

# Data Trends and National Benchmarks

Retrospective 2020

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# Content outline

- I. Terminology and background
- II. Key results
- III. Drug type utilization
- IV. Specialty and biosimilar drug analysis
- V. COVID-19 impact
- VI. Therapeutic category analysis
- VII. Plan design trends





# Terminology and definitions

# Terminology and background

- **Insured:** any covered individual i.e. employee, spouse or child
- **Certificate:** the employee and the linked dependants
- **Average age:** average age of the insureds
- **Utilization:** number of claims paid per certificate or insured depending on the context
- **Eligible cost:** the cost of the drug considered eligible by TELUS Health. This measure does not take into account any cost sharing (deductible, co-insurance)



# Terminology and background

## Comparison with a specific group

- Results reflect the entire TELUS Health book of business (BoB)
- Results may differ significantly from plan to plan
- The following elements have an important impact on the costs:
  - Plan coverage
  - Demographics:
    - Age distribution
    - Gender distribution
    - Number of dependants
  - Provincial distribution
  - Industry



# Terminology and background

## Comparison with a specific group (cont.)

For renewal, the factors used by carriers are based on many other elements:

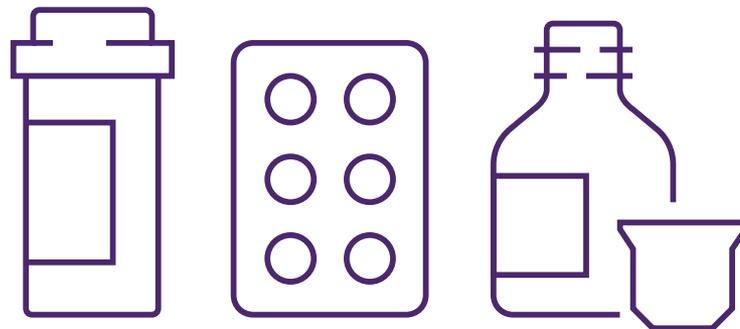
- Group experience
- The entire medical claim not only drugs (including hospital, paramedical, out-of-country, etc.)
- Higher volatility for a specific group compared to TELUS Health BoB
- Ageing of insured population
- Changes in insurers manual rate
- Renewal is a prospective exercise, our analysis is retrospective



# Terminology and background

## Traditional Drug Types

- **Single-source brand** – drug for which no generic exists
- **Multi-source brand** – one or more generics exist
- **Generic** – bioequivalent drug that is a copy of the innovator molecule



# Terminology and background

**Except if otherwise mentioned, data in this presentation is based on:**

- Insured aged less than 65
  - Additional comparisons excluding OHIP+ ages (24 and younger) considering that OHIP+ was primary payer until April 2019
- Costs are eligible costs, i.e. before deductible and co-payment
- Regional comparisons are made where applicable



# Terminology and background

TELUS Book of Business – Change in number of certificates 2019-2020

	Ontario		Outside Ontario		Canada	
	2020	Trend	2020	Trend	2020	Trend
TELUS Book of Business – All ages	<b>2,066,000</b>	<b>-2.5%</b>	<b>2,756,000</b>	<b>-0.6%</b>	<b>4,822,000</b>	<b>-1.4%</b>





# Key results

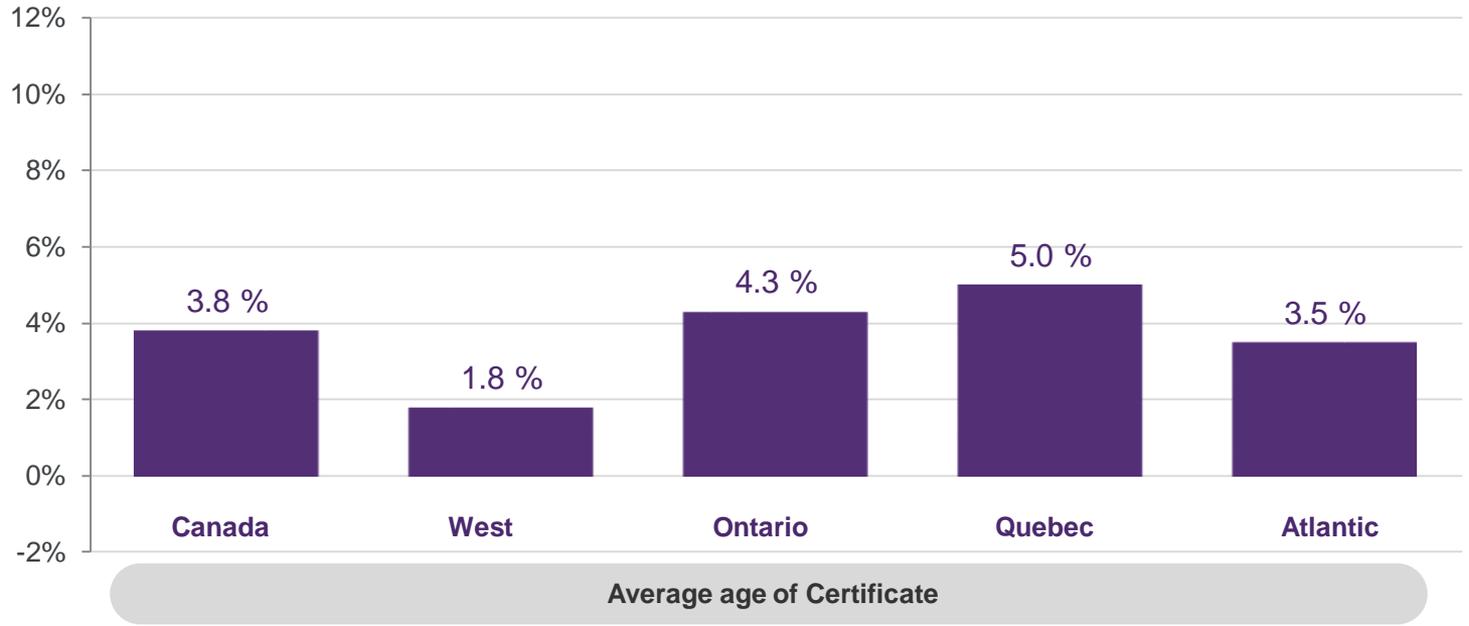
# Key results by region – insureds age 25-64 | 2020

	Canada	West	Ontario	Quebec	Atlantic
Eligible monthly cost per insured	\$55.95	\$41.96	\$58.19	\$74.25	\$70.02
Average eligible cost per claim	\$76.11	\$71.25	\$86.51	\$63.25	\$87.72
Monthly utilization per insured	0.74	0.59	0.67	1.17	0.80
% generic (# of Rx) *	64%	66%	62%	64%	71%
Average age of insured*	44.0	43.3	44.3	44.3	45.2

\* Age 0-64



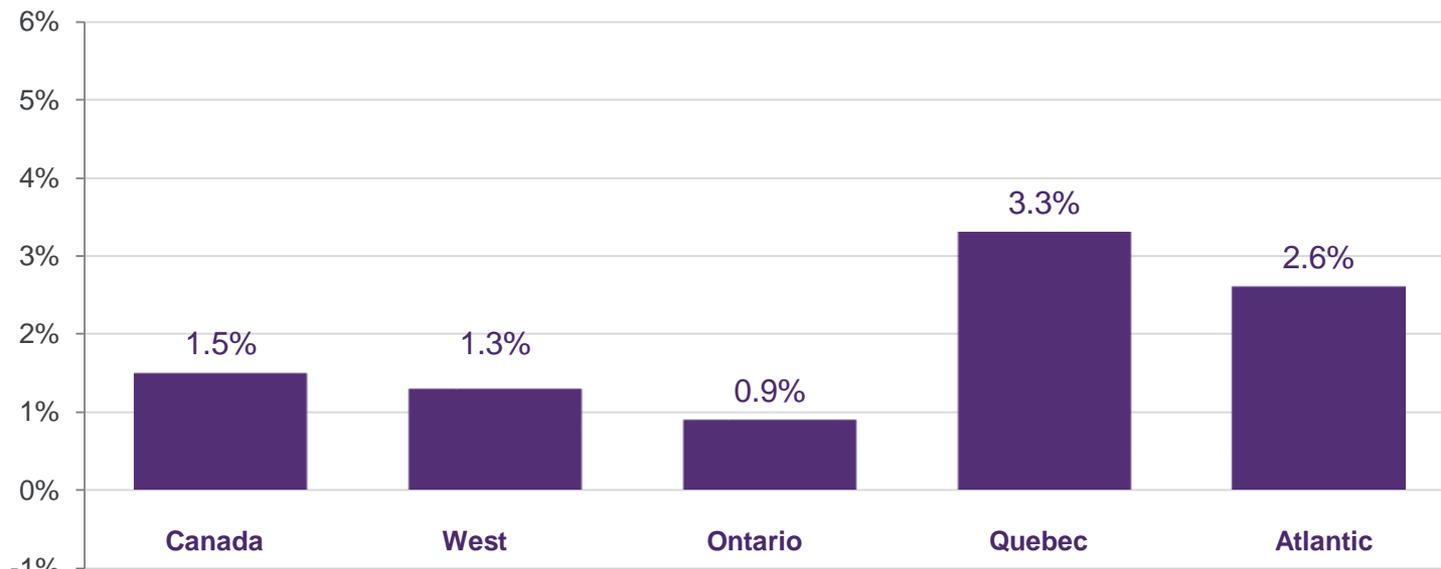
# Change in eligible monthly costs per insureds age 0-64 2019 to 2020



	Average age of Certificate				
<b>2020</b>	42.0	41.1	42.2	43.0	43.5
<b>2019</b>	42.0	40.9	42.5	42.6	43.7



# Change in eligible monthly costs per claim – insureds age 25-64 2019 to 2020



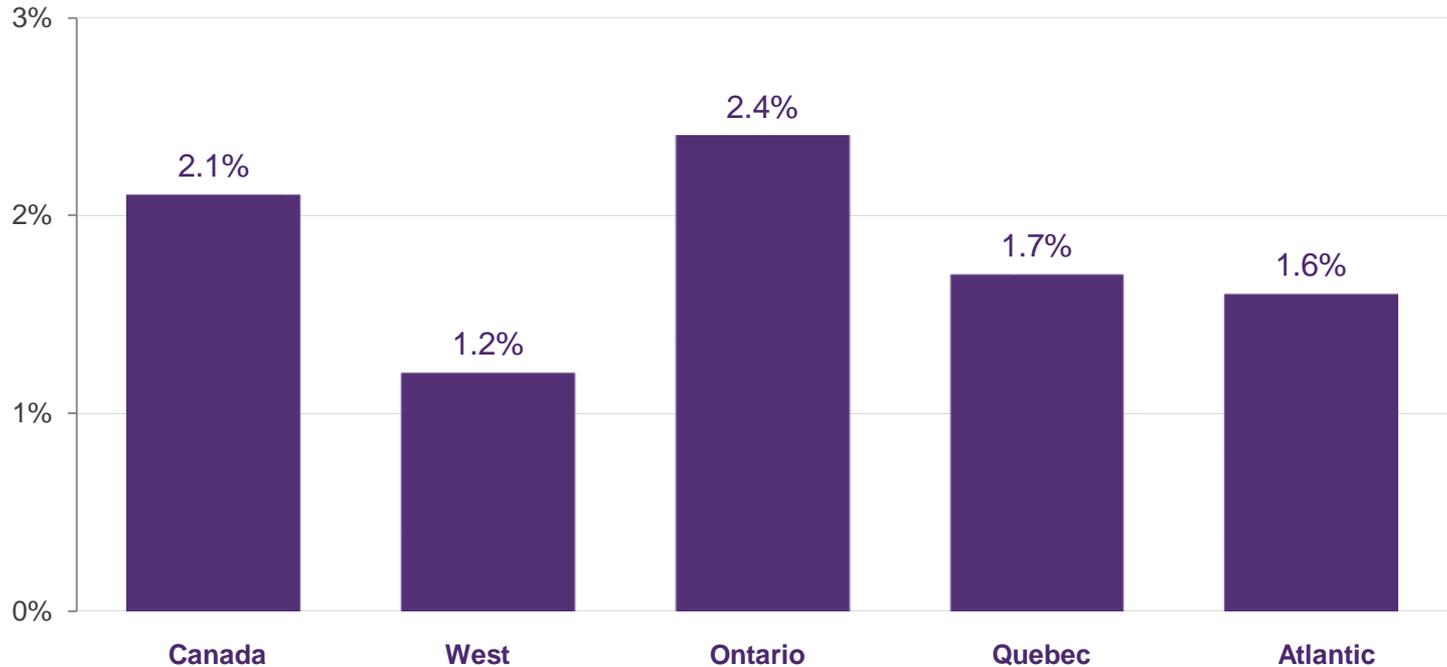
**Average age of Insured**

<b>2020</b>	44.0	43.3	44.3	44.3	45.2
<b>2019</b>	44.0	43.3	44.4	44.3	45.3



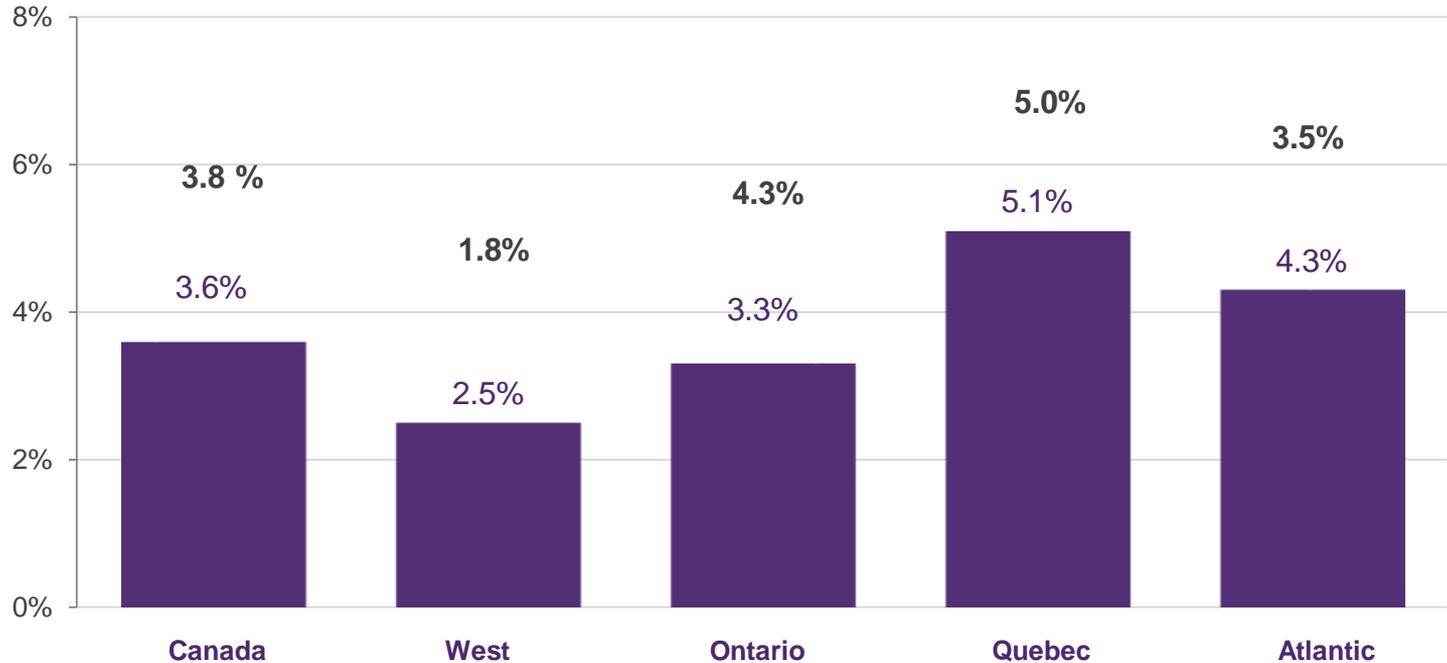
# Change in monthly utilization – insureds age 25-64

