



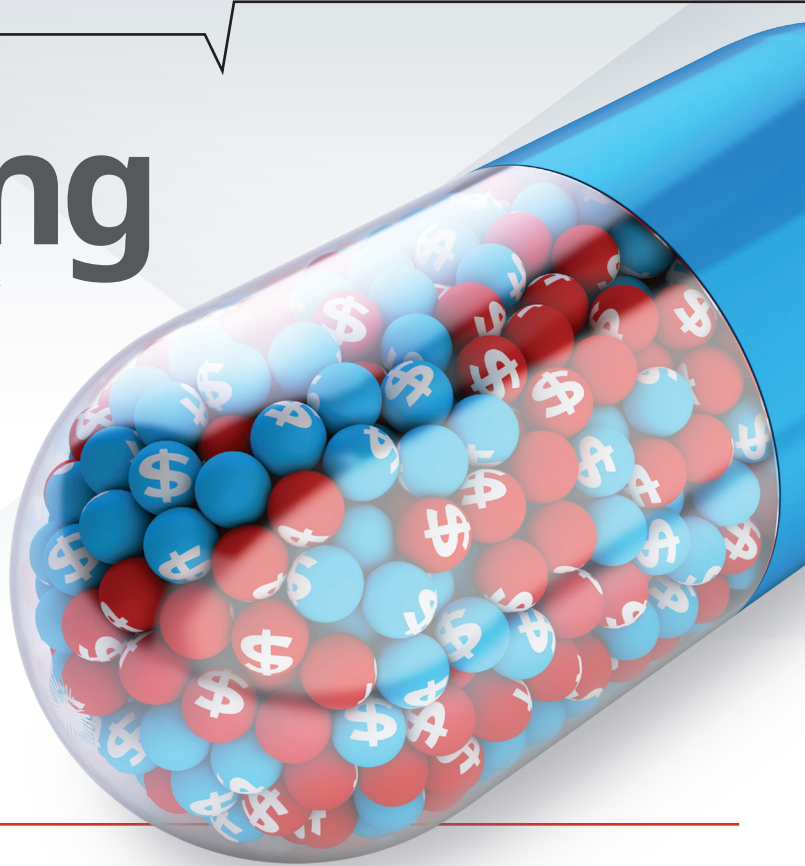
Medication MANAGEMENT

SUPPORTING PLAN MEMBER HEALTH

Rethinking specialty

Time for a paradigm shift

Over the past 15 years, specialty drugs have revolutionized health care, delivering life-changing and life-saving treatments to those who need them. However, the rising cost and growing use of these treatments have become a financial concern for payors; and because of this, innovative approaches to balancing access with plan sustainability are now required.



Specialty drugs represent a rapidly growing share of total drug expenditures and are putting a strain on group benefits plans. According to the top three pharmacy benefits managers in Canada, these medications represent approximately 30 per cent of drug spend in the last three years.¹²³ In 2022, specialty drug spend per member increased 4.8 per cent and utilization grew 5.4 per cent.⁴ And this is not expected to slow in the coming years.

So the question is: what's behind the trend? Although there isn't a single factor driving this growth, one major contributor is the development of specialty drugs for conditions that impact a larger portion of the population. Specialty drugs are no longer used solely for rare and life-threatening conditions; the pipeline has evolved — producing specialty drugs to treat chronic migraines, diabetes, asthma and other health issues that affect millions of Canadians.

As specialty drugs are prescribed for an increasing number of common conditions, Health Solutions by Shoppers believes this might be the right time to take a different approach when it comes to categorization and management.

But first...

What are specialty drugs?

Although there's no universally accepted definition for specialty drugs, they're often characterized as high-cost medications (\$10,000+ per year) that treat complex, rare or difficult-to-manage medical conditions like cancer and hepatitis C. Individuals taking a specialty drug usually require close monitoring and clinical support through patient support programs. To ensure plan sustainability, a prior-authorization review process is typically required to ensure these drugs are being used appropriately and are improving an individual's health.

