



**GENERIC DRUGS  
SAME QUALITY  
BETTER PRICE**



CANADIAN GENERIC PHARMACEUTICAL ASSOCIATION

## DIRECT-TO-CONSUMER ADVERTISING BY PHARMACEUTICAL COMPANIES

### THE ISSUE

Canada prohibits direct-to-consumer advertising (DTCA) of prescription drugs under the **Food and Drug Act** as an important health protection measure. The brand-name pharmaceutical industry continues to lobby the Government of Canada to lift this ban, and CanWest MediaWorks has launched a Charter Challenge arguing the ban on mass-media advertising puts the company at a competitive disadvantage to U.S. media. Both of these efforts are aimed at increasing corporate profits without concern for the health, safety, and optimal prescribing needs of Canadian consumers.

### BACKGROUND

The Canadian Generic Pharmaceutical Association, the Canadian Medical Association, the Canadian Pharmacists Association, the Consumers Association of Canada and other groups oppose direct-to-consumer advertising for pharmaceutical products. The World Health Organization has adopted a policy that discourages DTCA for prescription drugs, and the practice is currently banned in all industrialized countries except New Zealand and the United States.

Direct-to-consumer advertising for prescription drugs has been prohibited in Canada since 1949 in order to protect the purchasing consumer against deception and injury to health. Advertisement of all drugs to health care professionals is permitted in Canada.

In the United States, direct-to-consumer advertising of prescription drugs has been allowed since 1997. Research in that country has shown that there is a strong link between prescription drug usage and advertising. History has also shown the new, more expensive drugs often advertised by brand-name drug companies are not necessarily safer or more effective than existing medications.

In its November 2001 report on **Prescription Drugs and Mass Media Advertising**, the National Institute for Health Care Management in the United States reported the following:

- A relatively small number of prescription drugs that were advertised to the public in 2000 contributed significantly to the increase in pharmaceutical spending in the U.S. from 1999 to 2000.
- Increases in the sales of the 50 drugs most heavily advertised to consumers in 2000 were responsible for nearly half (47%) of the \$20.8 billion increase in retail spending on prescription drugs from 1999 to 2000. Increases in the sales of all other prescription drugs (numbering about 9,850 in the retail market) accounted for 52.2% of the one-year rise in retail pharmaceutical spending.
- Retail sales of the 50 most heavily advertised drugs rose an aggregate 32% from 1999 to 2000, compared to 13.6% for all other drugs combined

- The number of prescriptions for the 50 most heavily advertised drugs rose 24.6% from 1999 to 2000, compared to an increase of 4.3% for all other drugs combined.

Advertising does not provide the impartial and objective information consumers need to make informed decisions. Instead, its main goal is to increase product sales. Allowing DTCA in Canada would only increase the burden on the health-care system. Not only can direct-to-consumer advertising lead to higher drug costs, it can also lead to more physician visits. In a country where the vast majority of physicians are paid on a fee-for-service basis, the cost implications of more, and perhaps unnecessary, patient visits to physicians is clear.

### CGPA POSITION

Canada must continue to uphold its ban on mass-media advertising of prescription drugs under the **Food and Drug Act** in the interests of consumer health and safety, and preventing new and unnecessary burdens on Canada's health-care system.