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## High-cost medications threaten to undermine the sustainability of the Canadian Pharmacy drug offering

### High-cost medications for cancer and high cholesterol are expected to intensify the trend.

Prescription drug spending on high-cost drugs continues to grow at alarming rates. In 2015, new treatments for non-orphan conditions such as Hepatitis C were introduced into the Canadian market at prices previously only seen with "orphan drugs", those developed to treat rare diseases with small, specific populations, typically less than 10,000 persons. The drug development pipeline full of new, high-cost medications for conditions such as cancer and high cholesterol is expected to intensify into a trend that threatens to undermine the sustainability of the Canadian pharmacy drug offering.

These are unprecedented challenges, and the need to respond with innovative, yet proven new approaches to prescription drug benefit management has never been greater. Double digit annual growth of specialty drug spending continued in 2014 at 12.1%. Specialty drugs, while representing only 2% of claims, represented 26.5% of total drug spending. It is expected to reach 35% in the next five years.

The time to act to lower drug plan spending is now. Runaway cost increases have slowed by about half in recent years, owing to a large number of drugs coming off patent, as well as lower generic prices.

The bad news? The current slowdown is temporary, and a storm of rising drug costs is likely coming. New specialty and biologic therapies, combined with an aging population and greater patient-driven demand

are poised to set drug costs rising sharply again.

Many employers are questioning the sustainability of their current drug plans, and, as rapid growth in costs resumes, a great number more will begin to do so.



**Employers may not realize that there is a window of opportunity to take action on rising costs.**

What employers may not realize is that there is a window of opportunity to take action on rising costs now, before the next major wave of increases hit. And there are drug plan innovations and proven, researched implementation strategies that can help break down the barriers to change within an organization.

Employers have an opportunity to reduce costs, introduce greater accountability in their plans, and maintain coverage levels over the longer term. Ipsos Reid did a survey of over 800 Canadians covered by employer-sponsored plans and it revealed that employees

are aware of the cost increase issue. In addition, it found that employees were open to cost containment measures such as prior authorization for special drug programs, as well as mandatory drug substitution which ensures that the lowest costing drug is dispensed, even when a doctor writes "no substitution" on the script.

Utilization of traditional drugs has steadily increased over the past decade, resulting in an increasing number of prescriptions per claimant – from an average of 10.3 to 12.8 in 2014. However, the specialty category continues to dominate new drug approvals. About two-thirds (54 of 78) of all new



**High-cost medications** ... continued from reverse

drug approvals in 2014 were for specialty medications. But how do we balance cost versus the fact that new drugs treating niche conditions can provide significant clinical benefits to affected patients and caregivers?

Cost increases will continue to be significant. Ensuring drug plan sustainability requires much more than tweaking existing plan designs – it calls for real, transformational change. Examining the drug formulary, making decisions about which drugs to cover, or not, may be in your future. Decisions surrounding the role of the drug plan design and plan sponsor will need to be examined.

Primary Indication	Drug Name	Generic Name	Comment	Annual Cost / Patient
Blood Disorders	Firazyrq	icatabant	New drug	\$273,500
Cancer	Afinitor® Disperz™	everolimus	New dosage form	\$200/tablet
Cancer	Bosulif™	bosutinib	New drug	\$55,000-\$69,500
Endocrine / Metabolic Disorders	Signifor	pasireotide	New drug	\$59,000-\$62,500
Eye Disease / Macular Degeneration	Eylea®	aflibercept	New drug	\$9,000 - \$18,000
Hepatitis C	Harvoni™	ledipasvir / sofosbuvir	New drug	\$47,000-\$141,400

The cost impact makes it clear that if drug maximums are not a consideration, high-cost drug risk pooling is a critically important tool for protecting payers from enormous claims costs. That too is an area where plan costs will rise.

Cost pressure from new high-cost medications is enormous. The pipeline of niche drugs, orphan drug pricing for non-orphan drugs, and new specialty drugs for commonly used therapy classes will all drive spending upward. Drug plan sustainability will become a major, complex issue for plan sponsors. The discussion surrounding it needs to start now.

Until next time...

Source: Express Scripts Canada 2014 Drug Trend Report

## Tips for Swallowing Pills

**Many people have trouble swallowing pills.**

If you're having swallowing issues, try these techniques for helping the medicine go down.

1. - Put your pill on your tongue
  - Take a sip of water but don't swallow
  - Tilt your chin down – not up – toward your chest
  - Swallow the pill and water while your head is bent down
2. If your medication's instructions say you can take it with food:
  - Put a pill in applesauce, yogurt or some food with a texture that makes it easier to swallow pills whole, or grind the pill into powder and add it to food.
3. Cut a pill with a pill splitter and swallow the smaller pieces.

Note: Always ask your pharmacist if you can grind up or split a pill – some medications must be taken whole.

Source: Body Bulletin Canada - 02.2016



## Travel Health Kit

### Did you know?...

A basic travel health kit is important no matter where you travel. First aid supplies and medications may not always be readily available in other countries or may be different from those available in Canada.

A good travel health kit contains enough supplies to prevent illness, handle minor injuries, and manage pre-existing medical conditions beyond the duration of your trip.

A good health travel kit will include:

- Any prescription or over-the-counter medication you normally use
- Hydrocortisone cream to treat minor skin irritation, such as itching caused by bug bites or poison ivy
- Allergy medication, such as antihistamine
- Anti-diarrheal medication
- Anti-motion-sickness medication
- Antifungal and antibacterial ointments or creams
- Cold and flu medications, such as decongestants, cough suppressants or throat lozenges
- Pain and fever medication, such as Acetylsalicylic Acid (ASA), Ibuprofen or Acetaminophen
- Stomach and intestinal medication, such as antacids and laxatives

Also include basic first aid supplies, emergency contact information of family or friends, proof of health insurance and a copy of your immunization record.

Discuss the use of medications and treatments with your Doctor or Pharmacist before departure and carefully follow the directions for use, including dosage and when to seek medical care.

Source: Health Alert Feb. 2016