



Canadian Drug Insurance  
Pooling Corporation

Société canadienne de mutualisation  
en assurance médicaments

## **NEWS RELEASE**

**For Immediate Release**

**November 7, 2016**

### **CANADIAN LIFE AND HEALTH INSURANCE POOLING SYSTEM FOR HIGH-COST PRESCRIPTION DRUGS CONTINUES TO SEE RAPID GROWTH IN DRUG COSTS**

According to data released today by the Canadian Drug Insurance Pooling Corporation (CDIPC), the costs of expensive and recurring drug treatments in 2015 increased 22% over the previous year. “It’s clear that the strain on the system from expensive and recurring drug costs continue to dramatically outpace the rate of inflation,” notes CDIPC’s Executive Director Dan Berty.

While auto-immune related diseases continue to be the primary driver of high-cost drug use, newer cancer drugs, blood disorder drugs (e.g., Soliris), and Hepatitis C drugs are now making a sizable impact on industry pooling. One such drug, Harvoni, represented an estimated \$3 million in paid claims in 2014, but grew to \$42 million in 2015. “As each year goes by, it is abundantly clear that without drug pooling in place, many smaller and mid-size employers would be forced to drastically reduce or outright eliminate their drug benefit offerings to employees” added Berty.

Additional information on 2015 CDIPC drug pooling results has been posted to CDIPCs website in the downloadable document called *2015 CDIPC Pooling Results at a Glance*.

In the absence of a catastrophic drug program in Canada, life and health insurers voluntarily share the costs of highly expensive and recurring drug treatments in order to protect fully-insured private drug plans from the full impact of high-cost drugs. By pooling these costs, the industry has taken a proactive approach to sheltering employers, and ultimately employees, from the potentially devastating financial impacts that even a single ongoing claim for a highly expensive drug treatment could have on the sustainability of supplemental benefit plans.

#### **About CDIPC**

The Canadian Drug Insurance Pooling Corporation is a not-for-profit corporation created by the supplemental health insurers in Canada to help facilitate affordable drug coverage for all fully-insured supplementary drug plans while maintaining a competitive health insurance market.

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