2019 to 2020



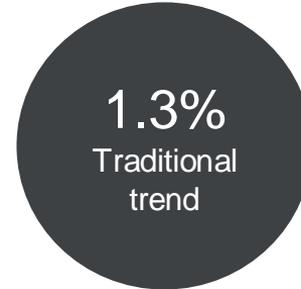
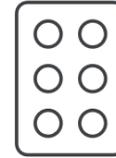
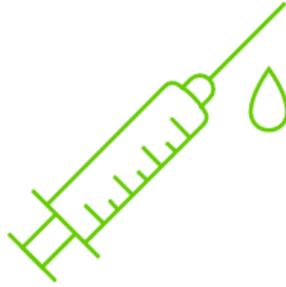
# Change in eligible monthly costs – insureds age 25-64

2019 to 2020



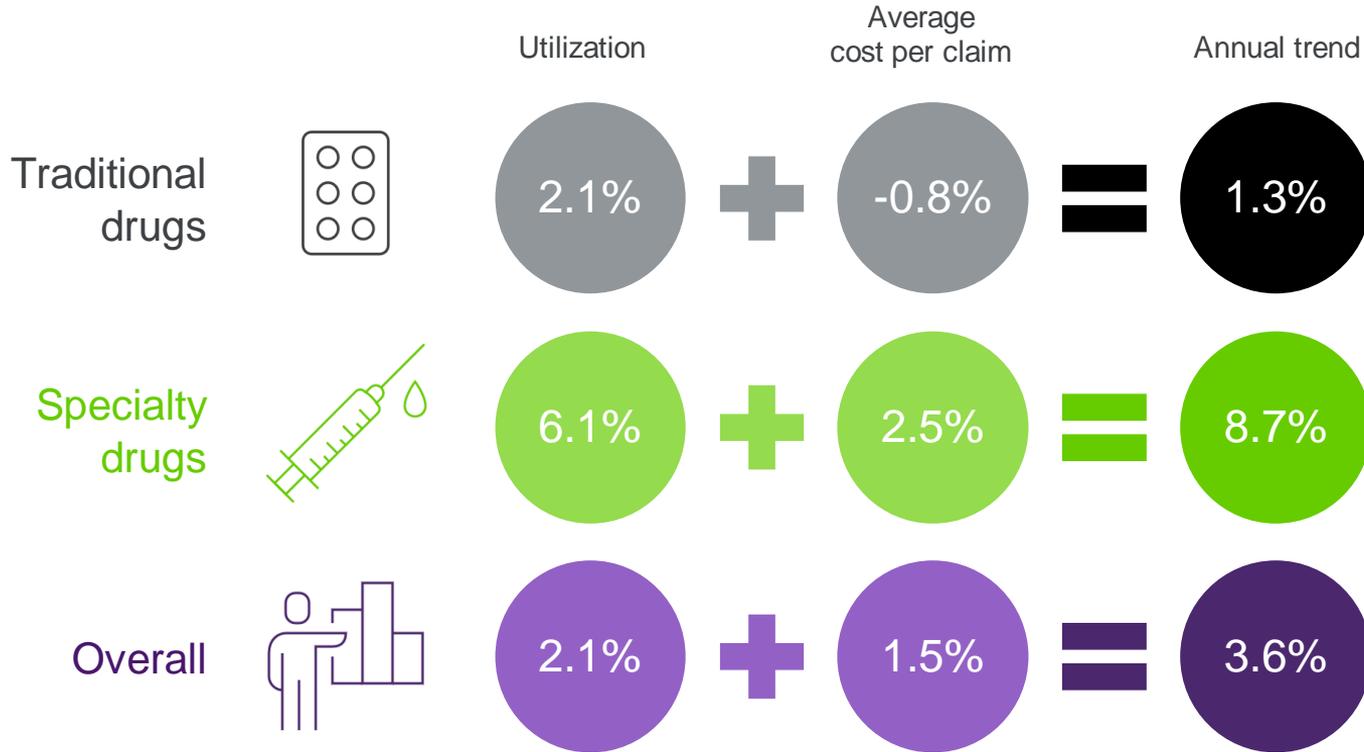
# Annual trend components – insureds age 25-64

2019 to 2020



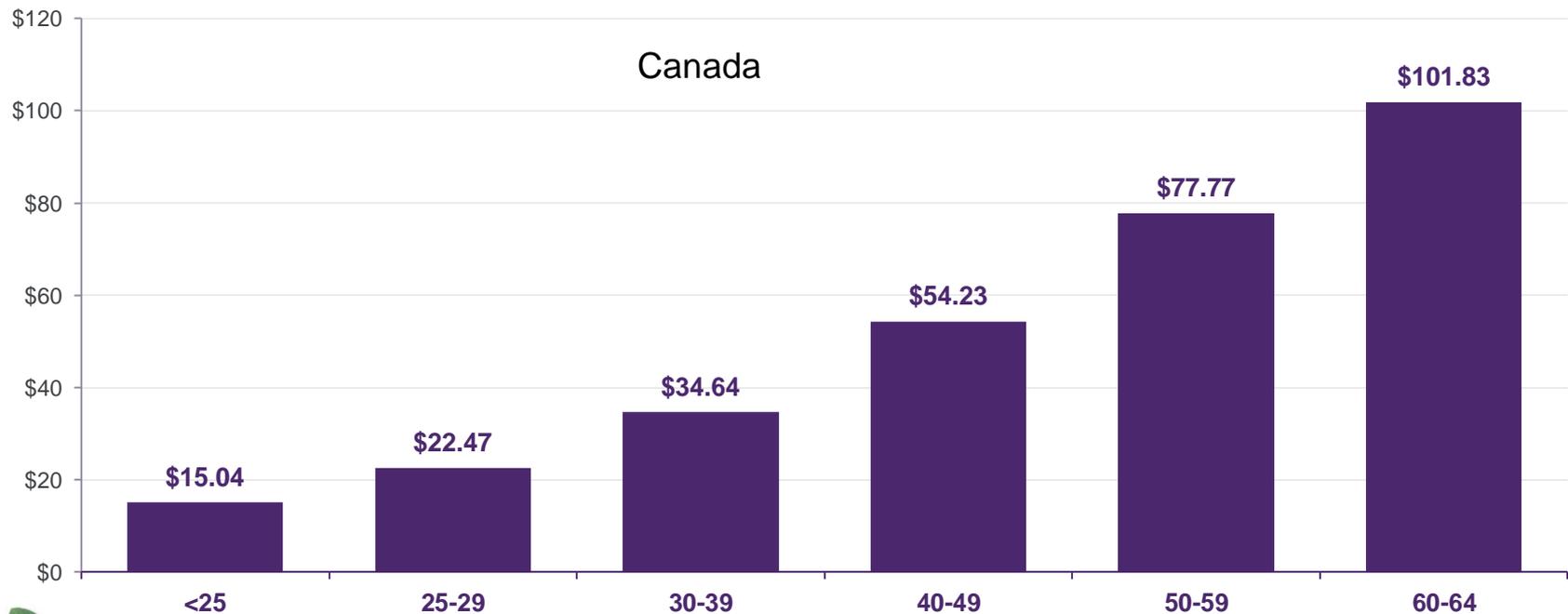
# Annual trend components – insureds age 25-64

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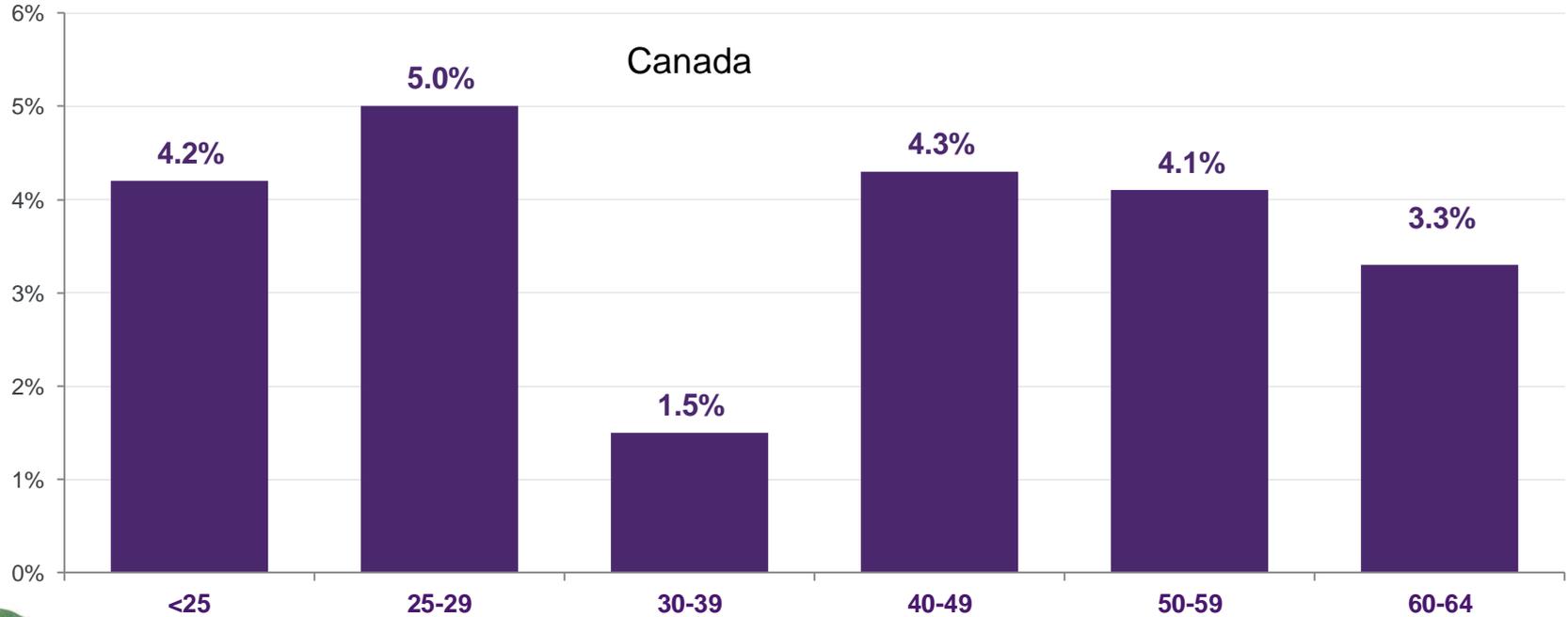


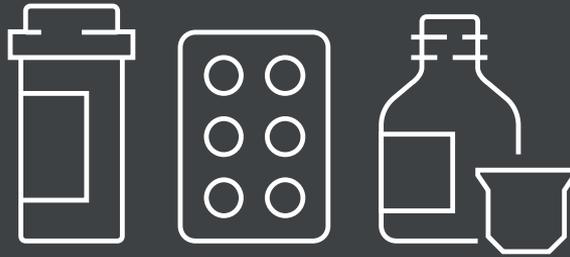
# Monthly eligible cost per insureds by age band

2020



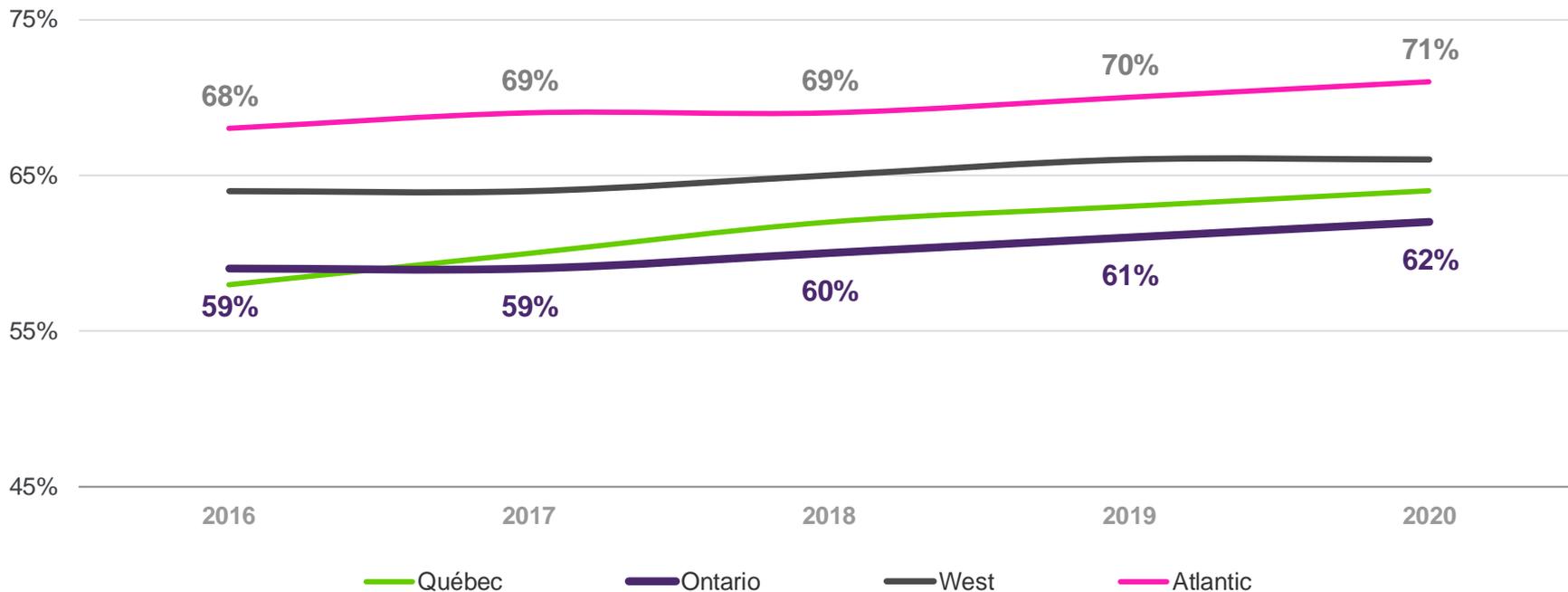
# Monthly eligible cost per insureds by age band 2020



