

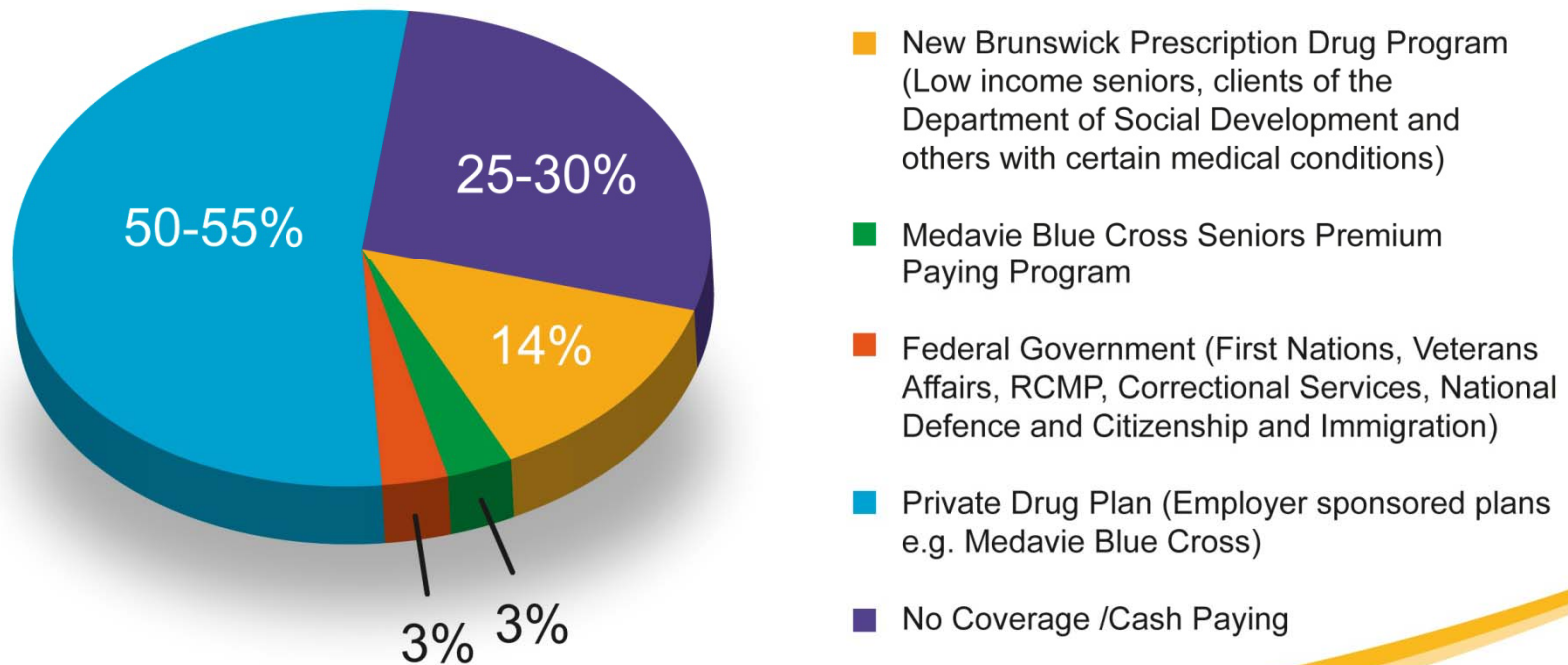
A young woman with dark hair pulled back, wearing a white lab coat, stands in a pharmacy with her arms crossed and a friendly smile. The background shows shelves of medicine and a blurred figure of another person working at a counter.

Fair Drug Prices for New Brunswickers

Drug coverage in New Brunswick

The majority of New Brunswickers receive drug coverage through publicly-funded drug programs (like the New Brunswick Prescription Drug Program) or through private drug plans.

