

For Immediate Release

CGPA Welcomes Progress Towards National Pharmacare in Federal Budget 2019

Toronto, March 19, 2019 – The following is a statement by Jim Keon, President of the Canadian Generic Pharmaceutical Association (CGPA), on Federal Budget 2019:

“The Canadian Generic Pharmaceutical Association (CGPA) and its member companies welcome the announcement in Budget 2019 that the Government of Canada intends to move forward with measures outlined in the interim report from the Advisory Council on the Implementation of National Pharmacare, which was released earlier this month.

The CGPA supports efforts to improve prescription drug coverage for Canadians. The use of generic prescription medicines is key to the affordability of a national pharmacare program for Canadians, no matter what model is implemented, and must be a central component of a national formulary for prescription drugs.

Making prescription drugs more affordable and accessible is the key value proposition of the generic pharmaceutical industry. Generic prescription medicines are dispensed to fill nearly 72 percent of all prescriptions in Canada but account for only 20 percent of the \$29-billion Canadians spend annually on prescription medicines.

It is estimated that for every one percent increase in the use of generic medicine, Canadians would save an additional \$527-million. In the United States, generics were dispensed to fill 90 percent of all prescriptions. If the use of generic medicines in Canada were equal to U.S. levels, Canadians would save an additional \$10-billion annually.

All Canadian governments, with the exception of the Government of Quebec, have combined their purchasing power to negotiate massive cuts to generic drug prices through the pan-Canadian Pharmaceutical Alliance (pCPA). It is estimated that the pCPA Generics Initiative will save governments up to \$3-billion over its five-year term. These pCPA negotiated generic prices are transparent and available to all patients and payers in Canada, whether they are covered by a public or private drug plan or pay for their prescriptions out-of-pocket. In July 2017, CGPA and the Government of Quebec agreed to a separate initiative that includes similar savings.

The ongoing sustainability of our health-care system and drug benefit plans is highly dependent on the increased use of generic prescription medicines. Now that Canadian prices have been dramatically cut, more must be done to increase generic utilization and the resulting savings to Canada’s health-care system.

The CGPA also welcomes the federal government’s renewed commitment to regulatory harmonization initiatives and looks forward to the publication of the ‘Regulatory Roadmap’ for health and bio-sciences to better understand how the federal government plans to address ongoing issues and irritants in the generic pharmaceutical sector.”

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About the Canadian Generic Pharmaceutical Association

The Canadian Generic Pharmaceutical Association (CGPA) represents Canada's generic pharmaceutical industry. The industry plays an important role in controlling health-care costs in Canada. Generic drugs are dispensed to fill 72 percent of all prescriptions but account for only 20 percent of the \$29-billion Canadians spend annually on prescription medicines.

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