

High drug-cost beneficiaries account for nearly half of all public drug spending across 9 provinces in Canada

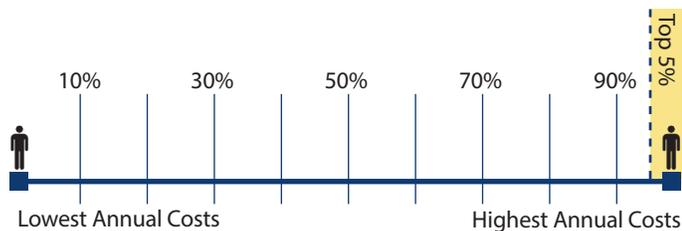
Background

- Drugs are the fastest growing cost in the Canadian healthcare system. This is a concern for the sustainability of public drug programs across Canada.
- Increased drug spending is due both to higher overall drug use and the growing number of expensive drug therapies that are being approved for use in Canada.
- These two factors can lead to a small number of public drug program beneficiaries accounting for a high proportion of total spending.
- A better understanding of high drug-cost beneficiaries across Canada is important to inform current planning around national drug strategies.

What are we investigating?

The objective was to describe the characteristics of high drug-cost beneficiaries of public drug programs in 9 different provinces across Canada.

High drug-cost beneficiaries: top 5% of public drug program beneficiaries based on annual costs:



Non-high drug-cost beneficiaries: remaining 95% of beneficiaries.

How was the study conducted?

- We conducted a cross-sectional study among active public drug plan beneficiaries residing in 9 provinces across Canada (all provinces, except Quebec) who had at least 1 prescription reimbursed by a provincial public drug program between April 1, 2016 and March 31, 2017 (fiscal year [FY] 2016). We reported characteristics overall, and for each province separately.
- The Canada Institute for Health Information's National Prescription Drug Utilization Information System (CIHI NPDUIS) was used to identify all drugs dispensed to public drug beneficiaries over the study period.
- Cost was defined as the total amount paid by the public-payer (excluding deductibles and out-of-pocket payments).

For more information

Mina Tadrous, Diana Martins, Muhammad M Mamdani, Tara Gomes. Characteristics of high drug cost beneficiaries across Canada: A cross-sectional pan-Canadian Analysis. CMAJ Open, 2020.



What did we find?

- In FY 2016, high drug-cost beneficiaries accounted for nearly half (46.5%) of the total annual public drug spending in Canada. This was consistent across Canada, ranging from 40.8% (Nova Scotia) to 55.4% (Saskatchewan).
- The minimum annual cost for high drug-cost beneficiaries was \$5,291, with an average cost of \$14,610 per beneficiary. The average cost varied by province, ranging from \$6,650 (PEI) to \$25,560 (Manitoba) per beneficiary.
- Overall, a higher number of medications were dispensed to high drug-cost beneficiaries compared to all other beneficiaries, (median 13 [interquartile range (IQR) 7-19] vs. 5 [IQR 3-9]).
- A larger percentage of high drug-cost beneficiaries received at least 1 high-cost drug (a drug claim reimbursed for more than \$1,000) compared to all other beneficiaries (40.9% vs. 0.6%).
- Chronic medications were the most common medications for both groups of beneficiaries, while biologics and antivirals (e.g. hepatitis C and HIV treatments) were the most costly medications for high drug-cost beneficiaries.

Key points

- Across 9 provinces in Canada, high drug-cost beneficiaries (representing only 5% of all public drug beneficiaries) accounted for nearly half of annual spending for public drug programs.
- This clustering appears to be the result of both patients receiving very expensive medications and those with a high comorbidity burden who are prescribed a large number of medications.

Recommendations

- Policymakers should consider pan-Canadian strategies that explore mechanisms to address the rising cost of drug spending, particularly around highly expensive medications.
- Case management strategies should be explored to optimize drug utilization among patients living with more complex needs who are prescribed a large number of medications.