

**DON'T GAMBLE WITH HEALTH CARE**



## **CETA and Health Care: Higher drug costs and more privatization**

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) will affect health care in two ways. The first is through EU demands for Canada to change its drug patent system to give more intellectual property rights to large, EU and U.S.-based brand-name pharmaceutical companies. The second is through investment commitments that will give private health insurance companies and private clinics tools to challenge Canada's public health care system. The result of CETA will be to increase the cost of health care and encourage privatization.

A report by Paul Grootendorst of the University of Toronto's Faculty of Pharmacy and Aiden Hollis of the University of Calgary's Department of Economics estimates that CETA's proposed intellectual property (IP) chapter would increase the price of drugs in Canada by almost \$3 billion. The EU is asking Canada to increase patent terms on drugs from 20 to 25 years. They want us to give more protection to the data brand name firms use to produce drugs, and then to offer those companies more power to challenge the introduction of cheaper generics in Canada.

Consumers, and businesses that offer drug plans, will be hit hard. There are already many Canadians who cannot



**DON'T GAMBLE WITH HEALTH CARE**

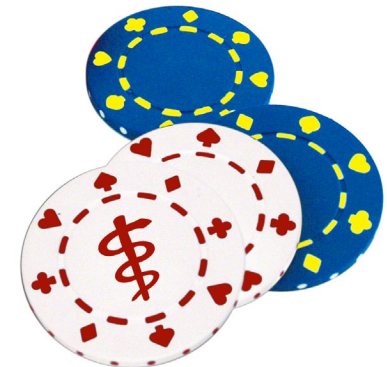


## **CETA and Health Care: Higher drug costs and more privatization**

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) will affect health care in two ways. The first is through EU demands for Canada to change its drug patent system to give more intellectual property rights to large, EU and U.S.-based brand-name pharmaceutical companies. The second is through investment commitments that will give private health insurance companies and private clinics tools to challenge Canada's public health care system. The result of CETA will be to increase the cost of health care and encourage privatization.

A report by Paul Grootendorst of the University of Toronto's Faculty of Pharmacy and Aiden Hollis of the University of Calgary's Department of Economics estimates that CETA's proposed intellectual property (IP) chapter would increase the price of drugs in Canada by almost \$3 billion. The EU is asking Canada to increase patent terms on drugs from 20 to 25 years. They want us to give more protection to the data brand name firms use to produce drugs, and then to offer those companies more power to challenge the introduction of cheaper generics in Canada.

Consumers, and businesses that offer drug plans, will be hit hard. There are already many Canadians who cannot



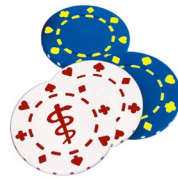
afford to pay for drugs. And about half of the \$3 billion in added costs would be taken on by provincial, publicly funded drug plans just as the provinces and territories that are scrambling to cover health care costs, including rising drug prices.

CETA's intellectual property chapter is unsustainable. It is based entirely on massive lobbying by European and American drug companies, which already make big profits and do little research and development in Canada. It will also put another barrier in the way of a needed National Drug Plan, or Pharmacare, in Canada.

The health costs in CETA go beyond drugs. Trade deals are designed to protect and encourage the private delivery of services, including public services such as health care and water. Europe is home to many private health providers and insurers that would benefit from any watering down of already weak protections in NAFTA for public health care. Any new investment protections for these companies in Canada would automatically be extended to U.S. private health firms as well. It would be a convenient way for the federal government to use trade commitments to force open Canada's public health care system to private care and expensive private insurance.

## What We Can Do

The provinces need to reject the services and investment provisions in CETA designed to privatize health and other social services. They also need to reject the intellectual property requests, which are guaranteed to increase drug costs and reduce the availability of cheaper generic drugs in Canada. But our provincial governments won't do this on their own. We need to put pressure on local, provincial and national decision makers to strengthen Canada's health care system, not undermine it through trade deals. For a sample letter you can send, visit <http://pharmacarenow.ca/ceta>.



afford to pay for drugs. And about half of the \$3 billion in added costs would be taken on by provincial, publicly funded drug plans just as the provinces and territories that are scrambling to cover health care costs, including rising drug prices.

CETA's intellectual property chapter is unsustainable. It is based entirely on massive lobbying by European and American drug companies, which already make big profits and do little research and development in Canada. It will also put another barrier in the way of a needed National Drug Plan, or Pharmacare, in Canada.

The health costs in CETA go beyond drugs. Trade deals are designed to protect and encourage the private delivery of services, including public services such as health care and water. Europe is home to many private health providers and insurers that would benefit from any watering down of already weak protections in NAFTA for public health care. Any new investment protections for these companies in Canada would automatically be extended to U.S. private health firms as well. It would be a convenient way for the federal government to use trade commitments to force open Canada's public health care system to private care and expensive private insurance.

## What We Can Do

The provinces need to reject the services and investment provisions in CETA designed to privatize health and other social services. They also need to reject the intellectual property requests, which are guaranteed to increase drug costs and reduce the availability of cheaper generic drugs in Canada. But our provincial governments won't do this on their own. We need to put pressure on local, provincial and national decision makers to strengthen Canada's health care system, not undermine it through trade deals. For a sample letter you can send, visit <http://pharmacarenow.ca/ceta>.

