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Medicine Prices
Review Board

Conseil d'examen
du prix des médicaments
brevetés

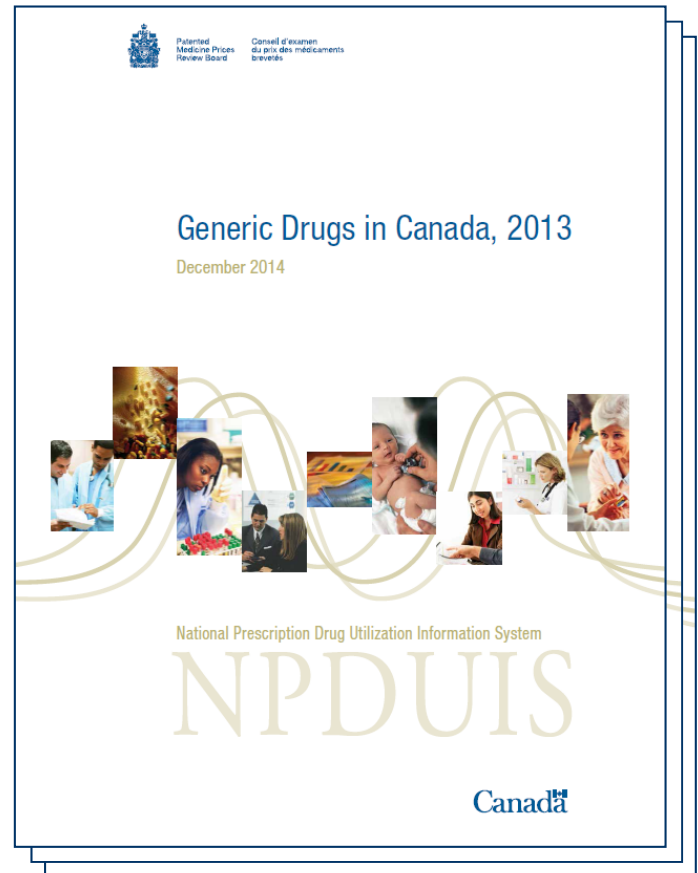
Canada



CAHSPR Conference 2015

GENERIC DRUGS IN CANADA, 2013

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NPDUIS, PMPRB



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Background

Study Purpose

- ♦ To compare the 2013 generic drug prices and markets in Canada with those of other industrialized countries
- ♦ It provides updates to previous PMPRB research highlighting the changes in Canadian generic pricing that have taken place since 2011

Canadian Context

- ♦ Provincial governments implemented generic pricing policies
- ♦ Provinces collaborate on a pan-Canadian Pharmaceutical Alliance
- ♦ A new pricing framework for generic drugs entering the market

