Drug Spending at a Glance

How much do Canadians spend on drugs?

- In 2018, total drug spending is forecast to make up the second-largest share (15.7%) of health expenditure in Canada, at $39.8 billion, or $1,074 per capita.
- Prescribed drugs are forecast to represent 84.6% of total drug expenditure; non-prescribed drugs, which include over-the-counter drugs and other medical non-durables, are expected to account for 15.4%.
- Multiple payers are involved in financing drugs. In the public sector, these payers include provincial/territorial programs ($12.2 billion, $330 per capita), federal direct drug subsidy programs ($0.83 billion, $22 per capita) and social security funds ($1.3 billion, $36 per capita). In the private sector, payers include private health insurance ($12.3 billion, $333 per capita) and households or individuals paying out of pocket ($13.1 billion, $354 per capita).

Figure 1  Drug spending per capita, by source of finance, Canada, 2018

For more information

See also the Canadian Institute for Health Information’s report

Note
f: Forecast.

Source
National Health Expenditure Database, 2018, Canadian Institute for Health Information.
How does Canada compare internationally on drug spending?

Drugs constitute a large share of health expenditure across countries in the Organisation for Economic Co-operation and Development (OECD). Figure 2 shows that Canada spent CA$1,043 on drugs per capita in 2016, less than the United States (CA$1,470) but more than most other OECD countries. Canada’s per capita spending on drugs has been stable in the last decade.

Figure 2  Total expenditure on drugs* per capita, Canadian dollar purchasing power parity, 29 selected OECD countries, † 2016

The public share of drug spending in 2016 varied among the OECD countries, ranging from 33% in Lithuania to 84% in Germany. Canada, with a public share of 36%, was among the countries with the lowest shares. This share has been stable in recent years.

Notes
* Includes pharmaceutical goods and other medical non-durables.
† These are the countries for which data was reported in 2016.

Source