Biosimilar Biologic Medicines:

Employer Handbook

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Biosimilars Canada
The Voice of Biosimilar Medicines in Canada

Many employers provide private drug plans as part of the compensation package offered for their employees. Investing in employee health helps companies attract and retain top talent, and reduces employee absenteeism and disability claims.

The cost of providing private drug plans has been increasing in recent years as more complex and specialized medicines such as biologic drugs come to market.

Only a small percentage of patients require such treatments, but they come with a high price tag. It can cost $10,000 to $25,000 or even more to treat a single patient for one year with a biologic drug. In 2023, biologic drugs accounted for 36.4% of the total cost to private drug plans in Canada, but only 3.9% of claims.

Biosimilars access continue to grow in Canada with more than 3 million retail prescriptions filled with biosimilars annually, according to IQVIA data.

Employers need drug benefit designs that best support their workforce while keeping costs down and achieving consistent outcomes.

Biosimilar biologic drugs—the off-patent versions of original biologic drugs—are an important solution. Biosimilars are typically priced 25% to more than 50% lower than the original biologic drug.

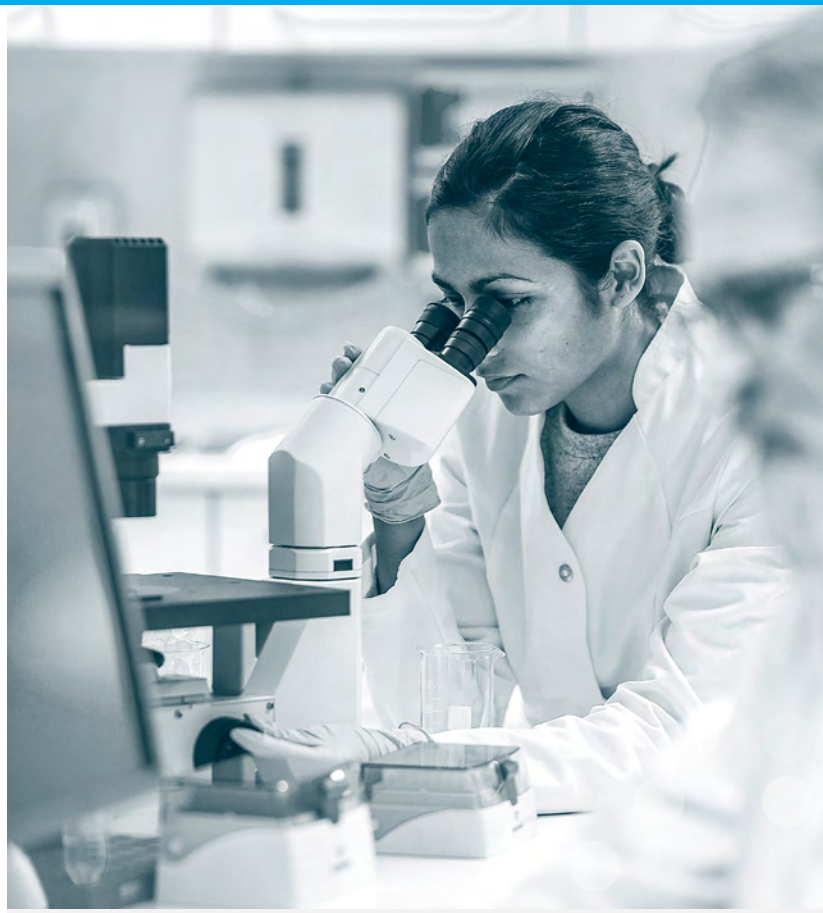
What is a biosimilar biologic medicine?

A biosimilar is a biologic drug that is highly similar to another biologic previously authorized for sale (the "reference biologic drug").

Biologics are made from living organisms or their cells, often using biotechnology. Some examples include insulin, growth hormones, and antibodies.

