

ONTARIO 2020

BUDGET CONSULTATION

Canadian Generic Pharmaceutical Association



CGPA

Making Patient Care Affordable

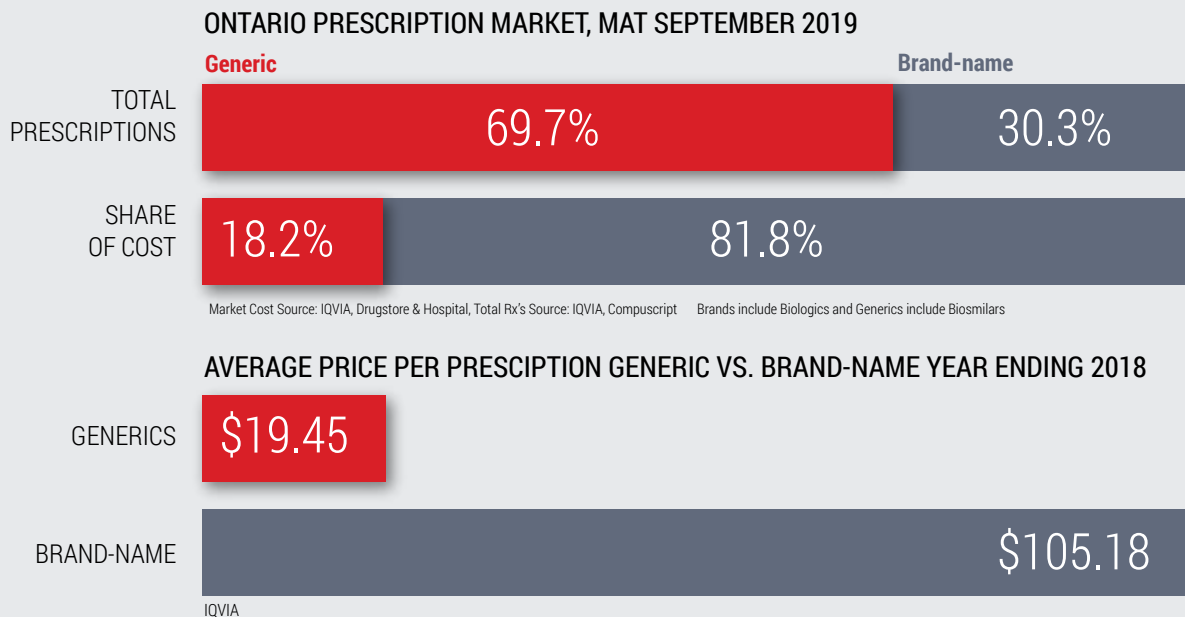
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The Canadian Generic Pharmaceutical Association (CGPA)

CGPA is the national association representing Canada’s generic pharmaceutical industry. Generic drugs are dispensed to fill nearly 70% of all prescriptions, but account for only 18% of the \$11.9-billion Ontarians spend annually on prescription medicines.

With 7,000+ direct jobs in Ontario, the province is the hub for the generic pharmaceutical industry’s investment in Canada. The industry creates well-paying, science-based jobs with benefits, and makes significant contributions to the Ontario economy.



