



INSIDE STORY[®]

JANUARY 2019



AND NOW FOR SOMETHING...

Don't miss the companion podcast with Stephen Frank, president and CEO of the Canadian Life and Health Insurance Association.

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COMPLETELY INDIFFERENT



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WHERE DO WE GO FROM HERE?

ISSUES FROM 2018 GAIN MOMENTUM IN 2019

Ah yes, the New Year... always a good time to reflect on the previous year. But it's also a good time to look ahead and prepare for the coming year. So we decided to do both! Here's an overview of what transpired regarding the main issues we covered in 2018—plus, some predictions for 2019...

Pharmacare 'big reveal' – spring 2019

The July/August 2018 edition of *The Inside Story* focused on the debate surrounding pharmacare. As you may recall, as part of the debate, the House of Commons Standing Committee on Health was charged with studying the development of a national pharmacare program as an insured service under the Canada Health Act. The Committee heard from more than 100 of what they referred to as "witnesses" (everyone from patient groups, health care professionals, and academics to pharmaceutical companies, unions, and various government agencies).¹ Witnesses' feedback varied widely regarding two options the committee was considering: (1) A universal, single-payor, public prescription drug program, or (2) Reform of the existing system with initiatives specifically directed at addressing gaps in coverage.

The result? The Committee voted for the first option—their recommendation is that the government should opt for expanding the Canada Health Act to include prescription drugs dispensed outside of hospitals as an insured service. In the meantime, even before the Committee released its recommendation, the government announced the launch of *The Advisory Council on the Implementation of a National Pharmacare Program* led by Dr. Eric Hoskins. This new council officially began work in September 2018 on its mandate of (as its name implies) studying the implementation of a national pharmacare program.

HOW BEST TO ADDRESS THE DRUG COVERAGE GAP?

The pharmacare debate centres around a gap in Canada's health care system that results in some Canadians struggling to get the drugs they need. An estimated 10% to 20% of Canadians do not have adequate drug coverage through Canada's mix of public and private plans.² Plus, the debate highlights that financial pressure is increasingly driven by high-cost drugs. Affordability is also increasingly difficult due to the expenditure on drugs to manage chronic conditions; as the incidence of chronic conditions continue to rise, of course, so too do their associated costs.



So what's happened since? More consultation. But word on the street is that the consultation process has been productive. The Council encouraged Canadians to share their views and ideas via an online questionnaire and written submissions. They also sought feedback from provincial, territorial, and Indigenous leaders, as well as other stakeholders—like the insurance industry, which of course, means that the Canadian Life and Health Insurance Association (CLHIA) was on it!

...And fortunately, we got the inside scoop directly from the CLHIA. (Here's the lowdown, but if you haven't listened to episode 13 of our podcast yet, you'll find even more details during our interview with the president of the CLHIA, Stephen Frank, where we discuss pharmacare—and more.) Overall, the CLHIA feels that discussions have been useful in that they have shifted away from what was perceived by many as quite a simplistic view of how to address the coverage gap. The recent discussions have been more concrete—as in more insightful and more realistic—regarding the challenges of affordability and judicious use of limited finances.

Essentially, there appears to be more receptiveness to the reality that greater choice and greater access are of course both good, but strategies to achieve this must also be financially responsible. Accordingly, this receptiveness to addressing the fiscal realities is now extending to a more open attitude toward considering a collaborative approach to pharmacare where public and private payors work together to fill the gaps and cost-share.

What's next? The Council is expected to release a "this-is-what-we-heard" type of report early in 2019. And then, finally, the big reveal will come this spring where the Council will report to the federal government on how to implement a national pharmacare program—just in time for the issue to become part of a federal election platform for fall of 2019.

CLHIA SUBMISSION TO THE ADVISORY COUNCIL ON NATIONAL PHARMACARE

As part of the consultation process with the Council, the CLHIA put forward a submission in September 2018.³ It emphasizes that governments should work collaboratively with private insurers to ensure that all Canadians can access and afford the drugs they need. The submission outlined three elements that the CLHIA believes are key considerations regarding any type of reform:

- **Protecting and enhancing existing benefit plans:** Private health benefit plans provide more coverage and choice compared to public plans; a range of services that help prevent illness and contribute to overall wellness.
- **Providing drug coverage for everyone:** To ensure all Canadians can access and afford drugs they need, governments should create a drug list—based on scientific evidence and including expensive drugs—that workplace plans must cover and, for those who don't have a plan, that the government covers.
- **Ensuring affordability for consumers and taxpayers:** Building from the current mixed private-public system would minimize the overall financial impact to government and has the potential to address the "coverage gap."

