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2012 Express Scripts Canada Drug Trend Report



\$1 dollar out of \$3 dollars is wasted

Poor decisions by Canadian patients waste up to \$5.1 billion annually on prescription drugs according to a new research finds from Express Scripts Canada (ECC), one of the largest providers of health benefits management services in Canada.

The report, called *2012 Express Scripts Canada Drug Trend Report*, released on June 6th, 2013 shows that poor patient decisions waste one out of every three dollars spent within a typical drug benefit plan. Express Scripts Canada defines waste as spending more without improving health outcomes.

There are two main sources of waste:

- Channel waste: This is driven by the use of higher-priced delivery channels as well as inferior dispensing intervals that result in more dispensing fees than necessary.
- Drug mix waste: This is created by using higher-priced prescription drugs when clinically equivalent alternatives exist.

These components of waste mean that both plan sponsors and plan members pay more than necessary for their drug benefits.

“Plan sponsors that provide health benefits to their employees have historically dealt with steadily rising costs for the prescription drug benefit,” says Michael Biskey, president of Express Scripts Canada. “Unfortunately, a huge portion of the money they spend on these benefits is wasted due to poor patient decisions. Reducing waste is the key to keeping prescription drug plans sustainable. By optimizing drug therapy and engaging employees to change their behaviours, plan sponsors can provide plan members effective health care at lower costs.”

Gaps in care

In addition to channel and drug mix waste, plan sponsors experience costs related to “gaps in care” due to patient non-adherence to drug therapy.

When plan members do not take medication as prescribed, it can lead to additional health-care issues, resulting in illness and disability related costs for plan sponsors and members. Express Scripts Canada’s research identified significant adherence related gaps in care in patients with diabetes, high blood pressure and cardiovascular disease.

“The good news is that plan sponsors and plan members can save money by implementing changes to how they manage their drug plans that will drive better decisions within the pharmacy benefit,” says Biskey.

Other key research highlights include:

- The national average for annual prescription drug spend is flattening...for the time being. On a national basis, the average annual drug spend per claimant decreased 0.73% in 2012 to \$755 per claimant, down \$6 over the previous year. This modest decline is consistent with the flat trend of 0.5% recorded in 2011. The drug patent cliff and government pricing relief drove this reduction and masked a significant increase in specialty drug spend in 2012.
- The trend for specialty drugs continues to climb, posting a trend of 13.3% in 2012. Specialty drugs include medications that treat complex conditions such as rheumatoid arthritis, multiple sclerosis and cancer. Use of specialty drugs increased 1.2% in 2012. By contrast, the cost per prescription grew 12.1% in 2012. The high cost per prescription and increase in utilization of specialty drugs were the major driving forces in the increasing private drug spend over the past couple years.
- Specialty drugs are expected to drive future increases in drug spend. Express Scripts Canada has determined that 64% of items in the pipeline are specialty drugs. It is anticipated that specialty spend will grow to between 25-30% by 2017 up from 22% of total drug spend in 2012. This is dependent on the number of new specialty items that come to market.

To obtain additional information or read the report visit www.express-scripts.ca