Methods

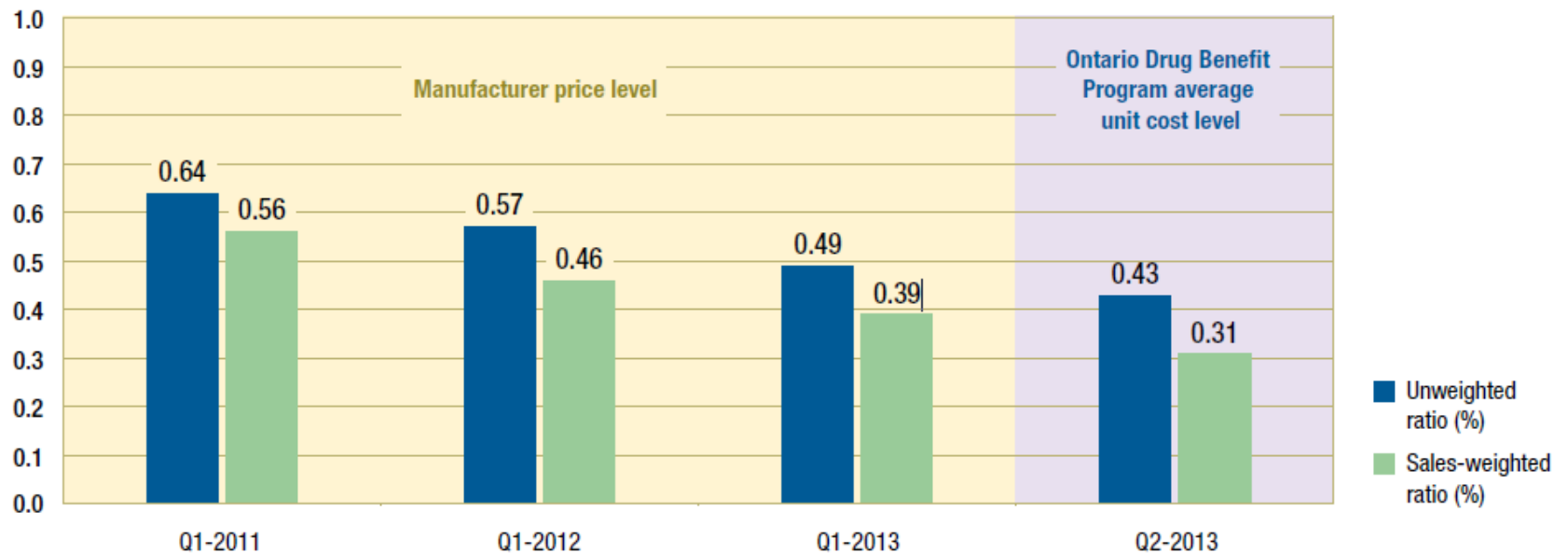
- **Data Sources:**
 - ♦ IMS AG's MIDAS™: Q1-2013 – manufacturer ex-factory prices to retail sector
 - ♦ Ontario Drug Benefit Program – NPDUIS Database, CIHI: Q2-2013
- **Drugs:**
 - ♦ 487 leading generic drugs in Canada with available prices in foreign markets
- **Foreign-to-Canadian and foreign-to-Ontario price ratios:**
 - ♦ Bilateral ratios: a head-to-head comparison of prices in a particular country to prices available in Canada and in the ODB
 - ♦ Multilateral ratios: the minimum, mean, median and maximum prices available in the foreign markets analyzed
- **Countries:**
 - ♦ The PMPRB7 (France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States) + additional four countries (the Netherlands, Spain, Australia and New Zealand)

Limitations

- **The data reported represents a snapshot in time:**
 - ◆ Since then additional generic pricing policies have been implemented
- **The analysis reports the estimated manufacturer prices:**
 - ◆ These prices may be different from other price points in the distribution chain, such as wholesaler or pharmacy retail prices
 - ◆ The prices do not capture off-invoice price rebates and allowances, which manufacturers may provide to retailers to stock their interchangeable products

Canadian generic prices have fallen markedly in recent years relative to their branded counterparts

