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Ontario, Quebec Have Lowest Generic Usage, Highest Per Capita Drug Spend

Generic Drug Makers Offer 60 per cent Solution to Rising Rx Drug Costs

Toronto, May 15, 2007 – The two provinces with the lowest levels of generic drug use in Canada also have the highest per capita spending on prescription drugs, the Canadian Generic Pharmaceutical Association (CGPA) said today in response to figures released by the Canadian Institute for Health Information (CIHI) in its annual report on drug spending.

The CIHI report released today shows that spending on prescribed drugs was highest in Quebec, at an estimated \$699 per person, followed by Ontario at \$675 per person.

“It is not a coincidence that the two provinces with the highest per capita drug expenditure are the ones with the lowest rates of lower-cost generic drug use,” said Jim Keon, President of CGPA.

Generic drugs are dispensed to fill only 40 per cent of prescriptions in Quebec and 47 per cent in Ontario. In British Columbia, which has one of the country’s lowest per capita spend on prescribed drugs at \$567 per person, lower-cost generic equivalents are dispensed to fill 52 per cent of all prescriptions.

Keon said that these figures highlight the contribution generic drugs make to containing health-care costs, and the continuing influence of the brand-name drug industry’s lobbying.

“Ontario and Quebec are the two largest markets in Canada and, therefore, have been a focus for big pharma’s lobbying efforts,” said Keon. “Clearly those lobbying efforts have been very effective.”

Keon believes that as prescription drug costs rise, governments, employers and consumers will take steps to increase their use of lower-cost generic equivalents, and look past the lobbying and promotional efforts of brand-name drug companies.

“Increasing the use of lower-cost generic equivalents is a far better way to save money on prescription drugs than cutting benefits or asking patients, particularly seniors and those on fixed incomes, to pay more for the medicines they need,” he said.

According to CGPA estimates, Canadians could save \$700-million on the cost of prescription medicines in the first year alone if the use of generic drugs increased to levels in the United States, where generic drugs are dispensed to fill 63 percent of all prescriptions.

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“We are encouraging governments, employers that sponsor drug plans for their employees and all Canadians to increase their use of lower-cost generic medicines to match levels in the United States,” Keon said.

“Increasing the use of lower-cost generic medicines is not only good for the health-care system; it is also good for Canada’s economy. Unlike most brand-name drugs, which are shipped into Canada, the vast majority of the generic drugs sold in Canada are made right here.”

About the Canadian Generic Pharmaceutical Association

The Canadian Generic Pharmaceutical Association (CGPA) represents Canada’s generic drug industry – a dynamic group of companies that specialize in the production of high quality, affordable generic drugs and fine chemicals and in conducting the clinical trials required for government approval of generic drugs. The industry plays an important role in controlling health-care costs in Canada. Generic drugs are dispensed to fill 45 per cent of all prescriptions but account for only 18 per cent of the \$18-billion Canadians spend annually on prescription medicines.

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For more information, please contact:

Jeff Connell
Director of Public Affairs
Canadian Generic Pharmaceutical Association
(416) 223-2333
Email: jeff@canadiangenerics.ca