

# THE TRUTH ABOUT THE FEDERAL DRUG PRICING REFORM

Health Canada has changed the *Patented Medicines Regulations* to introduce strict price controls for medicines. But the reforms are based on false assumptions.

## HEALTH CANADA SAYS<sup>1</sup>...

Canadians are paying too much for medicines

The new pricing regime will have no negative impacts

Pharmaceutical companies aren't doing the research they promised in Canada

The reform is similar to those found in other countries

## BUT THE REALITY IS...



After rebates, net prices paid by governments are **30% LOWER** than the sticker prices used by Health Canada to justify stricter price controls<sup>2</sup>



By reducing prices up to **70%**,<sup>4</sup> the reform will make Canada a less attractive global destination for launching new medicines and investing in health research<sup>5</sup>



The industry has kept its promise by investing over **\$1 billion** in R&D annually,<sup>7</sup> **DOUBLE** what Health Canada claims



**NO** other country uses comparable criteria to regulate all sales of patented medicines



Patented medicines represent **only 3%** of government health spending<sup>3</sup>



Canadians will lose access to new medicines or will have to wait much longer before they can access them<sup>6</sup>

**The reform will harm Canadians and our economy. Many patients will no longer have access to new life-saving medicines or clinical trials, and there will be fewer jobs for Canadians.**



<sup>1</sup> Health Canada PMPRB Fact Sheet, August 9, 2019.

<sup>2</sup> Office of the Auditor General of Ontario (December 2017). Annual Report 2017, Section 3.09 Ontario Public Drug Programs, p. 491.

<sup>3</sup> Canadian Health Policy Institute (February 2019). Facts about the cost of patented drugs in Canada: 2018 Edition.

<sup>4</sup> Patented Medicine Prices Review Board (2019). Guidelines Modernization: Case Studies.

<sup>5</sup> Canadian Health Policy Institute (August 2019). Patented drug prices and clinical trials in 31 OECD countries 2017: implications for Canada's PMPRB.

<sup>6</sup> Canadian Health Policy Institute (October 2018). New Patented Medicine Regulations in Canada: Case Study of a Manufacturer's Decision Making about Regulatory Submission for a Rare Disorder Treatment.

<sup>7</sup> Innovative Medicines Canada (October 2017): Data Analytics and Members' Economic Footprint and Impact in Canada, Ernst & Young, p. 23.