Figure 2.1 Generic-to-brand price ratios



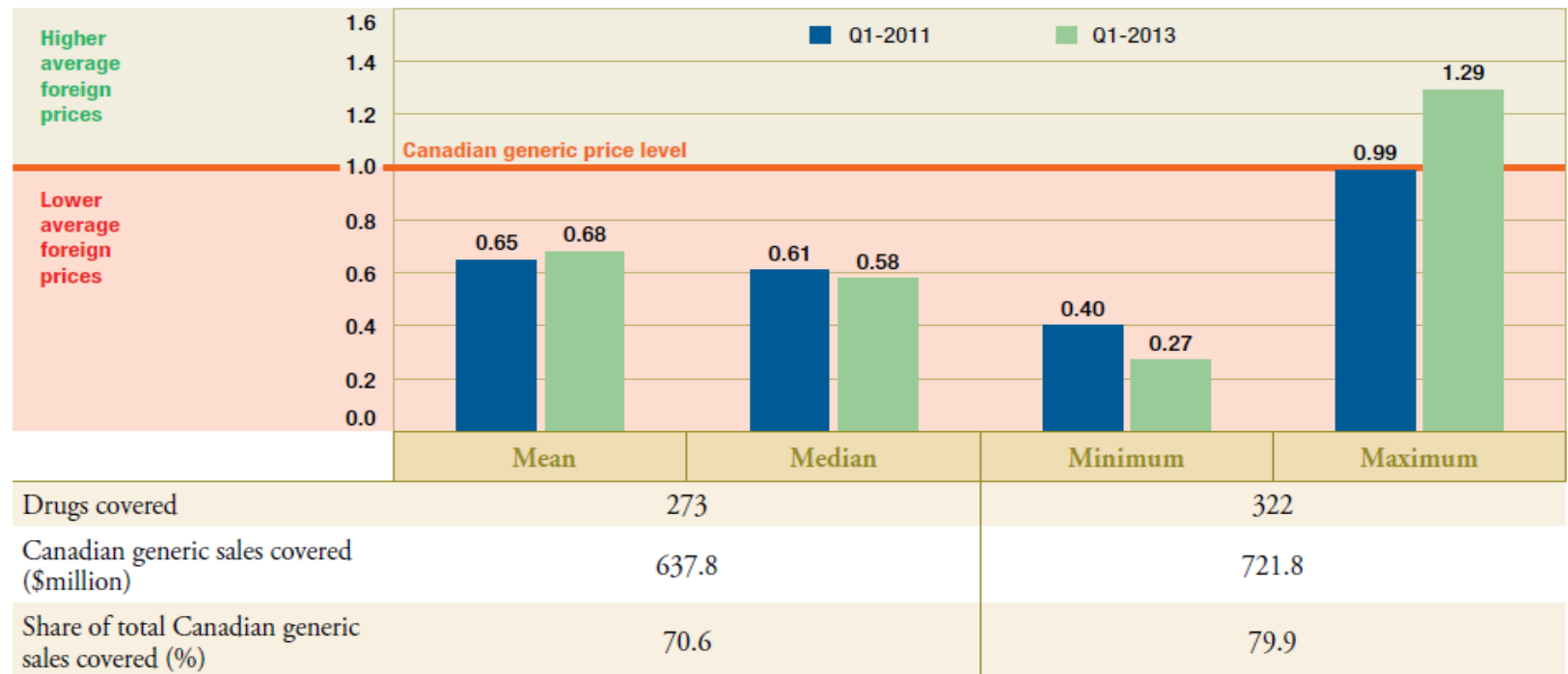
Drugs covered: 284

Canadian generic sales covered : \$619.0 million

Source: MIDAS™, January–March 2011 to January–March 2013, IMS AG All Rights Reserved.
Ontario Drug Benefit Plan, National Prescription Drug Utilization Information System Database,
Canadian Institute for Health Information, April–June 2013

Modest improvements in the Canadian generic prices relative to international levels

Figure 3.1 Average multilateral foreign-to-Canadian generic price ratios
Generic drugs, PMPRB-7*, Q1-2011 and Q1-2013



*France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States.

Notes: The analysis was restricted to generic drugs that had been on the market for at least one year.

