



NEWS RELEASE

Ottawa's push for lower drug costs may hurt patients, stunt innovation

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For immediate release

VANCOUVER—The federal government's plan to lower prescription drug prices could impede access and thus limit the benefits of life-saving drugs and discourage innovation, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

The Patented Medicine Prices Review Board (PMPRB)—a federal body that regulates the prices of all patented medicines in Canada—is expected to implement new rules to regulate lower drug prices.

“Ottawa's new cost-containment plans for pharmaceuticals—while driving prices down—may also unfortunately lead to reduced access to new drugs for Canadian patients and even deter the investment by pharmaceutical companies needed to discover new medicines,” said Bacchus Barua, associate director of health policy studies at the Fraser Institute and co-author of *Pharmaceutical Regulation, Innovation, and Access to New Drugs: An International Perspective*.

The study raises serious concerns about the underlying process used to regulate drug prices including a bias towards cost savings rather than extending life.

Specifically, the study finds that introducing what is known as “cost-effective analysis” into the pricing of new drugs may underestimate the true benefit of new drug therapies, particularly biologics and other personalized drug treatments, by narrowing the scope of potential benefits.

“The federal government is potentially on a path that will limit access of Canadians to new life-saving drugs, while further discouraging the discovery of new medicines,” said Steven Globerman, professor emeritus at Western Washington University, Fraser Institute senior fellow and study co-author.

This is the third study in a series on Canada's pharmaceutical drug-pricing policy reforms.

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