



Drug Review

Agenda

- Drug Spend in Canada
- Top Therapeutic Classes
- Common Drug Terms
- Diabetes and Weight Loss
- Managing Employee Health

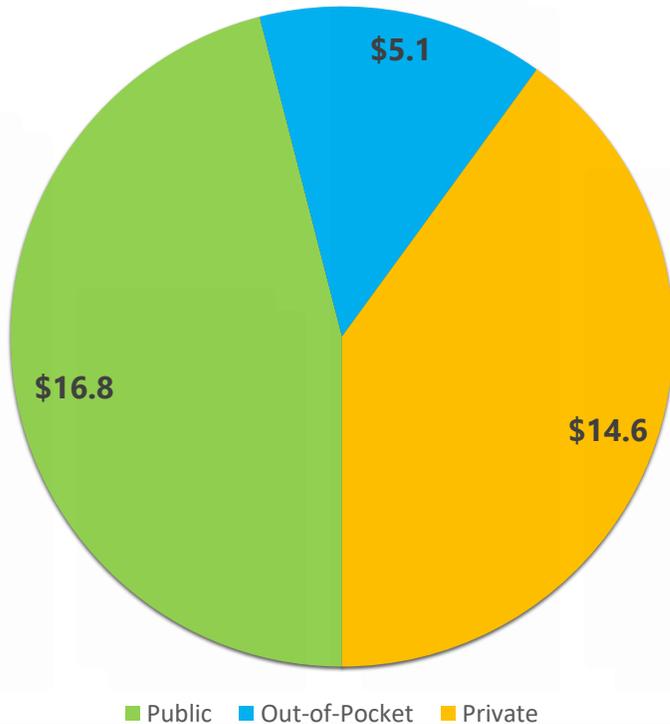


**“These pills will help you stay asleep.
They change your dreams into
Powerpoint presentations!”**



Drug Spend

Drug Spend in Canada 2022 (in billions)



Drugs represent:

- 60% to 80% of Total Health Care Costs
- 35% to 50% of Total Benefit Plan Costs



**“I need something to relieve my stress.
Can you prescribe some money?”**



Top Therapeutic Classes 2022-2023

Rank	Therapeutic Class	% Total Cost	% Total Claims
1	Diabetes	12.9%	7.7%
2	Rheumatoid Arthritis	11.2%	0.4%
3	Skin Disorders	8.1%	3.1%
4	Asthma	5.3%	5.7%
5	Depression	5.2%	10.8%
6	ADHD	5.1%	3.6%
7	Cancer	3.8%	0.6%
8	Multiple Sclerosis	3.0%	0.1%
9	High Blood Pressure	2.5%	8.2%
10	Gastrointestinal Disorders	2.5%	0.8%
Total		59.7%	41.3%

Source: Telus Interactive Reporting Database 2023



Common Drug Terms

Brand name drugs – Single Source

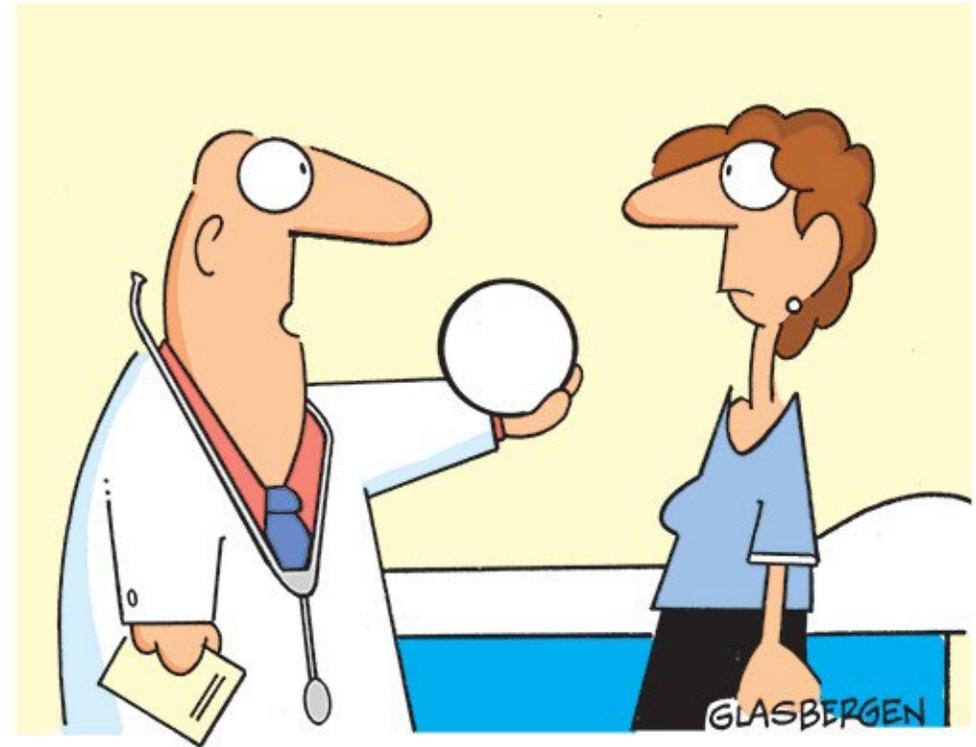
- Remain protected by patent law and do not have generic or biosimilars available for purchase in Canada.

