

Changes to generic drug prices in Ontario and Quebec

The Ontario Ministry of Health and Long Term Care has announced that they will be providing a 20-day notification period to pharmacies, prior to enforcing the reduced pricing while Quebec's Minister of Health announced Quebec will enforce its Best Available Pricing legislation.

Effective July 20th, Ontario's regulated generic drug price reductions will be enforced

As communicated in [Focus Update 232](#), Ontario has implemented legislation that would reduce the price of generic drugs for both public and private payors effective July 1, 2010.

However, on June 30, the Ministry released an update to the Ontario Drug Benefit (ODB) formulary; prices for those generics where ODB's Executive Officer and the manufacturer have agreed upon will take effect **July 20, 2010** allowing a 20-day notification period.

To align with ODB's notification period the regulated pricing that applies to private payors will be reflected in Sun Life Financial's drug price files effective July 20.

The Ministry continues to review manufacturers' requests for exemptions and will provide updates to the Formulary as prices are approved.

Quebec Announces Reduced Generic Pricing

On Friday June 25th, Yves Bolduc, Quebec's Minister of Health announced Quebec taxpayers will benefit from Ontario lowering prices for generic drugs to 25% of brand cost. Under the current agreement with generic drug manufacturers, Quebec will get the best price available in Canada. Savings for the province are estimated to total \$164 million per year. According to media alerts, Quebec plans to implement the price reduction promptly; however a date has not yet been confirmed.

At this time, we don't have sufficient details to determine the impact these changes will have for private drug plan payors. We will continue to monitor the activity in Quebec, and update you as more information is available.

Questions?

If you have any questions please contact your Sun Life Financial group representative.