

Ontario should stand firm on prescription drug reforms

By: Hamilton Spectator

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Ontario Health Minister Deb Matthews has taken a firm stand on reforming the province's prescription drug system.

It is also an unpopular stand in the pharmacy sector: Shoppers Drug Mart, for example, has come out swinging with dire warnings of reduced services for consumers if the changes become law.

The proposed changes Matthews announced last week would lower the cost of generic drugs to 25 per cent of the price of the original brand-name medication. Currently the generic price is 50 per cent or more than the brand-name price.

The point, from the province's perspective, is to save millions of dollars for Ontario's public drug system, private-employer drug plans and customers who pay out of pocket. Matthews predicts drug plans will be able to cover more medications because of the savings.

The proposed changes also ban almost \$800 million a year in "professional allowances" that are paid to pharmacies by generic drug makers in exchange for stocking their products.

Tradition or not, these "allowances" amount to kickbacks. And it appears, given the strong reactions from pharmacists, that the "allowances" form a significant part of the financial underpinnings of the pharmacy sector.

Why else would Shoppers, with its 1,170 stores and 25,000 employees across the country, be warning that consumers will suffer if the proposed changes come into effect? Shoppers CEO Jurgen Schreiber warns that the number of stores open around the clock and until midnight will be reduced, some pharmacy sections will close early and free services such as deliveries and patient counselling will disappear or be subject to fees. Drug stores across the province are considering similar moves, including increasing dispensing fees.

The reaction seems over the top, almost theatrical in its flamboyance. Clearly, the pharmacy sector is bent on pressuring the province to back away from the proposals. To be fair, restructuring an industry is complex and difficult, particularly if its practices are deeply embedded. But that doesn't automatically make restructuring evil; neither does it automatically mean the little guy -- in this case the consumer -- should bear the brunt of the change.

Instead of sabre-rattling, it would be more effective for the pharmacy sector to provide cogent, rational arguments in favour of the status quo, perhaps with some concessionary tweaking. Going for the drama really accomplishes little other than headlines. The bottom line is what's best for the consumer, who is also the taxpayer. If the proposed changes will make generic drug costs demonstrably more manageable for consumers, the province should stand firm. If that's not the case, we need a rational explanation of why. Either way, the consumer's best interests must be paramount.