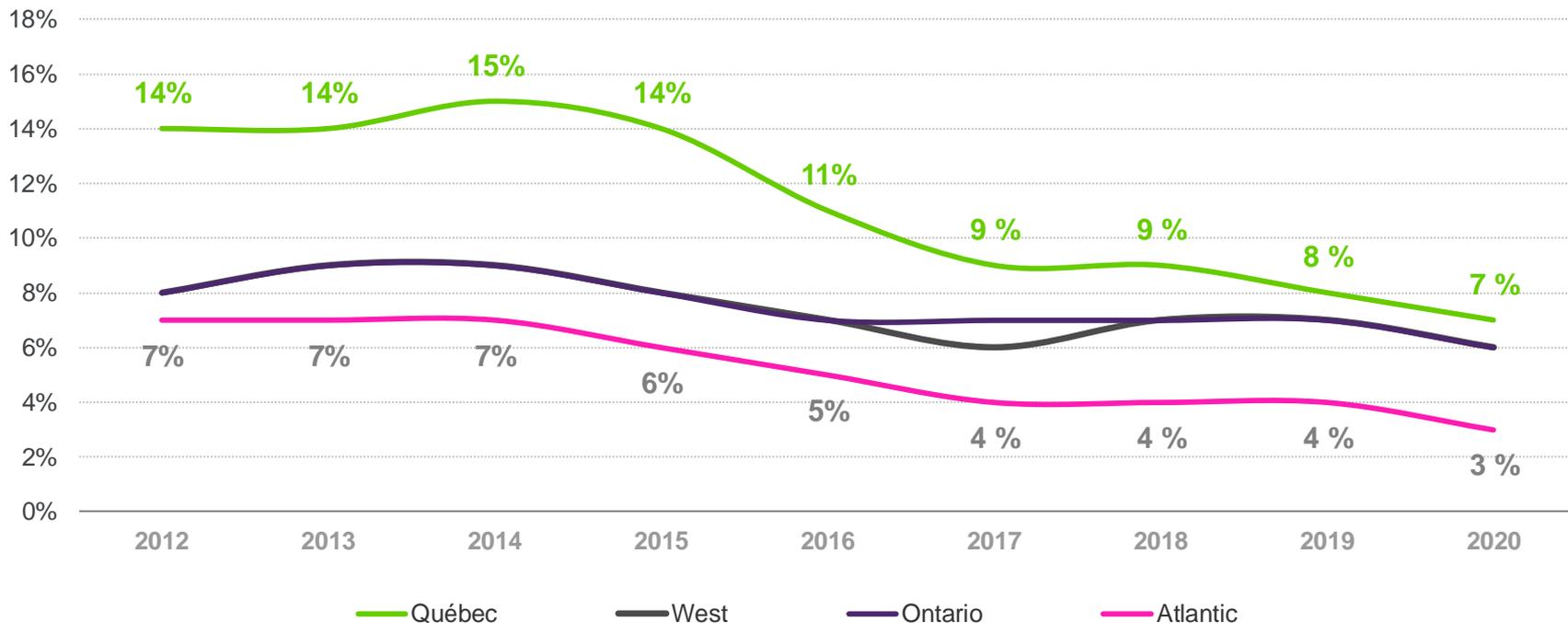


# Drug type utilization

# Generic utilization | Per region – as % of Rx

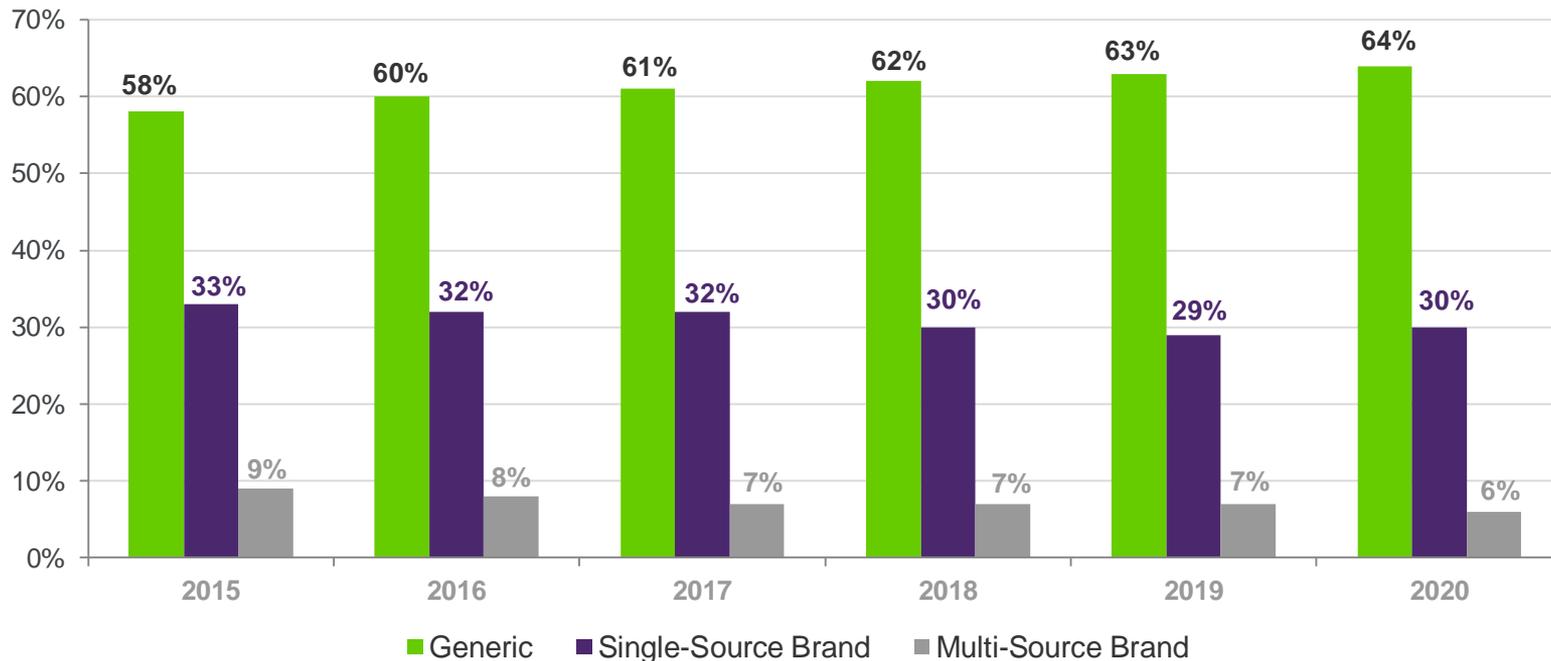


# Multi-source brand utilization | Per region – as % of Rx



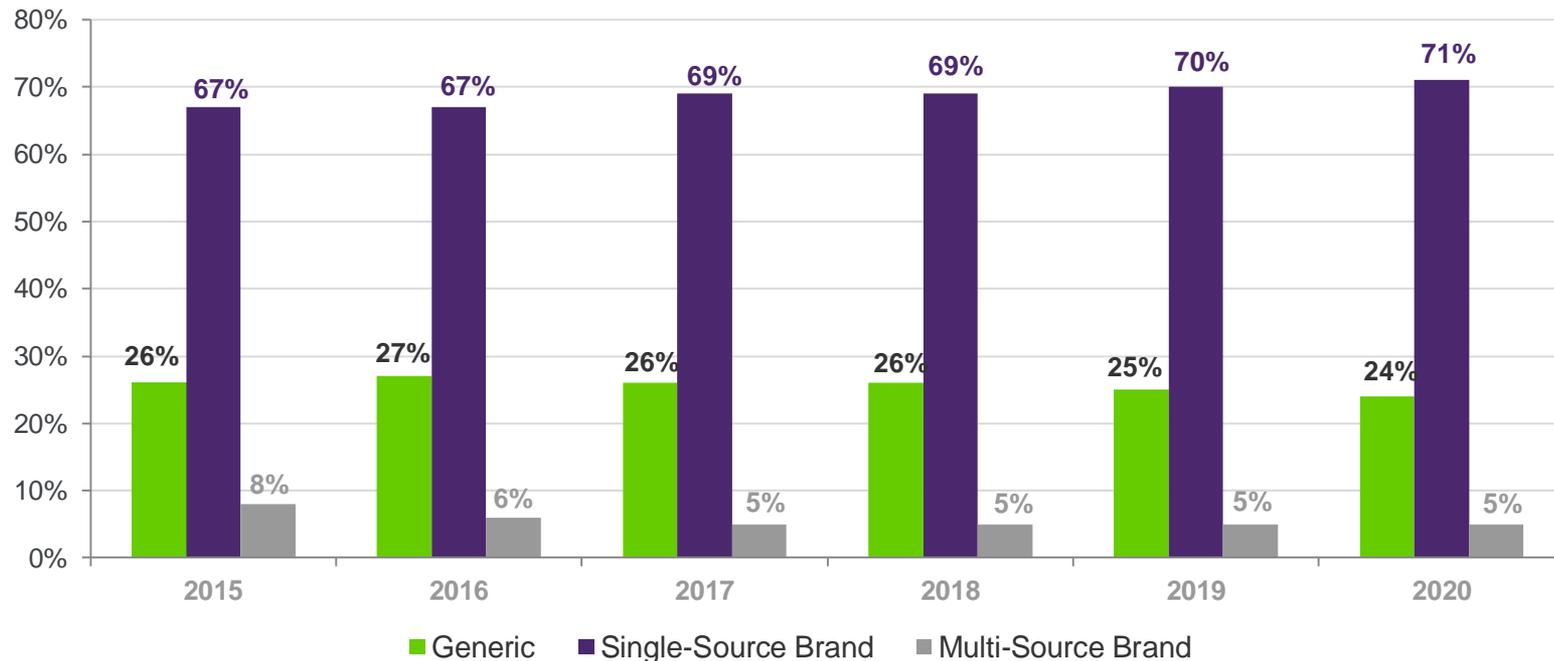
# Utilization percentage by type of drug | #Rx

Canada



# Paid percentage by type of drug | eligible amount

Canada





# Specialty and biosimilar drugs

# Specialty drug definitions



A TELUS Health specialty drug is a drug that has a high cost based on a potential per patient amount exceeding **\$10,000 per year**.

Further characteristics of these drugs may include but are not limited to:

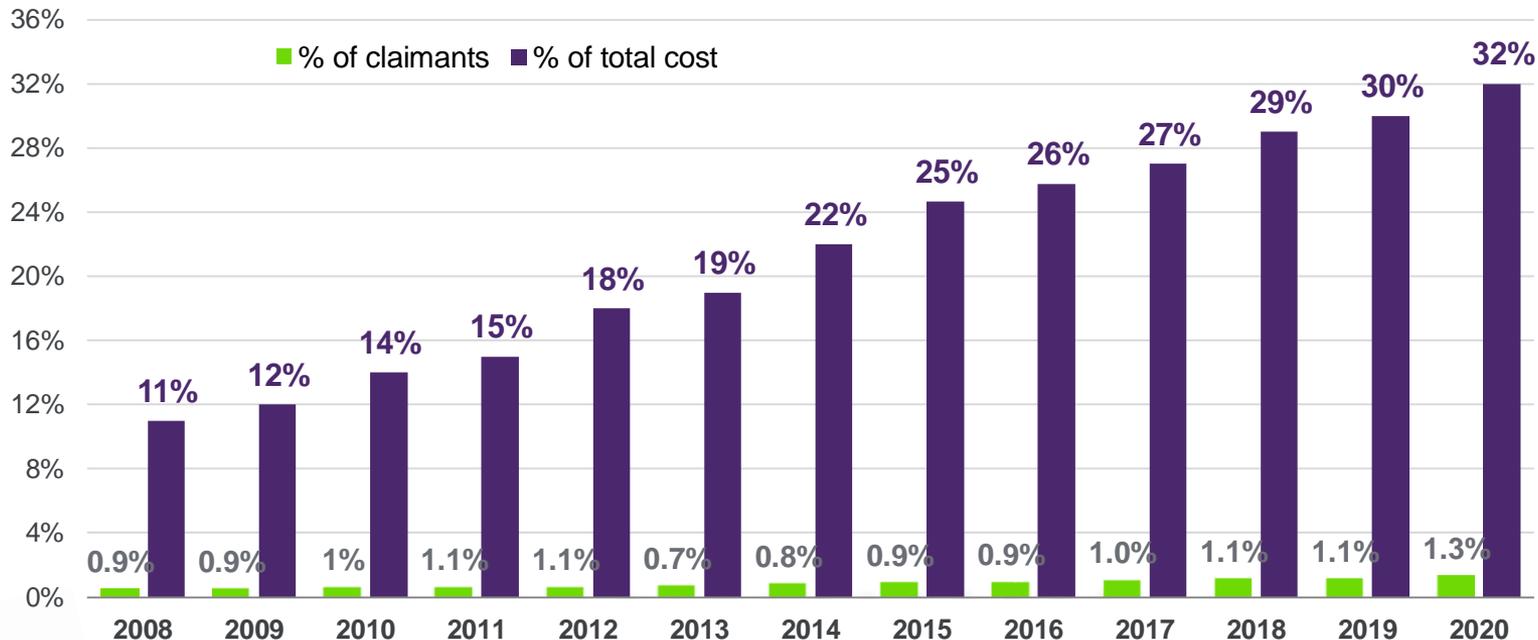
- Requires special medication delivery (e.g. special handling, preparation, administration, storage, or distribution)
- Requires complex treatment maintenance (e.g. complex disease, complex dosing, intensive monitoring & clinical management etc.)

**Biologic** - First-on-market, large molecule specialty drug that contains living organisms, also referred to as “originator” or “innovator” biologic.

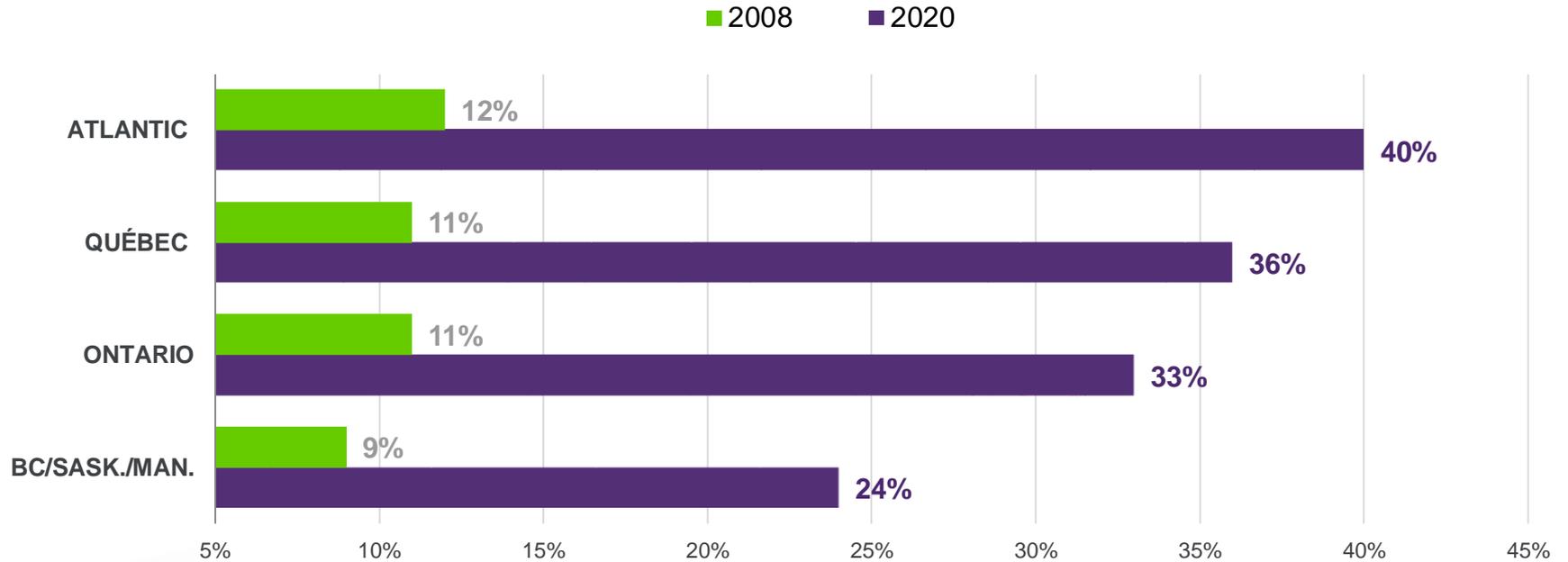
**Biosimilar** - a biologic drug that is highly similar to a biologic drug that was already authorized for sale. The biosimilar is produced after patent expiry of the reference biologic drug.

