MARCH 2024

Drug pipeline

What's on the horizon for diabetes, weight loss, generics, biosimilars and more in employer plans.

ALBERTA BLUE CROSS®

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EXECUTIVE SUMMARY

Drug coverage is a core and valued component of benefit plans. In 2023, drug claims accounted for over a third of the benefits costs for Alberta Blue Cross® private health and dental benefit plans. With this in mind, it is critically important to have insights into new drug therapies to support the health and wellness of our plan members, while also having a strong understanding of the associated costs to ensure the future sustainability of benefit plan offerings.

Alberta Blue Cross continuously monitors the Canadian drug pipeline, assessing more than 300 drugs currently under Health Canada review, to understand the major therapeutic areas and specific drug therapies that are likely to impact private drug plans. This report will provide an update on some of the notable developments, providing plan sponsors with insight into what's to come.

DRUG PIPELINE AT A GLANCE

Diabetes and weight loss

Diabetes continues to have an impact on private drug plans, typically ranking within the top 3 health conditions by spend. People with insulin dependent diabetes typically require daily insulin injections. Recently approved by Health Canada, the first once-weekly injectable basal insulin could improve adherence and convenience for these people.

It is anticipated that manufacturers of existing diabetes medications will continue to seek regulatory approval to use their drugs for health conditions beyond diabetes. Mounjaro (tirzepatide), which has been approved for diabetes in Canada, has received approval in the United States for weight loss. It is also being studied for other health conditions that benefit from weight loss (for example, for chronic heart failure and obstructive sleep apnea). Other new molecules are being studied for both diabetes and weight loss where early-stage clinical trials are showing greater weight loss effects than currently available therapies.

Migraines

In recent years, we have seen new injectable medications for migraine treatment and prevention, such as Aimovig, Emgality, Ajovy and Vyepti. In addition to these new injectable medications, new oral medications such as Qulipta, Ubrelvy and Nurtec ODT, now offer options for individuals averse to injectable therapies or unable to use conventional therapies like triptans.

Dermatology

The number of treatments for various dermatological conditions continue to increase with the introduction of two new biologics as well as 2 novel topical medications. The first and only treatment available for alopecia areata was recently approved by Health Canada in December 2023. Additionally, 2 innovative topical therapies are currently under review by Health Canada—1 for the treatment of plaque psoriasis and the other for both vitiligo and mild-moderate atopic dermatitis. These new topical treatment alternatives are expected to come with a higher price tag compared to other conventional topical therapies.

Neurology

A breakthrough treatment for Alzheimer's disease, which slows disease progression and improves symptoms in individuals diagnosed early on, is currently under review in Canada. Newly targeted therapies for the treatment of generalized myasthenia gravis will make their way to the Canadian market. While these novel therapies may provide symptom improvement for those not effectively managed with conventional therapies, they will come with high price tags, placing pressure on private drug plans.

COVID treatments

Paxlovid, a 5-day treatment for mild to moderate COVID-19 infections, no longer has universal government funding and is now covered by private payers in the United States. We are closely monitoring Canadian developments to see if government funding will also stop in Canada.

Rare disease drugs

Advancements in drug treatments for rare diseases continue to expand, with many therapies currently undergoing review or receiving recent approval in Canada. While these drugs provide crucial therapeutic options for patients with rare conditions, they are accompanied by extremely high costs. The National Strategy for Drugs for Rare Diseases was announced by the federal government in March 2023; however, considering the number of rare disease drugs in the pipeline and the ultra-high cost of these therapies, newly allocated federal funding won't be sufficient to provide universal coverage for rare disease drugs.

Generics and biosimilars

Generics and biosimilars continue to enter the market providing more affordable treatment options, and savings for benefit plans, which helps with drug plan sustainability. Biosimilars have recently been marketed for Stelara, a high-cost drug commonly utilized for various autoimmune disorders. The biosimilar pipeline is expanding to new therapeutic areas including bone health, infertility and asthma.

There are notable first entry generics coming to the Canadian market for a number of highly utilized diabetes medications and for Vyvanse, which is used for Attention-Deficit Hyperactivity Disorder (ADHD). Also, a generic for the specialty drug Mavenclad, an oral treatment for Relapsing Remitting Multiple Sclerosis (RRMS), is under review by Health Canada.