Among other things, biologics (including biosimilars) can be used to treat:

- ✓ diabetes
- ✓ rheumatoid diseases
- ✓ bowel diseases
- ✓ retinal diseases
- ✓ cancer
- ✓ osteoporosis
- ✓ skin disorders
- ✓ deep vein thrombosis



Biosimilars work as well as the original biologic drug

A biosimilar biologic medicine is approved by Health Canada based on a thorough comparison with its reference biologic drug, demonstrating that there are no clinically meaningful differences in efficacy and safety between them.

Health Canada expects no differences in how a patient responds to treatment when changing from a reference biologic drug to its biosimilar. That's because of the highly similar nature of a biosimilar to its reference biologic drug.

Health Canada authorizes biosimilars for sale using the same rigorous regulatory standards for quality, efficacy and safety as for all other biologic drugs.

A helpful Fact Sheet has been published by Health Canada that provides more information about the safety and efficacy of biosimilar biologic drugs.

Incorporating biosimilars into your drug benefit programs

Many biologic drugs are used to treat chronic diseases, and patients may need to take a specific biologic drug for a decade or more.

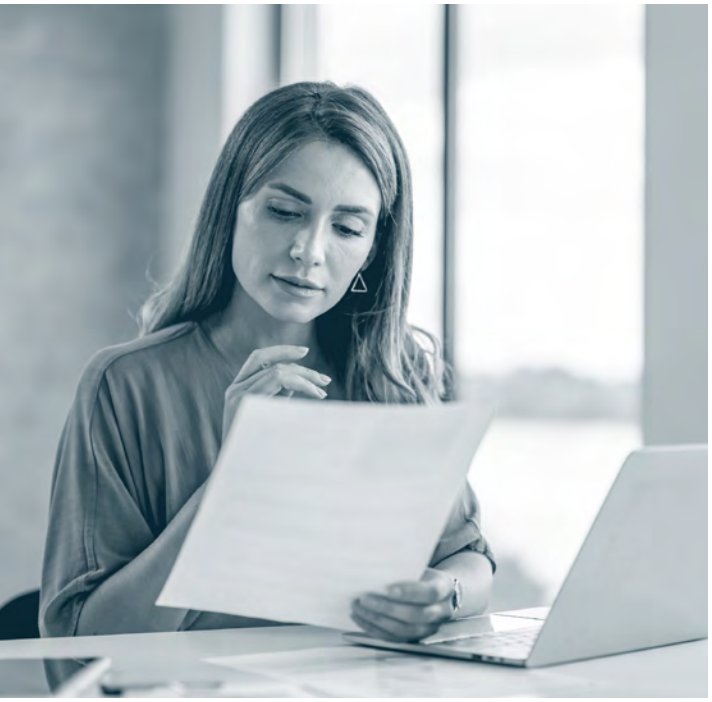
A policy that requires new patients to use a biosimilar instead of the corresponding original brand biologic drug (a "naïve patient policy") is a good start. However, it does not address the high ongoing cost of a patient continuing on the original biologic drug.

Requiring these patients to make a one-time switch from a high-cost original biologic medicine to a more cost-effective biosimilar supports positive patient outcomes while providing cumulative annual savings that can be used to:

- ✓ Provide automatic savings and support the overall sustainability of your company's drug plan.
- ✓ Reinvest the savings from biosimilars to expand coverage to include more innovative new medicines for your employee drug benefit program.
- ✓ Enhance extended health benefit coverage to provide your company with a competitive advantage in attracting and retaining employees, such as increased coverage for vision care, paramedical services like physiotherapy and massage therapy, and mental health supports.

In Canada, all provinces (public drug plans) and many employer-sponsored drug benefit plans have adopted biosimilar transition policies in recent years. Patients are notified in writing that they need to meet with their treating physician within a set time period (usually six months) to receive a prescription for a corresponding biosimilar version of their medicine.

