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A Joint Statement from the pan-Canadian Pharmaceutical Alliance and the Canadian Generic Pharmaceutical Association

On behalf of participating federal, provincial, and territorial public drug plans, the pan-Canadian Pharmaceutical Alliance (pCPA), with the Canadian Generic Pharmaceutical Association (CGPA) have jointly developed a new five-year initiative that will provide significant savings for all Canadians who use prescription generic drugs, participating public drug plans, and employee drug plans.

As of April 1, 2018, the prices of nearly 70 of the most commonly prescribed drugs in Canada will be reduced by 25% - 40%, resulting in overall discounts of up to 90% off the price of their brand-name equivalents. These drugs include those used to treat high blood pressure, high cholesterol, and depression, and are collectively used by millions of Canadians.

More than 70% of all prescriptions reimbursed under Canada's public drug plans are generic drugs. This new initiative will not only provide savings to patients and increase the sustainability of drug plans, but will also improve pricing consistency across the country, and help drug plans increase access to new drugs in Canada.

Previous joint efforts between pCPA and CGPA have resulted in savings of over \$1 billion to participating drug plans over the past five years, and will continue to save \$250 million per year. This initiative builds upon that foundation, and is estimated to save an additional \$385 million in the first year, and up to \$3 billion over the next five years through a combination of price reductions and the launch of new generic drugs. Savings to patients and employers are expected to match or exceed those achieved by Canadian governments.

A key component of this initiative is that tendering will not be pursued by the participating drug plans over the five-year term. The generic drugs covered in this initiative are manufactured by multiple generic companies, helping to ensure a stable supply for Canadian patients. Pricing stability and predictability will also help to ensure that generic pharmaceutical manufacturers can continue to invest in bringing new cost-saving generic drugs to the Canadian market in the coming years.

All drugs (brand name and generic) are reviewed and authorized for sale by Health Canada before they can be prescribed. Generic drugs contain the same active ingredients and work the same way in the body as the original brand name drugs.

According to the Patented Medicine Prices Review Board, Canada's generic drug prices decreased by an average of 48% between 2010 and 2015. This decrease was greater than the generic price declines among other countries. Building on previous pCPA and CGPA efforts, this initiative will continue to improve Canada's position in relation to international generic prices.

The list of generic drugs subject to further price discounts effective April 1, 2018 will be published on the Saskatchewan formulary website, <http://formulary.drugplan.ehealthsask.ca/PanCanadian.aspx>

The [pan-Canadian Pharmaceutical Alliance](#) brings provinces, territories, and federal drug plans together to negotiate prices for publicly covered drugs. The [Canadian Generic Pharmaceutical Association](#) represents companies that produce generic prescription drugs.

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