

# LOWERING PRESCRIPTION DRUG COSTS REQUIRES A MADE-IN-THE-USA SOLUTION

On both sides of the border, Canadians and Americans alike worry about the rising costs of prescription drugs. In response, the Administration and several states are taking steps to allow drug imports from Canada. These actions will have little or no impact on U.S. drug prices, but may have consequences in Canada. One fact remains clear above all others: *Canada's priority is to protect the health and safety of Canadians.*

## THE CANADIAN MARKET IS SMALL

While safe and secure, the Canadian market is too small to have a real impact on U.S. drug prices. The U.S. consumes 44% of the global prescription drug supply, **compared to Canada's 2%.**

In 2018, Canadian pharmacies filled 699 million prescriptions, compared to over 4.2 billion in the United States. According to one study,\* if just 40% of U.S. prescriptions were filled in Canada, our supply would run out in a mere **16 weeks — or 118 days.** The market in Florida alone is greater than all of Canada's.

## CANADA RELIES ON IMPORTED PRESCRIPTION DRUGS

Canada imports approximately **70%** of its prescription drugs. Of the drugs produced domestically, roughly 90% of their components are imported. The Canadian market thus relies heavily on external products, and cannot readily expand production to meet U.S. demand. Relying on prescription drug imports from Canada is not a viable solution to lower U.S. prescription drug costs.



## CANADIAN DRUGS ARE EXPENSIVE

Canadians are similarly struggling with the high costs of prescription drugs. Among OECD countries, Canada has the **third-most expensive** prescription drugs after the U.S. and Switzerland. It is not as simple as saying prescription drugs are always cheaper in Canada. While brand name drugs do tend to be less expensive, generic drugs, which make up to 75% of Canada's market, have traditionally cost more. Even today some generic drugs are more expensive in Canada than in the U.S.

***“Canada is just one-tenth the size of the United States with a mere 37 million people. Given the sheer magnitude of the U.S. population — a whopping 329 million people — there's no way Canada could cover drugs for all Americans.”***

**— Peter Pitts, President, Center for Medicine in the Public Interest and former FDA Associate Commissioner**

\* [www.safermedicines.org/2019/09/imporation-threatens-canadian-drug-supply-2019.html](http://www.safermedicines.org/2019/09/imporation-threatens-canadian-drug-supply-2019.html) (September 2019)