- → Health Canada is clear that a change in routine use from an original biologic drug to a corresponding biosimilar drug under the supervision of a treating physician is a safe and effective practice. This is supported by extensive real-world evidence in Canada, the European Union and other countries.
- → No increase in hospitalizations or increased safety signals have been observed from patients making the transition from an original biologic drug to a biosimilar biologic drug approved by Health Canada.
- → Biosimilar companies provide the same types of patient support services that are available for the originator biologic drug, so your plan members can expect a smooth transition. Patients who switch to a biosimilar are well cared for throughout the transition process and for as long as they need to take that drug.



Biosimilar transition policies are common in Canada

Hundreds of thousands of patients in Canada have made the transition from an original biologic drug to a corresponding biosimilar medicine. The number of transitions will continue to grow as new biosimilar medicines enter the Canadian market.

All ten provinces and two territories have implemented biosimilar transition policies for their public drug benefit programs, as have some federal public drug plans. The Government of British Columbia recently reported that more than 40,000 patients had made the transition to biosimilars under its public drug plan, saving the province more than $732 million over the past five years.

Many employer-sponsored private drug benefit plans in four provinces—Quebec, BC, Saskatchewan and Manitoba—align their policies with provincial drug formularies due to the integrated nature of the public drug program design in these provinces. Several insurance providers have drug plan offerings that employers can select that include biosimilar transition policies in all provinces.

Increasingly, employers are proactively incorporating transition policies into the design of their drug benefit plans.

- Drug plan offerings of Canadian insurance companies for small businesses typically include biosimilar transition policies to enhance the overall cost-effectiveness of coverage for employers.
- The Public Service Health Care Plan (PSHCP)—which is the largest employer-sponsored drug benefit in Canada with more than 1.7 million lives covered—includes a biosimilar transition policy.
  - Agreement with unions through collective bargaining was required to achieve this outcome.
  - Enhancements to the overall health care plan, such as increased vision coverage, were supported through the savings provided by the biosimilar transition policy.

Getting started: Assessing the biosimilar transition opportunity

Current and Future Drug Utilization:

Analyze which high-cost biologics are being prescribed and their total spend within the plan, as well as the future drug needs of your workforce.

Plan Design:

Understand the structure of the drug formulary, including preferred medications, co-pays, and coverage levels for biosimilars versus originator drugs.

Employee Demographics:

Consider the current and future health needs of your workforce, including the prevalence of conditions treated by biologics.

Collective Agreements:

If you have unionized employees, review your collective agreements to understand whether any provisions prevent you from adopting a biosimilar transition policy for your drug plan.

If so, include biosimilar transition and mandatory generic substitution policies in your strategic objectives for the next round of bargaining.

Here are some questions to ask your insurer and benefits consultant about including a biosimilar transition policy in your employee drug benefit plan:

- What is the expected annual cost savings from switching to biosimilars for my plan, and how will these savings be reflected in the overall benefits plan?
- How will the drug plan monitor and evaluate the outcomes of the transition, and what metrics will be tracked?
- How will the transition be communicated to employees that need to transition to a biosimilar medicine? Will educational materials be provided to ensure understanding?
- How will the plan address potential concerns from employees about switching medications? What measures are in place to handle objections or hesitations?

Engaging with a benefits consultant or a second insurance provider may also provide you with a more holistic understanding of available options. Some insurance companies may be more supportive of biosimilar transition policies than others, depending on their business models.

Three Easy Steps to Add a Biosimilar Transition Policy to Your Benefits Plan

1. Talk to your benefit provider, and make the request.

2. Ask for a robust communication plan to support the transition.

3. Use the savings to provide enhanced benefits for your employees.

Resources

Interested in learning more about biosimilars and biosimilar transition policies? The following resources are a good place to start:

Biosimilar biologic drugs in Canada: Fact Sheet, Health Canada ↗

Biosimilar Biologic Drug infographic, Health Canada ↗

Handbook for health care professionals on biosimilar biologic drugs, Health Canada ↗

B.C.'s Biosimilars Initiative: A Report on Patient and Financial Impact, Government of British Columbia ↗

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