug manufacturers offering provinces secret rebates. It should identify, on a yearly basis, the difference between funds spent on research by each company as opposed to the funds spent on marketing.
3. The Federal Government should not give patent protection and other monopolies to drug companies in excess of Canada's international trade obligations such as NAFTA and TRIPS(WTO trade-related intellectual property rights). The current policy in Ottawa forces all Canadians

(provinces, employers, unions, hospitals, patients) to pay monopoly drug prices for longer than they should.

4. The cost of medications is affected by the claims of manufacturers for their costs of doing research. Governments must be clearer about the real costs and the assumed costs and by this, we refer to the research done in National Health laboratories and Hospital and University Laboratories. These latter exercises are supported by taxpayers' dollars. Those costs should be deducted from the costs claimed by the pharmaceutical companies who build their research and production on the work of such publicly sponsored institutions. This factor would help to reduce the ultimate cost of patent drugs when they go to market.

5. The health and safety of pharmaceutical drugs is a growing concern as the council has pointed out. Health Canada must require public reporting of all adverse drug effects over both the short and long term. There is no justification for the failure to report all adverse effects whether the pharmaceutical is used for its original purpose or for some other illness not originally studied.

We also know that improvements must be made to the prescribing of medications and we believe that there must be an increased role for pharmacists in the protection of consumers from prescribing errors. We agree with the Council that e-prescribing will be a great help in this regard. The cost of medication errors to the health care system and the lives of consumers have been well established.

We are very concerned by the dispensation of samples by health care providers to their patients. This practice should be stopped, as the important expertise that pharmacists can bring to the mixing of medications is by-passed by such actions, well intentioned as they may be.

We believe that the Federal Government must strengthen its ban on direct advertising of pharmaceuticals to consumers. Everyday there are examples on television, in magazines and newspapers of companies targeting the consumer with the supposed benefits to be achieved by

the use of their products. This inevitably leads to increased demand, which in many cases may be inappropriate, and to increased costs to the health care system.

We support the work of the Health Council in drawing the attention of the public to these issues. We would like to see the Council speak louder and more often so that an informed public opinion can work with it to achieve the original goals established by the First Ministers and identified in the paper “ A Status Report on The National Pharmaceuticals Strategy: *A prescription Unfilled*”.

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