THE INSIDE STORY®

WINTER 2021

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Episode 27 of our podcast features Mike Sullivan of Cubic Health and GSC's Ned Pojskic discussing medical cannabis.

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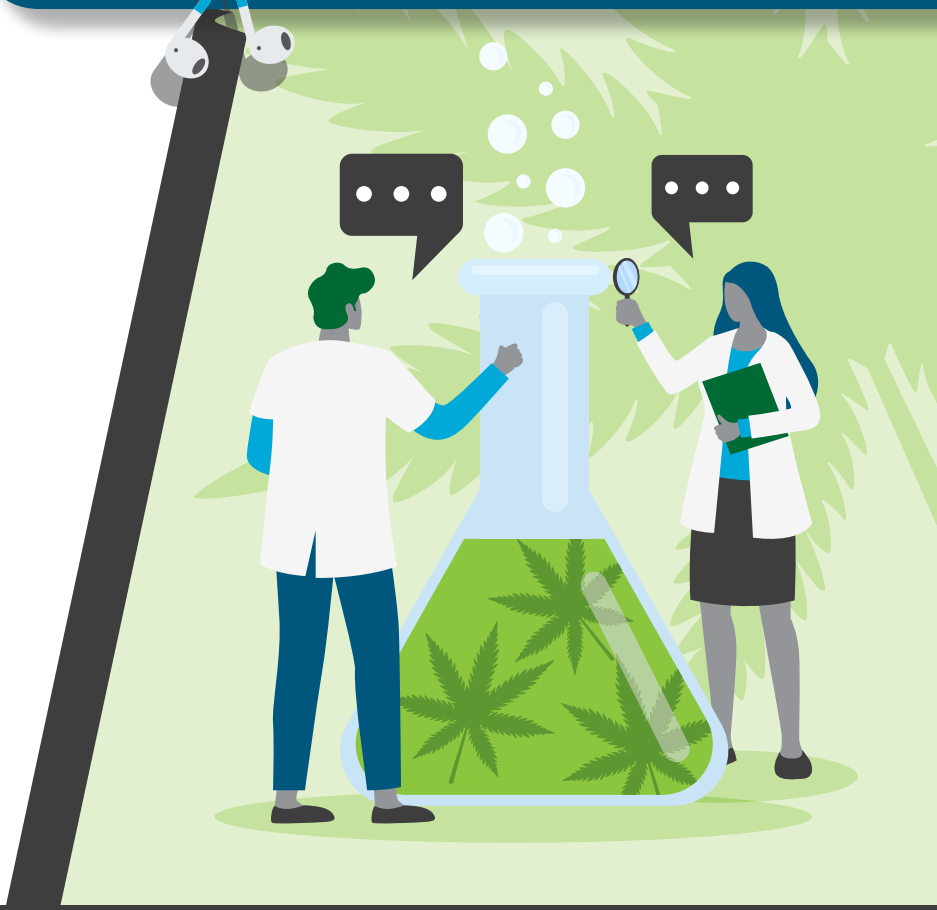

MEDICAL CANNABIS:

Budding health benefit or dying on the vine?

As the new year begins and thoughts turn to what the future may hold, it struck us, what ever happened to the predicted medical cannabis craze? Medical cannabis was certainly a hot topic in 2017—as in, finally, the health benefits industry has something new and progressive to talk about! But it seems to have gone from hot to not-so-hot… as in low uptake.

Only 3% of respondents in Health Canada's 2019 Cannabis Survey reported that they have full insurance coverage for medical cannabis. The survey—that randomly recruited 12,000 respondents across all provinces and territories—also found that just 3% report partial coverage, leaving 94% reporting no coverage.[1] Instead of budding health benefit, it sounds like medical cannabis might in fact be a dying-on-the-vine situation, but why?

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Tackling cannabis as one big topic

Although legalization of medical cannabis (MC) dates back to 2001, more recently, as legalization of recreational cannabis (RC) loomed in 2017, it ignited a flood of concerns for employers.[2] For example, a Conference Board of Canada study released in June 2018—just months before legalization of RC on October 1, 2018—indicates that 52% of respondents were either concerned or very concerned about how legalization of cannabis may impact the workplace. Top concerns included workplace safety, impairment or intoxication in the workplace, and increased use of cannabis both inside and outside the workplace.[3]

It's no wonder employers are concerned about how legalization may impact the workplace, given that cannabis is the second most commonly used substance in Canada after alcohol.[4] Also, given that employees can now *legally* use cannabis *both* recreationally and medically, it's easy to see how employers may now be trying to tackle RC and MC as one big cannabis topic.

