

Net societal economic impact in Canada from withholding regulatory approval for generic OxyContin®

Description

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Publication Date

September 12, 2012

Citation

Skinner BJ (2012). Net societal economic impact in Canada from withholding regulatory approval for generic OxyContin®. *Canadian Health Policy*, September 12, 2012. Toronto: Canadian Health Policy Institute.

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SUMMARY

Introduction

Available evidence suggests non-medical abuse of OxyContin is significant. The Canadian patent for OxyContin is set to expire in November 2012. The manufacturer stopped selling the drug before patent expiry, replacing it with a recently approved abuse-deterrent formulation called OxyNEO. Other drug companies are seeking Health Canada's approval to sell generic versions of OxyContin once the patent expires. Ontario's Minister of Health wrote to the Federal Health Minister requesting that generic OxyContin not be approved for sale, stating "Ontario believes that the costs to society of the reintroduction of the more-easily abused version far outweigh the financial benefits that would accrue from the reduced price".

Objective

To estimate the potential net societal economic impact of permanently replacing OxyContin with OxyNEO, an innovative tamper-resistant formulation that could deter abuse of the product, while preserving normal availability for legitimate medical-use by patients.

Methods

Expected savings from generic OxyContin were estimated by applying the observed post-generic discounts of two drugs recently affected by patent expiry, to the sales and volumes data for OxyContin. Data from published studies on the prevalence and societal costs of prescription opioid abuse that

could be attributed to OxyContin were proportionally extrapolated to Canada to estimate the potential societal economic costs of OxyContin abuse in Canada.

Results

In 2011, potential total annual societal economic costs from OxyContin abuse were estimated at \$504m in Canada and \$318m in Ontario. Total annual savings expected from generic discounts on OxyContin across Canada range between \$89m and \$152m including all payers and between \$45m and \$77m for public payers only. In Ontario, corresponding generic savings range between \$52m and \$106m for all payers and between \$29m and \$59m for public payers.

Conclusion

Permanent replacement of OxyContin with OxyNEO could potentially reduce the societal economic costs of prescription opioid abuse, without causing the loss of health benefits accruing to legitimate users of the drug. Potential savings from the abuse-deterrent impact of OxyNEO substitution exceed the expected savings from generic supply of OxyContin by a net difference of between 232% and 467% for Canada and between 199% and 516% for Ontario. OxyNEO substitution need reduce abuse by as little 18% to 30% for the trade-off to be economically neutral.