BACKGROUND

There are currently more than 300 new drugs and generic drugs under review with Health Canada. This list has been reviewed and only the drugs most likely to have an impact on private drug plans are included in this report. A summary of the drugs included and excluded from this review is outlined below.

INCLUDED	EXCLUDED
• New drugs most likely to have an impact on private plans that are - under review with Health Canada as of December 2023, - recently approved (authorized for sale in Canada but not yet marketed), or - recently marketed (currently being sold in Canada). • Notable first-entry generic drugs and biosimilar drugs.	• Drugs for use in cancer or HIV as government programs may provide funding for medications with these indications.

The pricing of new drugs in Canada is subject to approval by the Patented Medicine Prices Review Board (PMPRB) and not known until the drug is marketed. Any prices provided in this publication for drugs not yet marketed are meant as reference points only as they reflect the list prices in other countries where the drug is available. As most of these drug prices are the list price in the United States, the Canadian list price, once marketed, will most likely be lower than the referenced United States price.

NOTABLE DRUGS

DIABETES AND WEIGHT LOSS

DRUG NAME	MEDICINAL INGREDIENT	INDICATION	HEALTH CANADA STATUS	ESTIMATED PRICING
Awiqli	Insulin icodec	Diabetes	Approved (March 2023)	$1,085 to $1,357 per year[1]

Insulin icodec

Health Canada has approved the first basal insulin designed for once-weekly administration. This dosing is unique as basal insulins on the market today require daily administration. A reduction in the frequency of basal insulin injections has the potential to enhance treatment acceptance and adherence, particularly among patients managing Type 2 diabetes.

Diabetes drugs with expanding uses

Based on recent developments in the United States, it is anticipated that there will continue to be the expansion of indications for existing diabetes medications. Numerous pharmaceutical companies are studying diabetes drugs for weight loss, as well as for health conditions that benefit from weight loss (for example, tirzepatide for chronic heart failure and obstructive sleep apnea). Although not currently submitted to Health Canada for review, we will take a deeper dive into some of the products we may soon see come down the Canadian pipeline.

- As mentioned in last year's pipeline, Mounjaro (tirzepatide) has been approved in the United States and Canada for use in Type 2 diabetes. In November 2023, the Food and Drug Administration (FDA) approved tirzepatide's use for chronic weight management in adults under the name Zepbound. Zepbound has not been submitted to Health Canada.
- In addition to Mounjaro, pharmaceutical company, Eli Lilly, has several other medications in their development pipeline being studied for obesity and diabetes. These include orforglipron and retatrutide. Retatrutide will be the first triple agonist targeting 3 hunger-regulating hormones, Glucose-dependent Insulinotropic Polypeptide (GIP) receptor, Glucagon-like Peptide-1 (GLP-1) receptor and glucagon receptor. Although there have not been any head-to-head studies conducted to date with other drugs, promising phase 2 results for retatrutide have demonstrated an average body weight loss of 24 per cent, representing the highest percentage of weight loss for any drug.
- Pharmaceutical company, Novo Nordisk, currently markets Wegovy, Ozempic, Rybelsus and Saxenda. Their new pipeline drug, CagriSema, is being studied for use in Type 2 diabetes and obesity. It is a new drug combination of an amylin analogue and semaglutide, which is the active ingredient of Ozempic and Wegovy. Anticipation builds for the clinical trial results as the study compares the efficacy and safety of CagriSema to Zepbound (Eli Lilly's weight loss drug).

Weight loss drugs and diabetic drugs that promote weight loss will continue to have an impact on private drug plans considering the prevalence of obesity and diabetes in Canada. Approximately 30 per cent of adults in Canada are considered obese and 35 per cent are overweight, and according to recent findings from Diabetes Canada[2] the prevalence of diabetes in 2022 stands at 10.2 per cent, affecting more than 4 million Canadians[3]. The relationship between obesity and diabetes remains strong as an estimated 80 to 90 per cent[4] of people with Type 2 diabetes are either overweight or obese. Prescribers are following evolving treatment guidelines suggesting treatment based on patient comorbidities.

Costly second- or third-line therapies that positively impact weight loss are being initiated earlier, which contribute to the growth in diabetes claim expenditure, and we expect this trend to continue. Strong drug management will be imperative to control off-label use of these medications and maintain drug plan sustainability.

