

The availability and use of generic prescription medicines saved Canada's health-care system nearly \$62-billion over the past five years. Generic prescription medicines play a key role in controlling health-care costs in Canada. Generic prescription medicines are used to fill 68.6-percent of all prescriptions, yet account for only 22.0-percent of the \$24.8-billion dollars spent annually on prescription drugs in Canada.

Generic prescription medicines are essential for the sustainability of public, employer and union-sponsored healthcare benefit plans upon which the vast majority of Canadians rely.

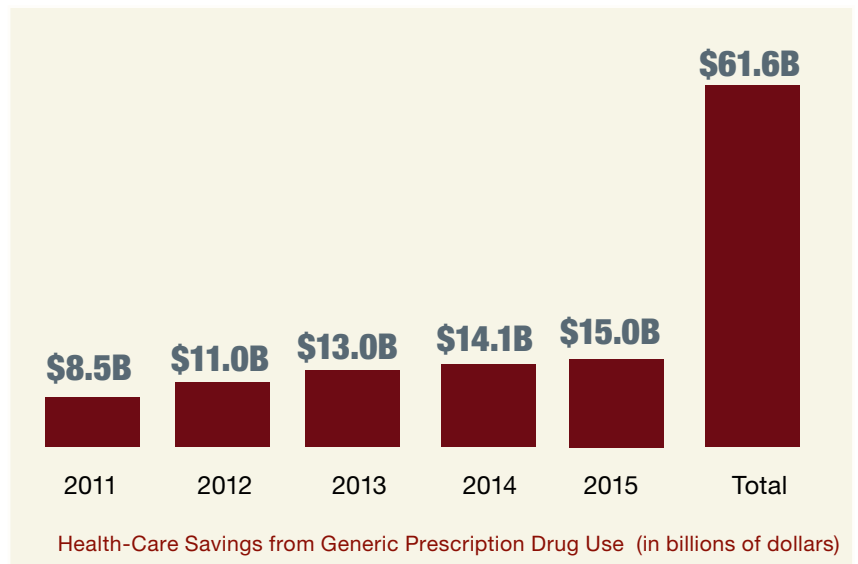
Generic Prescription Medicines Savings Analysis

The following methodology was employed by the Canadian Generic Pharmaceutical Association (CGPA) to calculate the savings from the use of generic prescription medicines from 2011 to 2015:

- CGPA purchased IMS Brogan, Canadian sales data used to review brand-name and generic pharmaceutical product sales from 2011 through 2015;
- For each year, CGPA calculated the average annual price difference (discount) between generic prescription medicines and the brand-name versions;
- CGPA used the average price differential for each year and the annual sales of generic medicines to calculate annual savings from 2011 to 2015.

Over the past five years (2011 – 2015) the use of generic prescription medicines saved Canada's health-care system (both public and private sector drug purchasers) a total of **\$61.6-billion**.

The ongoing sustainability of drug benefit plans in Canada is highly dependent on the use of generic prescription medicines. Canada faces demographic changes that will increase the pressure on publicly and privately funded health-care services. Therefore, policies to increase the use of generic prescription medicines in Canada are key to ensuring the ongoing sustainability of drug benefit plans and broader health-care services. **These policies include:**



- Intellectual property regimes that are fair and balanced for all stakeholders, including payers and generic pharmaceutical manufacturers.
- Timely national (Health Canada) review and approval of new generic pharmaceutical products.
- Timely listing of generic pharmaceutical products on provincial drug plan formularies following Health Canada approval.
- Changes to the design of both public and private sector drug benefit plans to ensure maximization of cost-saving generic medicines.
- Careful, unbiased, clinical evaluation of the cost-effectiveness of new, patented medicines to ensure they provide therapeutic improvement to patients and not just higher costs.