Certain specialty drugs fall under the category of biologics. Specialty biologic drugs are proteins generated by living cells cultivated in a lab. Due to their delicate nature, these drugs require dedicated shipping, temperature-controlled storing and, historically speaking, administration via injection or infusion.

The evolution of the specialty drugs pipeline

While only a handful of specialty drugs were available in the mid-90s, the drug pipeline continues to expand, making up 85 per cent of new-to-market drugs in the U.S. in 2022.⁵ Experts expect that share to continue to rise because most pharmaceutical R&D investment is focused on bringing these high-cost, high-impact drugs to market.

This shift is reflected in the claims data of private Canadian drug plans. In 2013, only 30 per cent of top-selling drugs by cost were specialty—and by 2022, this figure doubled to 60 per cent.⁶

Top selling drugs in private drug plans in Canada	
■ Specialty □ Oral Specialty ■ Traditional	
2013	2022
Remicade	Ozempic
Humira	Remicade
Enbrel	Humira
Cipraxel	Stelara
Cymbalta	Vyvanse
Apo-Esomeprazole	Concerta
Concerta	Symbicort
Nexium	Dupixent
Sumbicort	Trikafta
Ezetrol	Entyvio
30% specialty	60% specialty

Source: IQVIA. Private Pay Direct Drug Program. Drug cost includes ingredient cost and applicable mark-ups. Dispensing fee is excluded.

As part of this pipeline expansion, we're now seeing specialty drugs that target more common chronic diseases in the top drug claims data. For example, new injectable diabetes medications are being classified as specialty drugs even though they're priced under the typical specialty threshold of \$10,000 annually per patient. This can be attributed in part to the additional monitoring and clinical support required, which is typically delivered through a patient support program.

New oral formulations are more accessible and less wasteful

Thanks to scientific advances, specialty drugs are increasingly available, with formulations that are becoming easier to ship, store and administer. For instance, Azacitidine is a chemotherapy drug used to treat acute myeloid leukemia and other cancers. Traditionally, the drug is given daily through a subcutaneous injection, where the patient must learn how to draw up the dose from a single-use vial and administer it themselves. But in 2021, an oral formulation was developed, allowing someone to take the drug orally during their cancer treatment. This removed the burden of self-injection and eliminated waste from IV vials and supplies.

Time to redefine specialty drugs...

Then	Now
Treat complex and rare diseases	Treat common chronic diseases
Require special handling and additional packaging	Require much less special handling and packaging
\$10,000 + annual patient cost	Not limited to \$10,000 + annual patient cost
Injected/IV delivery	Convenient formats like oral pills, self-injectables and topicals

≡ Redefining specialty

The emerging role of retail pharmacy

When specialty drugs first entered the market, niche pharmacies emerged to provide the distribution and clinical management needed to deliver treatment. This included specialized cold chain storage and shipping, as well as patient education and clinical support that went beyond retail pharmacies' expertise.

With more than 93 per cent of specialty drugs being retail-dispense friendly, retail pharmacies that are appropriately equipped have become a viable alternative to the traditional distribution model.

An integrated distribution model through a pharmacy can enhance a plan member's experience while ensuring their drug plan's sustainability. Dispensing specialty medications via a retail distribution model provides high-touch, face-to-face, patient-centered care that reduces costs; this is made possible by eliminating cold chain direct delivery costs, in addition to reducing packaging waste and excess carbon emissions.

Reduce costs, not access

Plan sponsors want to ensure their plan members have access to these life-changing treatments, while also managing the financial risk associated with increasing drug plan spend. Instead of implementing restrictive plan designs to manage escalating drug plan costs, sponsors should consider specialty drug programs instead.

In Canada, the list price for brand name drugs is regulated by Patented Medicines Prices Review Board (PMPRB)—and the markup and dispensing fees may be subject to regulatory or contractual limitations. Working with specialty drug providers can help payors and sponsors navigate the drug coverage and reimbursement landscape. Providers can help design a holistic solution to drive health outcomes while saving on the cost of treatments, leading to a sustainable drug plan in the long term.