MIGRAINE

DRUG NAME	MEDICINAL INGREDIENT	INDICATION	HEALTH CANADA STATUS	ESTIMATED PRICING
Ubrelvy	Ubrgepant	Treatment of acute migraine	Marketed (May 2023)	$740 to $2,900 per year[5]
Nurtec ODT	Rimegepant	Prevention and treatment of acute migraine	Approved (December 2023)	$131 USD per pill, $2,200 to $3,200 USD per year[6]

Ubrelvy and Nurtec ODT

In recent years, there have been new injectable medications for migraine treatment and prevention, such as Aimovig, Emgality, Ajovy and Vyepti, with costs from $6,400 to $20,000 annually. In the past year, additional new oral therapies have been coming to market for those who are averse to using injectable therapies to treat their migraines. These oral treatments can also be an option for patients who have developed medication overuse headaches with other treatments, or are unable to use triptans, such as those with heart disease or stroke risk.

Qulipta was the first oral Calcitonin Gene-Related Peptide Receptor (CGRP) antagonist that entered the Canadian market for migraine prevention with an annual cost of $6,700. This was followed with the launch of Ubrelvy, which is another oral therapy used for migraine treatment, in May 2023. Ubrelvy's Canadian pricing aligns closely with that of branded triptans like Axert and Imitrex; however, is considerably more expensive than generic triptans. For those treating a minimum of 4 migraines monthly, meeting the criteria for episodic migraine diagnosis, the estimated annual cost of Ubrelvy would be around $740. However, individuals experiencing 15 or more migraines monthly may face an annual cost just under $3,000.

Nurtec ODT, the third oral CGRP antagonist, was recently approved by Health Canada. Nurtec ODT differs from Ubrelvy in that it is an oral disintegrating tablet that is seeking approval for both acute migraine treatment, as well as migraine prevention. We anticipate the pricing for Nurtec ODT to be similar or slightly higher, reflecting its use for both prevention and treatment of migraines.

With an estimated migraine prevalence of 12 per cent in Canada, affecting almost 4.5 million Canadians[7], we expect continued growth in both plan spend and claimants for migraine therapies.

DERMATOLOGY

DRUG NAME	MEDICINAL INGREDIENT	INDICATION	HEALTH CANADA STATUS	ESTIMATED PRICING
Litfulo	Ritlecitinib	Alopecia areata	Marketed (February 2024)	$18,100 per year[8]
Unknown	Lebrikizumab	Atopic dermatitis	Under review	Unknown
Vtama	Tapinarof	Plaque psoriasis	Under review	$1,400 USD per tube[9]
Opzelura	Ruxolitinib	Nonsegmental vitiligo and mild to moderate atopic dermatitis	Under review	$2,008 USD per tube[10]

Litfulo

A once-daily oral treatment, Litfulo is the first and only treatment approved by Health Canada for individuals 12 years of age and older with severe alopecia areata. Approximately 2 per cent[11] of the global population and an estimated 775,000 Canadians are affected by alopecia areata[12]. Alopecia areata is an autoimmune disease where the immune system attacks the body's hair follicles causing patchy to complete hair loss on the scalp, face and/or body. Litfulo is also being studied for the treatment of vitiligo, rheumatoid arthritis, Crohn's disease and ulcerative colitis.

Lebrikizumab

Lebrikizumab is currently under review by Health Canada and if approved, will be the third, targeted biologic therapy for the treatment of moderate-to-severe atopic dermatitis. An extended study[13] showed promising long-term results of sustained skin clearance, itch relief and reduced disease severity. The main competitors currently on the market will be Dupixent and Adtralza; however, lebrikizumab could have a dosing advantage of only once monthly compared to every 2 weeks.

Vtama

Vtama is a new chemical entity and first-in-class non-steroidal cream to be developed in the psoriasis space in 25 years. It has been marketed in the United States since June 2022. Recent phase 3 trials demonstrated a significant improvement in itch, which is the most prevalent symptom of atopic dermatitis. Vtama's manufacturer, Dermavant Sciences, plans to submit the new indication for FDA approval in early 2024, and we can anticipate similar plans for Health Canada.

