

OUTLOOK

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Cheaper Doesn't Mean Better. Ask a Canadian

By SALLY C. PIPES

Four years ago, my uncle was diagnosed with non-Hodgkin's lymphoma, a cancer of the lymphatic system. He was like a father to me, so the news was extremely upsetting. Wanting to do something to help, I delved into possible treatments for his condition, beyond the chemotherapy he was receiving at the British Columbia Cancer Agency in Vancouver, where he lived. I came up with some good news: There was a new drug, Rituxan, that was having great success combating lymphoma in patients in the United States. And I came up with some bad news: Rituxan wasn't yet available in Canada.

The doctor suggested that if my uncle wanted to try Rituxan, he should go to Seattle, a two-and-a-half-hour drive across the border. But my uncle decided that at 86, that was too much of an effort for him. He died six months after his diagnosis—right around the time that Rituxan was approved for use in Canada.

I offer this sad story as a cautionary tale to Americans, whose politicians have been singing the praises of the Canadian drug-pricing system and loading seniors onto buses to head north across the border in search of discount medications. I live in the United States now, but I grew up in Canada, all my family and friends still live there, and this is what we can say to those politicians: The system that produces cut-rate Celebrex and Vioxx may look attractive if you're seeking to save your constituents a few dollars on prescriptions, but it comes with a pretty severe, and rarely mentioned, side effect: It restricts Canadians' access to the newest cutting-edge drugs.

And this means I'm watching the latest development in America's prescription drug war with trepidation. Illinois Gov. Rod Blagojevich—following in the footsteps of Springfield, Mass., Mayor Michael Albano—has won kudos from many quarters for his plan to purchase inexpensive drugs from Canada for his 240,000 state employees and retirees. But I'm afraid that if Con-

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gress legalizes such purchases through a pending drug importation bill, the result could be even more diminished options for Canadian health-care customers—and ultimately reduced options for Americans, too.

American pharmaceutical companies, which must somehow recoup the roughly \$800 million it costs to develop a new drug, will have no incentive to send critical new drugs north to Canada if they're only going to make their way back into the States at discounted prices. Meanwhile, Canadian pharmacists will be faced with making a choice about the drugs they do get: whether to sell them at the normal pace at home, or send them south in bulk for a quick profit. If they choose the latter, as they likely will, Canadians will have to go without, or be forced south in even greater numbers in search of the medicines they want and need.

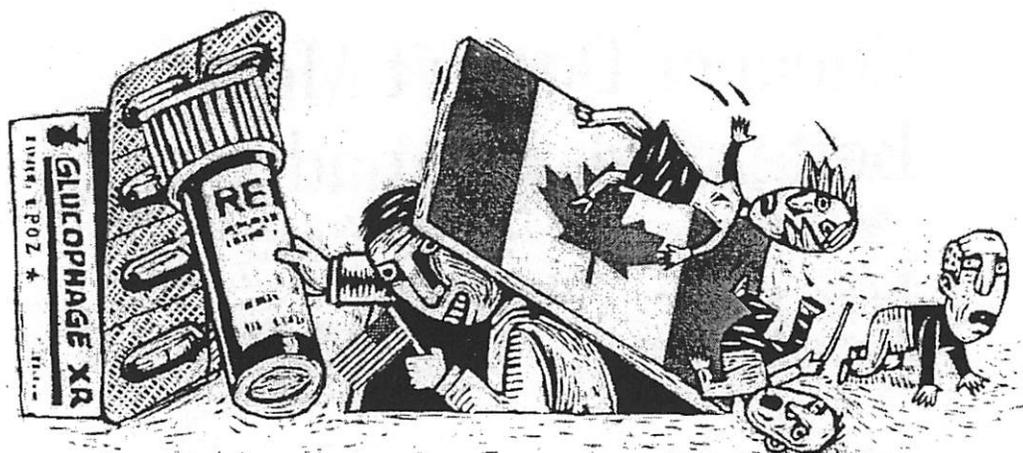
There's an irony here. While Americans are flocking to Canada to get inexpensive drugs, Canadians have for years been going in the opposite direction, desperately seeking new and necessary medicines that they can only obtain in the United States. They're willingly paying top-dollar for them, out of their own pockets.

A friend of mine in New Brunswick, who suffers from Type 2 diabetes, is a case in point. He found that Glucophage XR, an oral blood-sugar-control medication from the U.S. manufacturer Bristol-Myers Squibb that his doctor was able to obtain in small amounts, was the most effective drug for him. But it isn't available in New Brunswick. So he has to travel to Bangor, Maine, about four and a half hours' drive away, to get it.

