

The Great Drug Debate: Who is the Villain?

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The cost of prescription drug costs continues to be the topic of much discussion in the private sector as well as the public sector. Costs are going up at rates that far exceed inflation, and everyone is looking for a scapegoat. In Canada, we spend in excess of \$20 billion on prescription drugs each year, yet no one seems to have the answer on how to effectively manage this vital—yet increasingly costly—aspect of our healthcare system. So, who is the villain in this story?

There are obviously a number of potential suspects, each of which has taken some heat for the state of things today.

Brand Name Pharmaceutical Manufacturers: Public enemy No. 1 in the minds of many—those manufacturers much maligned for big profits and the ability to manipulate the system to maximize patent protection. Some say this robs the consumer of quicker access to lower-cost generic copies.

But are the brand name manufacturers really to blame? Let's remember that the pharmaceutical companies are commercial enterprises seeking a return for their investments, and these investments are significant. Research and development is costly and far from a sure thing—for every successful molecule, there are countless others that fail. The pharmaceutical industry is also heavily regulated, and market access is closely monitored. Most often overlooked is the fact that when these products are successful, we have the potential to save lives and improve the quality of life for many Canadians. We need them to be successful.

While they may share blame in the problem, I believe that the brand name pharmaceutical manufacturers have been unfairly characterized as the only contributor.

Generic Pharmaceutical Manufacturers: Once considered the saviour, the generic pharmaceutical manufacturers have been taking more heat of late for artificially inflated prices. Bill 102, the *Ontario Transparent Drug System for Patients Act*, recently helped to bring more focus on issues with the generic drug industry that keep consumer prices unnecessarily high. Three factors contribute: big rebates for pharmacists to guarantee shelf space; uncertain market access due to existing patent regulation; and Quebec's unique formulary pricing directive.

Are the generic drug manufacturers to blame for the high prices in Canada? Clearly, the costs of generics could be lower than what they are today—but once again, the industry is merely playing by the rules that have been established for them. I have no doubt that the industry would prefer a much more transparent approach to product pricing and market access for their products, but that is simply not the case in Canada at the present time. I'm sure the industry would argue that with new patent legislation, they could make an even bigger difference in bringing drug prices down.

Healthcare Professionals: Physicians often get the finger pointed at them for prescribing the newest, most expensive medication simply because the drug company representative was recently at their door. Some claim that physicians are also conditioned to prescribe a drug at the end of each appointment because it's an effective way of wrapping up the session and moving on to the next patient. Now, pharmacists are starting to share some blame for accepting significant rebates from drug manufacturers in exchange for shelf space and not passing along these rebates to the end consumer.

Fair criticisms? Physicians are extremely busy—in most cases, struggling with crowded waiting rooms and pressed for time to study and assess the cost and efficacy of new drugs. Our healthcare system encourages the behaviour they exhibit. Given a choice, I'd expect that most physicians would want more time to spend on both patients and the medications they prescribe. Physicians can be part of the solution—but they are far from being the villains.

Pharmacists, too, are only playing by the rules. We need a better, more transparent way of pricing generic drugs to avoid some of the significant rebates being paid. Pharmacists deserve to be paid for the services they provide and should play an even larger role in the effective medical management of pharmaceutical drugs.

Plan Sponsors: Many would suggest that benefits plan sponsors have done precious little to manage prescription drug plan costs. Cost management techniques, such as restricted formularies, preferred provider networks, mail order pharmacies, etc., have been around for years but have gained little traction. Other than through standard plan design provisions such as coinsurance, deductibles and perhaps some formulary modification, it is true: benefits plan sponsors have not been particularly innovative or aggressive in the management of prescription drug costs. Despite this—and in a bit of irony—the drug manufacturers often criticize the plan sponsor community for doing too much to manage costs at the expense of product access. This is unfair.

Governments: They create the rules for the entire drug industry, so it is hard not to blame both the federal and provincial governments. Decision-making in this area seems to be fractured, shortsighted and increasingly narrowly focused. Even when they agree to a collaborative effort, such as the recent National Pharmaceutical Strategy initiative, the outcome becomes mired in “politics.”

Governments could definitely work better together to develop a more consumer-friendly, cost-efficient drug industry. But once again, their job is not an easy one. Navigating through the myriad stakeholders and special interest groups and balancing the need for a robust drug industry with more affordable drug costs is a near-impossible task—particularly within the context of Canada’s political structure. A longer-term vision is necessary, but let’s be realistic: governments will continue to deliver short-term solutions because it’s politically expedient.

There are many other players that are possible parties to the “share the blame” game, including insurance companies and even the consulting fraternity. But perhaps the biggest and most overlooked villain in this scenario is you and I. As a population, Canadians are unhealthy, with an expanding list of ailments resulting from poor lifestyle choices. Clearly, there are many illnesses and injuries over which we have no control, but there are many that can be managed by simply eating better, living more active lives and dropping unhealthy, high-risks habits.

According to Health Canada, lifestyle-related chronic diseases account for 70% of total healthcare costs in Canada. And you need not look any further than the top drug claim categories under a typical drug program to see the impact of lifestyle. As reported by Emergis, the top five drug categories in 2007 for their block of business are cholesterol, blood pressure, ulcers, depression and diabetes—each with a strong connection to how we choose to live.

The best way to avoid escalating prescription drug costs is to avoid taking the drugs in the first place. And we have a lot more control over this than we continue to believe.

It is naïve to simply say (and believe) that if each one of us were to take more control of our health, we could materially impact the cost of prescription drugs in the future. It is true but undoubtedly a tall order, at least in the short term. In the absence of a dramatic improvement in the health of Canadians, there clearly needs to be a more effective approach to drug cost management, and each of the parties referenced here has an important role to play.

But let’s start the dialogue from a healthier place. There are no villains in this scenario—just potential collaborators in making the system more efficient, effective and successful for all parties involved.

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