Multi-Source drugs

- The brand name drug was dispensed/paid, but a generic version exists
- Ex: Lipitor (\$2.90 per unit) vs. Atorvastatin (\$0.26 per unit)

Generic Drugs

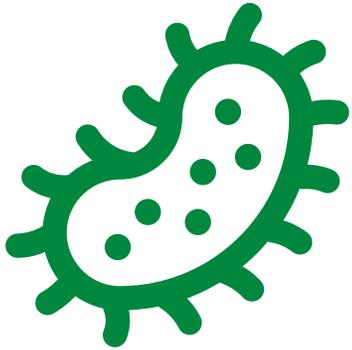
- Copies of brand name drugs that provide the same therapeutic efficacy
- Differences could include non-medicinal fillers (dyes, etc.)
- If a patient cannot tolerate a filler, there are usually options for other generics (less than 1% of cases)
- Normally 75% to 80% less than the Brand



“Take one pill as needed for stress. Throw it over your cubicle and bounce it off the head of an annoying coworker.”



Common Drug Terms

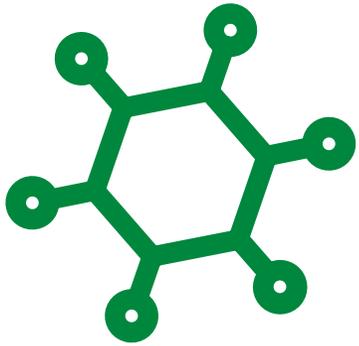


Biologic Drugs

- Biologics drugs are large, complex medications that are made from living cells (not chemicals) which are naturally variable and impossible to “copy”
- Normally the most expensive drugs on an employer’s total drug spend where a small number of claimants represent the largest proportion of paid claims (80/20 rule)
- Biologics are administered mainly by injection under the skin (subcutaneously) or by intravenous fusion
- The intense cost of developing these drugs, higher cost for clinical trials, and the technology and skill required to manufacture a biologic medication are key drivers for the high cost as compared to a chemical drug



Common Drug Terms



Biosimilar drugs

- Similar to, but not an exact copy of the reference biologic drug due to the variability in the living cells
- Eight provinces and two territories have implemented or announced policies to switch public plans to biosimilars (Ontario currently in transition period until December 29, 2023)
- Normally 40% to 60% of the cost of the originator biologic
- Adopting the insurer's Biosimilar drug policies can reduce costs
- Communication is key



Off Label drugs

Off-Label drugs

- The use of a drug beyond what Health Canada has reviewed and authorized to be marketed in Canada
- Drug manufacturers are only allowed to market their drugs in Canada for indications authorized by Health Canada and can be fined if they are found to be promoting off-label uses for a product
- Ex: Ozempic is part of most insurers' prior authorization programs (i.e. before approving, the patient must confirm what other Type 2 Diabetes medications have been tried prior to prescribing)