Canada's drug regulatory system, controlled by the Patented Medicines Prices Review Board (PMPRB)—Canada's version of the FDA—is a complex web of federal and provincial bureaucratic barriers to entry for drugs such as Glucophage XR. The PMPRB, which was established to ensure that drug prices are not excessive, strictly monitors the prices at which manufacturers may sell drugs to wholesalers and pharmacies, and at which pharmacies may sell to the public. In addition, each of Canada's 10 provinces also maintains a government-approved formulary, which determines which drugs will be available to Canadians. Once approved by the PMPRB, medication must then get the nod from

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BY PETER O. ZIERLEIN FOR THE WASHINGTON POST

each of the provincial formularies. Many provinces approve fewer than half of all the new drugs the board has okayed.

To save funds, Canadian health officials delay the introduction of new and more expensive drugs. As a result it takes considerable time for new and more expensive medications to make it into the medicine chests of Canadians. Some never do. One hundred new drugs were launched in the United States from 1997 through 1999. Only 43 made it to market in Canada in that same period. Canadians are still waiting for many of them.

This process may save the government money, but it shifts costs to patients, who pay in the form of increased pain and a diminished life—or in significant out-of-pocket dollars if they choose to seek the drugs over the border. So while U.S. politicians such as Blagojevich celebrate the low prices Canadians pay for drugs, patient advocates in Canada find themselves, because of those same low prices, fighting to give Canadians a shot at securing the most effective medications.

Dennis Morrice is CEO of Canada's Arthritis Society and co-chair of Canada's Best Medicines Coalition, a group founded two years ago to ensure that patients get the drugs they need. According to Morrice, some 4 million Canadians suffer from some form of arthritis, the largest cause of long-term disability in Canada. Yet highly effective drugs such as Enbrel and Remicade, long available to patients in the States, may or may not be available to Canadians, depending on which province they live in. As recently as 2002, only two provinces—Saskatchewan and Ontario—listed the drugs. Says Morrice, "Many people still

can't get them."

The problem cuts across diseases. "It takes twice as long to get AIDS drugs approved in Canada [as in the United States]," says Durhane Wong-Rieger, a prominent Canadian patient advocate. "And these are high-priority drugs." Wong-Rieger points to numerous drugs that Canadians simply can't acquire, either because they haven't been approved for use in Canada, haven't been approved for use in specific provinces, or simply have not been marketed to Canada by companies that lack an economic incentive to do so.

AIDS medication Reyataz, manufactured by Bristol-Myers Squibb and approved by the FDA earlier this year, hasn't even begun the approval process in Canada. The same is true of Pegasys, produced by Hoffman-La Roche Inc. and approved by the FDA last year for the treatment of hepatitis C. It's a good illustration of the general problem. In the States, it's already been approved for a new combination therapy with Hoffman-LaRoche's Copegus antiviral medication to help fight hepatitis C. Canadians, however, still don't have access to the original therapy.

For some drugs that are unavailable in Canada, such as Paxil CR, an improved version of Paxil to treat depression and anxiety, or Niaspan, which treats high cholesterol, patients can hop a bus south to pick up the pills at U.S. prices. But Pegasys is an intravenous medication, so traveling to obtain it isn't a viable option. Starting on an older, less effective treatment and then switching when a drug becomes available is no better. "I get patients who are not taking any drugs because they are waiting for this drug," says Wong-Rieger. "It's a Catch-22. They can take the drug that's on the market

and it won't do the job, or they can wait and get sicker."

In the battle over whether to purchase drugs from Canada for U.S. citizens, all that supporters see are the potential savings to their constituents. Says Blagojevich, "I am optimistic we will be able to save literally millions of dollars for the taxpayers." But there's more to the issue than that. Even if we leave aside the costs to America's Canadian neighbors, who look at the wealth of medications available to Americans with envy and longing, there's the very real prospect that the politicians' scramble to get cheap drugs from next door can backfire on Americans in the long run.

Most drug manufacturers can afford to sell their pills to smaller customers like Canada (which has only 33 million citizens) at discounted prices and make a lower profit, but selling them to everyone at these prices, which are well below the average cost of production of a new medication, would be prohibitive. It would mean, in effect, that drug companies would have no motivation to research and develop ever newer and better drugs. The losers in that case? Both Americans and Canadians—not to mention the rest of the world.

The lesson to be learned from Canada is not that cheaper drugs are possible, but that price controls reduce the availability of critical life-saving drugs. Americans have access to the best, most effective drugs in the world. Congress's latest crusade against the pharmaceutical industry will only further lower the quality of health care for Canadians. If Blagojevich and others get their wish, the United States may not be far behind.

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