Like the CLHIA, GSC's take is that that private drug plans are serving an important role in providing robust coverage and tax-effective compensation to the majority of Canadians. Accordingly, filling the health coverage gap can be accomplished without the loss of private drug plans.

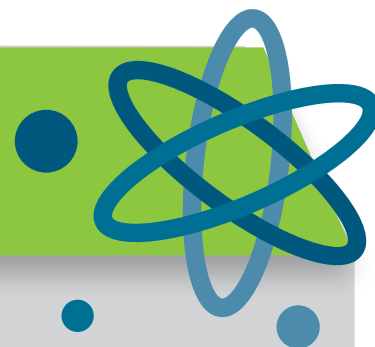
So where do we go from here? It all depends on which party wins the election—we have already seen the impact of the Ontario election with the partial roll-back of OHIP+. No matter what format pharmacare ends up taking, the only prediction we can be fairly sure of is that there likely won't be any concrete implementation any time soon, maybe at some point beyond 2020.

Pharmacogenomics gains scientific evidence – summer 2019

In the April 2018 edition of *The Inside Story* we discussed how pharmacogenomics represents promise, potential, and possibilities, but lacks real-world evidence. We also explained that GSC is aiming to remedy this by conducting a research study. And not just any research study, but a study that specifically aims to assess whether information obtained through pharmacogenomics testing can influence patient outcomes.

As you may recall, the limited scientific evidence around pharmacogenomics that does exist focuses more on system processes, not patient health outcomes. However, as you may also recall, there is evidence indicating that when community pharmacies deliver clinical services of many sorts, patient outcomes improve. So what if pharmacists deliver pharmacogenomic testing, will this influence patient outcomes? We're going to find out.

PHARMACOGENOMICS... A DIFFICULT WORD, BUT ACTUALLY A NOT-SO-DIFFICULT CONCEPT



From the July/August 2016 edition of *The Inside Story*...

"The goal of pharmacogenomics is to guide prescribing decisions so that patients receive the most optimal drug treatment; it's about determining medication effectiveness and tolerance. It doesn't include other types of genetic testing such as identifying genetic mutations that increase the risk of developing health issues that have a genetic basis. And it's not about confirming a disease diagnosis when a certain health condition is suspected based on physical symptoms.

"Overall, it aims to answer the question: Does the plan member have certain genetic mutations that are known to influence their response to a drug in a certain way?"

Remember John Papastergiou? He's the pharmacist that we're collaborating with for this study. It is being run out of three large, urban, high-volume pharmacies in downtown Toronto, so we're talking a lot of patients with broad demographics. Accordingly, the study results will reflect the use of pharmacogenomics in a real-world setting. And the study is focusing on psychiatric drugs because that's where the greatest promise of the impact of technology has been postulated. Plus, psychiatric drugs can have a range of side-effects, so there is often a lot of pharmacist intervention. Therefore, it would be very useful if pharmacogenomics testing helps get patients on the right therapy quicker with less trial and error.

So where are we at? We anticipate wrapping up recruitment of all 200 study participants in early 2019—with study results available by the summer. And then, where do we go from here? As always, we'll follow the evidence. The research results should help us determine whether pharmacogenomics influences patient outcomes or not—and we'll take it from there.



INTERESTED IN CANNABIS BACKGROUND?



Medical cannabis coverage evolving – ongoing

As predicted in the February 2018 edition of *The Inside Story*, medical cannabis (MC) endured as a thorny issue in 2018. Thorny in that the industry continued to assess what exactly is the most appropriate place for MC in private plans. (For a refresher, your go-to podcast is episode three with special guest Mike Sullivan of Cubic Health Inc.)

As you may recall (and as also covered in the winter 2017 edition of *Follow the Script*) our solution for 2018 was to cover MC as a benefit under extended health care coverage, with a benefit maximum of up to \$6,500 annually. It requires prior authorization based on the three medical conditions specified in the scientific evidence: chronic neuropathic pain, spasticity due to multiple sclerosis, and nausea and vomiting due to cancer chemotherapy.