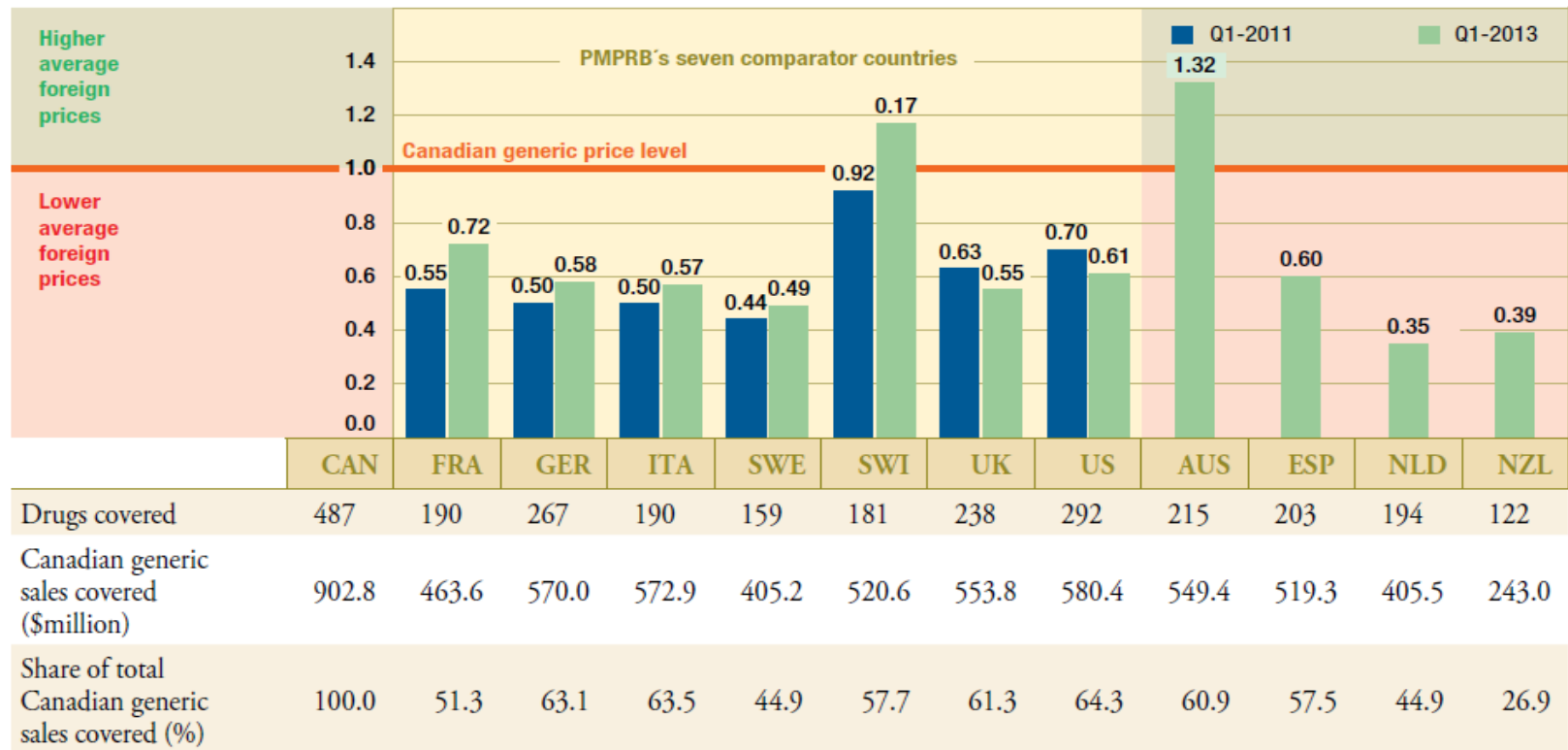
The mean and median values were calculated for drugs with prices available in at least three foreign markets.

The minimum and maximum values were calculated for drugs with prices available in at least two foreign markets.

Source: MIDAS™, January–March 2011 and January–March 2013, IMS AG All Rights Reserved.

Lower foreign prices than in Canada especially in countries with highest coverage

Figure 3.3 Average bilateral foreign-to-Canadian generic price ratios
Generic drugs, by comparator, Q1-2011 and Q1-2013