# Specialty drugs | less than 65

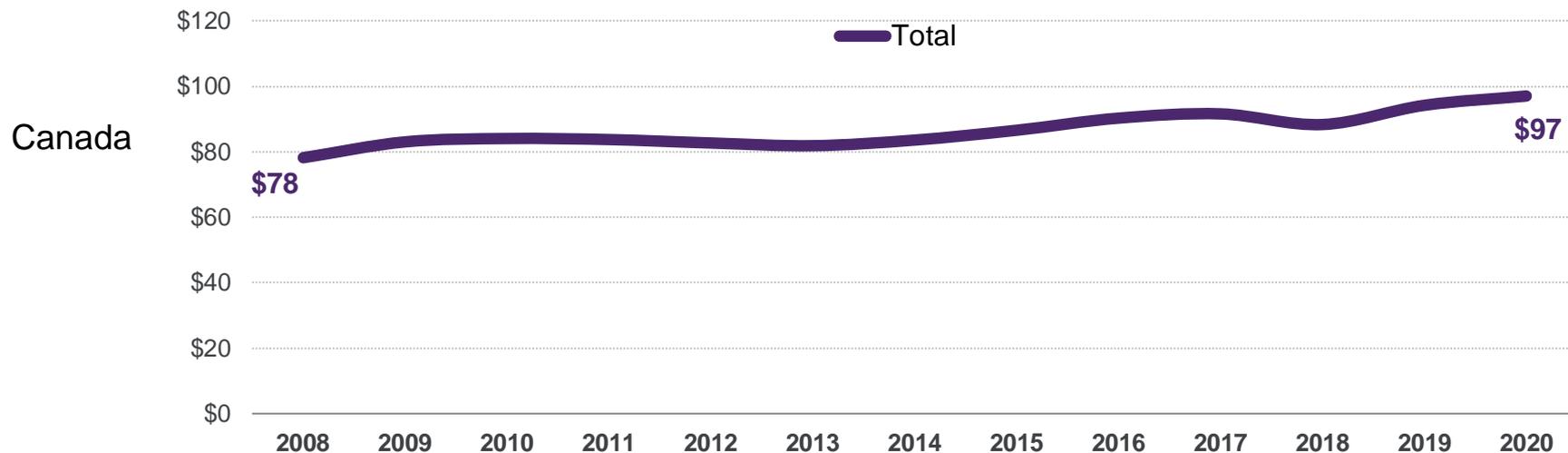
Canada



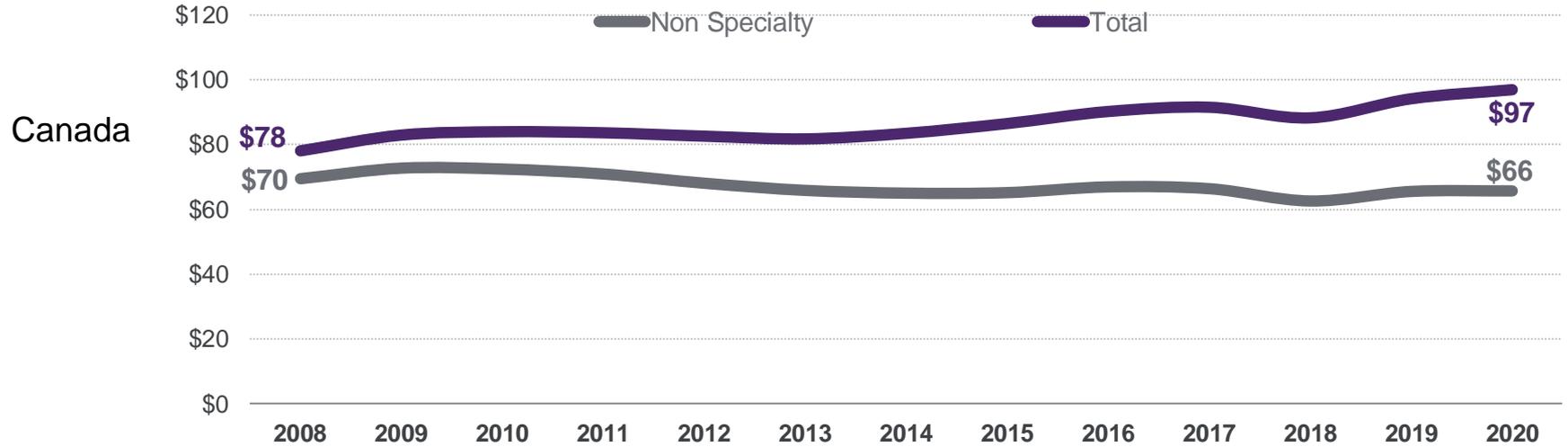
# Specialty drugs | less than 65



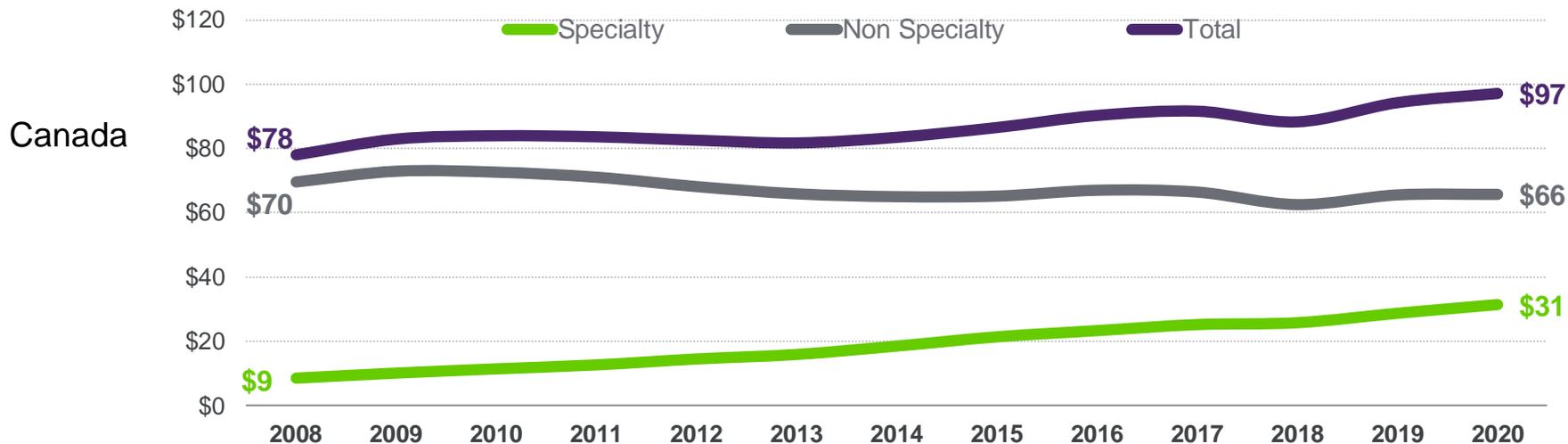
# Specialty drugs | less than 65 – monthly cost per certificate



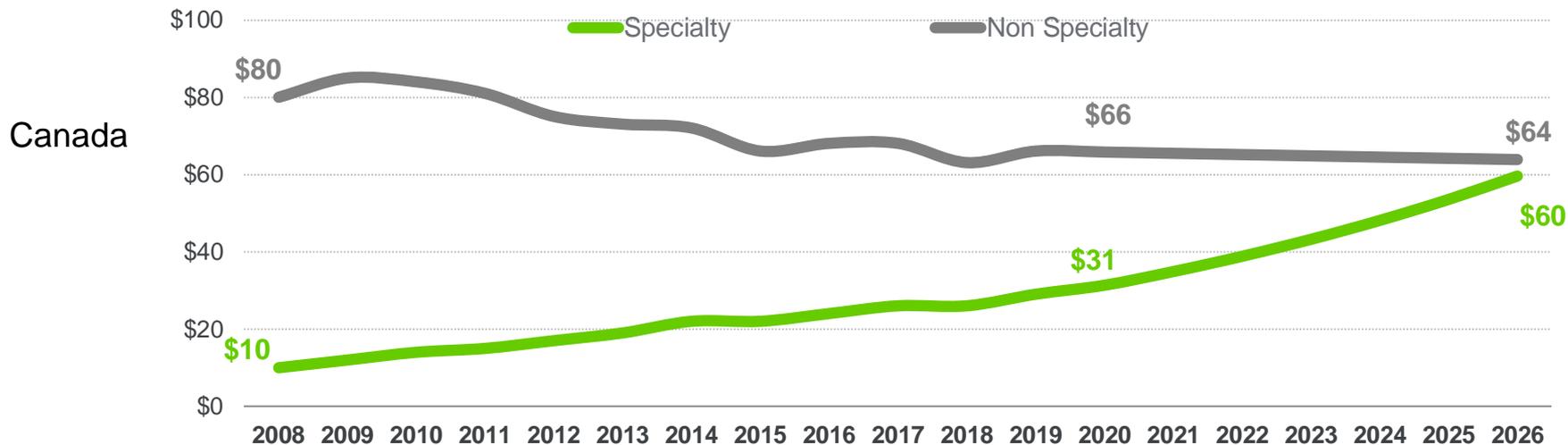
# Specialty drugs | less than 65 – monthly cost per certificate



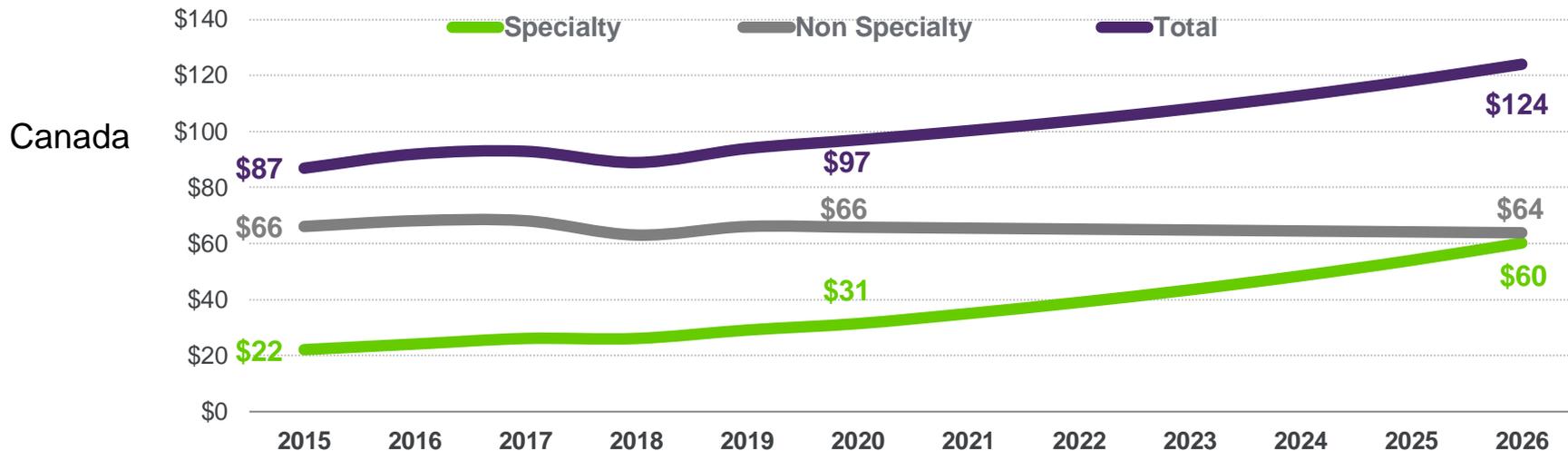
# Specialty drugs | less than 65 – monthly cost per certificate



# Specialty drugs | less than 65 – monthly cost per certificate

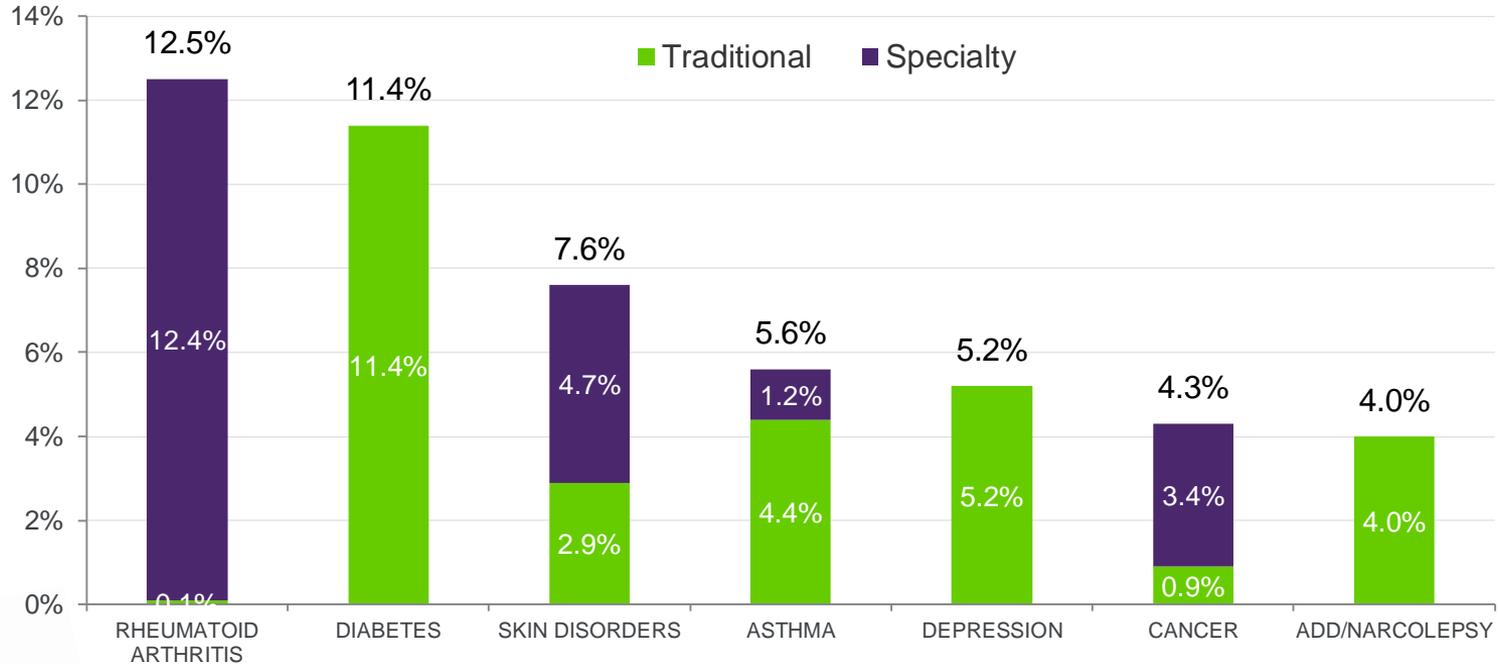


# Specialty drugs | less than 65 – monthly cost per certificate



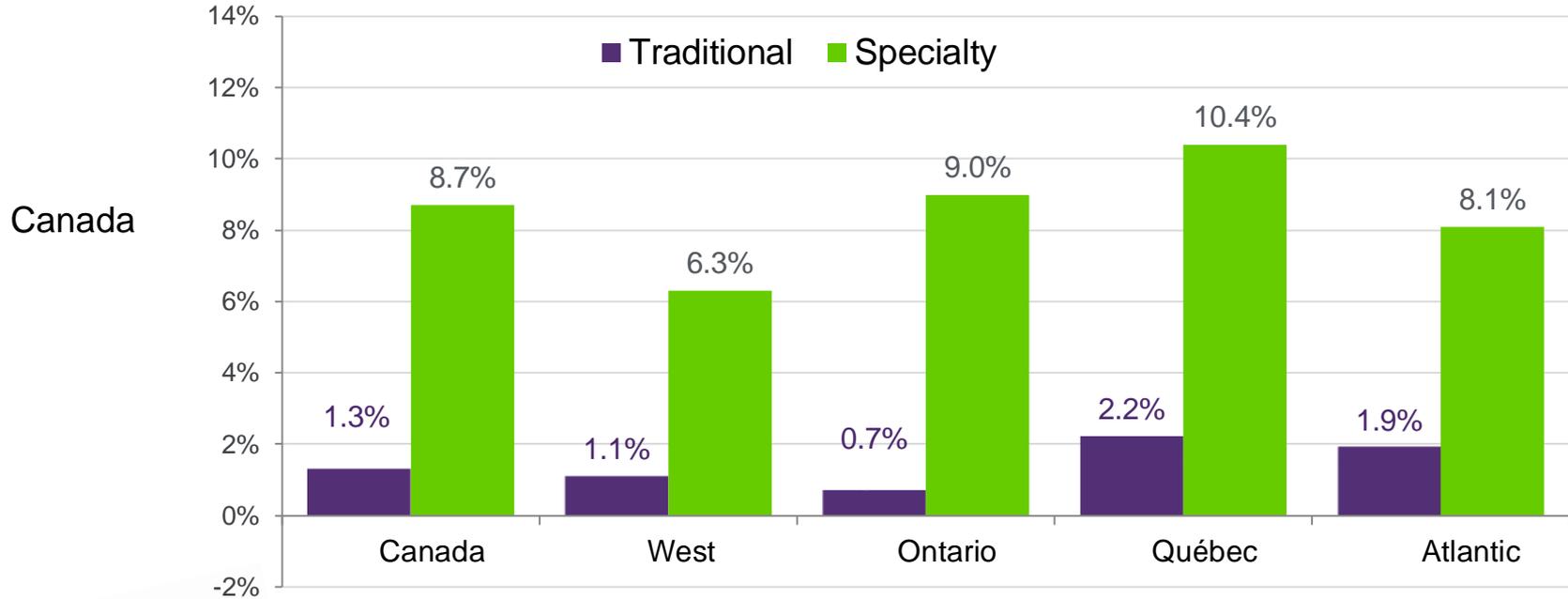
# Specialty vs traditional drug split | % of eligible amount

