



SUN LIFE FINANCIAL'S
**Pharma
 News**
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INNOVATION

Managing drug cost reimbursement plans: strategies to support tomorrow's innovations

Having had wild success in their own industry, tech billionaires are setting their sights on another industry – healthcare and medical research.ⁱ If their innovation in technology is any indicator, their focus on medical research will help to solve illnesses, diseases, or other issues currently ailing the average human being, but will the average drug plan be able to follow?

Innovation changes lives. In the field of pharmaceuticals, this has been true in the most literal sense. Major discoveries in medicine – like penicillin or the Polio vaccine – have contributed to lowering global death rates.ⁱⁱ As pharmaceutical and medical technologies are seeing exponential growth in our time – now aided by the generous, philanthropic benefactors of the tech giants – what we're seeing is that some diseases are no longer as deadly.

In this age of technology, it is expected that advances will continue to reduce death rates. In fact, as we turn to the assistance of powerful computing programs and artificial intelligence, the pace at which we lower the number of preventable deaths may actually increase. This is great news for those who can now get medicine for previously

untreatable diseases; however, what impact will those medicines have on employer-paid drug plans?

The answer is that these steps forward in medical technology could come with a cost. The research and development of these drugs may be covered by philanthropic grants or pharmaceutical company budgets, but when it comes time for a plan member to pay for their life-saving medication at the pharmacy, it is private insurance plans that often help with the drug bill.

As we saw in our previous issue of [Pharma News](#), new drugs are becoming more personalized for the patient – we're seeing the development of medicines that fight very specific types of cancer cells instead of ones that damage a patient's healthy cells as well.

As innovation brings new drug solutions to light, the same innovation needs to be brought to the structure of drug plans to ensure that plan members can continue to get the medicines they need. On the insurance side of things, that means looking at the robustness of drug cost-management programs and plan design.

At Sun Life, we understand the need for creativity and innovation in the field in order to keep up with new drugs both in the near and long term pipeline. The sustainability of our plan sponsors' drug plans is vital so that plan members can continue to rely on the coverage their employers have provided in the past, for many years into the future. Our Pharmaceutical Benefits team stays informed of new drugs and their anticipated costs coming down the pipeline. It is our priority to ensure that not only are we aware of what's new, but also that the cost-management solutions we provide help to mitigate any impacts so that plan sponsors can continue to offer drug plans with choice.

Meet Liette and Atul

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Life's brighter under the sun



Group Benefits

Recent additions

The following new high-cost drugs or new indications for high-cost drugs were recently approved by Health Canada and will be added to the Sun Life Prior Authorization Program.

| DRUG | APPROVAL DATE ⁱⁱ | CONDITION TREATED | ESTIMATED COST* | INCIDENCE OR PREVALENCE | SPECIAL NOTES |
|--|-----------------------------|------------------------|---|--|---|
| ^{Pi} ALECENSARO™ NEW DRUG | September 2016 | Lung cancer | Up to \$12K for a 30-day period at the recommended dose of 600 mg twice daily | Incidence: 44 per 100,000 Canadians ^{iv} | For patients who experienced disease progression or intolerance to crizotinib (^{Pi} XALKORI®). |
| ^{Pi} HUMIRA® NEW INDICATION | November 2016 | Non-infectious uveitis | Approx. \$22K per year | Prevalence: 45 to 90 per 100,000 Canadians ^v | First biologic approved by Health Canada for this indication. |
| ^{Pi} STELARA® NEW INDICATION | December 2016 | Crohn's disease | No data available at the time of this publication | Prevalence: 1 per 150 Canadians has inflammatory bowel disease (Crohn's disease or ulcerative colitis) ^{vi} | New intravenous formulation to be administered for induction treatment. |
| ^{Pi} ZINBRYTA™ NEW DRUG | December 2016 | Multiple sclerosis | No data available at the time of this publication | Prevalence: 240 per 100,000 Canadians ^{vii} | Subcutaneous injection. For patients who have had an inadequate response to, or who are unable to tolerate, at least one prior therapy for the treatment of multiple sclerosis. |
| ^{Pi} KEVZARA™ NEW DRUG | January 2017 | Rheumatoid arthritis | No data available at the time of this publication | Prevalence: 0.5 to 1 per 100 adult Canadians ^{viii} | Subcutaneous injection. New biologic. |

*Sun Life Financial, Group Benefits, internal data based on average eligible price submitted per drug, per unit, 2016 (includes markup and dispensing fee)

^{Pi}ALECENSARO™ is a trade-mark of Chugai Seiyaku Kabushiki Kaisha, used under license.

In the Pipeline

Here are some of the drugs currently under review by Health Canada^{ix}:

| DRUG | CONDITION TREATED | SPECIAL NOTES |
|----------------------------------|-----------------------------|--|
| Eliglustat GENERIC NAME | Gaucher disease | <ul style="list-style-type: none">• Oral treatment• Rare disease |
| Obeticholic acid GENERIC NAME | Primary biliary cholangitis | <ul style="list-style-type: none">• Oral treatment• Chronic liver disease most frequently affecting women |

ⁱ Ariana Eunjung Cha, "The Human Upgrade," The Washington Post, April 4, 2015.

ⁱⁱ Bank of America Merrill Lynch, Creative Disruption, Health care improvements keep lowering the death rate, 2015.

ⁱⁱⁱ © All Rights Reserved. Drug Product Database. Health Canada, 2015. Adapted and reproduced with permission from the Minister of Health, 2017.

^{iv} Canadian Cancer Society's Advisory Committee on Cancer Statistics. Canadian Cancer Statistics 2015. Toronto, ON Canadian Cancer Society, 2015.