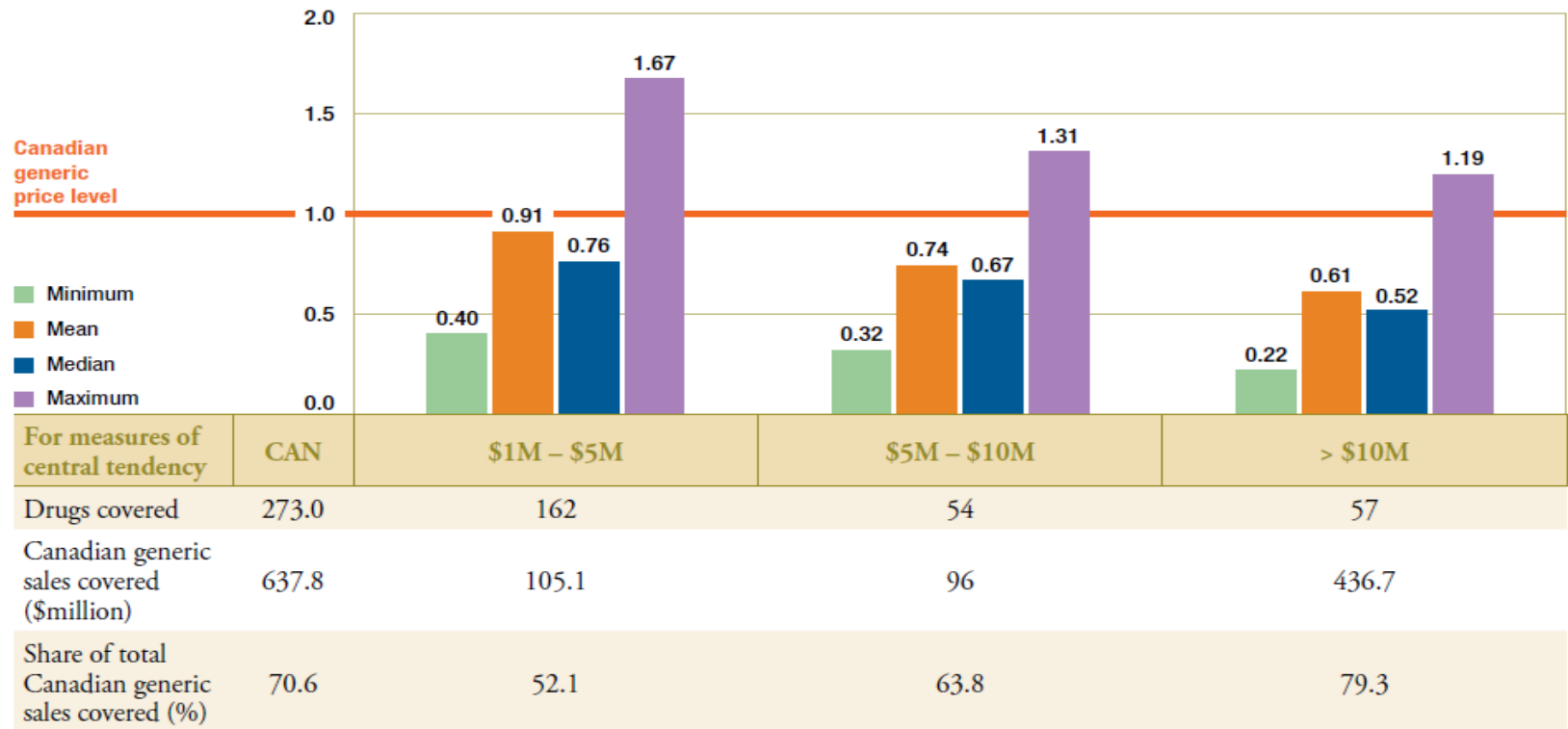


Notes: The analysis was restricted to generic drugs that had been on the market for at least one year.
The results for Q1-2011 are not available for Australia, Spain, the Netherlands and New Zealand.

Source: MIDAS™, January–March 2011 and January–March 2013, IMS AG All Rights Reserved.

Gap between foreign and Canadian prices wider for drugs with higher sales (>\$10M)

Figure 4.2 Average multilateral foreign-to-Canadian price ratios
Generic drugs, by market size†, PMPRB-7*, Q1-2013



†The size of the market was determined based on the annual Canadian sales for the molecule.