Opzelura

Opzelura has been approved in the United States to treat mild to moderate atopic dermatitis and nonsegmental vitiligo. Opzelura is currently the first and only Janus Kinase (JAK) inhibitor cream, and the first and only treatment to address repigmentation in patients with vitiligo. Patients with vitiligo suffer from the loss of skin colour affecting the skin on any part of the body.

These topical treatments offer new therapies for individuals whose condition is not effectively managed with current therapies, or where treatments did not exist previously; however, the annual expenses associated with these treatments will be significantly higher than currently available topical medications.

NEUROLOGY

DRUG NAME	MEDICINAL INGREDIENT	INDICATION	HEALTH CANADA STATUS	ESTIMATED PRICING
Leqembi	Lecanemab	Alzheimer's disease	Under review	$26,500 USD per year[14]
Vyvgart	Efgartigimod	Generalized Myasthenia Gravis (gMG)	Marketed (November 2023)	$316,000 -$474,000[15]
Zilbrysq	Zilucoplan	Generalized Myasthenia Gravis (gMG)	Under review	Unknown
Rystiggo	Rozanolixizum-ab-noli	Generalized Myasthenia Gravis (gMG)	Under Review	$6,050 USD per vial[16]

Leqembi

Leqembi was approved by the FDA in January 2023 and is currently under review by Health Canada for the treatment of Alzheimer's disease. The drug is not a cure for Alzheimer's but has been shown to reduce cognitive decline in people living with early-stage disease, often still managing symptoms enough for patients to continue working. Leqembi is administered intravenously once every 2 weeks. The annual cost in the United States is approximately $26,000 USD; which is significantly higher than conventional oral Alzheimer's disease therapies currently available in Canada ranging from $200 to $2,100 annually.

Vyvgart, Zilbrysq and Rystiggo

New targeted therapies for the treatment of Generalized Myasthenia Gravis (gMG) are making their way to the Canadian market. Vyvgart was recently marketed and 2 others are currently under review. gMG is a chronic, autoimmune disease characterized by unpredictable and debilitating symptoms that weaken the skeletal muscles, potentially leading to challenges in walking, swallowing and breathing.

Targeted therapies, referred to as complement inhibitors, will provide add-on treatment options for the estimated 15 per cent of patients who are inadequately managed with conventional therapies due to suboptimal effectiveness and/or safety concerns. These treatments not only improve symptom management, but also target the disease process without the broad immune suppression characteristic of conventional treatments. We can expect the pricing of Zilbrysq and Rystiggo to be in line with other complement inhibitors like Vyvgart, Ultomiris, and Soliris, costing hundreds of thousands annually.

COVID-19 TREATMENT

Paxlovid was approved in 2022 by Health Canada to treat mild to moderate COVID-19 infections. Since coming to market, the 5-day treatment course has been publicly funded and available to eligible Canadians free of charge. In our April 2022 COVID-19 vaccine and drug pipeline report, we highlighted the possible shift towards private plans being asked to cover the expenses of COVID-19 outpatient treatments. This is the scenario currently happening in the United States.

In the United States, Paxlovid has been provided to the public free of charge since December 2021 when the FDA first authorized the treatment. However, beginning in 2024, Pfizer is now selling Paxlovid directly to health insurers, with a price of $1,390 per course, more than double what the United States government paid.

Private payors may soon see a similar development in Canada. Pfizer submitted Paxlovid for Canadian Agency for Drugs and Technologies in Health (CADTH) review in September 2023, which is likely a sign that universal provincial coverage will cease. At time of writing, the provinces are still providing the publicly funded Paxlovid supply. Alberta Blue Cross® is monitoring this development closely.

RARE DISEASE

The number of rare disease drugs in development and under Health Canada review continues to grow exponentially. As there are still many rare diseases without treatment, this trend is anticipated to persist. Due to the limited patient population and complex research involved, the development of rare disease treatments continues to present unique challenges including extremely high costs.

In March 2023, Canada's federal government announced its first-ever National Strategy for Drugs for Rare Diseases, including an investment of up to $1.5 billion over 3 years to help increase drug access and affordability. However, given the number of rare disease drugs in the pipeline and the ultra-high cost of these therapies, newly allocated federal funding most likely won't be sufficient to provide universal coverage for rare disease drugs.

