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Drug pipeline

Updates and insights for employer plans in 2025

ALBERTA BLUE CROSS®

We're here to help you be successful in shaping the future of your benefits plan.

Providing health benefits that make a real difference in your employees' lives while keeping costs sustainable is an important responsibility. We get that. With more than 12,000 new drugs now in development—including breakthrough treatments and specialty medications—the pipeline is rich with drugs that can further improve employee health and wellbeing. However, this innovation comes with added costs.

We have reviewed over 500 drugs submitted to Health Canada to provide you with our 2025 drug pipeline report, highlighting new and emerging therapies of significance to private plans. These therapies cover areas like diabetes and weight loss, women's health, attention-deficit/hyperactivity disorder (ADHD) and Alzheimer's disease.

We're witnessing the emergence of GLP-1 drugs, such as Ozempic® and Mounjaro®, with annual costs in the thousands of dollars, being used by a broader base of members. What's new is that these drugs are being approved and studied for a growing number of indications beyond diabetes and weight loss and there are newer, more effective drugs in the pipeline. A new class of drugs to treat menopause symptoms is coming and breakthrough therapies for type 1 diabetes and Alzheimer's offer promise in altering the course of these diseases. These new therapies will no doubt cost more than current available treatments, but fortunately, the generic and biosimilar pipelines remain robust, with associated cost savings. These cost savings, however, won't be sufficient to offset the anticipated continued increases in drug spend.

From this report, I hope you gain an understanding of the significant drug developments and the cost pressures that they will bring to your plans. I encourage you to review this report with your benefits advisor so you can optimize your drug plan design and management to safeguard the future continued sustainability of your benefits coverage.

And remember, we're here to help you be successful in shaping the future of your benefits plan.

Sincerely,
Margaret Wurzer, B.Sc. (Pharm), M.Sc.
Director, Benefit Plan and Product Management
Alberta Blue Cross®

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Innovation drives growth

Innovation in the drug therapies space is moving at a breakneck speed. In fact, the Canada Patented Medicine Prices Review Board (PMPRB) has revealed that there were over 12,000 new drugs in various stages of development in 2024 compared to just over 9,000 in 2023.

This rapid drug development brings both opportunities and challenges for plan sponsors. Along with access to these new therapies that can improve health and wellness comes the added cost pressure on private drug plans.

Executive summary

Our 2025 drug pipeline report provides an in-depth overview of emerging medications and trends that are likely to impact your drug plans in the coming years. Here are some of the key takeaways:

EXPANDING DRUG PIPELINE

The number of new drug therapies in development continues to grow at an impressive rate. There were over 12,000 new drugs in various stages of development in 2024, representing a 19% annual growth rate since 2019.

COST PRESSURES

Newer, more expensive drugs are putting increased financial pressure on private drug plans.

WOMEN'S HEALTH ADVANCEMENTS

A new class of non-hormonal medications for menopause symptom relief is on the horizon, potentially offering an alternative to traditional hormone replacement therapy.

DIABETES AND WEIGHT LOSS BREAKTHROUGHS

Innovative diabetes and weight loss drugs are breaking new ground. These medications aren't just tackling diabetes and obesity, they're also showing potential to help with other health conditions.

THE ADHD MEDICATION MARKET IS SHIFTING

A new evening-dosed drug is launching in 2025 to address early morning challenges in children aged 6-12, alongside cheaper generics now available.

ALZHEIMER'S DISEASE TREATMENT

New drugs that reduce harmful protein buildup in the brain show promise in slowing down early-stage Alzheimer's disease. This harmful protein buildup is believed to cause the cognitive decline seen in Alzheimer's patients.

RARE DISEASE THERAPIES

The pipeline for rare disease drugs remains strong, though these treatments often come with extremely high costs.

GENERIC AND BIOSIMILAR OPPORTUNITIES

Several notable generic medications and biosimilars are under review by Health Canada, which could provide significant cost savings.

Staying informed about these emerging trends is the key to effective drug plan management. At Alberta Blue Cross®, we're committed to providing you with innovative strategies and expert guidance to help you adapt to these ongoing changes in a way that adds value for your plan members while ensuring plan sustainability.

BEHIND THE NUMBERS

Our approach

To provide you with the most up-to-date and relevant information on emerging medications, we conducted a thorough analysis of the current drug pipeline. Our focus was to identify those drugs with the greatest potential impact on private plan sponsors and their members.