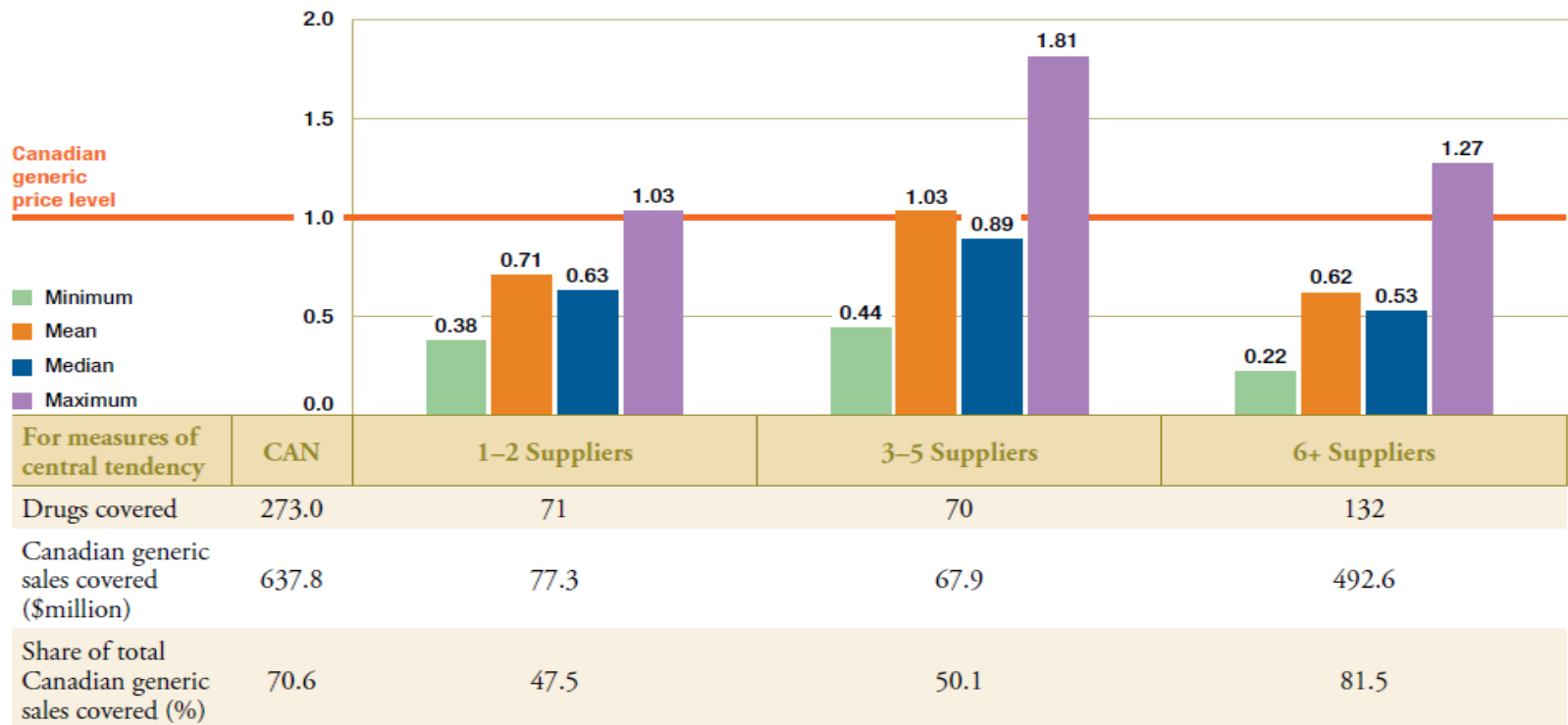
*France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States.

Note: The analysis was restricted to generic drugs that had been on the market for at least one year.

Source: MIDAS™, January–March 2013, IMS AG All Rights Reserved.

Gap between foreign and Canadian prices wider for drugs large number of suppliers (6+)

Figure 4.3 Average multilateral foreign-to-Canadian price ratios
Generic drugs, by number of suppliers[†], PMPRB-7*, Q1-2013



[†]The number of suppliers active in the Canadian market in 2013. This measure was determined at molecule level.