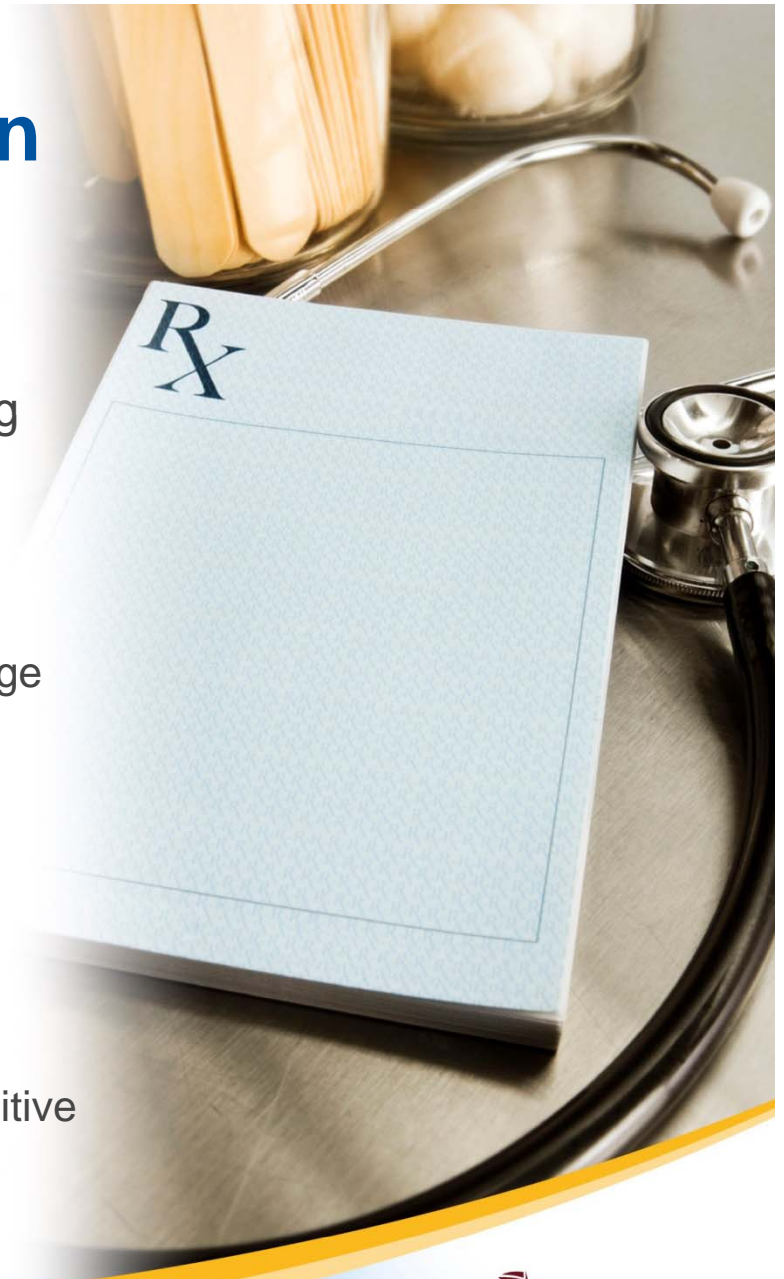
Up to 30% of New Brunswickers have no drug coverage and must pay for their drugs out of their own pocket.



New Brunswick Prescription Drug Program

The publicly funded New Brunswick Prescription Drug Program (NBPDP) provides subsidized drug coverage for approximately 105,000 residents. These include:

- ◆ Low-income seniors who receive the Guaranteed Income Supplement (GIS) or who qualify for coverage based on annual income
- ◆ Residents of nursing homes
- ◆ Clients of the Department of Social Development
- ◆ Individuals with certain medical conditions: cystic fibrosis, multiple sclerosis, human growth hormone deficiency, organ transplant recipients, and HIV-positive persons



NBPDP 2010-2011



The current growth of drug costs is not sustainable. In 2010-2011 the NBPDP:

- ◆ Spent almost \$180 million in providing drugs
- ◆ Funded 4,500+ drugs
- ◆ Helped more than 100,000 New Brunswickers pay for their prescription drugs
- ◆ Helped pay for more than 4 million prescriptions
- ◆ Did not increase premiums or copayments

Reasons for growing costs

1. People are taking more drugs

Last year, the New Brunswick Prescription Drug Program (NBPDP) helped pay for close to 4 million prescriptions, up from just over 2.5 million prescriptions five years earlier. NBPDP beneficiaries received an average of 40 prescriptions in 2010-11, compared to 27 prescriptions in 2005-06.

