



ONTARIO SHIFTS PRESCRIPTION DRUG RULES

On Wednesday, April 7 the Liberal government announced its plan to reform Ontario's prescription drug system. It's the first in a series of steps aimed at getting a handle on health care spending and improving patient care in the province.

LOWERING COSTS FOR GENERICS

In 2006, the Ontario government took its first steps toward tightening prescription drug rules when it lowered **generic** drug prices to 50 percent of the cost of the original brand name drug. Now it's proposing to lower the cost of generic drugs by at least half again.

The change would mean big savings for consumers. If it's brought in, patients will end up paying 75 percent less for a no-name drug than for a brand-name medication that does the same job.

NEW RULES BAN SUBSIDIES

Premier Dalton McGuinty also wants to stop generic drug companies from paying pharmacy owners extra to sell their drugs.

The drug market is very competitive in Canada. To get their product into consumers' hands, generic drug

companies pay pharmacies **subsidies** to encourage them to fill prescriptions using no-name medications instead of brand-name drugs.

It's a good deal for pharmacies. Last year, generic drug makers paid pharmacists more than \$750 million in "professional allowances." The money is supposed to be spent on improving services for patients. But instead, many pharmacies use the money to pay salaries and **overhead** costs. The cash never actually trickles back to patients.

NEW FEE, BETTER SERVICE

In exchange for taking the drug companies' subsidies away, the province says it will increase **dispensing fees**. The government will also start paying pharmacists to keep an eye on each patient's overall medication program so that drug **interactions** can be avoided. And the Liberals say they will provide extra money for pharmacy services in rural areas where fewer pharmacies exist.

BAN RECEIVES MIXED REACTION

Drug companies and pharmacies reacted angrily to the government's announcement. Drug companies

are afraid they'll lose sales, and pharmacists say the new rules will make it more difficult for them to make ends meet. Some have even threatened to close their stores or reduce their hours to show their displeasure.

Other groups are happy with the proposed changes, though. They say the ban will lower prices for consumers, and that in the end, patients will receive better care.

"Finally, a government that is willing to take on the drug companies and big pharmacies," said the President of the Ontario Federation of Labour. "This is a gutsy move that is going to reduce the cost of drugs, save jobs and produce better health outcomes." ★

DEFINITIONS

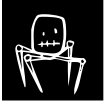
DISPENSING FEES: the fee a pharmacy charges in filling a prescription for a patient

GENERIC: no-name brand of foods, drugs or clothing

INTERACTIONS: ill effects when two or more drugs "clash" or cancel each other out inside a patient's body. Drug interactions can cause serious illness and sometimes death.

OVERHEAD: costs associated with running a business, such as rent, heat, power and insurance

SUBSIDIES: a form of financial assistance paid to a business



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ANSWER THE FOLLOWING IN COMPLETE SENTENCES:

1. Why does the Ontario government want to reform the province's prescription drug system?

2. What change does the government want to make to the cost of generic drugs?

3. What are professional allowances?

4. Why does the Ontario government want to ban professional allowances?

5. What changes does the government plan to make to increase pharmacists' income?

6. As you see it, for what reasons are the proposed changes a good idea? For what reasons are they not a good idea?

7. If you were Premier McGuinty, how would you handle the issue of prescription drug costs in Ontario? Give reasons to support your response.