Although other insurers have followed our lead—and there is certainly a lot of interest in MC across the industry—the adoption rate continues to be very low. While many plan sponsors continue to be interested in the role of MC in their benefit plans, they continue to have questions around the net added value of this treatment above and beyond what is already on benefit plans. Some of this dialogue is also occurring in the context of collective bargaining between employers and unions.

Where do we go from here? Ned Pojskic, GSC's leader, pharmacy and health provider relations explains, "As is the case with pharmacogenomics, this represents another follow-the-evidence scenario. As we gain a better understanding of the value and impact of medical cannabis for other clinical indications, we'll investigate and adjust accordingly, just like we do with other drugs."

→ **Canadian Cannabis Survey 2018:** Health Canada conducted the first Canadian Cannabis Survey in 2017. It examined patterns like quantities consumed and the use of cannabis for medical purposes, as well as the cannabis market, like sources and pricing. Building on the 2017 survey, the 2018 survey gathered additional data such as absenteeism from school and work due to cannabis use, expected source of cannabis once legal, and receiving treatment or counselling for cannabis use. (<https://www.canada.ca/en/services/health/publications/drugs-health-products/canadian-cannabis-survey-2018-summary.html>)

→ **Cannabis Stats Hub:** Provides cannabis statistics on topics like Canadians' use of cannabis by age, sex, province, and territory, and cannabis prices by province and territory, as well as household consumption expenditure. (<https://www150.statcan.gc.ca/n1/pub/13-610-x/13-610-x2018001-eng.htm>)



CANNABIS USE IN MALES



CANNABIS USE IN FEMALES

→ **The Cannabis for Medical Purposes Evidence Guide:** Although developed by the CPhA for pharmacists and health care professionals, the guide includes a valuable summary of the best available evidence on the use of medical cannabis for a variety of indications. One to keep an eye on because, as research into the medical uses of cannabis evolves, the CPhA plans to update it. (<https://www.pharmacists.ca/news-events/news/new-practice-resource-medical-cannabis-evidence-guide/>)



Speaking of which, just like with other drugs, GSC's position is that the ideal approach to dispensing MC is via pharmacists. This is an issue that is sure to get more airtime in 2019 as it has been picking up steam for years. Back in November 2017, the Canadian Pharmacists Association (CPhA) announced that it is disappointed with Health Canada's proposed cannabis regulations. Mirroring their message from back in April 2016, the CPhA stated that...

"A notable omission in the proposed current regulatory framework is the failure to integrate pharmacists into the medical cannabis regulations. Pharmacists are best equipped to provide clinical advice to patients and appropriate oversight in the safe management and dispensing of medical cannabis. Pharmacists are highly accessible and can assess patient medication profiles for drug interactions and help prevent, monitor, and report side-effects to help build a body of evidence. We need to ensure that patients have access to a system that offers appropriate medical and clinical support at every touchpoint, and which recognizes the specific needs of patients."⁴

At the root of the issue is that so far, the Canadian Medical Association's concept is that patients who need MC will access it in whatever way recreational users do, which is being left up to provincial and territorial discretion. So for example, depending on what direction each region takes, users could access cannabis online and/or in-person from government and/or private retailers, as well as potentially via their own personal household plants. The CPhA feels that:

"It's both unsafe and completely illogical to create a disjointed system where medical cannabis patients are forced to access cannabis from retail outlets or mail-order delivery systems that do not have clinical expertise. As health care providers, we cannot support this fragmented delivery of care for Canadians."⁵ Overall, the CPhA feels that "Canadians requiring medical cannabis as part of their prescribed therapy should have the same rights and expectations of access to their medication and clinical oversight as is the case for all other medications."⁶

Where do we go from here? Overall, everything MC is evolving—and we'll continue to evolve along with it.

