Biosimilars Canada
The Voice of Biosimilar Medicines in Canada

Pre-Budget Submission to Government of Ontario

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Positioning Ontario for a strong economic recovery means making the best use of limited financial resources. The rising cost and use of biologic drugs are putting a major strain on Ontario's public drug program. **Implementing a biosimilar switching policy could provide the Ontario drug benefit program with more than $160 million[1] in annual savings** while continuing to provide patients with safe and efficacious treatments and high-quality services they need. These savings could be used to provide coverage for innovative new treatments and contribute to the overall sustainability of the drug program.

Background:

Biosimilars are biologic drugs that are approved by Health Canada as having demonstrated similarity to a reference biologic drug and no clinically meaningful differences. Biologic medicines represent essential treatments for several diseases including arthritis, cancers, diabetes, growth disorders, inflammatory digestive disorders and psoriasis, but can have a high cost because they generally require a complex manufacturing process.

Biologics currently account for 25.7% of prescription drug costs for the Ontario drug benefit program, but account for just 1.2% of prescriptions.[2] A total of $1.1 billion was spent on biologic medicines through the public drug program in Ontario in 2018, which represented a nearly three-fold increase from $352.9 million in 2010.[3] Total annual costs are expected to reach $1.4 billion by 2021.[4] The total number of biologic users in Ontario continues to increase at a rapid pace, and rose by 462.3% from 21,383 users (Q1-2010) to 120,247 users (Q2-2019).[5] The number of users is projected to increase to 162,020 users by Q2-2022.[6]

Biosimilar medicines can be an important part of the solution to this fiscal challenge if the right policies are adopted. Patients with chronic diseases typically use a biologic medicine for many years so biosimilars cannot fully contribute to health care sustainability unless patients on existing original biologic medicines are transitioned to biosimilar biologic medicines. Such policies can result in rapid uptake of biosimilars, yield system savings, and fund innovative new treatments without impacting clinical outcomes for patients.

A well-controlled switch policy is the only effective way to bring the full value of biosimilars to Ontario's public drug program and develop a sustainable biosimilars market. Such initiatives have already been successfully implemented by the governments of Alberta and British Columbia, and

[1] IQVIA data analyzed by Biosimilars Canada – 12 months ending September 2020.
[2] *Ibid.*
[3] Ontario Drug Policy Research Network, Current and Prospective Utilization of Originator Biologics and Biosimilars in Ontario, January 2020
[4] *Ibid.*
[5] *Ibid.*
[6] *Ibid.*

other provinces are preparing to implement biosimilar switching policies in the first half of 2021. Both provinces have reinvested the savings into their healthcare systems, with British Columbia adding new drugs to their formulary.[7]

The safety and efficacy of switching patients from reference biologic drugs to biosimilars is well established internationally and supported by more than 178 studies involving 21,000+ patients.[8] It was also identified as a policy that may be pursued by public drug plans by the pan-Canadian Pharmaceutical Alliance (pCPA).[9] Health Canada is also clear that well-controlled switching is a safe and efficacious practice.[10]

Health Canada has approved biosimilar versions of the most costly originator biologic drugs for the Ontario Drug Benefit Plan, including: Humira (adalimumab), Remicade (infliximab), Enbrel (etanercept), Lantus Solostar (insulin glargine), Humalog (insulin lispro) and Rituxan (rituximab), and additional approvals are anticipated in 2021.

Implementing a policy that requires patients to switch to a biosimilar version of these products under the supervision of their treating physicians could save the Ontario drug benefit program more than $160 million annually, while continuing to provide patients with safe and efficacious treatments and high quality services they need and expect. Conversely, every week a switching policy is not implemented in Ontario means more than $3 million in lost potential savings.

In addition, several biosimilars companies have significant pharmaceutical manufacturing facilities in Ontario and elsewhere in Canada. The implementation of a switching policy would support continued investment in made-in-Ontario and made-in-Canada medicines.

Recommendation:

Biosimilars Canada recommends that the Government of Ontario implement the well-controlled switching of patients from original biologic drugs to available biosimilars. By adopting such an expanded biosimilars policy, the province could yield savings of $160 million annually that could be used to provide coverage for innovative new treatments and contribute to the overall sustainability of the drug program.

[7] https://archive.news.gov.bc.ca/releases/news_releases_2017-2021/2020HLTH0257-001569.htm

[8] Barbier, L., Ebbers, H., et al. *The Efficacy, Safety, and Immunogenicity of Switching Between Reference Biopharmaceuticals and Biosimilars: A Systematic Review*, , *Clinical Pharmacology and Therapeutics*, March 31, 2020

[9] pCPA, Biologics Policy Directions& pCPA Negotiations

[10] Health Canada, Biosimilar biologic drugs in Canada: Fact Sheet