The value of specialty drugs is undeniable

Specialty drugs have revolutionized the treatment of complex illnesses and hold great promise for people living with challenging diseases. While costs may be high, the benefit these treatments provide to patients is immeasurable. A high-cost specialty drug regimen that effectively manages a chronic disease may be less costly on a long-term basis when compared to ongoing treatment and care. Access to specialty drugs can also reduce absenteeism and prevent disability.

Bottom line... there has never been a better opportunity to improve specialty drug access and support

To ensure plan members have access to revolutionary specialty medications, plan sponsors should implement efficient, cost-effective distribution and dispensing strategy models that provide appropriate handling and service, ensuring plan member safety and satisfaction. These can deliver optimal health outcomes and eliminate unnecessary spend.



Health Solutions by Shoppers takes the complexity out of managing specialty medications

The network of 1,800 Shoppers, Loblaws and affiliated pharmacy locations across Canada can dispense more than 93 per cent of specialty drugs and refer the rest to infusion clinics, if needed. Their team of health-care experts provides integrated care management and ensures patients are supported every step of the way.

With their Specialty Drug Management Program, Health Solutions by Shoppers offers a cost-effective specialty drug dispensing model that leverages their extensive pharmacy network and expertise through flexible program options, implementation support, outcomes monitoring and reporting.



Cost effective

Health Solutions by Shoppers lowers specialty drug costs in a variety of ways:

- Leverages existing drug supply and distribution chains that ship drugs to retail locations daily, eliminating the additional costs for the direct cold chain delivery required by specialty pharmacies
- Strong relations with pharmaceutical manufacturers to drive supply-chain efficiency
- Proven business model that maximizes health-care experience and expertise
- Navigate drug coverage and payment landscape to deliver savings for patients and plans sponsors at the point of sale



Convenient and accessible

Most Canadians are already shopping at Shoppers Drug Mart or Loblaws pharmacies or can easily access a store.

- Ninety per cent of Canadians live within 10 kilometres of a Shoppers Drug Mart or Loblaws pharmacy, with many stores open late or 24 hours
- One out of four Canadian prescriptions are filled at a Shoppers Drug Mart or Loblaws pharmacy
- Plan members can schedule a pharmacist appointment or medication pickup at their convenience, so they don't have to wait at the counter
- The Shoppers Drug Mart Specialty Drug Management Program is unmatched, with the convenience of in-pharmacy pickup or home delivery to accommodate patient choice



Expertise and support

Health Solutions by Shoppers has the necessary expertise to support plan members taking specialty medications.

- Backed by Specialty Health Network by Shoppers' in-depth specialty drug experience, providing specialty services to thousands of Canadian patients for more than 20 years
- Accessible, in-person specialty drug support and assistance with drug administration/injection training, as well as education on adherence, storage guidelines, side-effect management and drug interactions to avoid adverse events
- Support, when needed, by virtual nurse case manager consultations to navigate health and medication journeys, ensuring unique health-care needs are met
- Investment in digital capabilities, revolutionizing how patients receive specialty drug support

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¹ <https://www.express-scripts.ca/sites/default/files/2023-04/ESC%20DTR%20EN%20April%205%202023%20final.pdf>
² <http://read.uberflip.com/i/1501248-telus-health-report-2023/27>
³ <https://assets.hbplus.ca/greenshield-b2b/drug-report/2022-hbm-drug-trends-report-remediated-en.pdf>
⁴ <https://www.express-scripts.ca/sites/default/files/2023-04/ESC%20DTR%20EN%20April%205%202023%20final.pdf>
⁵ <https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/global-trends-in-r-and-d-2023/iqvia-institute-global-trends-in-rd-2023-forweb.pdf>
⁶ IQVIA. Private Pay Direct Drug Program