Fraud goes high-tech – forevermore

We realize that reading the December 2018 edition of *The Inside Story* might not have been top of your eat, drink, and be merry plan this holiday season, so just in case you haven't got to it yet, it was all about fintech and insurtech. For 2019, another area of insurtech that is sure to gain momentum in 2019 and beyond, is technology applied to fraud management. For example, we touched on the use of artificial intelligence in GSC's fraud initiatives way back in the October 2017 edition. Basically, newer technologies are enabling GSC to compile and analyze large amounts of data—and to identify patterns—at a much more sophisticated level than in the past. We can quickly assess all the circumstances surrounding a claim to either confirm or question it and, as needed, flag it for further investigation.

Where do we go from here? Not only will GSC continue to ramp up its fraud management by adopting new technologies, so too will the industry as a whole. For example, in 2019 the CLHIA is piloting a sophisticated technology-driven fraud initiative. It involves sharing and pooling claims data across carriers. Combining data into one overall database should allow trends and anomalies to become evident that may not come to light with “individual” data. (Remember we mentioned that podcast episode 13 with Stephen Frank includes pharmacare “and more”—well, future fraud management initiatives is just one of the “and more” discussion points.)

Property and casualty insurers have been using this collaborative approach for a while, so now we'll see if it's something that will work in the life and health space. In any case, projects like the CLHIA pilot—plus, ongoing adoption of technologies as they come out—will help guide our fraud management and point investigations in the direction where issues most likely are.

More to come... more to report

Important issues like these will continue to evolve in 2019—and new issues are sure to emerge. Keep an eye out for upcoming editions of *The Inside Story* where we'll keep reporting. Things really are never dull in the insurance industry (...hard to imagine, we know).



THINGS REALLY ARE NEVER DULL IN THE INSURANCE INDUSTRY (...HARD TO IMAGINE, WE KNOW).



Sources

¹ A primer on the parliamentary report on pharmacare and its impact on the benefits industry, Sonya Felix, Benefits Canada, September 7, 2018. Retrieved December 2018: <https://www.benefitscanada.com/news/a-primer-on-the-parliamentary-report-on-pharmacare-and-its-impact-on-the-benefits-industry-118765>.

² Pharmacare now: prescription medicine coverage for all Canadians, Report on the Standing Committee of Health, House of Commons, April 2018. Retrieved July 2018: <http://publications.gc.ca/site/eng/9.855506/publication.html>.

³ CLHIA Submission to Advisory Council on National Pharmacare, Susan Murray, Canadian Life and Health Insurance Association, October 3, 2018: Retrieved December 2018: https://www.clhia.ca/web/clhia_lp4w_Ind_webstation.nsf/page/1B6F3681BFB12B838525831A004D6A14!OpenDocument.

⁴ Pharmacists disappointed with proposed cannabis regulations, concerned with impact to medical cannabis patients, Canadian Pharmacists Association, November 22, 2017. Retrieved December 2018: <https://www.pharmacists.ca/news-events/news/pharmacists-disappointed-with-proposed-cannabis-regulations-concerned-with-impact-to-medical-cannabis-patients/>.



EMPLOYEE WELL-BEING A PRIORITY FOR MOST EMPLOYERS

Buck Consultants recently released the eighth edition of *Working Well: A Global Survey of Workforce Wellbeing Strategies*, which explores trends in employer-sponsored well-being programs. These survey results include responses from 252 employers in 56 countries covering 5.22 million employees. Results include that:

- 40% of participating organizations believe that they have achieved a culture of well-being. Of the remaining respondents, 81% are striving to achieve a culture of well-being.
- Nearly 75% of employers view support for well-being as an important aspect of what they offer employees with 75% also indicating that well-being is part of their corporate image or brand.
- 73% of employers are focused on reducing health care or insurance costs, up from 66% in 2016.
- Top factors influencing employee well-being are stress (95%), work/life issues (94%), depression, anxiety, and weight management issues (93%), and access to health care services (92%).

Regarding types of wellness initiatives, respondents identified physical health as the most well-established offering. Newer offerings in the last five years include initiatives to enhance financial literacy and skills, as well as to enhance emotional well-being, spiritual well-being, and social connectedness. In addition, results show that a growing trend is the use of technology to improve well-being initiatives through greater personalization and more relevancy. Examples of technologies include incentive tools and tracking (45% offer this today with 44% planning to add it) and portal hubs (62% offer one today; 59% plan to add it.)

For more information, visit: <https://buck.com/ca/press/employers-prioritize-total-wellbeing-embrace-technology-to-drive-workplace-productivity-employee-satisfaction/>.