And what a big topic it is. It makes your head spin thinking through everything employers have to tackle related to cannabis use, whether RC or MC. Everything from defining workplace impairment and adapting drug policies and testing… to implementing education and prevention strategies geared at promoting workplace safety… and deterring problematic use or dependence… and more.

In addition, the potential side-effects of MC and risk of workplace impairment take on an added complexity due to its use as a prescribed drug and condoned as an employee health benefit. For instance, added complexities related specifically to MC include:

- Quality control given variations in strains, dosages, and forms, as well as the wide range of licensed producers,
- Need for accommodation policies,
- Privacy policies and support, like follow-up by the physician prescriber, and
- Risk of overuse and abuse of an employer-sponsored health benefit.

With so much to consider, perhaps low adoption of MC as a health benefit may at least in part be due to the seemingly never-ending cannabis "To Do" list. As for instance, a Conference Board of Canada report released in July 2019 (more than a year after the Cannabis Act received royal assent) reveals that "concerns persist among employers about the impacts of cannabis on the workplace. They are particularly concerned about workplace safety, increased risk of accidents, impairment at work, and employee mental health"[5] and "workplace accommodations, drug testing, and educating employees are seen as the most challenging aspects of cannabis legalization going forward."[6]

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And then there's stigma…

Ah yes, although some would argue that societal attitudes around cannabis are changing, there is still a long history of stigma to push back against. A long history indeed as cannabis became illegal in Canada in the 1920s snowballing into becoming synonymous with criminal activities.[7] It also became feared as a "gateway drug" that opens the door to escalating use of other substances like heroin and cocaine.

Then in 1971, the president of the United States, Richard Nixon, officially declared a "war on drugs," stating that drug abuse was "public enemy number one."[8] This began a U.S. government-led initiative aimed at ending illegal drug use, distribution, and trade by markedly increasing both the number and duration of prison sentences for both drug dealers and users. Influenced by the "war," Canada has a history of what would be considered today as harsh punishments for those possessing even small amounts of cannabis.[9]

Although raging for years, the "war" continues to lose steam as some American states started softening their drug-related penalties. And as of the 2020 U.S. election day, four more states legalized RC. Similarly, Canada's legalization certainly signals that attitudes are changing, however, it's hard to erase the stigma associated with cannabis after years of prohibition.[10]

Cannabis may still be viewed by some as a taboo and dangerous substance. For example, the government of Canada's 2019 cannabis survey indicates that overall 90% of respondents thought that using cannabis could be habit forming, an increase from 82% in 2018.[11] In other cases, cannabis may still not be considered a serious medical treatment but something just for "pot heads."

Long-held beliefs typically die hard, so still today stigma may deter employers from covering MC with concerns such as: does offering MC as an employee health benefit mean we're promoting cannabis use? And similarly, stigma may deter employees from advocating for MC coverage—or if available, from accessing it. Of course, in our not-so-humble opinion, instead of relying on pre-existing notions related to cannabis, adoption of MC coverage should be guided by the scientific evidence.

Limited evidence, limited coverage

Credible evidence for treatment with MC for adults only exists for neuropathic pain and some side-effects related to multiple sclerosis and cancer. Accordingly—and rightfully so—what little adoption there has been of MC as a health benefit is covering just these conditions. This hints that limited scientific evidence may be a piece of the low adoption

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puzzle. A review of the scientific evidence reveals that there may be a disconnect between what conditions are eligible for coverage for adults versus what conditions people want it for…

Specifically, the need to treat mental health disorders is certainly there—and growing. Statistics from the Centre for Addiction and Mental Health in July 2020 indicate that 25% of Canadians 18-39 years old and 19% of 40-59 year olds are experiencing moderate to severe anxiety.[12] Then this past August, a report from Deloitte predicts that Canadians will face "a potentially explosive increase of mental illness for up to 10 years after the pandemic is over."[13]

Accordingly, these statistics beg the question: if mental health conditions like anxiety and depression were eligible for MC coverage, would the use of MC as an employee benefit explode? And if so, what would an explosion of MC use mean in terms of all the things employers are already concerned about regarding the potential impact of cannabis in the workplace? These questions can remain unanswered at least for now, as so far, mental health conditions are not covered because the state of the scientific evidence surrounding MC is weak.