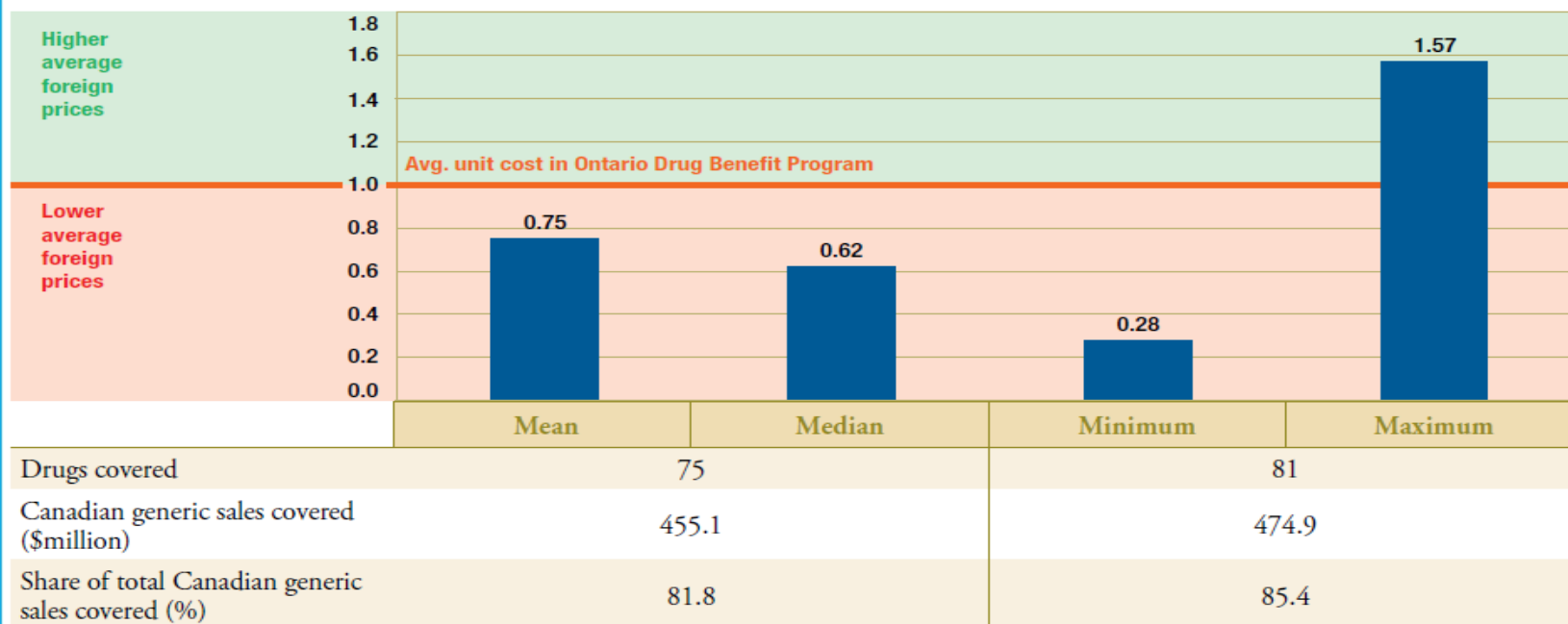
*France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States.

Note: The analysis was restricted to generic drugs that had been on the market for at least one year.

Source: MIDAS™, January–March 2013, IMS AG All Rights Reserved.

Price differential was less pronounced when foreign prices are compared to Ontario reimbursed cost

Figure 5.1 Average multilateral foreign-to-Ontario generic price ratios
Generic drugs, PMPRB-7*, Q2-2013



*France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States.

Notes: The analysis was restricted to generic drugs that had been on the market for at least one year.

Average foreign-to-Ontario price ratios are weighted based on the Canadian volume of sales.

The mean and median values were calculated for drugs with prices available in at least three foreign markets.

