



Retrospective 2021: Data trends and national benchmarks

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Data Trends and National Benchmarks

Retrospective 2021

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- II. Key results
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- IV. Specialty and biosimilar drug analysis
- V. High cost claimant analysis
- VI. Dispensing fee analysis
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Terminology and definitions

Terminology and background

- **Insured:** any covered individual i.e. employee, spouse or child
- **Certificate:** the employee and the linked dependants
- **Average age:** average age of the insureds
- **Utilization:** number of claims paid per certificate or insured depending on the context
- **Eligible amount:** the cost of the drug considered eligible by TELUS Health. This measure does not take into account any cost sharing (deductible, co-insurance)
- **Trend:** Presented trend is the historical trend, which differs from insurer trend factors that are forward looking and are based on several factors such as groups claims experience, other non-drug medical claims, ageing of insureds, the insurers manual rate, etc.



Terminology and background

TELUS Book of Business number of certificates

	Ontario	Outside Ontario	Canada
TELUS Book of Business – All ages	2,369,000	3,572,000	5,941,000





Key results

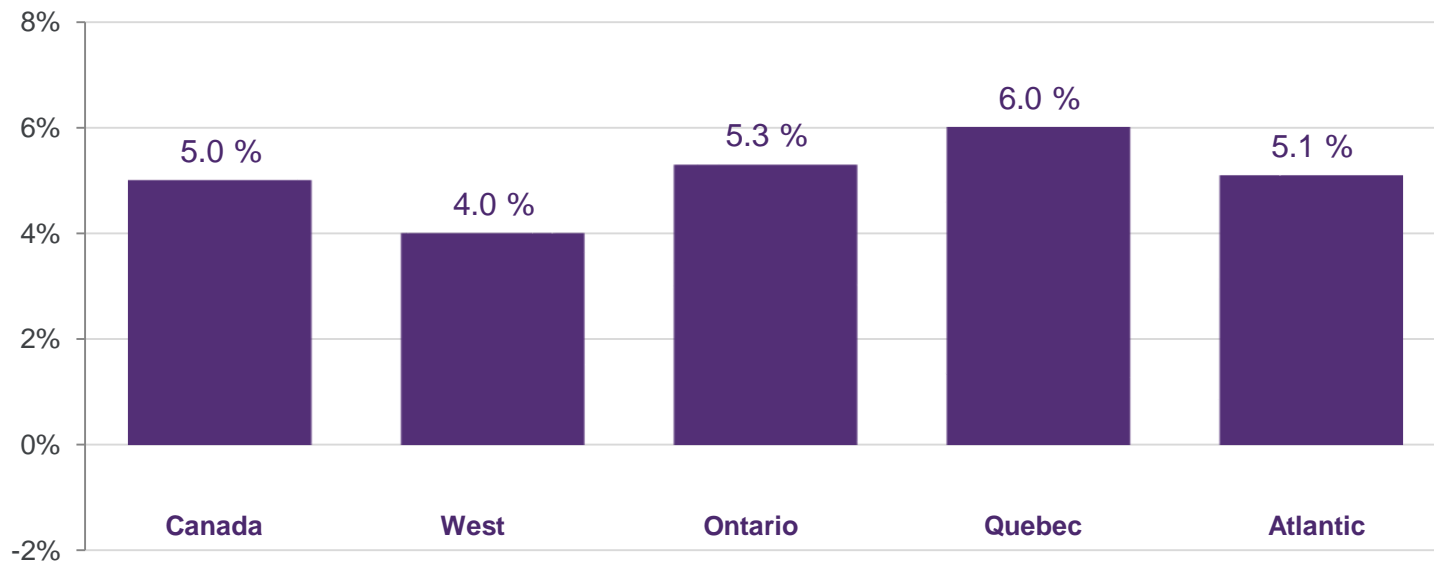
Key results by region | 2021

	Canada	West	Ontario	Quebec	Atlantic
Eligible monthly cost per insured	\$43.56	\$31.92	\$44.93	\$61.04	\$55.62
Average eligible amount per claim	\$83.45	\$76.87	\$96.46	\$69.35	\$95.52
Monthly utilization per insured	0.52	0.42	0.47	0.88	0.58
% generic (# or claims)	66%	68%	63%	66%	72%
Average age of insured	33.4	32.7	33.7	33.6	35.2