For instance, in 2019, researchers conducted a systematic review of the body of research regarding cannabis as a treatment for anxiety, depression, post-traumatic stress disorder, attention-deficit hyperactivity disorder, Tourette syndrome, and psychosis. Although they reviewed 83 studies, they concluded that the evidence is scarce regarding cannabis improving the symptoms of any of these disorders. Only of real relevance was limited, poor-quality evidence suggesting that cannabis could slightly improve anxiety symptoms in patients who had other chronic conditions, like chronic non-cancer pain or multiple sclerosis.[14]

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"There is currently encouraging, albeit embryonic, evidence for medicinal cannabis in the treatment of a range of psychiatric disorders."

Likewise, a 2020 systematic review of medical use of cannabis across all major psychiatric disorders found that "there is currently encouraging, albeit embryonic, evidence for medicinal cannabis in the treatment of a range of psychiatric disorders" but "the present evidence in the emerging field of cannabinoid therapeutics in psychiatry is nascent, and thereby it is currently premature to recommend cannabinoid-based interventions."[15]

Regardless of the scientific evidence, cannabis is commonly touted as beneficial for a range of mental health conditions. A McMaster University professor and mental health program clinical director explains that regardless of whether or not there is any evidence supporting its use, information suggesting that cannabis can help with common mental health conditions is "everywhere." This perception may be driving cannabis use.[16]

For example, participants in a 2019 survey of people seeking treatment for anxiety and related disorders found that 39% reported using cannabis in the last six months. Their motivations for using cannabis included for sleep, mental health concerns, and chronic pain leading to the finding that "cannabis may be used to broadly manage distress." It may be linked to the respondents' symptoms that they think cannabis will help, or they may be self-medicating in absence of other treatments.[17]

What is clear at this point is that although people may want MC for mental health conditions, the scientific evidence only warrants it for a narrow set of conditions. But *how* to cover MC for these conditions may be another issue impacting uptake of MC as a health benefit. At least initially, there were not a lot of systems in place regarding the best way to handle coverage. Like no drug identification number for MC is sure to have thrown many for a loop. And what exactly should the prior authorization process look like?

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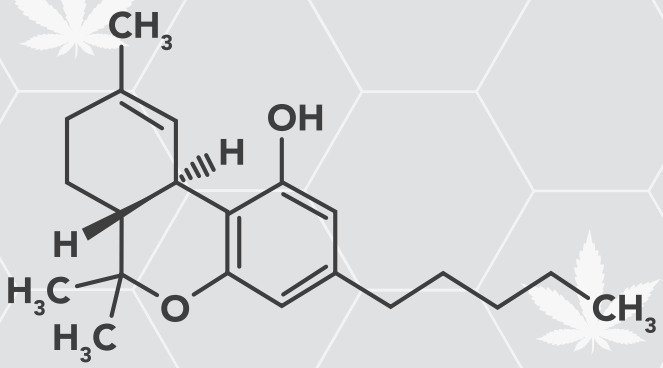

Also, with many employers looking at MC and RC as one big topic, seeing what's going on in the RC market seems to create even more questions. Are the licensed suppliers and prescribers credible? Could supply shortages impact MC? Maybe all the unknowns lead to health care spending accounts (HCSAs) as a common approach to coverage; it's easy with low risk.

GSC'S MC EXPERIENCE TO DATE...

Limited coverage

- As you may recall, in 2018 as guided by the scientific evidence, GSC began offering a standalone MC product to plan members age 25 and older (as a last resort treatment option) to treat any one of these medical conditions: chronic neuropathic pain, spasticity due to multiple sclerosis, and nausea and vomiting due to cancer chemotherapy.

- In addition, recognizing how the scientific evidence has evolved, as of October 7, 2020, GSC now also offers MC coverage for dependents age two and older to treat two forms of severe childhood seizures: Dravet syndrome and Lennox-Gastaut syndrome. Coverage is limited to a CBD product only (i.e., no THC which produces a euphoric or "high" effect), and ideally, it is covered via a HCSA.