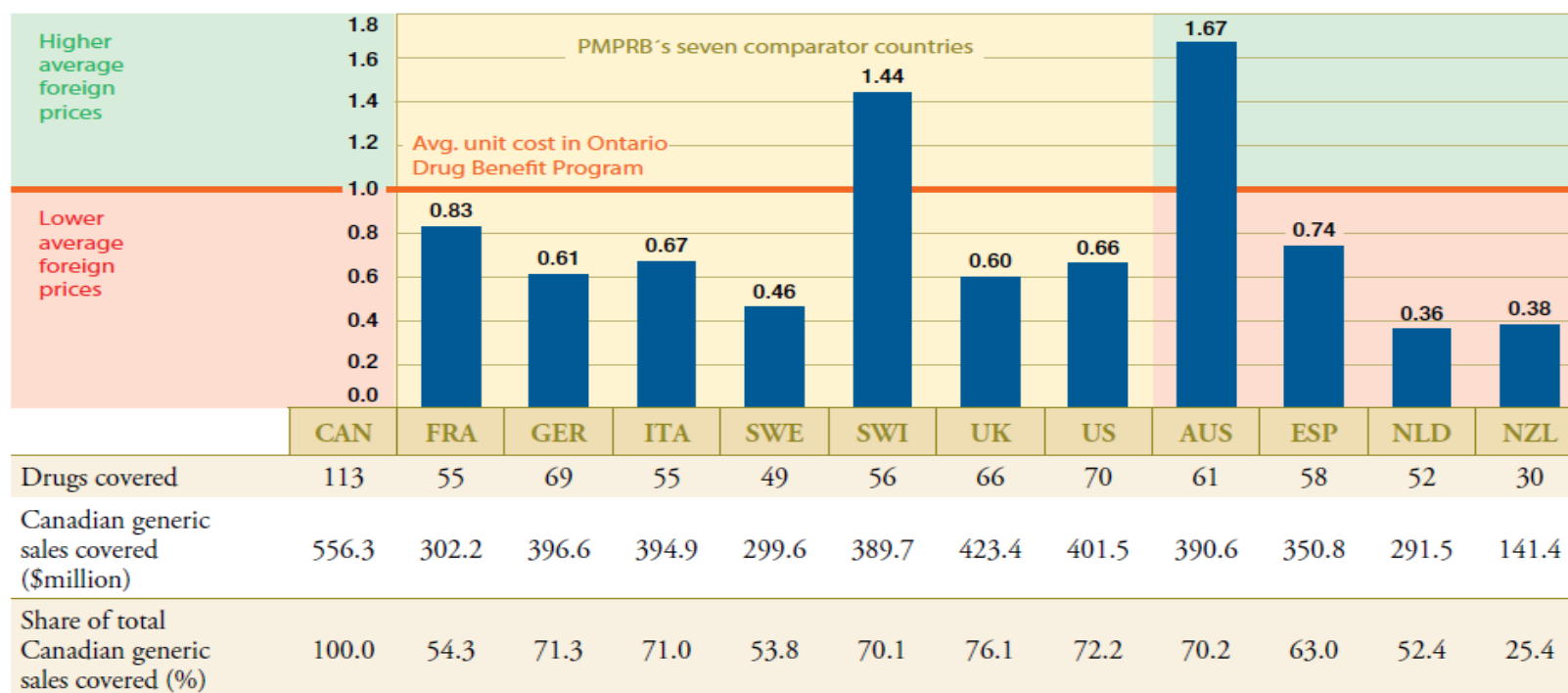
The minimum and maximum values were calculated for drugs with prices available in at least two foreign markets.

Sources: Ontario Drug Benefit Program, National Prescription Drug Utilization Information System Database, Canadian Institute for Health Information, April–June 2013.

MIDAS™, January–March 2013, IMS AG All Rights Reserved.

Price differential was less pronounced when foreign prices are compared to Ontario reimbursed cost

Figure 5.3 Average bilateral foreign-to-Ontario generic price ratios
Generic drugs, by comparator, Q2-2013



Notes: Values may not add to totals due to rounding.

The analysis was restricted to generic drugs that had been on the market for at least one year.

The results for Q1-2011 are not available for Australia, Spain, the Netherlands and New Zealand.

Sources: Ontario Drug Benefit Program, National Prescription Drug Utilization Information System Database, Canadian Institute for Health Information, April–June 2013
MIDAS™, January–March 2013, IMS AG All Rights Reserved.

Conclusions, 2013

- The prices of generic drugs in Canada have fallen significantly compared to their brand-name counterparts
- Nevertheless, international prices remain much lower
- The gap was the widest for drugs with greater number of suppliers and drugs with greater sales
- Price differential was less pronounced when foreign prices are compared to Ontario reimbursed cost
- Future generic price reductions through the pCPA are expected to further reduce the generic price gap



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Thank you

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