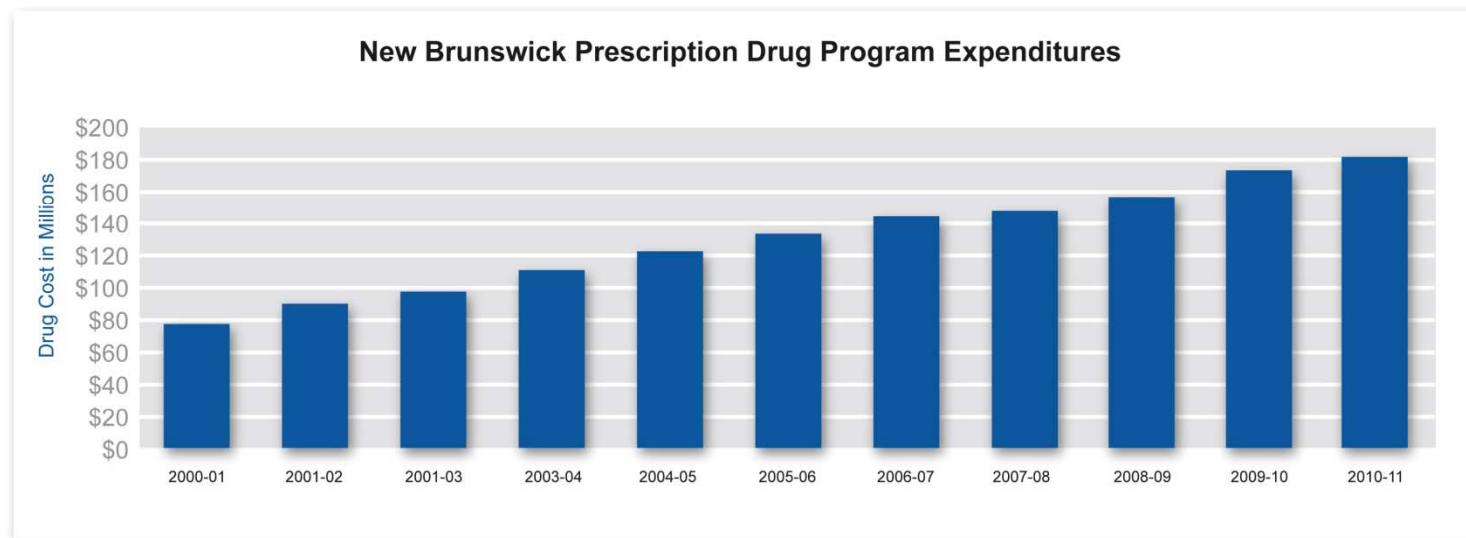


Reasons for growing costs

2. Prescription drug costs are increasing

Prescription drugs now account for the 3rd largest area of the province's health care spend, after hospital services and physicians.

