

PHARMACARE AT WHAT PRICE

BACKGROUND

Since 1988 prescription drugs-costs have been increasing by double digit figures. To get a better understanding of the increases, one must look at the distribution of health care expenditure in Canada. In 1975 we spent 8.9% of the health care dollar on prescription drugs. In the year 2000 that amount went up to 15.1%. Since then prescription drug increases have continued to outstrip the rate of other health care expenditures.

There are a number of reasons for these exorbitant increases; these lie in a few key areas. The biggest factor was the passage of Bill C-91 which extended the patent protection of drugs, allowing no generic drugs to come on the market between 1988 and 1998. In addition to the drug patent protection period, drug manufacturers through legal maneuvering were able to extend the patent protection an additional two years.

Secondly, the drug manufacturers engaged in the greening of patents, which allowed them to make minor modifications, to have a specific drug approved as a new drug with a new patent protection period and to sell at a higher price. They the drug companies took the previous drug off the market, and consequently the consumer can no longer purchase the less costly drug.

Thirdly, we have seen major increases in the number of new and more expensive drugs being prescribed by doctors. This is largely as a result of the unhealthy relationship between doctors and drug companies' salesperson. For every ten doctors there is one drug salesperson. The drug companies spend between \$50,000.00 and \$60,000.00 per year on every doctor, providing anything from computers, trips and dinners to free samples. Most of the information a doctor gets on drugs is from the drug company.

With no central drug registry, patients can get prescriptions from different specialists, they may often get double or triple prescriptions of the same drug, or even a drug which is counter productive to one of the patient's illnesses. The advertisement of drugs, which comes to us through the American media, also contributes to higher consumption of drugs. Whereas other health care expenditures have remained static or, in the case of hospitals, have actually decreased, drug expenditures continue to increase as a percentage of total health care costs. Today we spend a higher percentage of healthcare money on drugs than we spend on doctors.

COSCO RECOMMENDATIONS

1. Foremost, by Federal legislation there should be a reduction of the patent protection period back to the 1988 level.
2. The Federal Government must establish a national Drug Formulary. Such formulary should have enough research capacity and resources to evaluate the quality and effectiveness of drugs. It should have the capacity to establish, whether a patent has been greened, or whether the patent is a legitimate new drug. The Drug Formulary should be able to advise provincial Ministries of Health, all doctors, pharmacists, other health professionals and the public generally as to the appropriateness, effectiveness and safety of all drugs. Such formulary should maintain contact with some of its international counterparts to assure that patent protection is not manipulated.
3. Provincial governments should complete the institution of Province-wide Prescription Registries to assure that pharmacists don't fill prescriptions which are counter to or duplications of prescriptions from different doctors for the same patient.

4. Governments should encourage a greater role for the general practitioner with increased compensation so s/he can take the time for a proper diagnosis and can practice a more holistic form of medicine. This would result in a healthier population and reduce the impact of the strictly high cost medical/pharmaceutical model.
5. The CRTC should be instructed to set broadcasting rules designed to screen American programming of pharmaceutical advertising.

BC PHARMACARE ISSUES

The cuts to Pharmacare in 2001 have hurt seniors and have not resulted in any great savings to the BC health care system. A study by the University of BC clearly points out that as a result of these cuts some seniors avoided filling their prescriptions, resulting in more doctor visits and stays in hospitals, actually costing the system more than the accrued savings from the pharmacare cuts. The demand during the seniors' 'CUTS TO PHARMCARE' demonstrations was full reinstatement of all cuts to Pharmacare. The demand is as valid today as it was then.

BC has done a better job than some other jurisdictions in mitigating drug price increases and assuring the safety of drugs through preferential pricing and the Therapeutics Initiatives. Therefore, the announcement by the Minister of Health that he will discontinue support for the Therapeutics Initiatives is viewed by us seniors with considerable concern. Also all recommendations by the Government Pharmaceutical Taskforce are suspect because of the composition of the Taskforce, which had a preponderance of drug industry representatives on it. The notion that the cost of BC's Pharmacare Program is out of control does not stand public scrutiny. In the last budget year BC under spent the Pharmacare budget by forty million dollars. However if the Taskforce recommendations are implemented there would be a considerable increase of expenditure on drugs by British Columbians.

We seniors are doing our part by educating fellow seniors on the safe use of drugs. A program which was started by retired Auto Workers in Ontario is now offered here by COSCO. There are many other innovative ways to reduce the consumption of pharmaceuticals, starting with the adoption of the recommendations made by COSCO.

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