The table below outlines some of the rare disease drugs currently under review or recently approved in Canada. Alberta Blue Cross actively monitors these drugs for potential alternative funding or inclusion in government programs, aiming to ensure publicly funded programs are accessed first in the event that a member requires 1 of these high-cost therapies. Given the growing availability and significant costs of rare disease drugs, plan sponsors are advised to conduct a comprehensive review of drug benefit plan designs and financial management strategies to ensure the ongoing sustainability of their drug plan. Alberta Blue Cross is available to aid in conducting this review.

DRUG NAME	MEDICINAL INGREDIENT	INDICATION	HEALTH CANADA STATUS	ESTIMATED PRICING
Joenja	Leniolisib	Activated Phospho-inositide 3-Kinase Delta Syndrome (APDS)	Under review	$547,000 per year[17]
Hemgenix	Etranacogene dezaparvovec	Treatment of haemophilia B (factor IX deficiency) in adults	Approved (October 2023)	$3.5 million USD per dose only 1 time administration[18]
Beqvez	Fidanacogene elaparvovec	Treatment of haemophilia B (factor IX deficiency) in adults	Approved (January 2024)	Unknown
Livmarli	Maralixibat	Cholestatic pruritis in patients with Alagille syndrome	Marketed (August 2023)	$457,000 to $1,469,000 per year depending on patient weight[19]
Isturisa	Osilodrostat phos-phate	Cushing's syndrome	Under review	$421,000 USD per year[20]
Evkeeza	Evinacumab	Homozygous Familial Hypercholesterolaemia (HoFH)	Marketed (November 2023)	Unknown
Myalepta	Metreleptin	Leptin deficiency in lipodystrophy	Approved (January 2024)	$1.26 Million USD per year[21]
Bylvay	Odevixibat	Progressive Familial Intrahepatic Cholestasis (PFIC)	Marketed (February 2024)	$193,000 to $2,312,000 per year[22]
Xenpozyme	Olipudase alfa	Chronic Acid Sphingomye-linase Deficiency (ASMD)	Approved (February 2024)	$780,000 USD per year[23]
TBD	Eplontersen	Hereditary Transthyretin Amyloidosis (hATTR)	Under review	$500,000 USD per year[24]

BIOSIMILARS

Biosimilars continue to enter the market providing more affordable treatment options, and savings for benefit plans, which helps with drug plan sustainability. Biosimilar transitioning policies by provincial governments have been implemented in 11 out of the 13 jurisdictions, with Manitoba and Nunavut remaining as the only jurisdictions in Canada without a biosimilar switch policy. The growing influence of emerging public payer biosimilar policies is shaping prescribing decisions and subsequently driving greater adoption of biosimilar drugs.

Biosimilars of Stelara are entering the Canadian market with 2 products currently under review, 1 approved, and 2 recently marketed. Stelara is used for several autoimmune disorders and is ranked within the top 10 drugs by spend on the Alberta Blue Cross book of business. Some of the biosimilars will have Health Canada approval for all Stelara indications including plaque psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis. Finlius, was approved by Health Canada in April 2023 and if marketed, will be a first of a kind biosimilar launch as this biosimilar is manufactured by the same company that makes the innovator product, Stelara.

The biosimilar pipeline is expanding to new therapeutic areas including bone health, infertility and asthma. The first biosimilars have been approved for Prolia and Xgeva, and biosimilars for Xolair (omalizumab) and Gonal-F (follitropin alfa) are in phase 3 clinical trials but have not been submitted to Health Canada. There are other notable biosimilars currently in phase 3 clinical trials for Simponi (golimumab), indicated for numerous autoimmune disorders, and Ocrevus (ocrelizumab), a treatment for multiple sclerosis.

A summary of the notable biosimilars currently under review with Health Canada or recently approved are outlined below.

