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# Savings must be measured against healthcare needs

*From Ms Helen Davison.*

Sir, Calls to switch to generic medicines in order to cut costs represent a basic misunderstanding of how the pharmaceutical industry and innovation work ("Measures to limit drug marketing questioned", Ft.com, January 18).

As demonstrated in Canada throughout the 1970s and 1980s, the emphasis on the use of generic drugs to reduce costs may actually come at the expense of better healthcare treatment and result in significantly worse outcomes for patients. Favouring generic manufacturers over the research-based pharmaceutical industry could lead to greater economic and social costs since new and better treatments will not be developed without sufficient incentives.

Overall cost savings to the government's medicines budget must therefore be balanced against the need to develop innovative treatments that allow patients to live longer, healthier lives and prevent expensive medical interventions. The assessment of medicines should be based on a holistic view of best value and not simply lowest cost.

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