ONE IN FOUR CANADIANS TOUCHED BY DRUG SHORTAGES

Results from the recently released survey by the Canadian Pharmacists Association called *CPhA Drug Shortages – A Survey of 1,500 Canadian Residents* indicate that one in four Canadians has either personally experienced a drug shortage in the last three years, or they know someone who has. Other main findings include:

- 68% of respondents have some degree of concern about drug shortages in Canada, especially those over 60.
- 15-21% of respondents have looked into other ways to get medications, such as buying them online or getting them from a family member or informally somewhere else.
- In the case of a shortage, 79% of respondents trust pharmacists to have the skills to identify the most appropriate alternative medication.

The survey was conducted online between November 9 and 13, 2018, with 1,500 Canadians 18 years old and over.

For more information, see: <https://www.pharmacists.ca/news-events/news/one-in-four-canadians-touched-by-drug-shortage-in-last-3-years/>.

OPIOIDS UPDATE

Experts urge recall of high-strength opioids

A recent commentary in the *Canadian Medical Association Journal* urges Canada's health minister to pull high-strength opioids from the Canadian market. The authors indicate that the *Protecting Canadians from Unsafe Drugs Act* (commonly known as Vanessa's Law) allows the health minister to recall a drug if it presents a serious or imminent risk of injury to health. What comprises a serious health risk is determined on a case-by-case basis. Examples of high-strength opioid products in the commentary are described as the equivalent of between 200 and 400 mg of morphine per day. The authors think these products represent a serious health risk because there are many potential adverse health consequences including risk of death.

For more information, see: <https://globalnews.ca/news/4724646/experts-push-recall-high-strength-opioids/>.

Opioid-related deaths reach 9,000 since 2016

Between January 2016 and June 2018, more than 9,000 Canadians died due to opioids. This reflects the latest data collected by the Public Health Agency of Canada for the *Special Advisory Committee on the Epidemic of Opioid Overdoses*. The data reports on apparent opioid-related deaths in the first half of 2018 in Canada, as well as suspected opioid-related overdoses reported by emergency medical services. Based on the data, the opioid crisis continues across Canada, affecting people from all walks of life, all age groups, and all socio-economic backgrounds. Of the more than 9,000 deaths between January 2016 and June 2018 due to apparent opioid-related overdose, more than 2,000 occurred in the first half of 2018. Ninety-four per cent were the result of accidental overdoses, of which 72% involved fentanyl-related substances.

For more information, visit: <https://www.canada.ca/en/public-health/news/2018/12/latest-data-on-the-opioid-crisis.html>.

Opioid-related hospitalizations continue to rise

Data released by the Canadian Institute of Health Information in the report *Opioid-Related Harms in Canada* shows a 27% increase in hospitalizations due to opioid-related poisonings over the past five years, including in 2017:

- 17 Canadians were hospitalized each day for opioid poisonings.
- Men age 25-44 had the fastest growing rates of hospitalization.
- Smaller communities had hospitalization rates more than double the rates of Canada's largest cities.

Opioid poisoning occurs when someone takes either prescription or illicit opioids incorrectly, resulting in harm. For example, taking the wrong opioid dose or taking opioids in combination with other drugs or alcohol.

For more information, see <https://www.cihi.ca/en/opioids-in-canada/2018/opioid-related-harms-in-canada>.

OUT & ABOUT... *Events not to miss*

National Webinar – Biosimilars: To Switch or Not To Switch

January 31, 2019, online 1–2 p.m., eastern time

<http://www.cpbi-icra.ca/Events/Details/National/2019/01-31-National-Webinar-Biosimilars-To-Switch-or>

Ned Pojskic, GSC's leader, pharmacy and health provider relations, will discuss the shape of biosimilar transitioning in Canada: the slow patient uptake, strategies to improve biosimilar utilization, the clinical evidence that supports transitioning to a biosimilar, and what a biosimilar transition program could look like.

January
Haiku

Content driven world
Welcome to 2019
Thank you for reading

FITBIT WINNER

Congratulations to **K. BOURDON**, of **EDMONTON, AB**, the winner of our monthly draw for a Fitbit. Through this contest, one name will be drawn each month from plan members who have registered for Plan Member Online Services for that month.

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