Canada



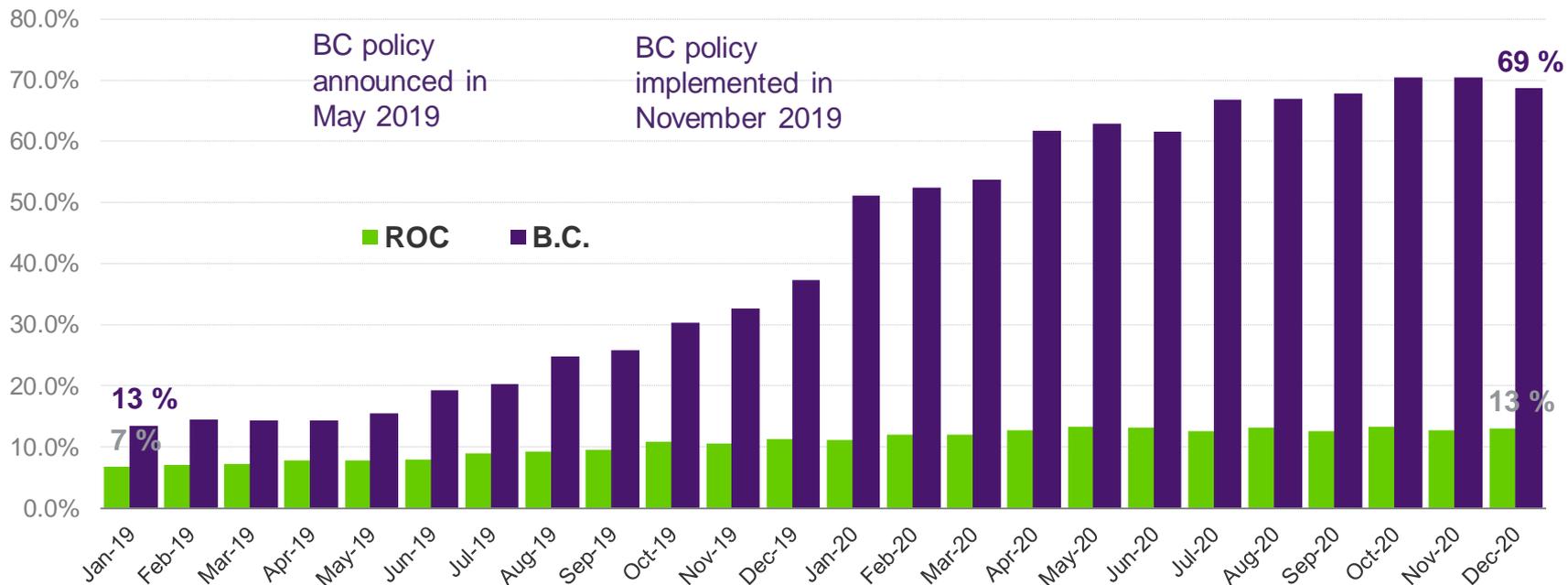
# Change in eligible monthly costs – insureds age 25-64

2019 to 2020



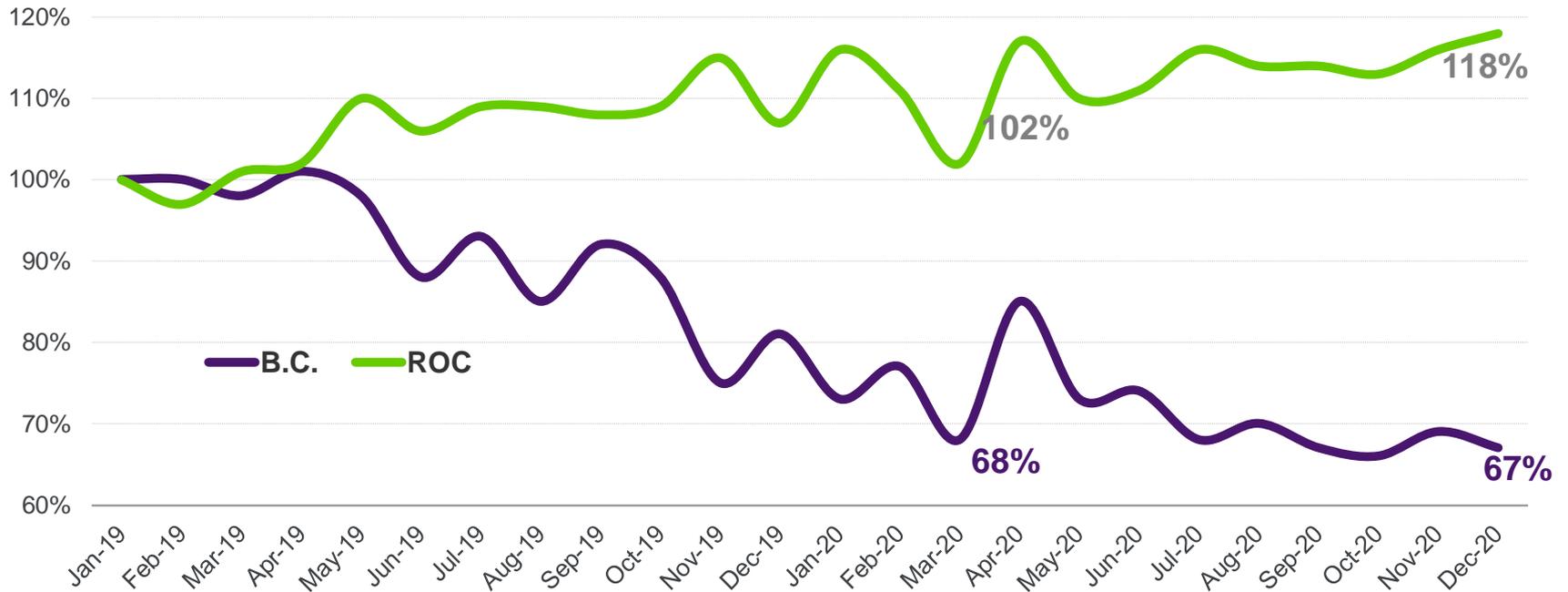
# Biosimilar cost distribution – B.C. vs ROC

% Biosimilar eligible costs compared to total biologic/biosimilar costs.