We reviewed:

- Over 500 new drug submissions (including first-entry generic drugs and biosimilars) under active review by Health Canada as of December 2024
- New drugs (including first-entry generic drugs and biosimilars) recently approved by Health Canada

Excluded were:

- Drugs for use in cancer or HIV, as there are government programs that may provide funding for medications with these indications
- Drugs that have not yet been submitted to Health Canada for review

One thing to note: The pricing of new patented drugs in Canada aren't set until they're approved for sale. The Patented Medicine Prices Review Board (PMPRB) determines these prices. Any prices we mention in this report for drugs not yet on the market are just estimates based on the list prices in countries where the drugs are already being sold.

EMERGING DRUG BREAKTHROUGHS

What's coming in 2025

In this section, we'll explore the most important new drugs expected to have an impact in 2025. These aren't just minor improvements—they're treatments that could significantly change patient care.

We'll look at innovative approaches to long-standing health issues and groundbreaking therapies for rare conditions and new medications that represent the latest advancements in medical research.

Women's health

FEATURED DRUGS	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Neurokinin-3 (NK3) receptor agonists (fezolinetant and elinzanetant)	Menopause symptom relief	~ C $200 per month	A new non-hormonal option that may increase drug utilization and costs, potentially improving employee health but with a rare liver injury risk that could limit uptake.

NK3 receptor agonists have been described as a potential game-changer by gynecologists, as they address a significant unmet need for menopause symptom relief. NK3 receptor agonists are a new class of non-hormonal medications that treat vasomotor symptoms (i.e. hot flashes) associated with menopause.

These symptoms may be significant and impairing. Fezolinetant, going by the brand name Veozah®, received Health Canada approval in December 2024, while elinzanetant was under review by Health Canada at the time of writing. Veozah® is expected to cost around C $200 per month. While hormone replacement therapy (HRT) has been the standard treatment for menopause symptoms, many women cannot or choose not to use it and it may not be effective for some. What's more, HRT is not suitable for women with certain health conditions, such as blood clots, history of heart attack or stroke or estrogen-based cancers. Unlike HRT, which replaces the decreased level of hormones during menopause, these drugs work by blocking activity in the brain's temperature-regulating centre, which malfunctions when estrogen levels drop.

While NK3 receptor agonists are promising as an alternative to HRT or when HRT does not work, emerging data show a risk of rare but serious liver injury, requiring periodic blood testing prior to and after starting the medication to monitor for this risk. The U.S. Food and Drug Administration issued a Boxed Warning in December 2024 to this effect for fezolinetant. This may temper use and uptake to some extent.

Emerging trends in diabetes and weight loss medications

FEATURED DRUGS	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Tirzepatide, semaglutide, orforglipron, retatrutide, cagrilintide-semaglutide	Type 2 diabetes, obesity and other health conditions	Potentially significant due to the high utilization of these medications • Ozempic®: C $3,000 to $6,000 per year • Mounjaro®: C $4,000 to $10,000 per year • Wegovy®: C $5,000 per year • New agents in development: unknown	These drugs offer additional treatment options for diabetes and obesity as well as other health conditions, potentially improving employee health but also increasing drug plan costs and utilization

We highlighted this topic in last year's pipeline report, but it continues to be an area of significant development, interest and impact for private drug plans. Ongoing clinical trials and developments in the United States signal an expanding scope for diabetes medications targeting weight loss. There are also several new medications in development, and though not yet under Health Canada review at the time of writing, we've reviewed these due to the potentially significant impacts on plan sponsors.

KEY DEVELOPMENTS

Semaglutide (Wegovy®/Ozempic®)

- Part of a class of medications known as Glucagon-Like Peptide-1 (GLP-1) receptor agonists
- Approved in Canada for type 2 diabetes (under the brand name Ozempic®, a once-weekly injection) since 2018
- Available in Canada for weight loss (under the brand name Wegovy®, a once-weekly injection) since May 2024
- Wegovy® received a Health Canada indication in November 2024 to reduce non-fatal myocardial infarction risk in adults with cardiovascular disease and a BMI ≥ 27
- In January 2025, Ozempic® received a US FDA approval for use in patients with type 2 diabetes and chronic kidney disease to reduce the risk of kidney disease worsening, kidney failure and death from cardiovascular disease
- Generics of semaglutide have been submitted to Health Canada for review at the time of writing, but the timeline for a generic to be approved and marketed in Canada is uncertain

Tirzepatide (Mounjaro®/Zepbound®)

