

Big Pharma Buys Political Favour on Capitol Hill with New Medicare Drug Benefit, Says Canadian International Pharmacy Association

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Canadian Medications Remain Best Bargain For Americans

WINNIPEG, Canada -- While the new Medicare drug benefit may provide marginal cost relief to some Americans, a Canadian pharmacy group says it is “complicated and fraught with gaps, and that seniors can still save the most by buying their prescription drugs from Canada.”

“When you actually do the math and add up the monthly co-pays and annual deductibles you discover that the coverage is not all that substantial and the gap in the middle completely abandons a lot of patients,” said David MacKay, Executive Director, Canadian International Pharmacy Association (CIPA), a trade group representing pharmacies serving American and Canadian patients. “You almost need a degree in calculus to understand the fine details of this plan. People are going to realize that it is simpler and more affordable to buy their drugs from Canada.”

While agreeing that American consumers need financial assistance to purchase their medications, CIPA says that at its best, the new Medicare benefit provides less cost savings to seniors compared to Canadian drugs.

“Purchasing their drugs from Canadian pharmacies, American seniors generally save an average of 40-50 percent off the high U.S. price, said MacKay. “By the end of 2004, under the Medicare plan, they will save much less than that with the drug discount cards, and by 2006, when the benefit fully kicks in, the savings for most seniors will still pale in comparison to Canadian drugs.”

“The bottom line is that the Medicare drug benefit is a marginal improvement at best for struggling seniors and it will be delayed in its implementation,” said MacKay. “In the meantime, legitimate Canadian mail-order pharmacies are available to safely service Americans today and in the future.”

A growing number of Americans have been buying drugs from “up north” and a majority of Americans feel they should be free to do so. An ABC News/Washington Post poll last month found that 69 percent of Americans want it to be legal to purchase more affordable drugs from Canada and other nations.

“American citizens have the right to choose where they purchase their medicines and buying from licensed Canadian pharmacies is a safe and viable option,” said MacKay.

Coverage Gaps Will Cause “Hedging and Hoarding”

The Drug Benefit Program requires seniors to pay a US\$35 monthly premium, a US\$250

annual deductible and other co-payments to receive 75 percent coverage up to a maximum purchase amount of US\$2,250. After that there is zero coverage until out-of-pocket drug costs reach US\$3,600 at which point coverage increases to 95 percent.

“The problem with this gap is that it is going to cause hedging and hoarding – people will hedge their purchases to avoid the gap or hoard more drugs to vault over it,” said Andy Troszok, Vice President-Standards for CIPA, and a licensed Canadian pharmacist. “Either way, healthcare is compromised by economics and the real losers are the patients and the American taxpayers.”

Political Favor Bought By Big Pharma

CIPA calls the bill’s passage is a large political pay-off for the pharmaceutical industry and a token trophy for the Bush Administration.

“ I’m sure the CEOs of the big drug firms are clicking their heels and wringing their hands over this,” says MacKay.

With more lobbyists than there are Congressmen, the pharmaceutical manufacturers dissuaded lawmakers from legalizing drug importation from Canada, avoided any price point reductions on their drugs and were handed a guaranteed multi-billion dollar Medicare market.

“Once again they have bought their way out of trouble and actually walked away with the grand prize,” said MacKay. “ Maybe now their greed will be sated but somehow I doubt it.”

CIPA

CIPA represents Canadian mail-order pharmacies across Canada that serve Canadian and U.S. consumers. CIPA’s members serve more than one million uninsured and low-income American patients. Before patronizing these pharmacies, many customers had been unable to afford their medications.