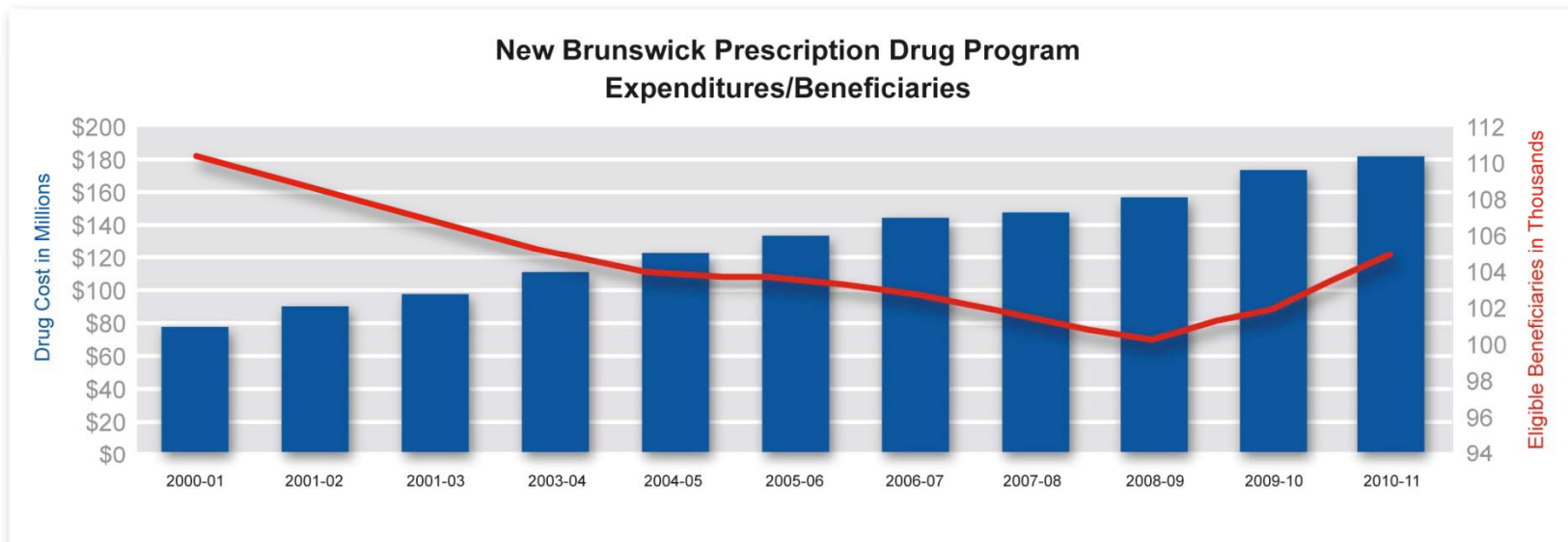
Drug costs in New Brunswick grew by 9.5% last year, up to just over \$180 million. Drug costs have doubled since 2000-01 and have increased at an average of 10% per year over the past 10 years.



Reasons for growing costs

3. More people are covered by our publicly funded drug programs

Almost 105,000 people are now registered beneficiaries with the New Brunswick Prescription Drug Program. Enrollment has increased at an average of 2.8% per year, while drug costs have increased by about 10% per year.



How are drugs priced now?

Brand Drugs

- ◆ Protected by a patent
- ◆ Supplied by a single company
- ◆ Marketed under a brand name
- ◆ Brand drugs are priced by pharmaceutical company and regulated by the federal Patented Medicine Prices Review Board

Generic Drugs

- ◆ Low-cost version of brand drugs
- ◆ Produced by generic companies once patents expire on brand name drug
- ◆ Are as safe and effective as brand drugs
- ◆ No national price regulation for generic drugs
- ◆ Price includes manufacturing cost and a rebate paid to pharmacies to stock their drug

Drug pricing is changing in Canada

Many provinces have announced changes to generic drug pricing.



Our focus on generic drug pricing

Same drug; different prices.



- ◆ Generic drugs in New Brunswick are currently priced between 50% and 70% of the brand name price. In other provinces, generic drugs are priced as low as 25% to 35% of the brand name price.

What do New Brunswickers pay now?

Here are two examples that show what the people of New Brunswick pay for commonly prescribed drugs for osteoporosis and high cholesterol, compared to what they would pay if New Brunswick adopted other provinces' new drug pricing strategies.

Brand - Fosamax®
Generic - alendronate
to treat osteoporosis

Brand	\$173.04
NB Generic	\$100.58
BC Generic	\$64.44
ON Generic	\$49.68

Brand - Lipitor®
Generic - atorvastatin
for high cholesterol

Brand	\$161.24
NB Generic	\$91.86
BC Generic	\$62.12
ON Generic	\$46.68

We need to act now

New Brunswickers deserve better pricing for generic drugs. The growth in drug costs needs to be contained so we can:

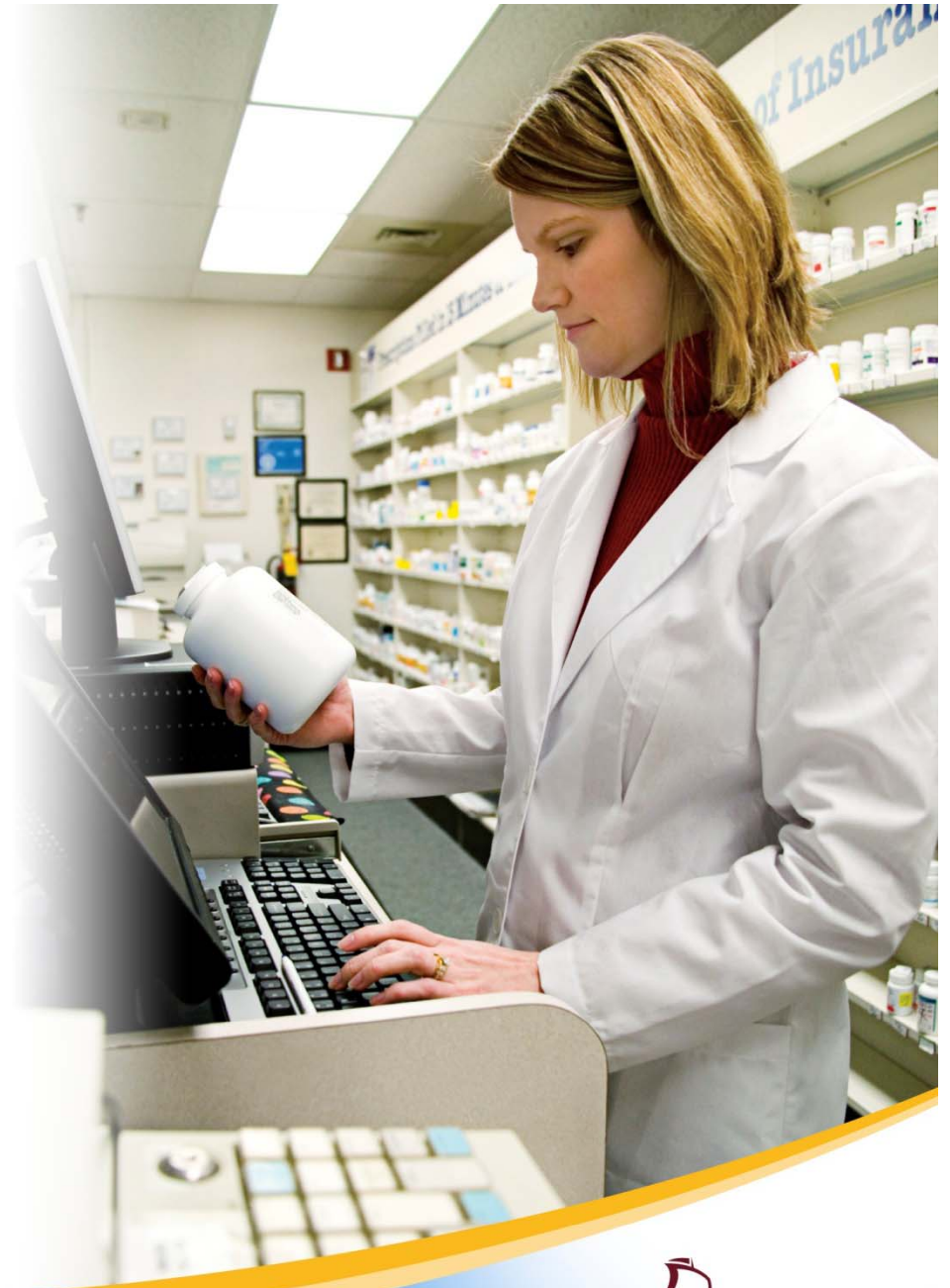
- ◆ Afford the publicly-funded drug programs we currently have into the future
- ◆ Improve drug coverage for New Brunswickers
- ◆ Make changes in a way that is fair to everyone



Our goals

New Brunswick has two goals in this process:

1. Lower generic drug prices
2. Support pharmacy services



Options for lower generic drug prices

1. Set generic drug prices

- ◆ Cap the price of generic drugs based on a percentage of the price of the equivalent brand name drug