- Part of the GLP-1 receptor agonist class of medications
- Approved in Canada for type 2 diabetes (under the brand name Mounjaro®, a once-weekly injection)
- Approved in the United States for weight loss as well as obstructive sleep apnea in obese patients (under the brand name Zepbound®, a once-weekly injection)
- Zepbound® is under Health Canada review at the time of writing

New medications in development for type 2 diabetes and weight loss

- Orforglipron is an oral daily-dosed GLP-1 receptor agonist
- Retatrutide is an injectable triple-agonist targeting GLP-1, Glucose-dependent Insulinotropic Polypeptide (GIP) and glucagon receptors
- Cagrilintide-semaglutide (under the brand name CagriSema®) is a combination of semaglutide and an amylin analogue (cagrilintide) given via injection

- Amycretin is an injectable GLP-1 and amylin receptor agonist
- Early data suggest these new medications offer even greater weight-loss potential than existing medications

IMPACT ON PRIVATE DRUG PLANS

- Obesity affects ~30% of Canadian adults, while ~35% are overweight
- In 2024, 30% of Canadians had diabetes or pre-diabetes
- There is a strong relationship between obesity and type 2 diabetes, with an estimated 80 to 90% of people with type 2 diabetes being overweight or obese
- Clinical practice and prescribing patterns in diabetes are moving towards initiating costly second- and third-line therapies earlier, driving up drug claim expenditures
- Social media trends have amplified awareness and demand for weight-loss drugs

BROADER RESEARCH ON GLP-1 RECEPTOR AGONISTS

GLP-1 drugs are being explored for applications beyond type 2 diabetes and obesity, including chronic kidney disease, liver disease, neurodegenerative conditions (e.g., Alzheimer's, Parkinson's), substance use and psychotic disorders and type 1 diabetes. Some data also suggests potential new risks of taking GLP-1 receptor agonists, including hypotension, arthritic disorders, pancreatitis and rare vision complications.

Given how common obesity and diabetes are in Canada and the increasing costs of these medications, it's important to have good drug plan management. This helps to ensure that medications are used properly and ensure plan sustainability. This is an area that's fast-changing so we're keeping a close eye on new developments.

Type 1 diabetes

FEATURED DRUG	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Teplizumab	Delays progression of type 1 diabetes	US cost: ~ US $194,000 for course of treatment	This new treatment might slow down type 1 diabetes, but we're not sure how it will work in real life yet. It's designed to help before symptoms show up, which is earlier than doctors usually catch the disease.

Type 1 diabetes is caused by autoimmune pancreatic beta-cell destruction leading to the need for life-long management with insulin to prevent life-threatening complications.

Teplizumab was under review by Health Canada at the time of writing and approved in the United States. It's the first treatment shown to delay the progression of type 1 diabetes and has the potential to change the way type 1 diabetes is treated. It's administered via IV infusion once daily for 14 days, which is the course of treatment. However, it's too early to know how exactly this medication (and others to come) will be used in the real-world and the impact it will have.

Teplizumab is meant to be used in stage 2, type 1 diabetes, which is a pre-symptomatic stage. Stages of type 1 diabetes are currently not used in practice and only used in the research setting. Stage 2 is usually asymptomatic and so early in the disease that it's not normally diagnosed at that point. Changes to the clinical diagnosis and management of type 1 diabetes will be needed before this medication can be adopted into practice.

Attention-deficit/hyperactivity disorder (ADHD)

FEATURED DRUG	ISSUE ADDRESSED	COST	WHY YOU NEED TO KNOW ABOUT IT
Jornay PM® (methylphenidate extended release)	Early morning ADHD symptoms in children	US cost: ~ US $430 per month	A new evening-dosed ADHD medication that could improve morning functioning in children, potentially increasing drug utilization and costs.

ADHD medications represent a major expense for plan sponsors. ADHD was ranked the number two health condition based on amount paid in our top 10 health conditions based on drugs claims for 2023. Jornay PM®, a novel extended-release formulation of methylphenidate, is a new drug product set to be marketed in Canada by Q2 2025. Approved in November 2024, Jornay PM® is the first evening-dosed methylphenidate product for children aged 6-12 years. ADHD medications are typically dosed in the morning, so they don't cause insomnia at night but usually don't take effect quick enough to benefit early morning functioning of children.

Jornay PM® attempts to address this common challenge of managing early morning functioning in children with ADHD. This medication features a unique formulation with microbeads that include both a delayed-release layer (activating in the morning) and an extended-release layer (providing symptom control throughout the day). According to IQVIA Canada, in 2023, the Canadian market for extended-release methylphenidate products reached $469 million, reflecting a compound annual growth rate of 16% over the past 4 years. In the U.S., Jornay PM® costs around US $430 per month.

