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Opinion

Cost of prescription medicines could rise under new NAFTA

The intellectual-property provisions included in the final agreement could delay when cost-saving generic and biosimilar medicines can enter the Canadian market, writes the president of the Canadian Generic Pharmaceutical Association.

BY JIM KEON

Health Minister Ginette Petitpas Taylor's mandate in large part is focused on improving access to necessary prescription medication and reduce the cost Canadian governments pay for these drugs, writes the president of the Canadian Generic Pharmaceutical Association. *The Hill Times file photograph by Andrew Meade*

Access to affordable prescription medicines is a high priority for Canadians.

Health Minister Ginette Petitpas Taylor's mandate in large part is focused on improving access to necessary prescription medication and reduce the cost Canadian governments pay for these drugs.

Provincial governments have actively worked to control drug costs over the past decade, and created the pan-Canadian Pharmaceutical Alliance (pCPA) five years ago in an effort to conduct pan-Canadian price negotiations for prescription medicines.

National pharmacare is also a major preoccupation. The House Health Committee held months of hearings on the issue and published its recommendations in April. Earlier this year, the government launched a national advisory council on pharmacare, tasked with developing recommendations for how to implement affordable national pharmacare for Canadians.

Generic and biosimilar medicines are an important solution in providing access to affordable prescription medicines. For the top-selling prescription medicines in Canada, 10 generic prescriptions can be filled for the price of one brand-name prescription. While biosimilar medicines have only been available to Canadians for the past few years, as time goes on, they will increasingly provide essential alternatives to high-cost biologic drugs.

The Canadian Generic Pharmaceutical Association is concerned that NAFTA 2.0 will throw a major wrench in these important initiatives. Canada's ability to have access to affordable prescription medicines is at risk in the ongoing negotiations.

For example, the intellectual-property provisions included in the final agreement could delay when cost-saving generic and biosimilar medicines can enter the Canadian market.

The Mexico-U.S. agreement-in-principle includes extensive pharmaceutical provisions. These provisions were agreed to without Canada at the table. Concerns for Canadians go far beyond the proposal for 10 years of data protection for expensive biologic drugs. Many other provisions in the agreement between the parties would require changes to Canada's laws, which would delay when lower-cost generic and biosimilar drugs can enter the market.

If Canada were to adopt the proposals, every single Canadian would be negatively impacted by the billions of dollars in additional drug costs created through delayed access to generic and biosimilar medicines.

Businesses that sponsor employee drug-benefit programs, provincial and federal drug plans, and Canadians who pay for drugs out of pocket and those who make co-payments for the medicines would all be forced to pay more due to delayed competition from generic and biosimilar medicines.

There are industrial implications that would negatively impact Canadians as well. Most of the pharmaceutical manufacturing capacity in Canada is operated by the generic pharmaceutical industry. The industry employs more than 11,000 Canadians in highly skilled jobs and exports to more than 115 countries.

Concessions in the area of pharmaceutical intellectual property would also provide an enormous gift to the brand-name pharmaceutical industry—an industry that already enjoys some of the highest prices in the world for their products and some of the world's most favourable IP laws, while their investments in Canada continue to decline.

Canada's intellectual-property regime for pharmaceuticals was amended in September 2017 as a result of the Comprehensive Economic and Trade Agreement (CETA) with the European Union. The Parliamentary Budget Officer has conservatively estimated that the two-year patent term extension included in CETA will cost Canadians more than $600-million annually. It is our understanding that the measures pursued by the U.S. in the negotiations go far beyond the measures included in CETA, and would be far more harmful for Canadians if adopted.

Canada must refuse to accept to trade away timely access to generic and biosimilar medicines for Canadians. It is a cost Canadians simply cannot afford to accept.

Jim Keon is president of the Canadian Generic Pharmaceutical Association

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