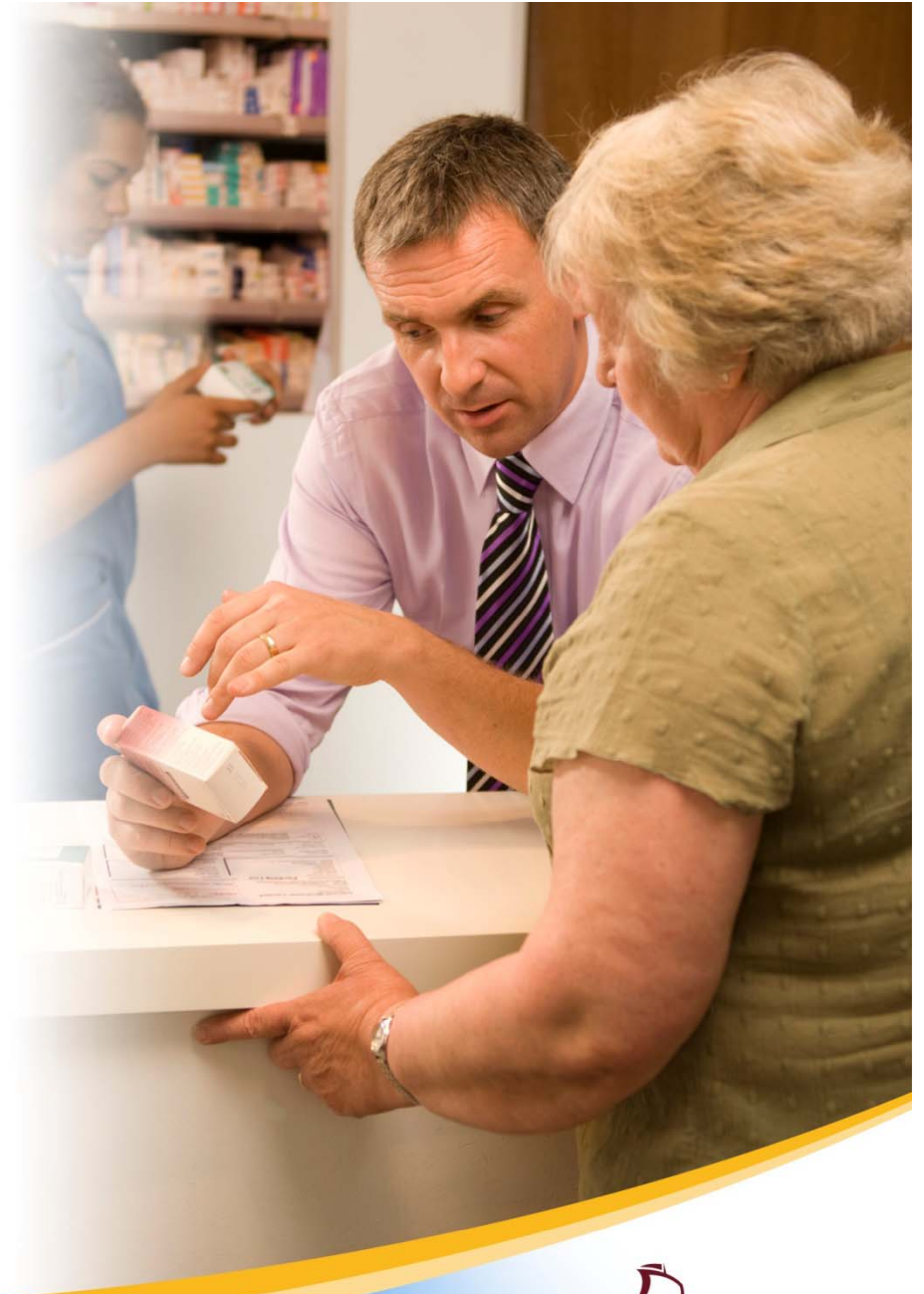
2. Address pharmacy rebates

- ◆ Require generic drug manufacturers to report the rebates paid to pharmacy and/or limit the amount of these rebates
- ◆ Consider regulating the rebates paid by generic drug manufacturers to pharmacies