One of the most common ADHD medications, Vyvanse® (lisdexamfetamine), went generic in June 2024. The generics are priced at 50% of brand at the time of writing, but the price may further decrease as more generics come to market. This should bring cost relief to plan sponsors with generic pricing management in place, but this will be offset to some extent by the introduction of Jornay PM®.

Alzheimer's disease

FEATURED DRUGS	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Amyloid beta-directed antibodies (lecanemab)	Early-stage Alzheimer's disease progression	US cost: ~ US $32,000 per year	These new drugs might slow down early Alzheimer's, but they're expensive and need early diagnosis and frequent brain scans. They work best for people under 75 years.

Amyloid beta-directed antibodies are a new class of biologic drugs to treat Alzheimer's disease. These are high-cost, specialty medications with promising potential to delay the progression of early-stage Alzheimer's disease.

Lecanemab is under Health Canada review and currently approved in the United States. The annual cost in the US is approximately US $32,000.

The drug binds to amyloid plaques in the brain and allows the body to clear the plaques. Amyloid plaques are what cause the cognitive and functional declines in individuals with Alzheimer's disease.

Administered via IV infusion, lecanemab appears to be most effective in the early stages of the disease and shows better outcomes in individuals under 75 years of age compared to those over 75. However, adopting this drug would require significant changes to current healthcare practices:

- **Early diagnosis.** Individuals would need to be diagnosed during the very early stages of mild cognitive impairment, which is not the typical timing for Alzheimer's diagnosis today.
- **Frequent brain scans.** Regular brain imaging would be necessary to monitor both the effectiveness and safety of the treatment, a process that isn't part of current standard care.

We're watching this class of drugs closely as they have potential to significantly impact plan sponsors, both in terms of cost but also to benefit the functioning, productivity and wellbeing of plan members in the very early stages of Alzheimer's disease.

Rare disease drugs

FEATURED DRUGS	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Various rare disease drugs (listed in table to follow)	Rare diseases with limited or no current treatment option	Extremely high, ranging from US $325,000 to US $650,000 per year in the U.S.	These new drugs treat rare diseases but come with ultra high costs requiring the need for plan management

The number of rare disease drugs in development and under Health Canada review remains significant. Since many rare diseases still lack effective treatments, we expect this trend to continue in the coming years. 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, the federal government announced the National Strategy for Drugs for Rare Diseases, including an investment of up to $1.4 billion over three years to be provided to provinces to help increase rare disease drug access and affordability. The government has a common list of drugs under this strategy and updates it as the Pan-Canadian Pharmaceutical Alliance concludes its price negotiations. Several provinces have already signed bilateral agreements, with more provinces expected to do so in the coming months.

However, given the number of rare disease drugs in the pipeline and the ultra-high-cost nature of these therapies, federal funding most likely won't be enough to provide universal coverage for all rare disease drugs.

The table below highlights some rare disease drugs under Health Canada review. Alberta Blue Cross® monitors these for potential public funding options to ensure these programs are accessed first before potentially covering on private plans.

As more rare disease drugs become available, and given their high costs, we recommend you review both your drug plan's design and how it's managed to ensure the long-term sustainability of your drug plan. We're here to help with this review process if you need assistance.

DRUG NAME	MEDICINAL INGREDIENT	INDICATION	PRICING
Joenja®	Leniolisib	Activated phosphoinositide 3-kinase delta syndrome (APDS)	US cost: US $547,000/year
Isturisa®	Osilodrostat phosphate	Cushing's syndrome	US cost: US $325,000/year
Unknown	Efanesoctocog alf	Congenital factor VIII deficiency	US cost: US $652,000/year (expected)
Unknown	Omaveloxolone	Friedreich's Ataxia	US cost: US $370,000/year (expected)

First-entry generic drugs

FEATURED DRUGS	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Various generic medications (listed in table to follow)	Potential savings with generic drug management	Savings up to 75% of the cost of the brand name medication	Generic versions of existing drugs work just as well but cost less. They could help lower your drug plan costs for various health conditions.

There are many notable generic medications that are under review by Health Canada (as of December 31, 2024), which should provide plan sponsors significant savings. The Pan-Canadian Tiered Pricing Framework sets out generic drug pricing and is based on whether the drug is publicly funded or not and how many generics are marketed for the drug. Generics can be as low as 25% the cost of the brand.

