

May 9, 2011

Law Amendments Committee re: Bill 17

Thank you for the opportunity to present to you today about the Fair Drug Pricing Plan.

From my former role as a senior bureaucrat, and my current role as a health care consultant and very passionate advocate for Canada's public health care system, it is very clear to me – as it is to many others – that there was a sixth principle missing in the Canada Health Act: sustainability. One of the main threats to sustainability is the cost of drugs.

On average, the cost of prescription drugs in Canada has risen between 8 and 10% since 1985. It doesn't take an economist to figure out the impact that this trajectory has had, and will continue to have, on health care budgets. Moreover, Nova Scotia pays more for prescription drugs than nearly every other province in Canada...and Canada pays more for drugs than nearly every other country in the world. The impact on provincial health care budgets is astonishing. So too is the impact on ordinary Canadians, many of whom have no drug coverage at all. We know that one in 10 Canadians have reported not filling a prescription given to them by their doctor simply because they could not afford to buy the drug.

The history behind Canada's relationship with the drug industry is complex, and it must be said that the pharmaceutical dilemma faced by this nation is not one that Nova Scotia will be able to solve alone. There are far bigger issues, and players, than us. The larger picture really demands that we look seriously at a national universal pharmacare program and associated pricing controls – which has actually been discussed on and off since 1964.

But in the absence of national leadership, the Fair Drug Pricing component of the Insured Prescription Drug Plan Act is one step – one very reasonable measure – to control the cost of generic drugs in this province. From my perspective, phasing in the cap it is a very open and transparent approach in terms of its impact on the retail sector. More importantly, this Act provides a measure of cost protection and pricing relief for seniors, and indeed all taxpayers, through sensible policy and administration of a very important public program.

I am on the record as having said that this pricing strategy is no doubt a good effort – but in and of itself is like responding to a tsunami with a bucket in terms of the cost of drugs in Canada overall. To save the publicly funded health care system, and I do mean ‘save’ it, the Provinces and Territories need to work together with Ottawa to address the unsustainable growth in the cost of pharmaceuticals overall. This Act at nudges us in the right direction.

Respectfully submitted,

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