



The Role of the Generic Pharmaceutical Industry in Canadian Health Care

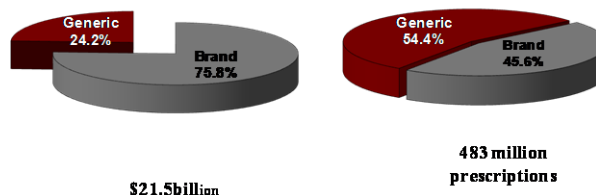
Approved by Health Canada, generic drugs are low-cost versions of brand-name drugs that are produced by several manufacturers once the 20-year patents expire on the brand-name versions. Generic drugs are identical or bioequivalent to higher-priced brand-name versions in dosage form, safety, strength, route of administration, quality, performance characteristics and intended use.

Drug costs are the fastest rising cost for Canadian governments and for employers that sponsor drug benefit plans for their employees. In Canada, the use of lower-cost generic prescription medicines saves governments, employers and consumers \$4-billion every year.

The Economics of Generics: Value for Money

Even though generic drugs are dispensed by pharmacists to fill more than 54.4% of all prescriptions in Canada, they account for only 24.2% of the \$21.5-billion that Canadians spent on prescription medicines in 2009.

The Canadian Prescription Drug Market
Year 2009



Source: [ims](#)

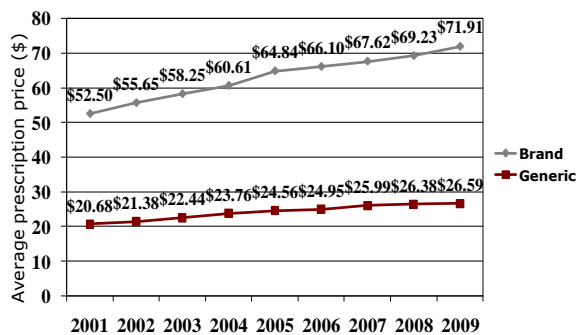
Additional Savings on the Way: Lower Generic Drug Prices

While generic prescription medicines are already providing exceptional savings to Canada's health-care system, generics are now an even better value. In Ontario, Quebec and Alberta the generic industry has worked with provincial governments to implement price reductions.

More Savings Could Be Realized:

In the United States, generic prescription drugs are dispensed to fill 75% of all prescriptions. If the use of generic drugs in Canada increased to these levels, it **would save Canada's health-care system an additional \$1.5-billion in the first year alone.**

Average retail price per prescription in Canada
Brand vs. Generic
2001-2009



Source: IMS Health Canada, Compuscript