

Fears of Ontario pharmacy shortage after slashed generic drug prices unfounded: research

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A University of British Columbia study shows that there are enough pharmacies situated throughout Ontario communities to absorb many closures without negatively affecting geographical accessibility for residents. The research suggests concerns that reducing generic pricing could result in pharmacy shortages are unfounded.

Last summer, the Ontario government cut the price of [generic drugs](#) by half – to approximately 25 per cent of the equivalent brand – leading to heated discussions on the sustainability of existing pharmacies. Some pharmacy chains claimed they might be forced to close stores as a result of the cuts.

Published online today in the journal *Healthcare Policy*, the UBC study analyzed how far Ontario residents live from pharmacies and whether their geographic access to pharmacies would be compromised if some of them closed.

"We found that even if half of the pharmacies in Ontario closed, at most only three or four out of 100 people would lose all the pharmacies within five kilometres of their house," says Michael Law, an assistant professor at the UBC Centre for Health Services and Policy Research and lead author of the study.

Law and colleagues analyzed the location of more than 3,300 community

pharmacies and census data in the province. They found that approximately 64 per cent of the Ontario population resides in a city block that is within walking distance (800 metres) of a pharmacy, while 85 per cent and 91 per cent reside within two-kilometre and five-kilometre driving distances, respectively.

"Even when we simulated a random shutdown of 50 per cent of Ontario's community pharmacies, we found that approximately half of the residents would still live within walking distance to a pharmacy and 87 per cent of the population would still be within a five-kilometre driving distance from a pharmacy," says Law. "It appears that the effect of closures on geographic access would be quite modest. That is, if the pricing cuts that Ontario introduced have led to any pharmacy closures at all."

Law adds that these estimates are conservative because the team only looked at pharmacies close to home – ignoring those that may be near people's commute routes, offices or inside their grocery stores.

"A lot of pharmacies would have to close before people's geographic access to pharmacies would be compromised, particularly in urban areas like Toronto," says Law.

Compared to the U.S., Canada has 40 per cent more pharmacies per capita, but Law says Canadians may not be using pharmacists to the full extent of their training.

"Instead of having trained pharmacists at so many pharmacies, patients could benefit from accessing their training and skills in doctor's offices to improve the quality and safety of prescribing, for example," says Law.

"The important thing to consider is whether we have the right balance between drug prices and reasonable access to pharmacies. We could pay

\$10,000 per prescription and have a [pharmacy](#) on every corner, but I don't think that would improve the health of Canadians."

After the Ontario government reduced generic drug prices, Quebec followed suit and cut its prices to 25 per cent of equivalent brands for their public drug plan. British Columbia reduced its prices to 35 per cent of the equivalent brand and Nova Scotia is currently undergoing public consultation on generic drug pricing.

Provided by University of British Columbia

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