			BIOSIMILAR STATUS		
INNOVATOR BIOLOGIC	**MOLECULE**	**THERAPEUTIC USE**	**UNDER HEALTH CANADA REVIEW**	**APPROVED (NOT YET MARKETED)**	**MARKETED**
Stelara	Ustekinumab	Numerous autoimmune disorders, such as plaque psoriasis, ulcerative colitis and psoriatic arthritis	CT-P43 (Celltrion Healthcare), SB17 (Samsung Bioepis)	Finlius	Jamteki, Wezlana
Eylea	Aflibercept	Wet age-related macular degeneration and Diabetic Macular Edema (DME)	CT-P42 (Celltrion Healthcare), ABP 938 (Amgen)		
Prolia Xgeva	Denosumab	Osteoporosis in postmenopausal women, preventing skeletal-related complications in cancer that has spread to the bone		Jubbonti, Wyost	
Soliris	Eculizumab	Paroxysmal Nocturnal Hemoglobinuria (PNH)	Bekemv Epysqli		

FIRST-ENTRY GENERICS

A new agreement was reached between the pan-Canadian Pharmaceutical Alliance (pCPA) and the Canadian Generic Pharmaceutical Association (CGPA) that will maintain savings achieved from previous negotiated agreements and also provide additional savings on new generic products entering the market. The new framework increases the level of savings on new single source generics that have entered the Canadian market after October 1, 2023. Previously listed at 75 per cent or 85 per cent of brand name price under the old framework, new single source generic products will see their pricing drop to 55 per cent of brand name price after 3 months for products that are listed by provincial drug plans.

There are notable first entry generics coming to the Canadian market for diabetes and ADHD. These health conditions consistently ranked among the top 5 by spend on Alberta Blue Cross private drug plans. Generic alternatives for several highly utilized drugs for diabetes and Vyvanse for ADHD will contribute to mitigating the expenditure growth within both of these health condition categories. Vyvanse is the last ADHD medication without a generic alternative and continues to rank among top 10 drug lists for private drug plans.

Generic products have recently made their way to the Canadian market for Dexilant. Dexilant is the most expensive Proton Pump Inhibitor (PPI) on the Canadian market and also the last PPI to have a generic alternative. Plan sponsors with generic pricing policies can expect to see savings from this newly available generic.

An area where we will see continued sizeable savings for plan members and plan sponsors is specialty generics. A generic for Mavenclad, an oral treatment for RRMS, is under review by Health Canada. Mavenclad is the most expensive and last oral therapy for RRMS without a generic alternative with an average annual cost ranging from $25,700 to $64,200. With non-biologic specialty drug treatments, generic substitution can result in thousands of dollars in annual savings per plan member given the high cost of these products.

The table below outlines notable first-entry generic drugs that are currently under review, approved or recently marketed by Health Canada.

			GENERICS' STATUS		
BRAND NAME DRUG	**THERAPEUTIC USE**	**NUMBER OF GENERIC PRODUCTS**	**UNDER HEALTH CANADA REVIEW**	**APPROVED (NOT YET MARKETED)**	**MARKETED**
Vyvanse*	ADHD	7	✓		
Victoza*	Diabetes	2	✓		
Trajenta*	Diabetes	9	✓		
Jentadueto*	Diabetes	3	✓		
Synjardy*	Diabetes	1	✓		
Jardiance*	Diabetes	10	✓		
Invokana*	Diabetes	4	✓		
Dexilant	Gastroesophageal Reflux Disease (GERD)	3		✓ (1)	✓ (2)
Mavenclad	RRMS	2	✓		
Myrbetriq	Overactive bladder	2	✓		
Blexten	Antihistamine	8	✓		
Rupall	Antihistamine	1	✓		
Entresto	Heart failure	2	✓		
Emend	Antiemetic	1	✓		
Rexulti	Depression and schizophrenia	6	✓		
Viibryd	Depression	1	✓		
Movantik	Drugs for constipation	1	✓		

*__Included in Alberta Blue Cross 2023 pipeline document.__ *Generic products are still under review by Health Canada.*

ALBERTA BLUE CROSS DRUG MANAGEMENT STRATEGY

Drug plan management at Alberta Blue Cross starts with a solid unique foundation built on systems and management processes that benefit all our drug plans. In addition, we offer numerous optional plan management features that mitigate rising drug costs and ensure plan sustainability.