^v Acharya NR, Tham VM, Esterberg E, et al. Incidence and prevalence of uveitis – Results from the Pacific Ocular Inflammation Study. JAMA Ophthalmol 2013; 131 (11): 1405-12.

^{vi} Crohn's and Colitis Foundation of Canada. The impact of Inflammatory Bowel Disease in Canada - 2012 Final Report and Recommendations. Available from: isupportibd.ca/pdf/ccfc-ibd-impact-report-2012.pdf.

^{vii} Canadian Agency for Drugs and Technologies in Health. CADTH therapeutic review. Comparative clinical and cost-effectiveness of drug therapies for relapsing-remitting multiple sclerosis [Internet]. Ottawa: The Agency; 2013 Oct. [CADTH Therapeutic Review vol.1, no. 2b]. [cited 2017 02 03]. Available from: cadth.ca/media/pdf/TR0004_RRMS_ScienceReport_e.pdf.

^{viii} Gabriel SE. The epidemiology of rheumatoid arthritis. Rheum Dis Clin North Am 2001; 27 (2):269-81.

^{ix} Drug and health product submissions under review © All Rights Reserved. Health Canada, 2017, with permission from the Minister of Health, 2017.

One to watch

Obeticholic acid will be one of the drugs to watch for in 2017.

Its Canadian price is not available yet, but it is expected to be significantly more expensive than the currently available alternative, ursodiol. More details on drugs expected to hit the Canadian market in 2017 are presented in the "Pharma 101" section.

*The views expressed herein with respect to various drugs on the market or in the pipeline are those of Sun Life's only, based on available information and best estimates at the time of publication. These views should not be taken as indication of any endorsement of one drug product over another, nor relied upon by any third party for any purpose. They should similarly not be taken as a substitute for seeking independent advice on drug plan options based on your own unique circumstances.

What's on the pharmaceutical horizon for 2017?

The Canadian drug landscape is changing and 2017 is going to see more specialty drugs being developed to treat relatively common chronic diseases. Innovation in the field of specialty drugs can mean additional treatment options for patients – innovators are looking at old diseases in new ways. There are new mechanisms of action being developed and new and more convenient ways for patients to receive their treatments, such as shorter durations or a change in the way treatments are administered. Efficacy and safety may also be improved in some cases.

Spending on specialty drugs is expected to keep growing in 2017. Sun Life's Pharmaceutical Benefits team is closely monitoring drug innovations to help ensure timely access to innovative drugs for the patients who will benefit from them, while keeping costs under control.

A specialty drug often requires special manufacturing techniques (e.g. using living cells) as well as special storage and handling instructions (e.g. refrigeration). Examples of specialty drugs include biologics to treat inflammatory conditions such as rheumatoid arthritis or inflammatory bowel diseases, drugs for hepatitis C, or targeted cancer therapies.

Cancer, biologics, and liver diseases are the main categories in which significant innovations are expected in 2017. There are new therapies scheduled for approval, and many approved cancer drugs are also expected to expand their indications, offering new alternatives to patients.

Biologics

Several new treatment options are expected to be approved in 2017 for people living with immune-mediated diseases such as rheumatoid arthritis, or plaque psoriasis. Many people with these diseases either don't respond or eventually stop responding to therapies currently available, so these new treatments are eagerly anticipated. Biosimilar drugs are also expected, meaning more potential opportunities for drug cost management.

Innovation is also expected in the area of multiple sclerosis. Ocrelizumab, a drug currently under review by Health Canada, was studied in primary progressive multiple sclerosis, a less common disease form for which there is currently no treatment approved by Health Canada.^{xii}

Liver diseases

Obeticholic acid is studied to treat primary biliary cholangitis, a liver disease most frequently affecting middle-aged women, with a Canadian prevalence estimated at about 23 cases per 100,000 people.^{xiii} This is an exciting innovation, as there has not been any new drug approved for this disease in several years, and many patients do not respond well to the treatment currently available, ursodiol.

In February 2017, Abbvie Canada announced it has submitted a new regimen for hepatitis C, glecaprevir/pibrentasvir for review by Health Canada. This regimen would be effective against all six genotypes of hepatitis C with a potentially shorter treatment duration compared with other agents effective against all genotypes.^{xiii}

A biosimilar drug is a drug that demonstrates similarity to a biologic drug already authorized for sale in Canada (i.e. the reference biologic drug). Biosimilars are not the same as generic drugs; a biosimilar cannot be used interchangeably with its reference biologic drug.^{xiv}

Planning for a great new year

2017 is shaping up to be an exciting year for plan sponsors, in terms of drug innovations. Sun Life has frequently shared its ambition to support plan members getting access to "the right treatment at the right time." That's what makes these advances in technologies so exciting to watch – as they refine current methods, we get reassurance that plan members are indeed getting the drugs that are "right" for them.



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* Available from: cnn.com/2016/12/22/health/ms-drug-human-trial.

^{xii} Drug and health product submissions under review © All Rights Reserved. Health Canada, 2017, with permission from the Minister of Health, 2017.

^{xiii} Myers RP, et al. Epidemiology and natural history of primary biliary cirrhosis in a Canadian health region: a population-based study. *Hepatology* 2009; 50 (6): 1884-92.

^{xiii} News Release. Health Canada Grants Priority Review to AbbVie's Investigational Regimen of Glecaprevir/Pibrentasvir (G/P) for the Treatment of Chronic Hepatitis C in All Major Genotypes (GT1-6). Available from: newswire.ca/news-releases/health-canada-grants-priority-review-to-abbvies-investigational-regimen-of-glecaprevirpibrentasvir-gp-for-the-treatment-of-chronic-hepatitis-c-in-all-major-genotypes-gt1-6-612397593.html.

^{xiv} © All Rights Reserved. Health Canada, 2017, with permission from the Minister of Health, 2017.