

### **Prescription Drugs And Your Group Benefit Plan**

In recent years prescription drug trend factors (inflation and pricing) have come down in Ontario and some other provinces. This is due to the implementation of generic drug price reforms that were legislated by Provincial Governments and were phased in over a 3 to 4 year period of time in several provinces. A second reason these decreases have been realized is the patent expiry of some extensively prescribed high cost drugs. One such drug was Lipitor and it is used to treat people with high levels of cholesterol.

The savings from these factors somewhat cloaked the rising costs associated with increased use of specialty medications in the marketplace. There have been a small number of high priced prescription drugs introduced over the years and the number of these drugs is steadily increasing. I have read that 60% of drugs currently in development are specialty medications and their medicinal application is targeting conditions common to larger segments of the population such as Baby Boomers and seniors.

For example, a relatively new drug called Solvaldi/Harvoni is being used for the treatment of Hepatitis C. It supposedly has a 90% cure rate and the cost can vary from \$35,000 to \$100,000 per treatment. With an estimated 250,000 plus Canadians with Hepatitis C, the costs multiply quickly. One of my firm clients had an employee who was treated with Solvaldi last year at a cost of \$115,000 and the treatment was not successful.

Invokana is another new medication being prescribed for the treatment of diabetes and it is fifteen times more expensive than current options. When you consider the large number of Canadians being treated for diabetes these therapies put significant pressures on the prescription drug component of all benefit plans.

Although there is nothing wrong with paying more for potentially better health outcomes, the question is, who will pay?

To help control affordability and availability of quality drug therapies, many of the Chambers Plan's health care options use the Telus Health National Formulary – a large evolving list of prescription drugs that qualify for insurance coverage. This ensures coverage and accessibility to safe, cost-effective and quality drug therapies. The formulary provides a credible process for determining drugs eligible under the Plan. At the same time it ensures health outcomes are not compromised while managing the costs of the drug component of your Plan.

The Chambers of Commerce Group Insurance Plan is constantly exploring ideas and features that can be incorporated into the Plan to face this and other challenges. And my office can offer you proven strategies to protect the drug coverage and premium costs for your organization.