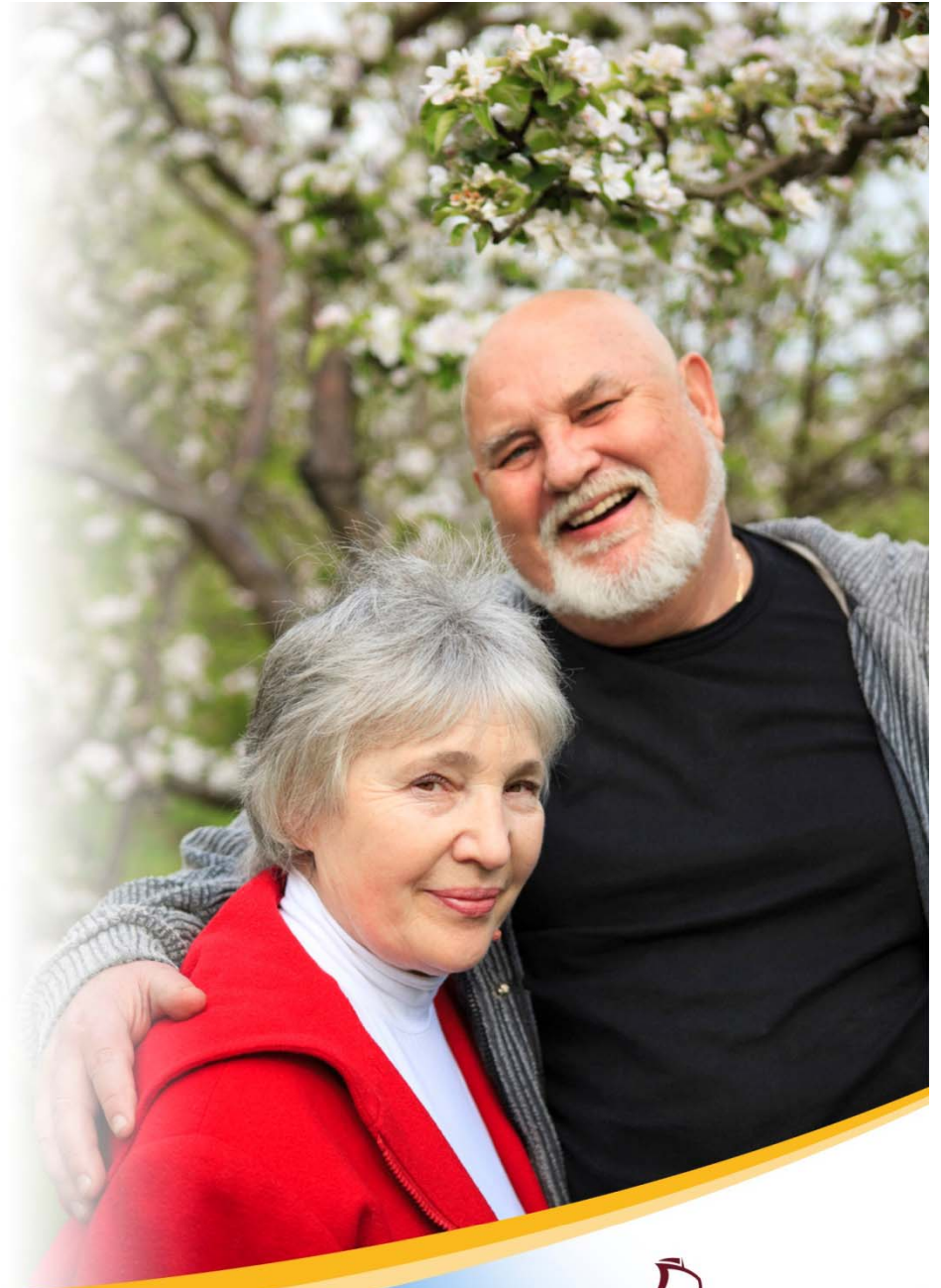
Options for pharmacy services

- ◆ Implement NB PharmaCheck™ medication review program
- ◆ Consider new pharmacy services for example, smoking cessation counseling service



Benefits to reforming drug pricing

1. Make prescription drugs more affordable to the people of New Brunswick
2. Ensure New Brunswickers pay similar prices for drugs to those paid elsewhere
3. Sustain drug programs for those who will need them in the future



We want to hear from you



In the coming weeks, we will meet with pharmacists and pharmacy owners, drug manufacturers, wholesalers, and private insurers to get their input on how to get better drug prices for the people of New Brunswick.

We welcome your input on:

1. Lower generic drug prices
2. Support pharmacy services