Pace of growth in drug expenditures slows to lowest level in 16 years: CIHI

It appears new generic pricing policies implemented across Canada over the past couple of years are helping to slow the pace of growth in drug expenditures.

Spending on drugs in Canada grew more slowly in 2012 than at any time in the previous 16 years, according to the Canadian Institute for Health Information (CIHI).

In *Drug Expenditure in Canada, 1985 to 2012*, CIHI estimates that total drug spending reached \$33 billion in 2012—an average of \$947 per person. While that represents an increase of \$3.3% from 2011 expenditures, it is historically a low rate of growth.

The \$33 billion includes both prescription and over-the-counter drugs. Prescribed drugs made up an estimated 84% of overall drug spending in 2012—a total of \$28 billion.

According to the report, public-sector spending on prescription drugs grew by 1.9% in 2012, the

lowest growth rate since 1996. The estimated rate of growth in the private sector, which includes private insurers as well as households and individuals, was 4.1%—the lowest since 1994.

New generic pricing policies in provincial drug programs are one factor in the spending slowdown, say the report's authors. They also point to patent expirations of blockbuster brand-name drugs used to treat patients for high cholesterol and hypertension.

Drugs continued to account for the second-highest share (15.9%) of health care spending, behind hospitals and ahead of spending on physicians. Over the past decade, spending in the other 2 categories has grown more rapidly than in the drug-spending area.

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Alberta College of Pharmacists confirms it will proceed with inducements ban but enabling mechanism still under review

After a few months of delay to digest a flood of comments on the issue, the Alberta College of Pharmacists (ACP) has confirmed it will not abandon plans to prohibit consumer inducements for prescription drugs and professional pharmacy services.

The ACP first proposed banning coupons and loyalty programs in the fall of 2012—a move that prompted criticism by some patient groups and retailers. In late December of last year, the College said it needed more time to assess the complex issue and the extensive feedback it had received.

In a statement issued April 18, 2013, the regulatory body stated it would go ahead with the proposed ban, noting that 75% of pharmacists and pharmacy technicians it surveyed support such action by the College.

“This isn’t about any one pharmacy or any one type of reward. The prohibition would apply

to all pharmacists, pharmacy technicians and pharmacies,” said Greg Eberhart, ACP Registrar, in the statement.

“Pharmacists are making decisions about drug therapy; it’s not the same environment that we had 5 or 10 years ago. Our interest is around the practices of pharmacists and the new expectations and responsibilities they have. We want to make sure they are free from conflict.”

The College is still considering the best mechanism for putting the ban into effect. It could be a new regulation, standard of practice or amendment to the Code of Ethics. No timeline for the change has been announced; the College says that will depend in part on which mechanism is to be used.

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