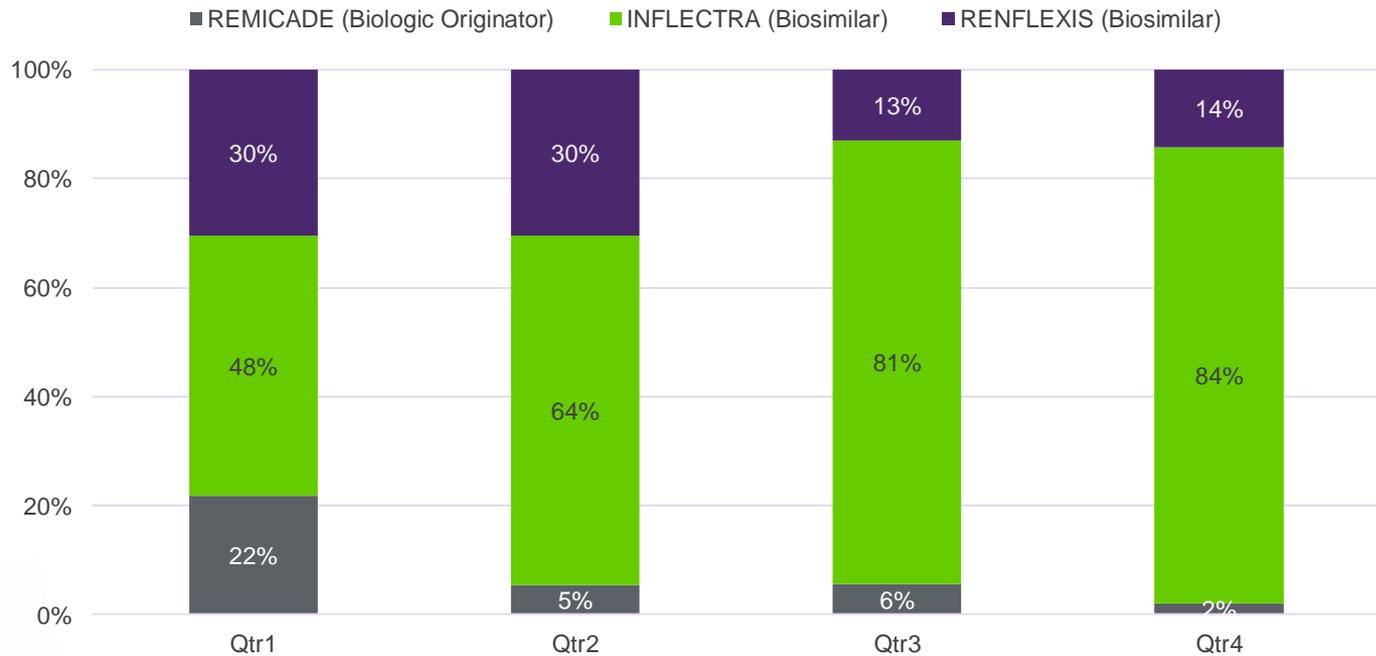


# Biosimilar – Evolution B.C. vs ROC (Canada without B.C.)

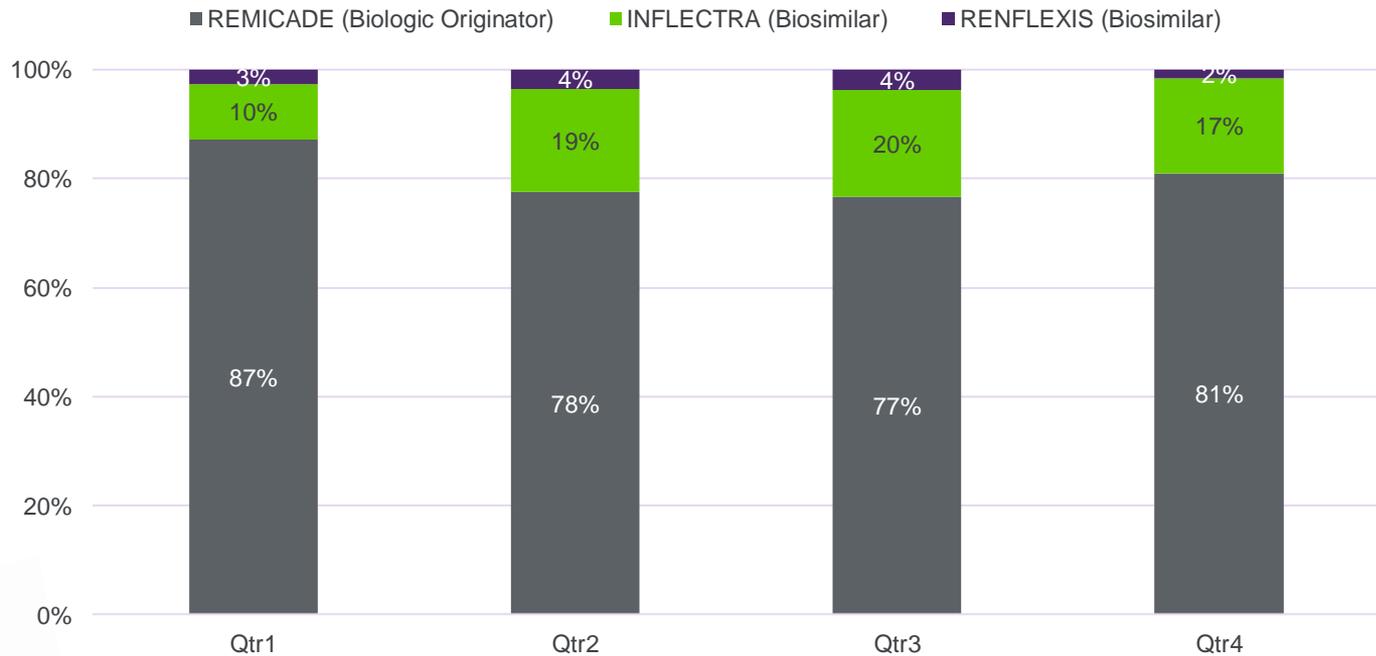
Relative cost per claimant



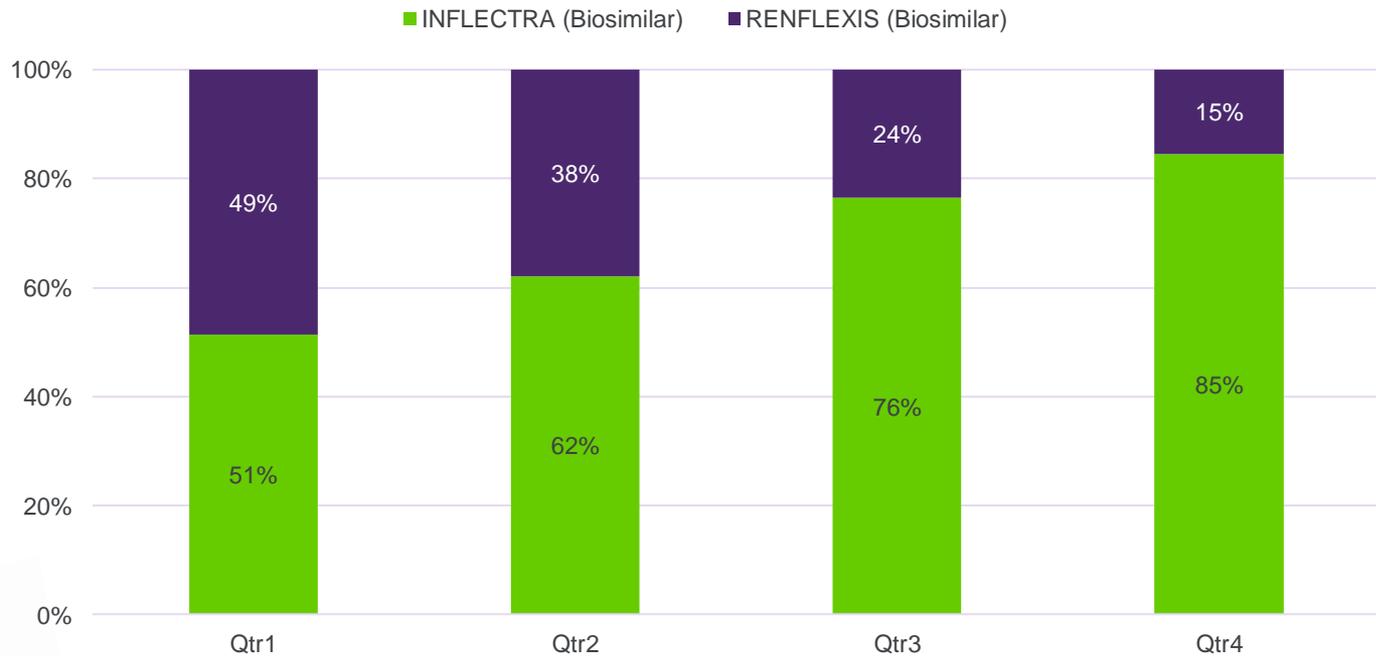
# Biosimilar new starts – BC



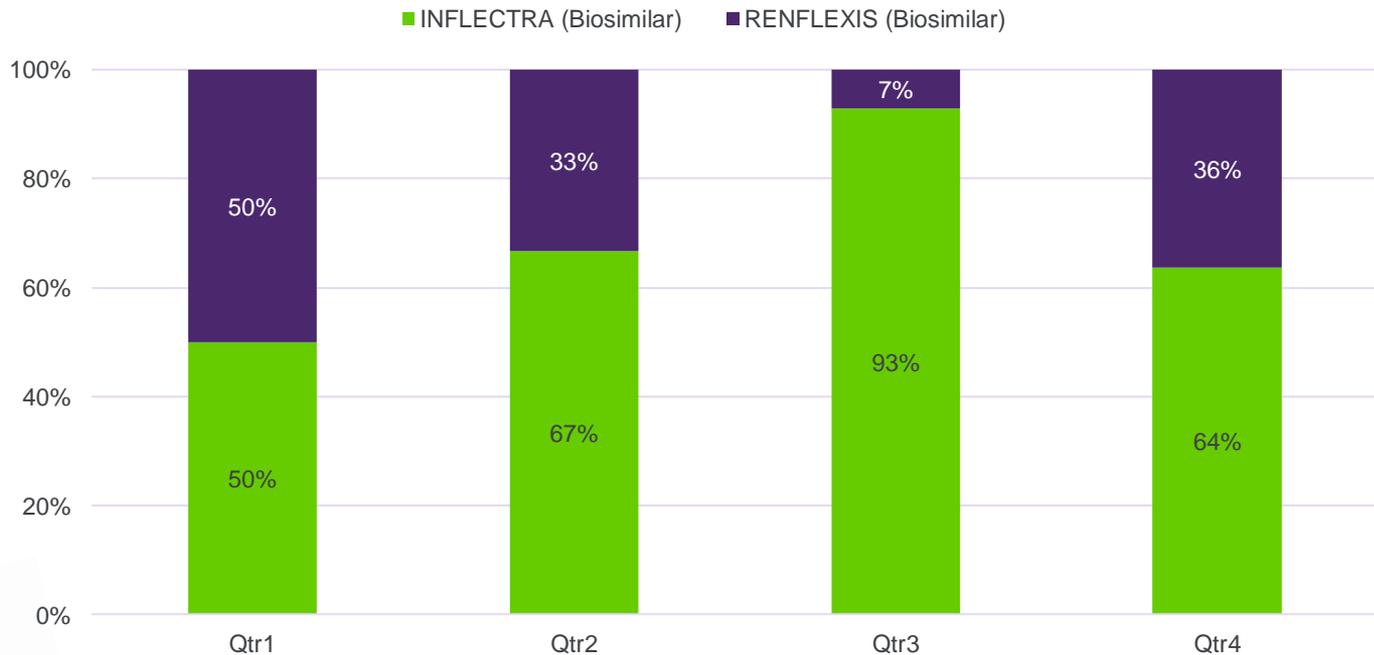
# Biosimilar new starts – ROC

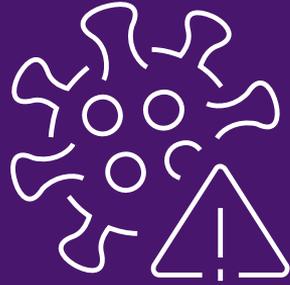


# Biosimilar switches – BC



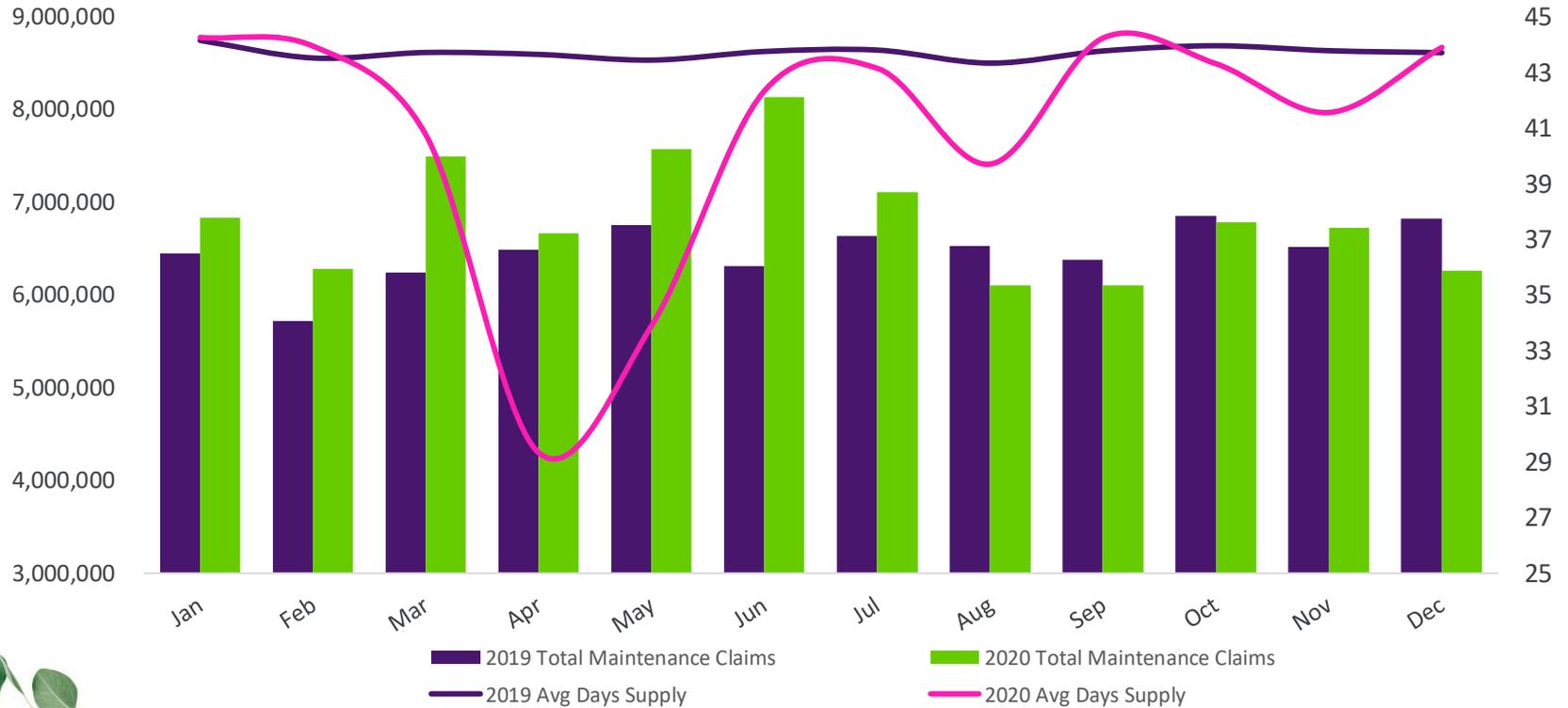
# Biosimilar switches – ROC



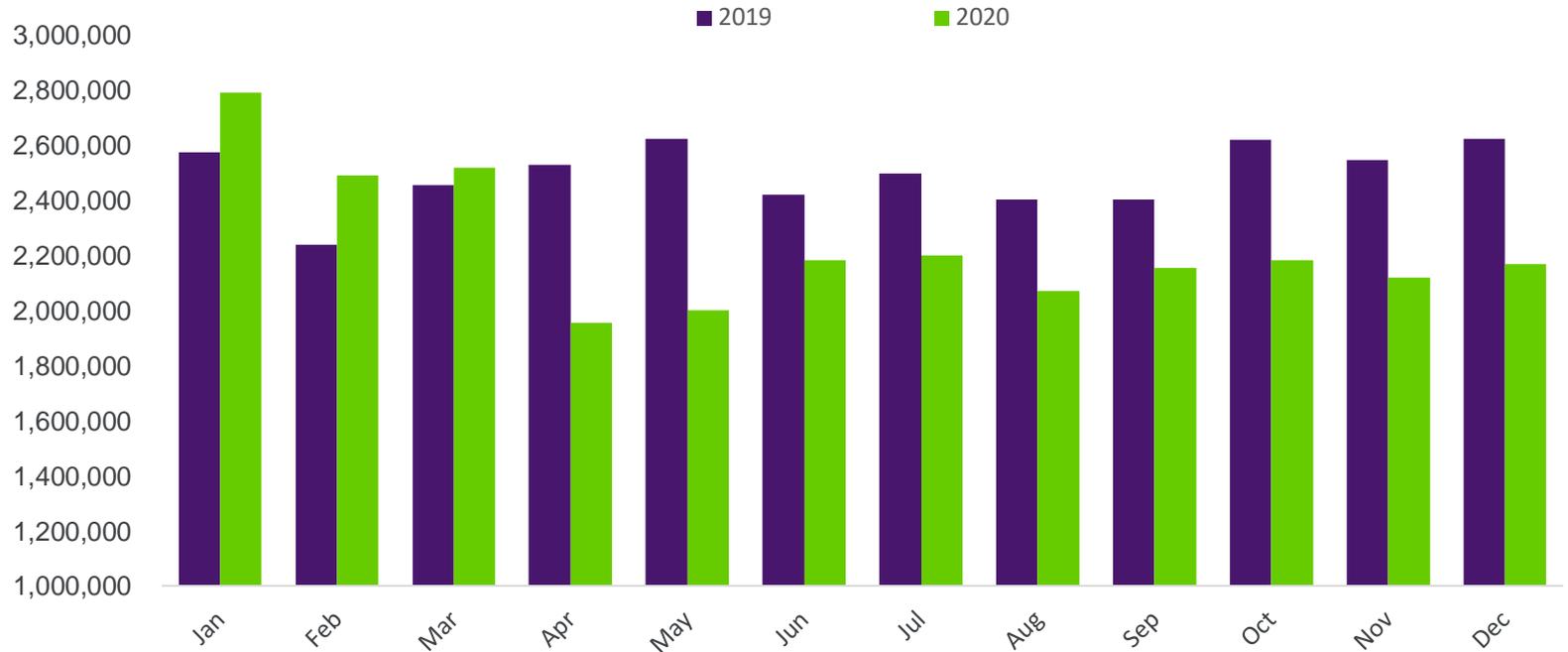


# COVID-19 impact

# COVID impact – maintenance medications

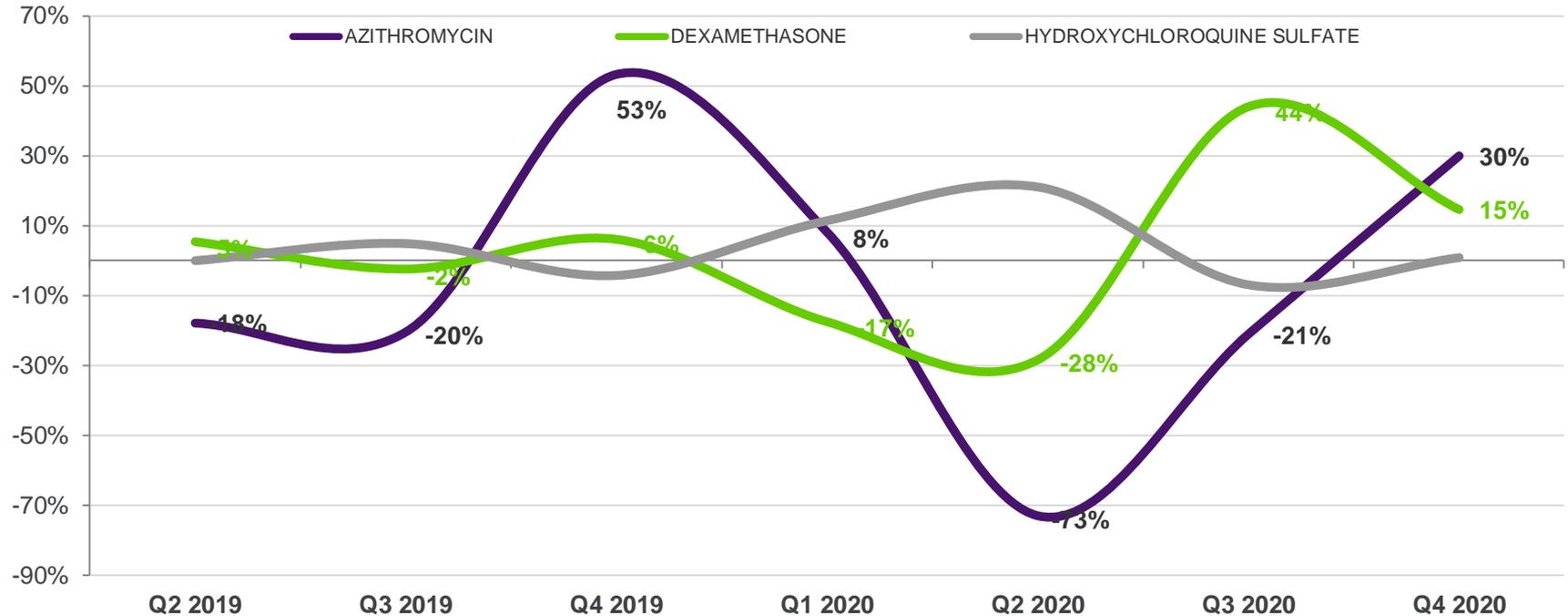


# COVID impact – acute medications



# COVID impact – growth in potential treatments

| change number of claims per insured





# Therapeutic category analysis

# Top 10 drug classes by eligible amount

Therapeutic class	Rank by total eligible amount		Percent of total eligible amount	
	2020	2019	2020	2019
Rheumatoid Arthritis	1	1	12.5%	12.1%
Diabetes	2	2	11.4%	10.6%
Skin Disorders	3	3	7.6%	6.9%
Asthma	4	4	5.6%	5.6%
Depression	5	5	5.2%	5.1%
Cancer	6	6	4.3%	4.1%
ADHD / Narcolepsy	7	7	4.0%	3.9%
Multiple Sclerosis	8	8	3.5%	3.6%
Blood Pressure	9	9	3.2%	3.3%
Ulcers	10	11	2.8%	2.9%
<b>% of total eligible amount</b>			<b>60.1%</b>	<b>60.8%</b>