Low uptake

- Although plan sponsors offering MC are diverse in terms of size, industry, and plan design, they have one thing in common: given the limited indications, very few of their plan members are accessing MC coverage.

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What about costs?

The cost of MC is another area of confusion that is not without its share of controversy. For instance, cannabis "street prices" are typically significantly lower than with licensed sellers.[18] In fact, due to steep price increases in the legal cannabis market, some MC users are resorting to the illegal market to make it affordable to get the treatment they need.[19]

However, rising cost is just one of many challenges motivating some MC users to turn to the illegal market. Challenges like waiting for a doctor's approval and prescription and getting prior authorization. Interestingly, statistics from the federal government's 2019 cannabis survey indicate that many are accessing MC without documentation: 73% of study respondents who reported cannabis use for medical purposes did not have a document from a health care professional.[20]

Another cost issue is that although MC users must order MC online from licensed dispensaries, some licensed sellers no longer carry lower-cost strains. As a result, some MC users are seeing their prescriptions double in cost as they switch to higher-cost alternatives.[21]

And then there are sales and excise taxes. When the federal government legalized RC, it introduced an excise tax on MC. Cost estimates in 2019 include that sales and excise taxes

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in some provinces increased the cost of MC by up to 25%.[22] An underlying theme to these advocacy efforts is—as the Arthritis Society outlines in its 2018 medical cannabis position paper—that MC should be treated the same as other federally regulated medications in Canada and, therefore, be free from taxation.[23]

Accordingly, the Arthritis Society and the Canadian Pharmacists Association have been lobbying the federal government to lift the excise tax and to have MC dispensed only at pharmacies—just like other prescription drugs.[24] But the cost controversy continues with reports of "Canada's haul from cannabis tax," and during the COVID-19 pandemic, the Canadian Chamber of Commerce's National Cannabis Working Group was lobbying the federal government to temporarily waive the tax for part of 2020.[25]

Until these issues are resolved, they will impact the cost plan members pay for MC. And what about plan sponsors? Although they may not currently consider MC a high-cost benefit because it is only covered for a narrow set of conditions, what if down the road MC is proven effective for a broader range of conditions? If MC goes from limited coverage and low uptake to broader coverage and higher uptake, costs will follow suit in an upward direction.

Also, although it's a nice thought that cannabis might replace other more expensive treatments, opinions vary on the potential of cost shifting (if any). In fact, other avenues of inquiry include that, instead of offsetting costs, MC could end up supplementing existing treatments and accordingly, add more costs. If nothing else, these cost issues reveal MC is still very much a hot topic in certain circles.

The MC flop: Growing pains or has MC as a health benefit totally gone up in smoke?

Maybe the low adoption of MC as a health benefit all comes down to risk. Uncertainty about improving health outcomes… and about side-effects… and about potential impact on workplace health and safety… and about cost burden… and on it goes. Does too much risk equal low uptake? Although we hate to admit it, as an industry, some might describe us as a rather conservative bunch.

But we're also knowledge junkies. More knowledge equals less risk. So although currently adoption of MC is low, the discussion is sure to continue regarding what the future will hold. Be sure to listen in as Mike Sullivan, CEO and founder, Cubic Health and Ned Pojskic, GSC's leader of pharmacy benefits management, kick off 2021 with a look at where MC has been and where it might be headed in GSC's *And Now for Something Completely Indifferent* podcast, episode 27, "Don't Believe the Hype – How Medical Cannabis Flopped."

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"In Canada, testing for the flu has been significantly higher than in previous years but has revealed a remarkably low incidence of cases."

WHAT'S UP

Allaying fears of a 'twin-demic': COVID-19 and the flu

Although COVID-19 cases continue to rise across Canada, the flu has been almost non-existent. This is helping allay fears of a "twin-demic"—rising flu cases at the same time as rising COVID-19 cases plus the resulting possibility of some people getting both viruses simultaneously. A twindemic could overwhelm the health care system, as well as limit the body's ability to fend off infection as it tries to fight off both viruses at the same time. Fortunately, Canada's flu statistics so far are indicating that Canada's incidence of the flu will continue to be exceptionally low with little risk of a twindemic on the horizon.