	NOT PUBLICLY FUNDED	PUBLICLY FUNDED
Single source (only one generic) on market	85% of brand	75% of brand, and 55% of brand after three months
Two generics on market		50% of brand
Three or more generics on market		25% of brand

BRAND NAME	THERAPEUTIC USE	NUMBER OF GENERIC PRODUCTS	UNDER HEALTH CANADA STATUS
Victoza®	Diabetes	6	Under review
Ozempic®	Diabetes	3	Under review
Trajenta®	Diabetes	10	Under review
Jentadueto®	Diabetes	3	Under review
Synjardy®	Diabetes	1	Under review
Jardiance®	Diabetes, heart failure	10	Under review
Invokana®	Diabetes	5	Under review
Mavenclad®	Relapsing-remitting multiple sclerosis (RRMS)	2	Under review
Myrbetriq®	Overactive bladder	2	Under review
Rupall®	Antihistamine	3	Marketed
Entresto®	Heart failure	2	Approved, not yet marketed
Emend®	Antiemetic	1	Under review
Rexulti®	Depression, schizophrenia	6	Under review
Movantik®	Drugs for constipation	1	Under review
Invega Sustenna®	Schizophrenia, schizoaffective disorder	3	Under review
Abilify Maintena®	Schizophrenia, bipolar disorder	3	Under review
Zenhale®	Asthma	1	Under review

First-entry biosimilar drugs

FEATURED DRUGS	USES	COST	WHY YOU NEED TO KNOW ABOUT IT
Biosimilars for tocilizumab and omalizumab	Rheumatoid arthritis, asthma and other inflammatory conditions	Lower than originator biologics – usually approximately 40-60% of cost of the originator	These new versions of existing specialty, biologic drugs work just as well but cost less.

Biosimilars are new versions of originator biologic drugs that are less costly. Biosimilars for tocilizumab (originator—Actemra®) were under review by Health Canada at the time of writing, and the first biosimilar for omalizumab (originator Xolair®) was approved in December 2024 but not yet marketed at the time of writing. Tocilizumab is used for rheumatoid arthritis, giant cell arteritis, polyarticular juvenile idiopathic arthritis and systemic juvenile idiopathic arthritis. Xolair® is used for asthma and chronic idiopathic urticaria. Biosimilars bring savings to plan sponsors as adoption of biosimilars increases.

Alberta Blue Cross® drug management strategy

Drug plan management at Alberta Blue Cross® starts with a solid and unique foundation built on systems and management processes that all our drug plans benefit from. We also provide many optional features to manage your plan. These help to control rising drug costs and keep your plan sustainable in the long run.

FOUNDATIONAL DRUG PLAN MANAGEMENT STRATEGY

MANAGEMENT STRATEGY	DESCRIPTION
Comprehensive drug review process	Our team of pharmacists and drug experts carefully evaluate each new drug. They look at its scientific merit, how well it works and its cost-effectiveness before deciding whether to include it in our coverage.
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 keep a close eye on how drugs are being used and how government policies are changing. This allows us to adjust our approach to drug coverage, ensuring we manage our drug plans effectively and save money for our customers.

OPTIONAL DRUG PLAN MANAGEMENT STRATEGY

MANAGEMENT STRATEGY	DESCRIPTION
Special authorization	A standard feature on our managed formulary that's applied to high-cost drugs where there's opportunity to ensure those therapies are covered only for plan members meeting clinical criteria. Special authorization also ensures members are accessing any publicly funded drug programs first before coverage is granted on their private plan. We also have industry leading dosing controls applied to special authorization drugs to ensure coverage doesn't exceed Health Canada approved dosing.
Step therapy	Another standard feature on our managed formulary used to manage lower-cost traditional drugs. This 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 our automated real-time claims adjudication system.
Biologic strategy	With our managed formulary, we're 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

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.

- Generic pricing
- Mandatory generic substitution
- Maintenance medication program
- Maximum allowable cost pricing

Looking ahead

As we've seen throughout this report, 2025 promises significant advancements in drug therapies across various health conditions. While these innovations offer exciting possibilities, they also require balancing member needs with cost management.

Ready to optimize your plan?

If you're an existing Alberta Blue Cross® plan sponsor, please reach out to your Alberta Blue Cross® representative to discuss how these developments might affect your plan and explore strategies to optimize your coverage.

For companies interested in partnering with Alberta Blue Cross® for innovative drug plan solutions, please call our Group Sales team at **1-866-513-2555**.