



2024-2025 Research Package
Topic: THS a price cap on
life-saving medications



Background

Medications are manufactured by multinational pharmaceutical corporations. Using well-tested protocols and following strict guidelines to ensure patient safety is the utmost priority. However, this leads to increased costs, and there is a growing concern around the affordability of prescription drugs. In Canada, where the healthcare system is public, prescriptions are covered by the Canada Health Act if the person is in hospital. In the U.S., there is little to no coverage for healthcare and prescriptions, and a person often pays out of pocket completely or purchases insurance to partially cover the cost of prescriptions. However, in life or death situations, the question of whether a patient can access life-saving medications raises more concerns, especially when these medications are continuously increasing in price.

Questions to think about:

What is a life-saving medication?

As the name suggests, life-saving medications are prescription drugs that have the potential to mitigate deteriorating conditions in a patient and even save their life. It is important to consider that these are different from over-the-counter medications or other prescriptions. Given that life-saving medication is more “important”, less available, and more expensive than other forms of medication, the question is one of access. What is more likely when a price cap is placed on life-saving medication: greater access for people, particularly those who cannot afford life-saving medication, or a drastic shortage of these medications, which would restrict access to everyone?

How much of a price cap should be implemented?

Because this is a topic that revolves more around the theory of price caps and whether we should implement them, it is recommended to not spend too much time debating why one specific price cap is better than the other. By minimizing discussion on the specific price cap (the dollar amount), the debate can flow smoothly and focus more on the actual mechanism behind why we should or should not have price caps.

What is the role of the government in regulating a price cap?

The government can play a very important role in deciding how much of a price cap to implement and how strict will the regulations be on prescription drugs. However, both sides must consider the pros and cons of government involvement vs. letting the markets and consumers decide the price of the drug.

How will price caps affect the pharmaceutical companies?

We must remember that pharmaceutical companies spend billions of dollars and resources to test life-saving drugs and bring them to market. Within this debate, it is important to also consider the role of incentives when it comes to working for these companies. How does this motion affect the research conducted by these pharmaceutical companies? Should the burden of supporting this research fall on those who require life-saving medication? The balance between how to incentivize companies for their drug production and also how to bring to the public affordable life-saving medications is a very tricky dilemma.

Sources for further reading

[Price controls on drugs would save lives, but also take them](#)

[Setting Fair Prices for Life- Saving Drugs](#)

[Why Price Controls Will Result in Fewer Life-Saving Drugs](#)