To help predict what to expect, typically Northern hemisphere countries look to the experience of Southern hemisphere countries. And this year, the experience in the Southern hemisphere—where the flu season is during the Northern hemisphere's summer—bodes well because it was also virtually non-existent. For example, statistics from the World Health Organization for Australia, Chile, and South Africa between June and August 2020 reported unusually low flu rates.

In Canada, testing for the flu has been significantly higher than in previous years but has revealed a remarkably low incidence of cases. For example, of 14,113 tests from December 6 to 12, 2020—which is twice the average for this timeframe for each of the past six flu seasons—the Public Health Agency of Canada (PHAC) reports only 0.02% positive tests, compared with an average 16.8% positive over the previous six years. In addition, since tracking of the flu season began in late August 2020 to mid-December, the PHAC had not reported any flu-related hospitalizations or deaths. In contrast, last flu season there were 274 flu-related hospitalizations, 31 intensive care unit admissions, and three deaths.

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It has become clear that there are lessons to learn for flu prevention from COVID-19 prevention measures. Findings from a study by the Centers for Disease Control and Prevention (CDC) called *Decreased Influenza Activity During the COVID-19 Pandemic — United States, Australia, Chile, and South Africa, 2020* finds that activities to reduce the spread of COVID-19 likely protected people from both COVID-19 *and* the flu. This provides additional motivation to continue to diligently practise COVID-19 prevention measures like social distancing, masking, hand washing, and reducing travel.

However, continuing these measures doesn't mean people should abandon getting a flu shot. If COVID-19 continues to spread, then so too will other respiratory viruses like the flu. Experts advise that from both a personal health and a public health perspective getting a flu shot should be a priority. And Canadians are listening with reports from many provinces of a significant surge in demand for flu shots. However, meeting this demand has posed yet another ongoing public health challenge.

For more information, visit the PHAC's FluWatch at ***https://www.canada.ca/en/public-health/services/diseases/flu-influenza/influenza-surveillance.html#a1*** and the CDC study at ***https://www.cdc.gov/mmwr/volumes/69/wr/mm6937a6.htm***.

COVID-19 mental health toll may prompt change

The following snapshot of research findings provides a distressing picture of Canada's deteriorating mental health over the course of the COVID-19 pandemic. Ultimately, the findings all point to the same outcome: Canadians are suffering from skyrocketing mental health issues. While it's hard to imagine an upside to these statistics, mental health experts are hopeful that the abundance of research will motivate a much-needed overhaul and expansion of Canada's mental health care system.

- **Anxiety:** Pre-pandemic, in April 2020, about 5% of survey participants in a Mental Health Research Canada (MHRC) study reported moderate to severe anxiety. In the MHRC's follow-up survey in October 2020, this number had risen to 20%.

- **Depression:** In the April 2020 MHRC study, about 4% of survey participants reported depression. However, as the pandemic progressed, this number increased to around 10 to 13%. A higher incidence of depression was also found in a November 2020 Centre for Addiction and Mental Health study with 24% of survey respondents reporting depression.

- **Substance abuse:** Statistics Canada indicates that in 2019, about 18% of Canadians reported heavy drinking. By November 2020, this rises to 25% of CAMH survey participants reporting binge drinking in the previous week. Similarly regarding cannabis, by October 2020, 34% of survey respondents in a HMRC study reported increasing their cannabis consumption.

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- **Suicidal thoughts:** In May 2020, 6% of survey respondents in a Canadian Mental Health Association (CMHA) study reported suicidal thoughts. In the CMHA's follow-up study in October 2020, this number increased to 10%.

Experts think that these findings may finally help normalize discussions about mental health. Ideally, the widespread attention to mental health prompted by the pandemic will help build momentum toward prioritizing mental health care including the need to invest in mental health services.

For more information, visit ***https://www.thestar.com/news/gta/2021/01/04/the-pandemic-has-taken-a-toll-on-mental-health-in-canada-will-it-also-change-mental-health-care.html***.

For complete study results, visit:

- Statistics Canada at ***https://www.statista.com/statistics/439899/share-of-canadians-heavy-drinkers/***.
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January haiku

Is it like New Coke?
Medical cannabis stalls
Despite good science

Windsor	1.800.265.5615	**Vancouver**	1.800.665.1494
London	1.800.265.4429	**Montréal**	1.855.789.9214
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Calgary	1.888.962.8533	**Contact Centre**	1.888.711.1119

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