



FACT SHEET ON PAN-CANADIAN PHARMACEUTICAL INITIATIVES

April 3, 2014 – Through the Health Care Innovation Working Group (HCIWG), provinces and territories* have been taking a coordinated approach to price setting for generic pharmaceuticals and joint negotiations for brand name drugs.

Costs for commonly-used generic drugs are being reduced as provinces and territories work together to establish a price point of 18 per cent of the brand name price. Individually, provinces and territories have been paying from 25 to 40 per cent of brand name prices.

To date, 10 commonly-used generic drugs have been reduced in price.

Effective April 1, 2013, the following generic drugs were priced at 18 per cent of brand:

- Atorvastatin – to treat high cholesterol
- Ramipril – to treat blood pressure and other cardiovascular conditions
- Venlafaxine – to treat depression and other mental health conditions
- Amlodipine – to treat high blood pressure and angina
- Omeprazole – to treat a variety of gastrointestinal conditions
- Rabeprazole – to treat a variety of gastrointestinal conditions

Effective April 1, 2014, the following additional generic drugs have been priced at 18 per cent of brand:

- Rosuvastatin – to treat high cholesterol
- Pantoprazole – to treat a variety of gastrointestinal conditions
- Citalopram – to treat depression
- Simvastatin – to treat high cholesterol

The annual savings on these 10 generics is estimated to be \$150 million per year across all participating public drug plans. This means real cost savings for Canadians as generic drugs account for 38.8 per cent of provincial drug plan spending (as of 2012/13).

In addition to the work on generic drugs, provinces and territories have worked together through the Pan-Canadian Pricing Alliance (PCPA) to complete 32 joint negotiations achieving consistency in drug listings and improved value. As a result of this work, \$80 million in annual savings will be achieved for participating provinces and territories.

The HCIWG was created by Canada's Premiers in January 2012 to drive a collaborative process for health transformation and innovation.

* Québec does not participate in these initiatives, particularly because it is incompatible with Québec's legislation.

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