



Information Sheet

CIHI tracks health spending at a high level in its National Health Expenditure Database (NHEX), Canada's most comprehensive source of information on health spending.

The annual report *National Health Expenditure Trends* provides an overview of

- How much is spent on health care every year;
- What the money is used for; and
- Where that money comes from.

More information

To download the annual report, presentation, methodological notes or up-to-date data tables, visit our website at www.cihi.ca/nhex.

Feedback and questions are welcome at nhex@cihi.ca.

Drug Spending in 2014

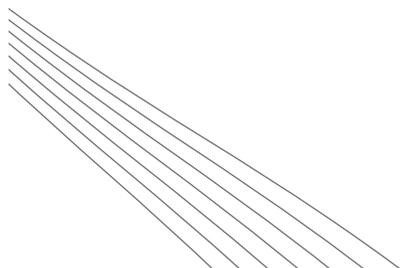
How much do Canadians spend on drugs?

Total drug spending is forecast to be the second-largest category of health expenditure in Canada in 2014, at \$33.9 billion, or \$955 per person.

- For the fourth year in a row, the rate of increase has slowed.
- Prescribed drugs are forecast to represent 85.0% of total drug expenditure and 13.4% of total health expenditure in 2014.

What are the trends in drug spending?

- In 2014, the rate of annual growth in prescribed drug spending (0.9%) is forecast to be at its lowest since 1975.
- Public-sector drug spending in Canada is forecast to have grown at a flattening rate of 0.4%—the second-lowest rate since 1997.
- For more than 2 decades, until 2010, pharmaceuticals were one of the fastest-growing components of health care spending in Canada. In recent years, the savings resulting from a number of factors—drug price regulation, expiration of some major patents, increased use of less-expensive generic drugs and the emergence of fewer new drugs on the market—have largely offset the increase in volume and changes in the types of drugs used.



www.cihi.ca
At the heart of data



Canadian Institute
for Health Information

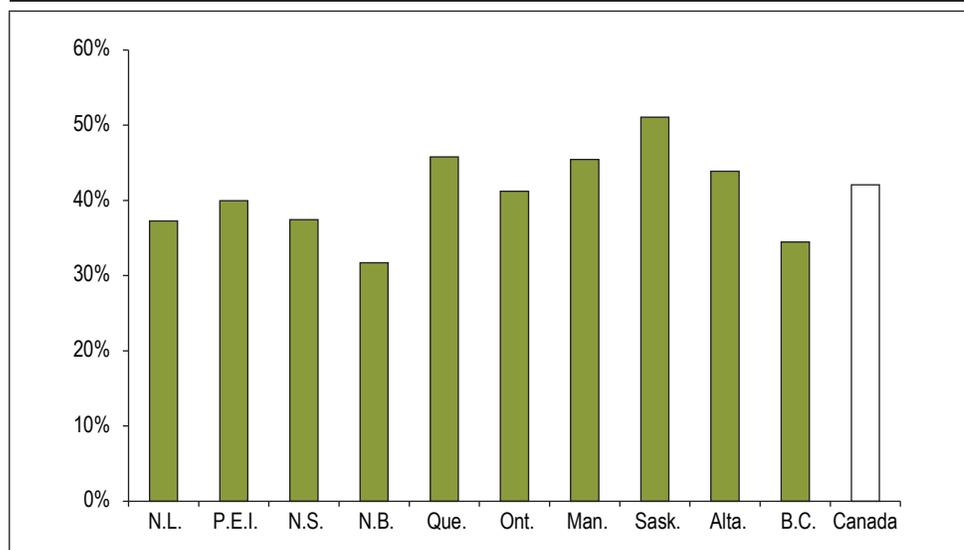
Institut canadien
d'information sur la santé

Where does the money come from?

Drugs are paid for primarily by private health insurance or directly by individuals.

- In 2014, 35.7% of prescribed drug spending is forecast to be financed by private insurers and 22.2% to be paid for directly out of pocket by households. The remaining 42.1% is forecast to be financed by the public sector.
- The public share of prescribed drug spending varies among provinces, ranging from the lowest in New Brunswick (31.7%) and British Columbia (34.5%) to the highest in Quebec (45.8%) and Saskatchewan (51.1%).

Public-Sector Share of Prescribed Drug Spending, by Province and Canada, 2014^f



Note

f: Forecast.

Source

National Health Expenditure Database, Canadian Institute for Health Information.

How does Canada compare internationally on drug spending?

Drugs constitute a large category of health expenditure across Organisation for Economic Co-operation and Development (OECD) countries. In 2012, the latest year for which international data is available, Canada had the second-highest expenditure on drugs per capita (US\$771), after the United States (US\$1,010).

Similar to the trend in Canada, the growth in drug spending in recent years has been quite low or even negative in many OECD countries. This is due to the implementation of a range of public measures intended to moderate or cut drug spending.