**“That pill they advertise all the time on TV.
I’m not sure what it is, but I want it!”**

Diabetes and Weight Loss medications

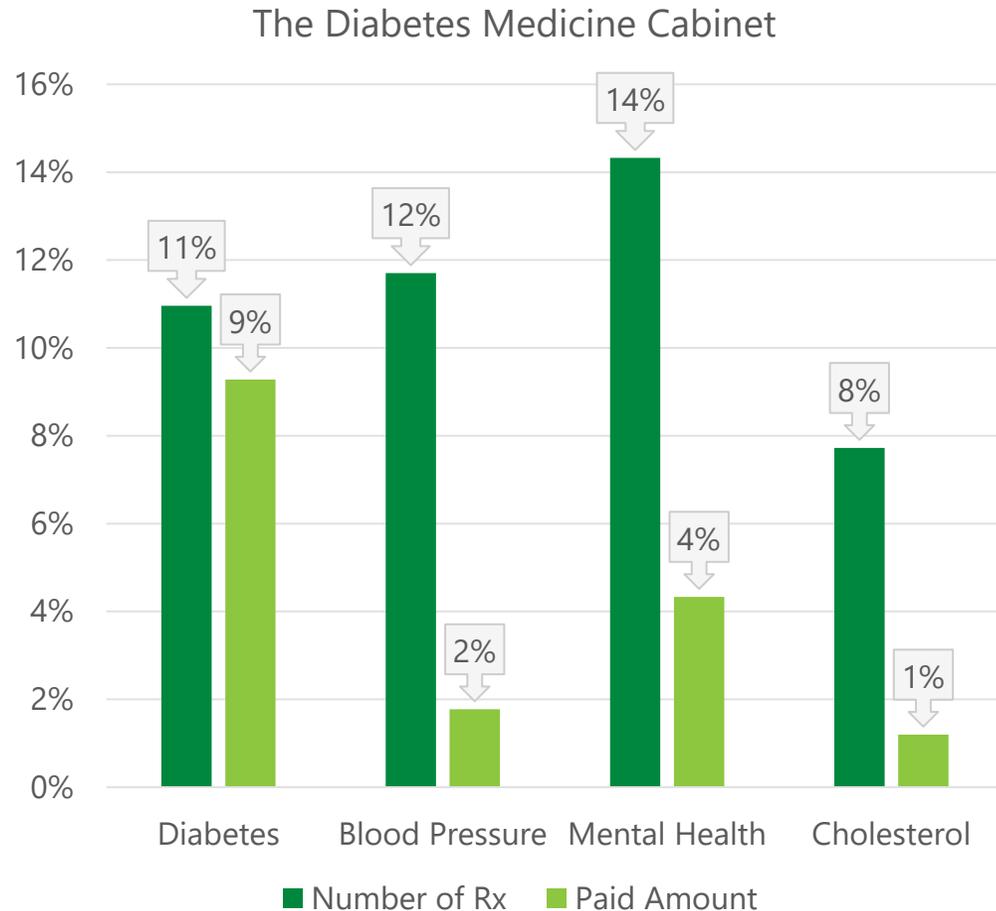
- Wegovy is approved for chronic weight management in adults and adolescents ages 12 and older who have a BMI of over 30 or over 27 with at least one weight-related co-morbidity.
- During clinical trials, adults taking Wegovy lost nearly 15% of their starting body weight on average.
- Approved by Health Canada and expected to be commercially available in Q4 2023.
- Ozempic is approved to treat Type 2 diabetes only
- The long-term effects of these medications is unclear
- Adverse effects can include nausea, headaches, depression



**“You don’t make patients feel guilty about cancer.
You don’t make patients feel guilty about Parkinson’s.
You don’t make patients feel guilty about Alzheimer’s.
Why are you making me feel guilty about diabetes?”**



The Diabetes Medicine Cabinet



- **1 in 4 Canadians live with prediabetes or diabetes.**
- There has been a greater than 50% increase in diabetes prevalence over the past 10 years.
- Six million Canadians have prediabetes, and if left untreated, ***more than 50% of them will develop Type 2 Diabetes within 8 to 10 years.***
- A diabetic typically also has medications for high blood pressure, cholesterol and mental health, all considered co-morbidities of diabetes.



Wellness Programs – Proactive models to reduce drug costs

Promote proactive wellness programs

- Virtual Fitness Programs
- Nutritionist / Dieticians (extended health care plan or through EAP)
- Virtual Primary Physician / RN Care
- Virtual Unlimited Mental Health Care
- Personal / Lifestyle Spending Accounts
- Health Care Spending Accounts



“Right now I take a blue pill, a purple pill, an orange pill, a white pill, and a yellow pill. I need you to prescribe a green pill to complete my collection.”