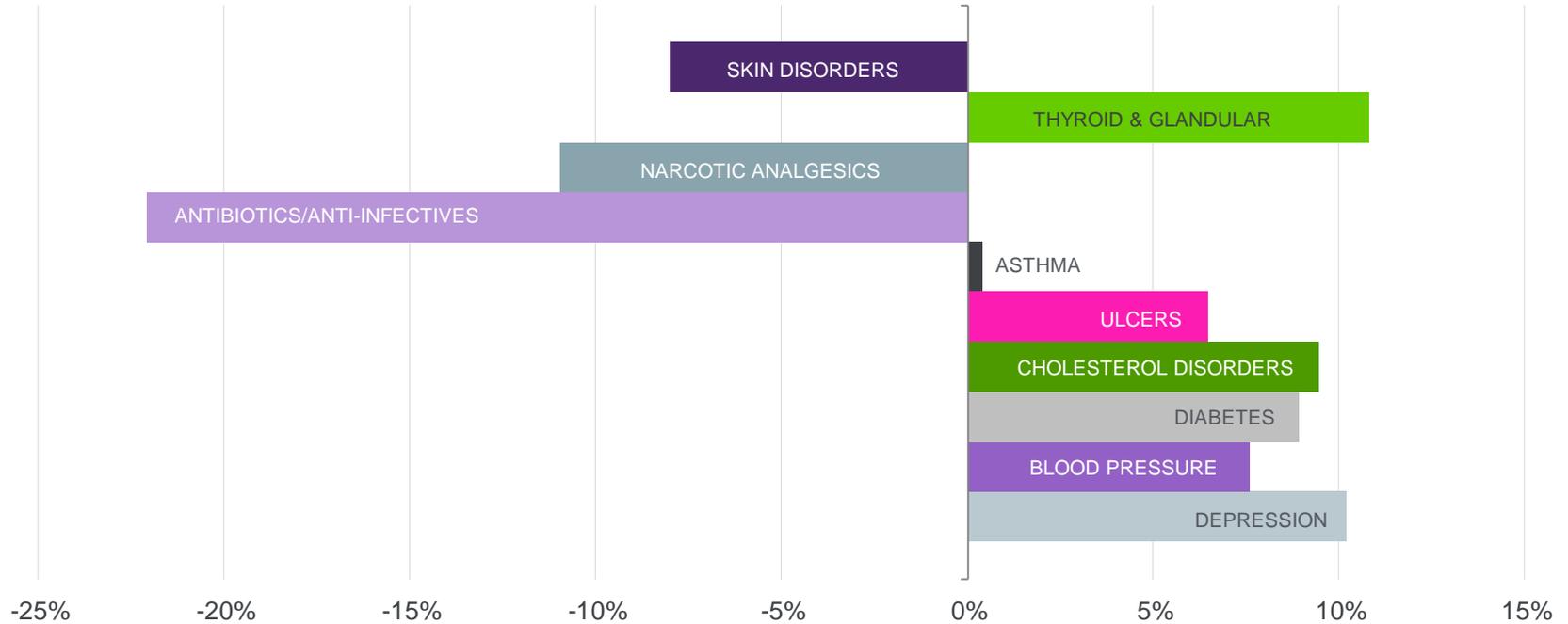


# Top 10 products by eligible amount

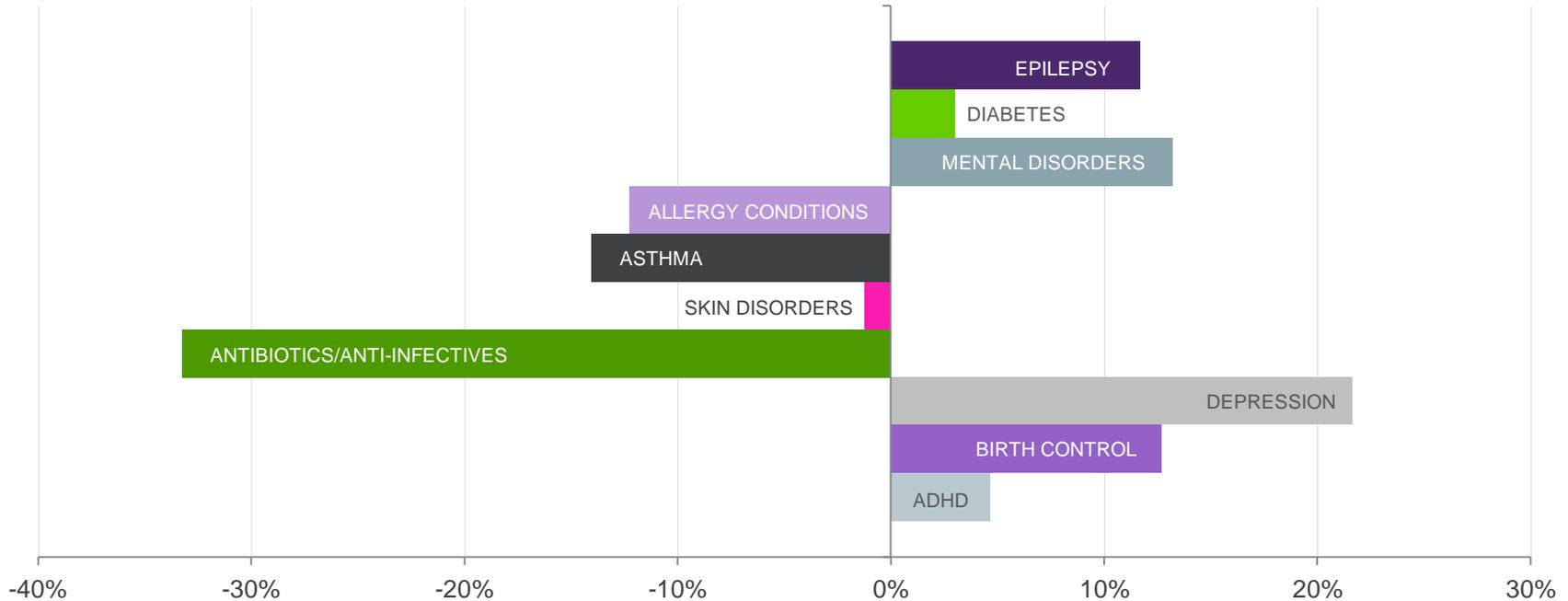
Drug Product	Rank by total eligible amount		Percent of total eligible amount	
	2020	2019	2020	2019
Remicade	1	1	4.8%	4.7%
Humira	2	2	4.6%	4.5%
Stelara	3	3	2.2%	2.0%
Vyvanse	4	5	1.5%	1.3%
Freestyle Libre	5	7	1.5%	1.0%
Ozempic	6	19	1.3%	0.7%
Insulin	7	4	1.3%	1.5%
Concerta	8	6	1.1%	1.3%
Symbicort	9	9	1.1%	1.0%
Cipralext	10	12	1.0%	0.9%
<b>% of total eligible amount</b>			<b>20.4%</b>	<b>18.9%</b>



# Trend in top categories by number of claims per insured - adults 2019 to 2020

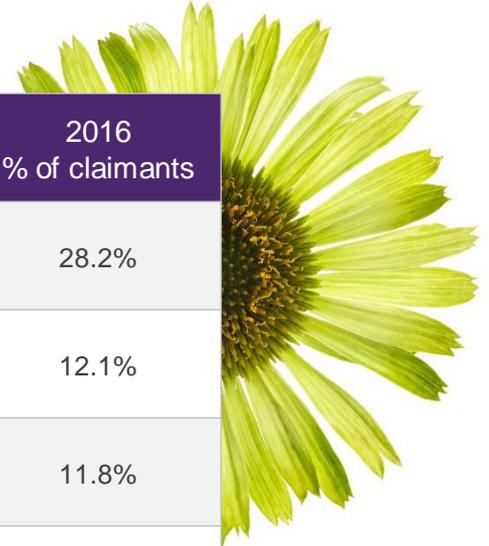


# Trend in top categories by number of claims per insured – dependents 2019 to 2020



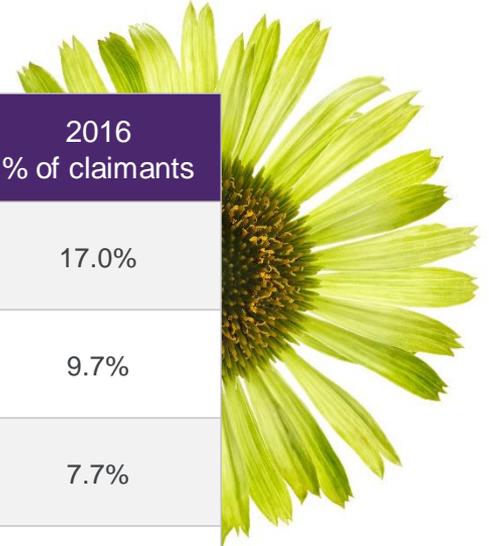
# Top drug categories by number of claimants – age 0-19

Category	2020 rank	2020 % of claimants	2016 rank	2016 % of claimants
ANTIBIOTICS/ANTI-INFECTIVES	1	20.8%	1	28.2%
SKIN DISORDERS	2	14.4%	2	12.1%
ASTHMA	3	10.7%	3	11.8%
ALLERGY CONDITIONS	4	9.0%	4	7.8%
ATTENTION DEFICITY HYPERACTIVITY DISORDER	5	6.4%	7	3.8%



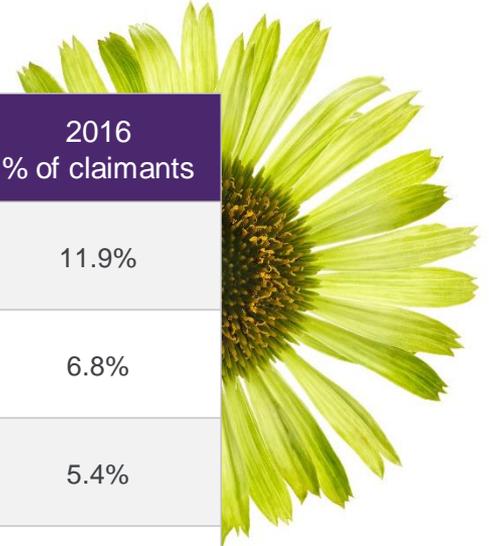
# Top drug categories by number of claimants – age 20-39

Category	2020 rank	2020 % of claimants	2016 rank	2016 % of claimants
ANTIBIOTICS/ANTI-INFECTIVES	1	13.8%	1	17.0%
BIRTH CONTROL	2	9.4%	2	9.7%
SKIN DISORDERS	3	8.1%	3	7.7%
DEPRESSION	4	7.9%	7	5.6%
ANTI INFLAMMATORY/ANALGESICS	5	5.7%	4	6.6%

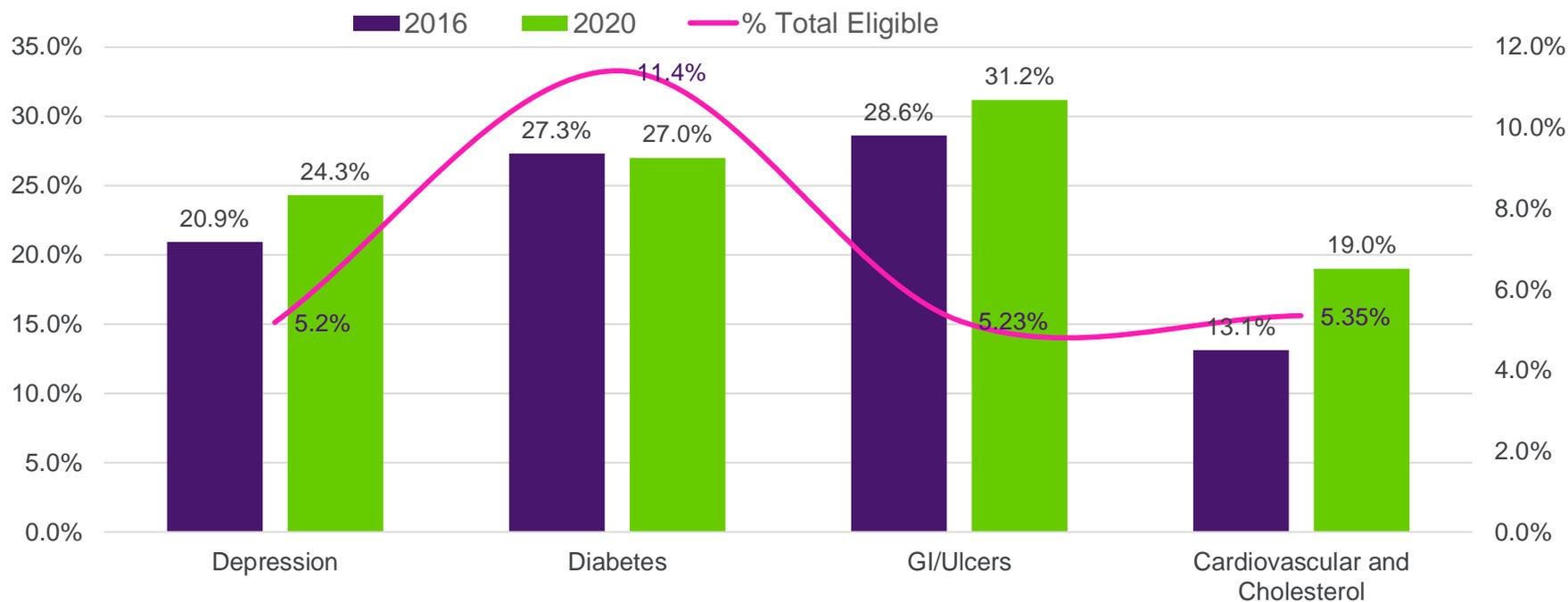


# Top drug categories by number of claimants – age 40-59

Category	2020 rank	2020 % of claimants	2016 rank	2016 % of claimants
ANTIBIOTICS/ANTI-INFECTIVES	1	9.8%	1	11.9%
BLOOD PRESSURE	2	7.1%	2	6.8%
DEPRESSION	3	6.4%	6	5.4%
SKIN DISORDERS	4	6.0%	4	6.0%
ULCERS	5	5.9%	5	5.6%

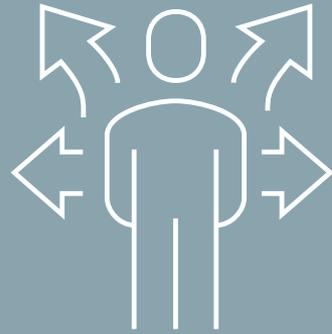


# Non-adherence | Canada all ages



\* Non-adherent is based on a patient with a Medication Possession Ratio of less than 0.8

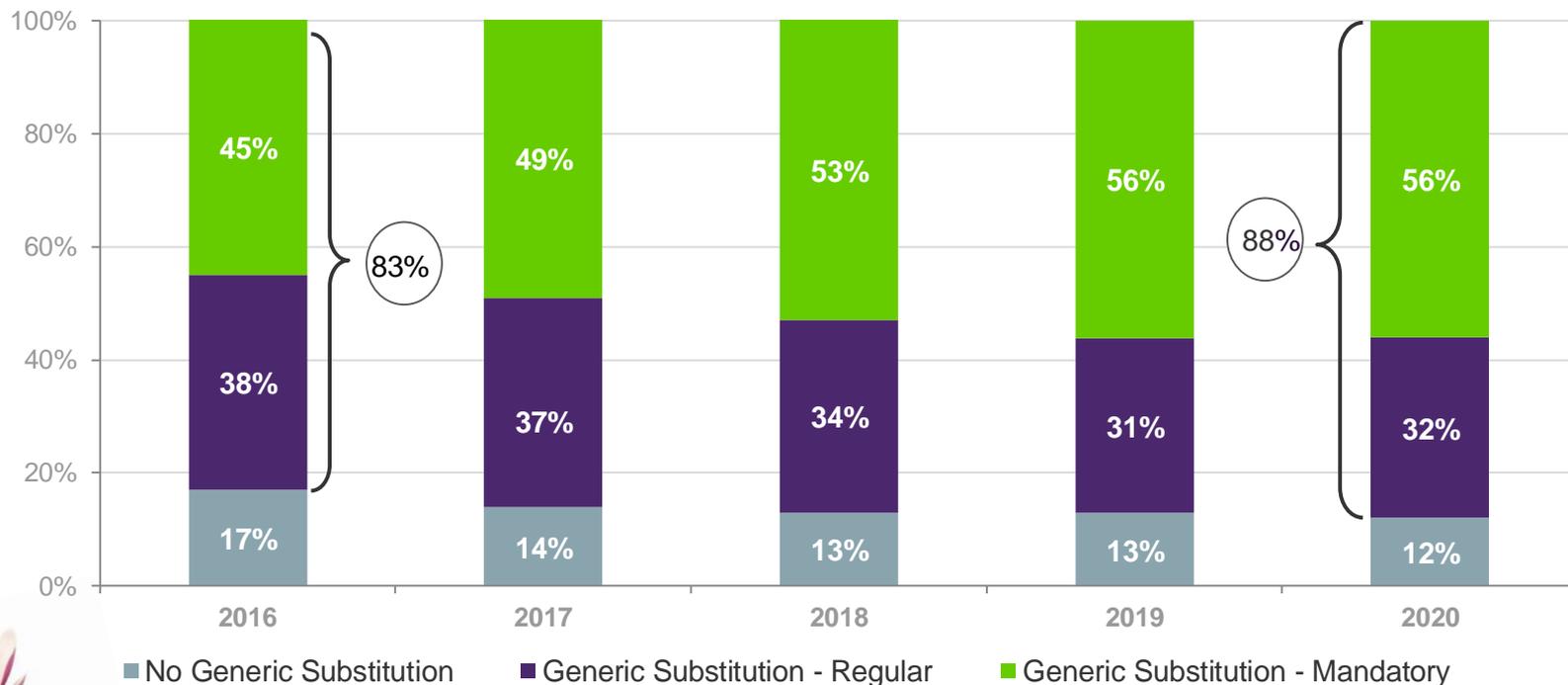




Plan design trends

# Generic substitution | # of certificates

Canada



# Generic substitution | # of certificates vs # of groups

Canada

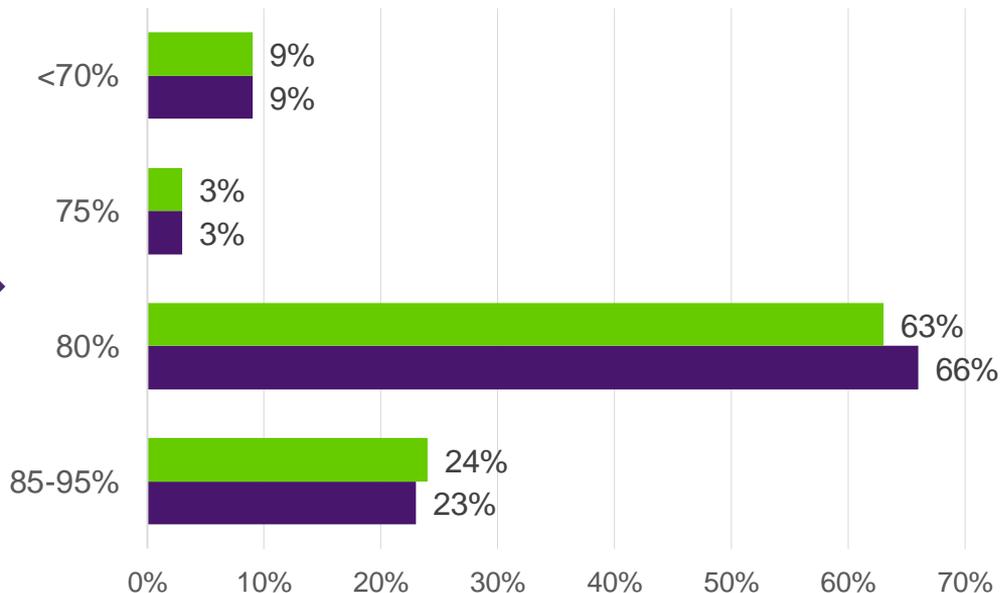
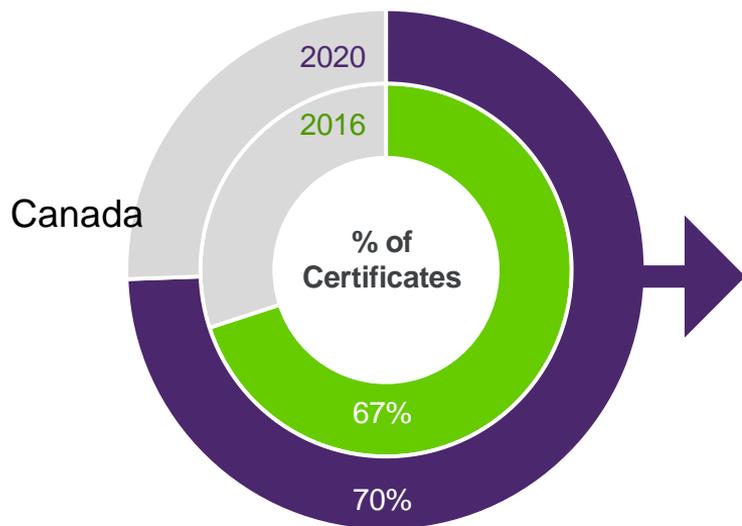
2020		
	Certificates	Groups
Generic substitution - mandatory	56%	86%
Generic substitution - regular	32%	8%
No generic substitution	12%	6%

