

Myth busted: Some drugs do cost more in Canada

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(PhysOrg.com) -- Canada may be recognized as a bargain hunters' paradise for prescription drugs, but a new U of T study suggests that many generic medications may be more expensive in Canada than in the U.S. The uninsured consumers who purchases their own medications may save money by comparing prices of their specific prescriptions within Canada and in the U.S.

The research article, titled Differences in Generic Drug Prices between the U.S. and Canada, is authored by Dr. Chaim Bell and published in the journal Applied Health Economics & Health Policy.

"Canadians may be paying more for their generic drugs here than they would in the US and this is significant because generic medications account for just under half of Canadian prescriptions," said Bell, an assistant professor of medicine and health policy management and evaluation at the University of Toronto and a physician at St. Michael's Hospital.

A telephone and internet survey of six pharmacies in the U.S. and six pharmacies in Canada was conducted from March to April 2007, comparing the costs of the top 19 dispensed generic medications in both countries. The survey was conducted from the perspective of an uninsured consumer shopping at retail pharmacies in Canada and the U.S.

The study found that generic prescription medications are often more

expensive in Canada. This was the case 63 per cent of the time, for 12 of the 19 drugs, with an average savings of 47 per cent in the U.S., based on the lowest priced products. Seven of the 19 drugs were less expensive in Canada, with only a 29 per cent savings for each of the seven drugs in this country.

"Generic medications in Canada are not subject to the same price regulations as their brand-name counterparts," Bell added. "This could be one factor in the price differences between Canada and the U.S. Another factor could be competition. The generic pharmaceutical industry in Canada is much smaller, with two of the largest manufacturers representing more than half of this country's market."

While this study shows that the lowest priced generic medications were not consistently found in either Canada, or the U.S., it indicated that many generic medications may be more expensive in Canada than in the U.S. Canadian patented medications are on average 24 to 40 per cent cheaper in Canada than the U.S. In 2007, Canadians spent more than \$22 billion on their prescription drugs (patented and generic).

Source: University of Toronto

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