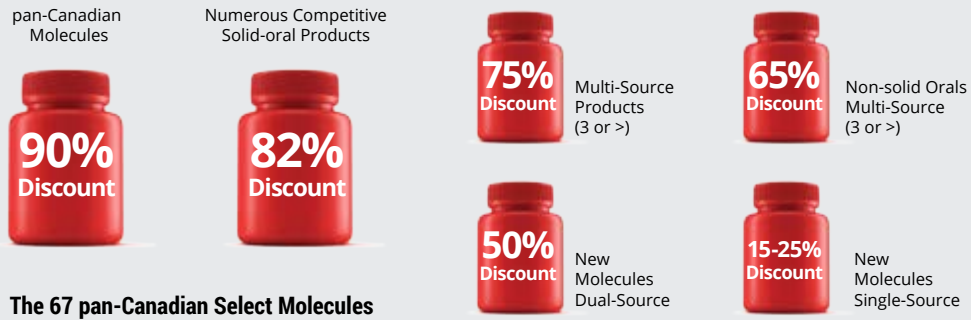
pCPA Generics Initiative

Ontario joined with Canadian governments (with the exception of Quebec) to negotiate massive cuts to generic drug prices through the pan-Canadian Pharmaceutical Alliance (pCPA). These prices are transparent and available to all patients and payers in Ontario, whether covered by a public or private drug plan, or paid personally out-of-pocket.

As of April 1, 2018, the prices of 67 of the most commonly prescribed generic drugs were reduced by 25%–40%, resulting in overall discounts of up to 90% off the price of their brand-name equivalents.



pCPA / CGPA GENERIC 2.0 PRICING FRAMEWORK (APRIL 1, 2018)



Previous joint efforts between pCPA and CGPA resulted in savings of more than \$1-billion in the past five years to participating drug plans and will continue to save \$250-million per year. The pCPA initiative, announced January 2018, is estimated to save the Ontario government up to \$1.6-billion over the next five years through a combination of price reductions and the launch of new, cost-saving generic prescription medicines. Savings to patients and employers are expected to match or exceed those achieved by the Ontario government. All Ontario payers will save up to \$3-billion over the term of this initiative.

Increased Generic Substitution Represents Significant Savings Opportunities

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

Based on data from IQVIA, for 12 months ending December 2018, it is estimated that for every one-percent increase in the use of generic medicine Ontarians would have saved an additional \$227-million in 2018.

SAVINGS FOR EVERY ONE PERCENT INCREASE IN GENERIC UTILIZATION (2018)



Source: CGPA calculations based on IQVIA data and CIHI public / private market share.

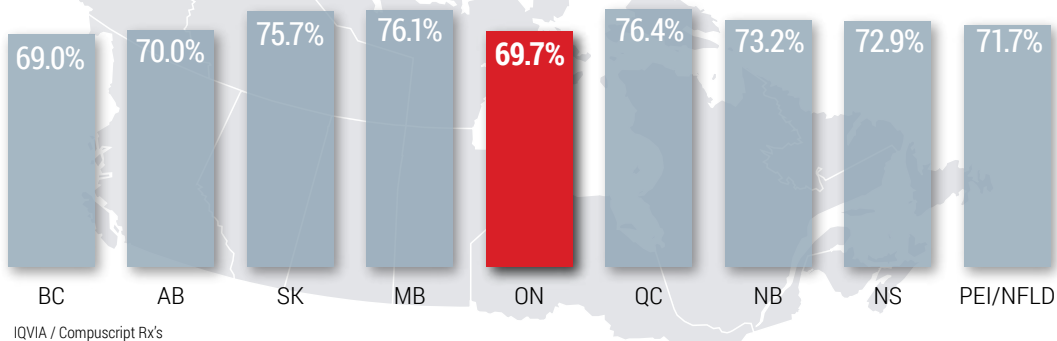


In the United States generics were dispensed to fill 90% of all prescriptions. If the use of generic medicines in Ontario were equal to U.S. levels, Ontarians would have saved an estimated additional \$4.9-billion in 2018.

UTILIZATION OF GENERIC PRESCRIPTION MEDICINES (2018)



ONTARIO GENERIC UTILIZATION COMPARED TO OTHER PROVINCES (MAT SEPTEMBER 2019)



The Province of Ontario has the largest population, the highest total cost of prescription medicine – \$11.9-billion – but also has the second lowest percentage usage of generic medicines, second only to B.C. Ontario has the largest opportunity for savings from increased usage of generic medicines.

Finished Dosage Manufacturers				Industry Suppliers/ Active Ingredient Manufacturers