



**GENERIC DRUGS
SAME QUALITY
BETTER PRICE**



CANADIAN GENERIC PHARMACEUTICAL ASSOCIATION

CHANGES TO THE REIMBURSEMENT SYSTEM FOR GENERIC PHARMACEUTICAL PRODUCTS

ISSUE

Government-mandated changes to the reimbursement system for generic pharmaceutical products are occurring in Quebec and Ontario. Changes will likely occur in other jurisdictions in Canada as well.

Provincial governments believe that the reimbursement prices they pay pharmacies for generic drugs are higher than in other countries. In fact a study commissioned by the provinces found that reimbursement prices for generic medicines in Canada are approximately 20% higher than in other countries.

Provincial government also believe that generic pharmaceutical manufacturers have provided purchase incentives to their pharmacy customers as part of the competitive process and have raised concerns, as they believe this system is not transparent and may not be benefiting taxpayers and patients.

Governments have indicated that they wish to have greater transparency in the generic pharmaceutical supply chain. For example, Ontario's Bill 102 bans "rebates" to pharmacies and allows "professional allowances" for patient care initiatives.

CGPA POSITION

As Ontario, Quebec and, perhaps, other provinces move forward with changes to their systems for reimbursing for generic medicines, CGPA's goal is to achieve a system that provides for the long-term sustainability and prosperity of all parties in the value chain.

CGPA advocates for provisions that meet governments' goal of transparency and fairness in pricing but that also allow generic companies to compete against each other in the marketplace. CGPA believes that generic firms need to be allowed to differentiate themselves through approved marketing practices.

CGPA believes that, as changes are made to the reimbursement system, governments must better recognize the key role that pharmacists play in the Canadian health-care system, and fairly compensate them for the important services they provide to patients.