88%

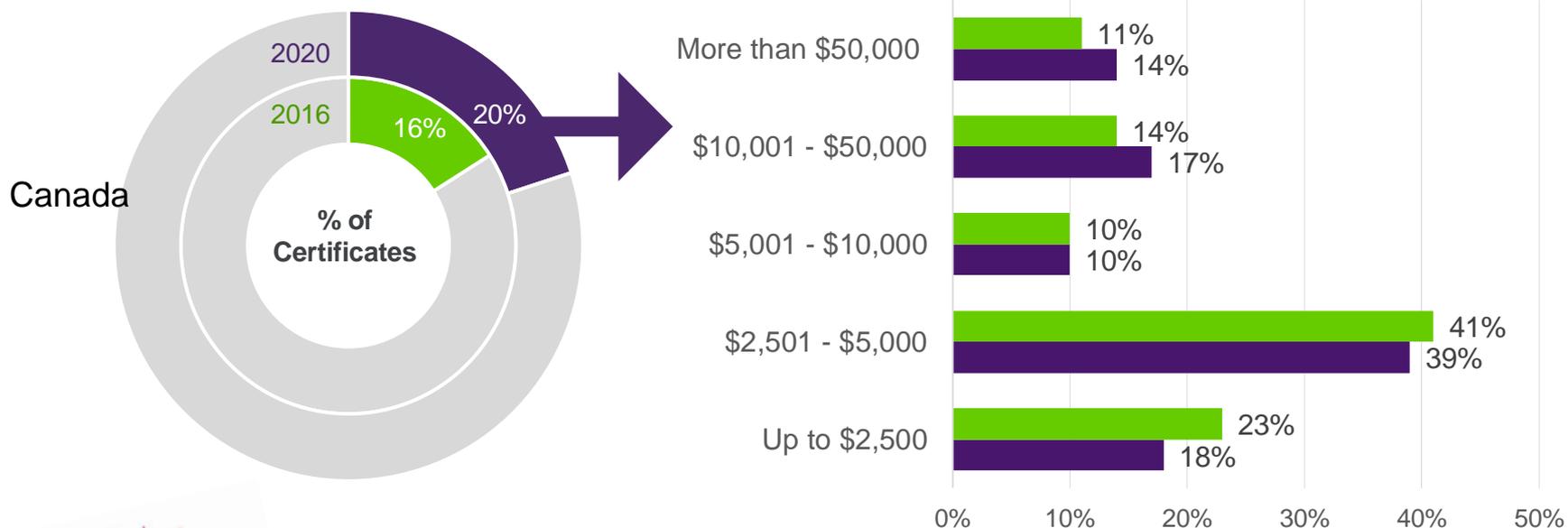
94%



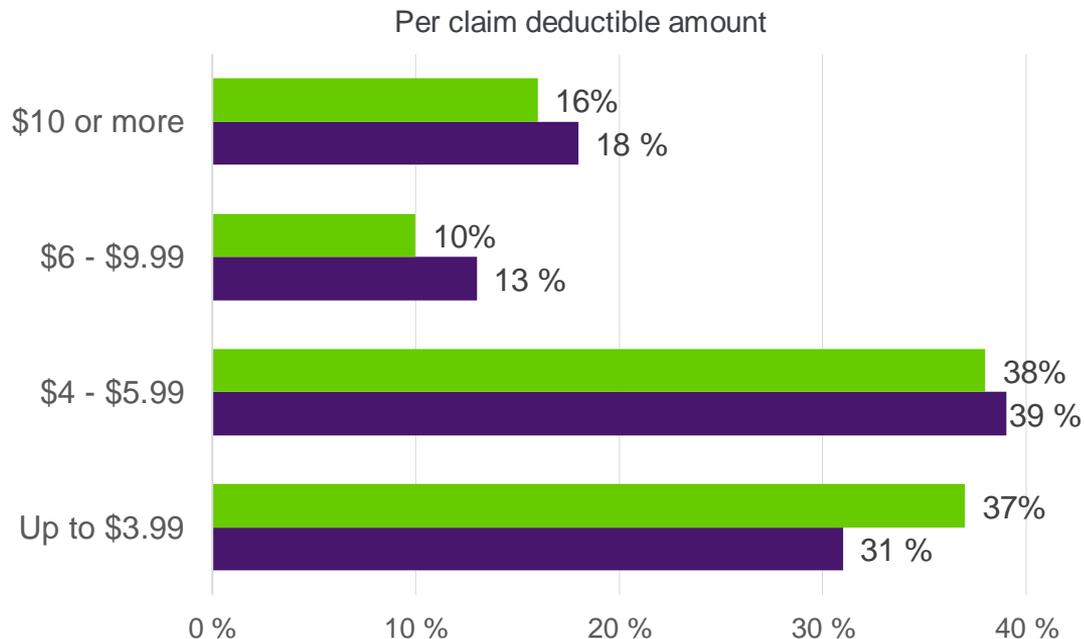
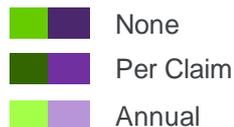
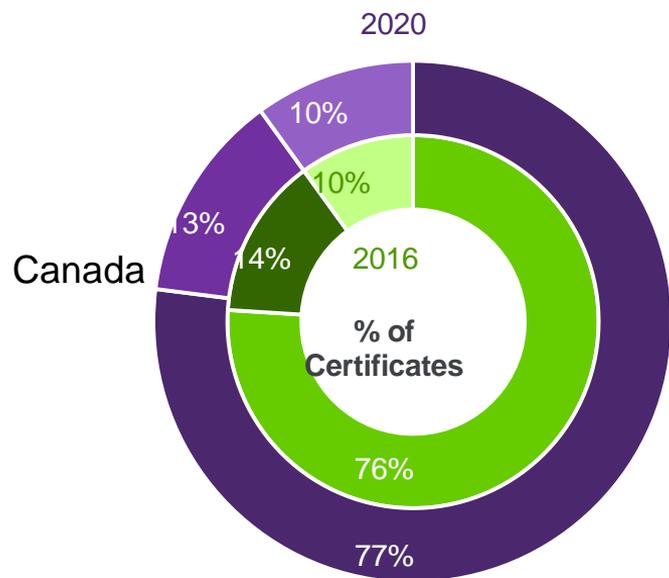
# Coinsurance | % of certificates – less than 65



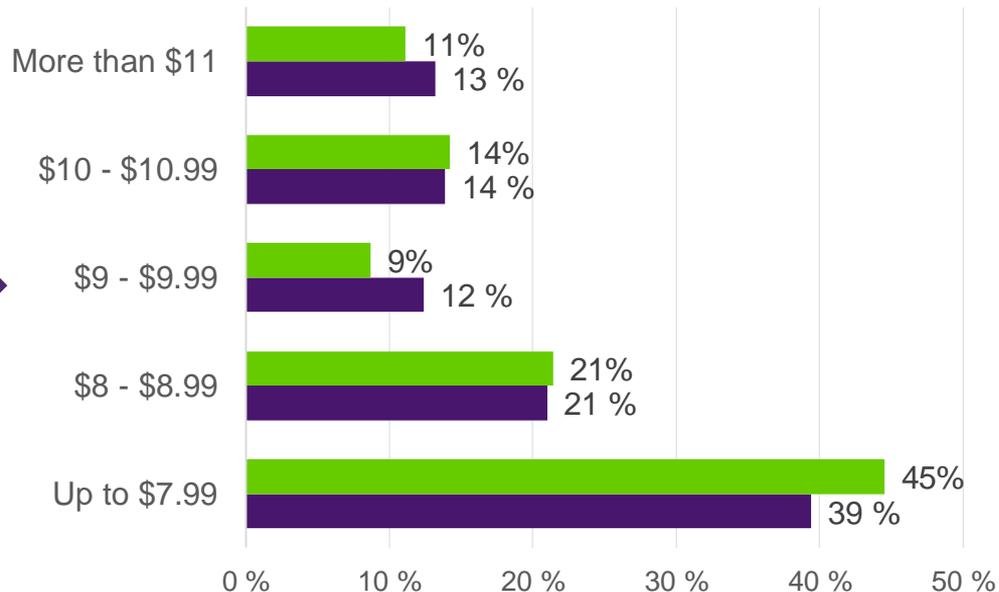
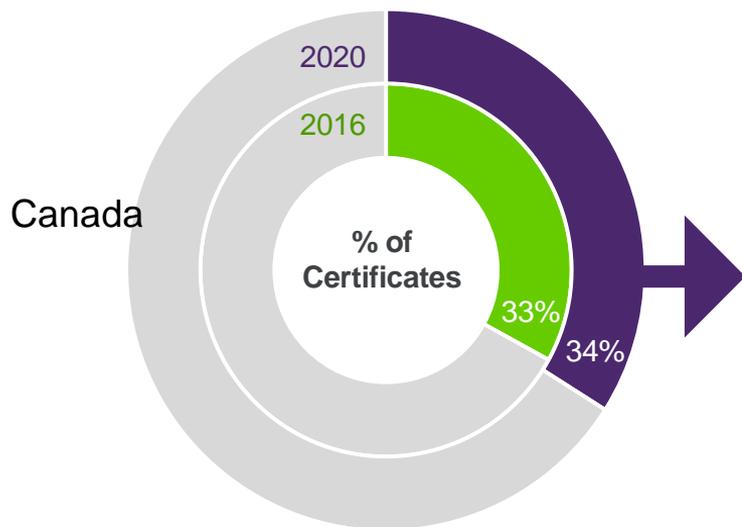
# Annual Maximums | % of certificates – less than 65



# Deductible | % of certificates – less than 65

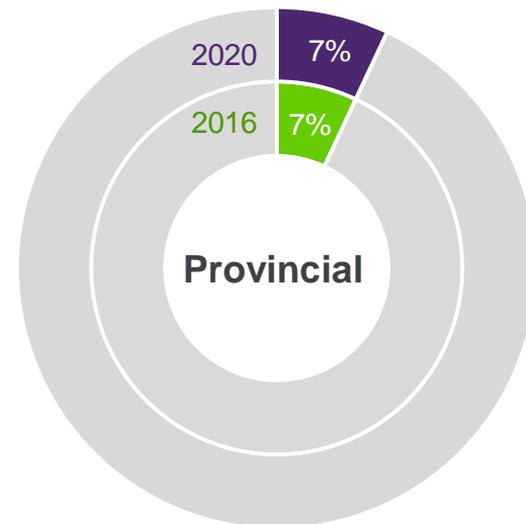
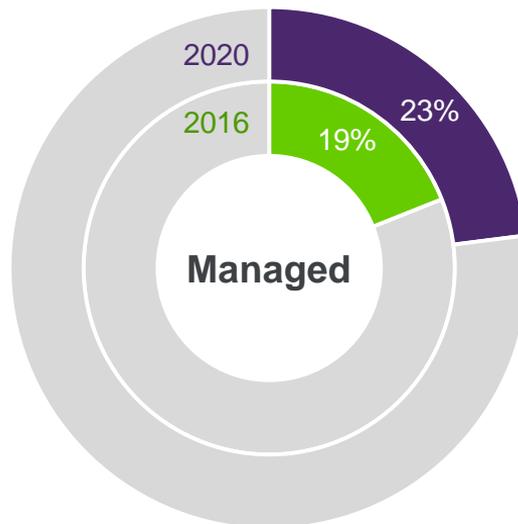
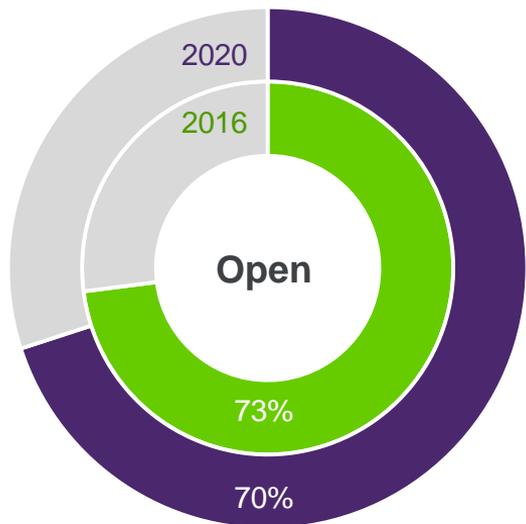


# Dispense fee cap | % of certificates – less than 65

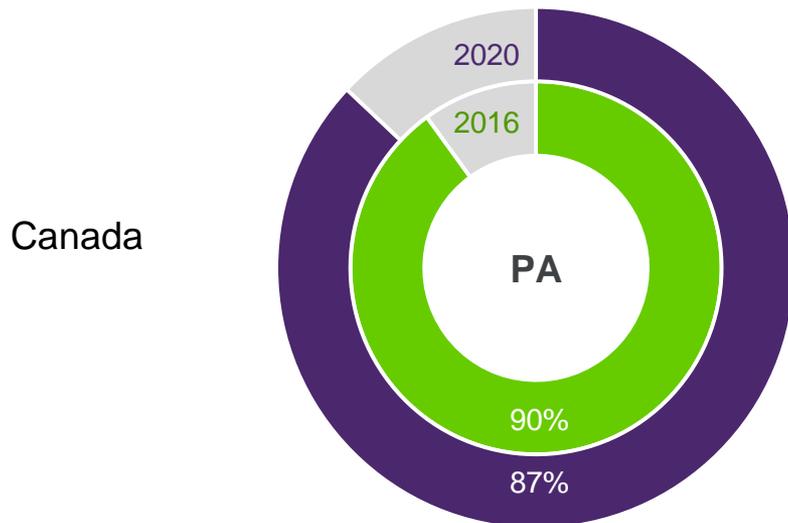


# Formulary type | % of certificates – less than 65

Canada



# Prior authorization | % of certificates – less than 65



# Summary

- When focusing on the 25-64 age bands, the overall change in plan costs (based on monthly eligible amount per insured) saw a 3.6% year over year increase across Canada, down from 5.1% in 2019. Overall utilization based on number of claims per insured rose 2.1% (0.72 average monthly claims per insured in 2019 compared to 0.74 in 2020).
- The rate of growth year over year for specialty drugs is much higher than traditional drugs at 8.7% year over year. They now account for 32% of total eligible costs, but still resulting from just 1.3% of claimants. The top drug classes by eligible cost are largely concentrated on specialty therapy.
- Biosimilar uptake (new starts of treatment naïve patients or switches) varies by region, largely a result of public programs. Given the experience observed in BC, private plans that have the ability to switch to approved biosimilars based on indication may help increase adoption.



# Summary



- The COVID-19 pandemic resulted in a material reduction in acute therapy claims and also increased short-term dispensing of maintenance drug claims. It also appears that for certain age cohorts, higher utilization per insured has occurred in 2020 for depression medications. It is widely known that COVID-19 took a big toll on mental health due to feelings of isolation, lack of support, etc. Delayed treatments may have further impact across 2021 and beyond.
- We continue to observe poor adherence across several chronic conditions. The rate of non-adherence is growing when compared to five years ago.
- Chronic conditions and high-cost treatments of more rare disease dominate the top drug class profile. Specialty drugs are driving overall costs for certain therapy classes but also, the diabetes class ranks high given continued advancements in the types of treatments available.
- Plan management features, although progressing, continue to be slow to adopt. However, given the strain on businesses due to COVID-19 and the need to balance employee costs, including benefits, we may start to see increased adoption over 2021, including more leading edge cost containment strategies such as PLAs, biosimilar strategies, high-cost claimant and chronic disease management programs.



Questions

Thank you

 TELUS<sup>®</sup> Health