

## ADVISORY LETTER

AL-3-10 (By Email)  
May 25,2010

**TO: ALL FIR MEMBER COMPANIES and BENEFITS ONLY MEMBERS**

Gentlemen and Mesdames:

Re: Submission on Generic Drug Pricing

FIR and CONIFER, two industry associations who sponsor major extended health benefit programs for unionized employees, have made a joint submission regarding prescription drug cost control to the B.C. Minister of Health. A copy of the joint letter is attached.

Across Canada, prescription drug spending, since 2000, has increased about 8% annually. A major problem for the ultimate payer of the drug bill is the generic drug manufacturers' practice of paying significant rebates to pharmacies for filling prescriptions with their firms' drugs-this benefits the pharmacies but keeps the price high for the consumer.

Most provincial governments are engaged in processes designed to reform their drug systems. In Ontario, for example, new regulations will fix the maximum price charged for generic drugs at 25% of the brand name price.

The thrust of the FIR-CONIFER submission is to remind the BC government that any changes to provincial regulations should recognize that the private sector plans and the consumer need prescription drug cost relief as much as the public insurer (government) needs it.

Please call or email us if you have any questions.

Yours very truly,

T.J Getzie,  
V.P., Education and Benefits Admin.

