Combining the right programs to help manage specialty drug costs
When a new drug is approved by Health Canada, it can come with a high price tag. We’re used to seeing a handful of expensive drugs come to the market each year, but in recent years the prescription drug landscape has shifted. Now, high-cost specialty drugs used to treat complex chronic and life-threatening conditions are coming to the market in larger numbers than ever before.1 While they have the potential to improve the lives of plan members, they are also having a profound impact on drug plan costs.

Specialty drugs represent less than two per cent of claims but account for almost 30 per cent of drug spend due to their price. This may grow to more than 42 per cent by 2020, resulting in an expected $5.6 billion price tag for private plans’ specialty drug spend within the next five years.2 Despite their high costs, specialty drugs should continue to be available to employees. By offering treatment where no other existed before, these drugs can be life changing and greatly improve the health of plan members.

Manulife’s prior authorization, Specialty Drug Care and DrugWatch programs work together to help plan sponsors manage the rising costs associated with specialty drugs. All three programs are standard features embedded in drug plans administered by Manulife and have resulted in drug plan savings that support providing plan members with continued access to the medications they need.
Combining the right programs to help manage specialty drug costs

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Prior authorization

Prior authorization is a claims management feature applied to a list of specialty drugs to help manage costs while still providing plan members with access to appropriate drug therapy. It allows Manulife to gather more medical information to determine if the drug is being prescribed for its intended use and meets the eligibility criteria.

To help plan members understand prior authorization, we’ve introduced tools and information on the Manulife Plan Member Secure Site, including the drug list and forms. Our mobile site allows plan members to access the necessary forms and drug list wherever and whenever they need them, such as at the doctor’s office or the pharmacy counter.

Our fully automated prior authorization process for diabetes drugs makes it even easier for plan members to get the coverage they need. The Canadian Diabetes Association clinical guidelines recommend that patients with Type 2 diabetes start on the low cost treatment metformin before moving to higher cost therapies.3

Our program checks the patient history and then messages the pharmacist to assist the patient with switching therapies. All this happens at the pharmacy counter – there’s no need to go back to the doctor or to fill out paperwork. (Note that investigation into regulatory constraints in Quebec is underway. At this time, this program does not apply to plan members who are residents of that province.)
**Specialty Drug Care**

Specialty Drug Care offers personalized nurse case management support to plan members taking specialty drugs. Working with a registered nurse experienced in specialty drug patient care, the plan member actively participates in managing their health condition. They also have access to a preferred pharmacy network and preferred prescription drug pricing.

Manulife launched this program with Bayshore HealthCare Ltd. – the largest private community healthcare provider in Canada – almost two years ago. Since then, we’ve surveyed plan members and measured the savings for both plan members and their plans. The results are so positive that Specialty Drug Care is now included as a standard part of all Manulife pay-direct drug plans.

**Manulife DrugWatch™**

DrugWatch adds an extra layer of protection for plan sponsors. This first-of-its-kind program closely monitors and analyzes the effectiveness and financial impact of new medications to help plan sponsors receive value for their drug benefit dollars.

It helps ensure that any drug available on Manulife formularies, whether managed or open, adds value for its price. By monitoring emerging trends and medications, Manulife can negotiate pricing, and establish sustainable and cost-effective programs and distribution options that satisfy both plan sponsors and plan members.

**Prior authorization by the numbers**

- **$45 million** – Estimated savings to date provided through prior authorization
- **$61 million** – Expected total savings within the next 12 to 18 months

**Plan member experience**

Since introducing Specialty Drug Care, we’ve been asking participating plan members to complete a short survey describing their experience. As of October 2016, of the plan members that responded to the survey:

- **100%** gave Specialty Drug Care a positive rating
- **100%** had a positive experience with their nurse case manager
- **95%** considered Specialty Drug Care to be a valuable benefit offered by their employer

**Specialty Drug Care by the numbers**

- **8.5%** – Average savings per specialty drug prescription (overall plan savings are expected to grow as specialty drug costs rise and usage increases)
DrugWatch by the numbers*

- **$12 million** – Estimated savings provided through negotiated pricing agreements
- **$57 million** – Expected total savings within the next 12 to 18 months
- **78** – Number of brand drugs that have received Health Canada approval
- **10** – Number of drugs that have been selected for DrugWatch evaluation
- **2** – Number of drugs that have been added to Manulife drug plans after completing the DrugWatch evaluation
- **1** – Number of drugs that were added to Manulife drug plans before going through DrugWatch because the manufacturer initiated early negotiations with Manulife

* September 2015 to October 2016 unless other dates are specified.

Putting the programs to work

The strength of these programs is best demonstrated when we look at what they achieve when they are integrated and work together.

One example is Repatha®, an injectable medication for high cholesterol that was recently released from DrugWatch and added to Manulife drug plans. To provide patients with additional health support and to achieve savings for both plan sponsors and plan members, Manulife leverages the nurse case management and pharmacy services available through Bayshore HealthCare Ltd. (Manulife’s Specialty Drug Care provider).

Bayshore dispenses Repatha to patients and provides disease management support featuring lifestyle coaching that targets diet, exercise, stress and smoking cessation. The nurse case manager provides an initial health assessment and ongoing monitoring of blood pressure, blood glucose and medication adherence. The Repatha® delivery program uses both our prior authorization process and Specialty Drug Care to provide plan members with the drug they need along with extra support to achieve a better overall health outcome.
The importance of collaboration

The new drug landscape calls for innovative ways of finding solutions. Manulife engages with pharmaceutical manufacturers to discuss ways we can work together to support plan members.

We’ve already seen how this collaborative approach has helped. Recently, a pharmaceutical manufacturer approached Manulife to discuss pricing for a new high-cost drug before coming to market and going through DrugWatch. We were able to proactively negotiate material savings on the cost of this drug for our plan sponsors and minimize its financial impact to the point that it fell below our DrugWatch threshold. This meant the drug was available for all members the first day it was stocked on pharmacy shelves at a much lower cost.

We’re also ensuring plan members’ voices are heard. For example, we’re working with the Canadian Arthritis Patient Alliance (CAPA) to survey members who are currently taking medication for inflammatory arthritis. This survey will help us gauge how receptive they are to filling their prescriptions at one specific pharmacy or switching to lower cost yet equally effective drugs to help their employers manage rising drug costs. Understanding plan members’ perspectives and attitudes helps us create programs that work, and develop strategies to meet plan member education and awareness.
Looking forward

Our promise is to provide plan sponsors with proactive and innovative pharmacy benefits solutions that strike a balance between healthy outcomes, cost management and positive plan member experience. We will continue to put our expertise to work to improve and augment our solutions, and deliver on this promise.

In 2017, we’ll be expanding our Specialty Drug Care program to allow plan sponsors to customize the program to realize more savings, including introducing the option to make participation in this program mandatory.

It’s no surprise that employees who identify themselves as healthy are more likely to be productive than those who don’t.⁴ That’s why it’s so important that, in addition to cost containment, Manulife offers solutions that focus on health management. By providing plan members with continued access to the treatment they need, your employees are prepared to bring their best to work each and every day.

By providing plan members with continued access to the treatment they need, your employees are prepared to bring their best to work each and every day.

References:
1. Express Scripts Canada Drug Trend Report 2015
2. Express Scripts Canada Drug Trend Report 2015
3. Canadian Diabetes Association: Clinical Practice Guidelines
4. Manulife/Ipsos Reid Health and Wealth – Wellness study conducted by Ipsos Reid, February 2014
To learn more about the Canadian pharmacy landscape, visit manulifebalance.ca