Foundational drug plan management

MANAGEMENT STRATEGY	DESCRIPTION
Comprehensive drug review process	New drugs are thoroughly reviewed by our in-house pharmacists and drug review committee who critically assess the scientific, therapeutic and economic value of each drug before a listing decision is rendered.
Drug price management	We have extensive management of drug prices to ensure our plans are not paying excessive drug costs.
Product listing agreements	On behalf of plan sponsors, we negotiate product listing agreements with drug manufacturers for various drugs to maintain drug plan affordability and sustainability.
Opioid management	We promote proactive narcotic management based on current guidelines and best practice prescribing through use of the following: • Step therapy (standard on our managed formulary)—ensuring use of short-acting low potency narcotics before use of long-acting or high potency narcotics. • Special authorization (standard on our managed formulary)—requiring special authorization approval on high potency, high-risk narcotics. • Drug Utilization Review (DUR) at pharmacy point of sale. • Collaborative work with professional colleges.
Responsive management strategies	We continue to monitor the drug environment as utilization and government policies evolve and will continue to adapt our listing strategies to ensure continued optimal management and savings for our drug plans.

Optional drug plan management strategies

MANAGEMENT STRATEGY	DESCRIPTION
Managed formulary	This formulary includes special authorization and step therapy as standard strategies. Our managed formulary protects plan sponsors as the market for high-cost therapies continues to expand.
Special authorization	A standard feature on our managed formulary that is applied to high-cost drugs where there is opportunity to ensure those therapies are covered only for plan members meeting clinical criteria. Additionally, special authorization ensures members are accessing any publicly funded drug programs first before coverage is granted on their private plan.
Step therapy	Another standard feature on our managed formulary used to manage lower-cost traditional drugs. It is a clinical management feature that requires the use of one or more "first-line" drugs before a "second-line" drug is approved for coverage through the automated real-time claims adjudication system.
Biologic strategy	With our managed formulary we are not limited to using just one strategy. We currently use a biosimilar first strategy for some biologics and maintain member or prescriber choice for others by using manufacturer agreements to ensure costs of the innovator biologic and biosimilar are comparable. We also offer a biosimilar first formulary and a provincial government-mirror formulary.
Other strategies for traditional drugs • **Generic pricing** • **Mandatory Generic Substitution** • **Maintenance Medication Program (MMP)** • **Maximum Allowable Cost (MAC) pricing**	We have several management strategies available for lower-cost traditional drugs. The savings realized from these management strategies ensure plan sponsors can continue to offer access to higher-cost therapies while keeping their drug plan sustainable.

WHAT'S NEXT

Alberta Blue Cross continues to closely monitor the growing pipeline of new medicines, assessing and managing the impact on drug benefit plans. We are committed to helping our customers navigate the drug landscape while always prioritizing the health of plan members and the sustainability of drug plans.

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APPENDIX

Atopic dermatitis: A condition that causes dry, itchy and inflamed skin; also known as, eczema.

Biologic drugs: Drugs that are produced using a living system, such as a microorganism, plant cell, or animal cell. They are often made using biotechnology and are generally larger and more complex (administered by injection) than chemically produced pharmaceutical drugs.

Biosimilar drugs: Biologic drugs that are highly similar to an innovator biologic drug (reference biologic). Biosimilars are clinically similar in efficacy and safety compared to the reference biologic, and enter the market after the the reference biologic.

Brand name drug: The first version of a drug to be sold in Canada. The drug manufacturer that first developed and patented the drug sells the brand name drug.

Generic drug: A drug that contains the same amount of active ingredient as a brand name drug. A generic drug is equivalent in efficacy and safety as the brand name drug but the non-medicinal ingredients may vary.

Canadian drug pipeline: Drugs that are currently being developed by a Canadian pharmaceutical company or are under review/ awaiting market approval by Health Canada.

Myasthenia gravis: A chronic autoimmune disorder that causes muscles to feel weak and get tired quickly. Antibodies destroy the communication between nerves and muscle, resulting in muscle weakness. Symptoms can include weakness of arm or leg muscles, drooping eyelids, and problems speaking, chewing, swallowing and breathing.

Nonsegmental vitiligo: A disease that causes areas of skin to lose color, resulting in spots and patches of lighter skin. A person with nonsegmental vitiligo will have area of affected skin on both sides of the body, like both knees or both hands; this is the most common type of vitiligo. Segmental vitiligo patients tend to see affected skin on one side or part of the body.

QUESTIONS?

If you have any questions about this topic, please don't hesitate to contact your Alberta Blue Cross representative.