Change in eligible monthly costs per insureds

2020 to 2021



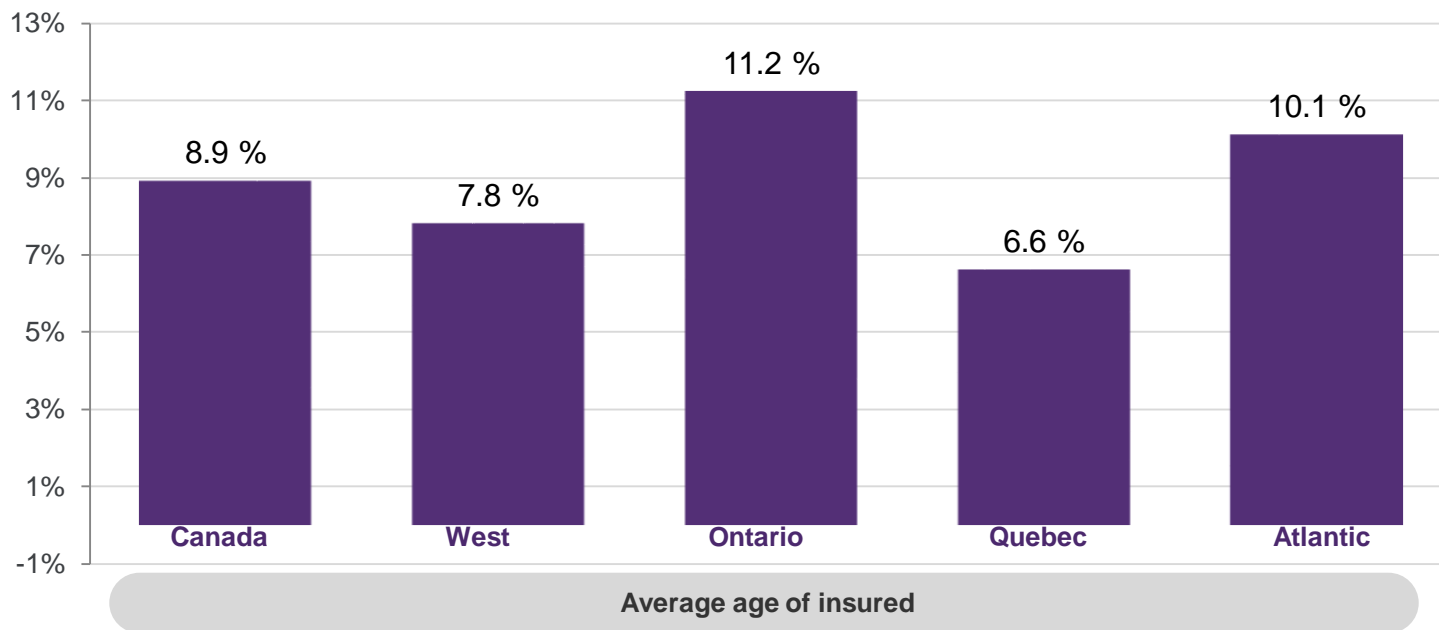
Average age of certificate

2021	41.8	41.0	41.9	42.4	43.4
2020	42.0	41.1	42.2	42.9	43.6



Change in eligible amount per claim

2020 to 2021



2021

33.4

32.7

33.7

33.6

35.2

2020

33.4

32.6

33.7

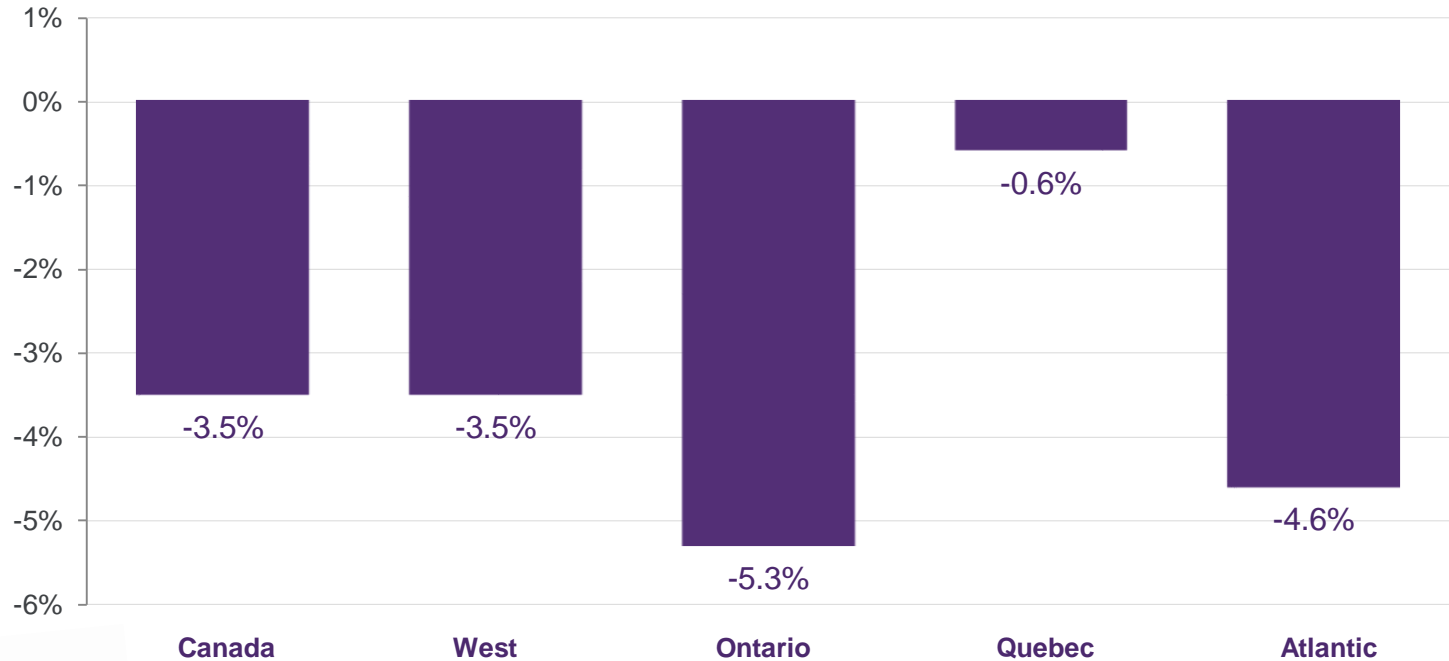
33.6

35.2



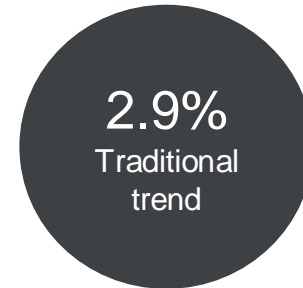
Change in monthly utilization – insureds

2020 to 2021



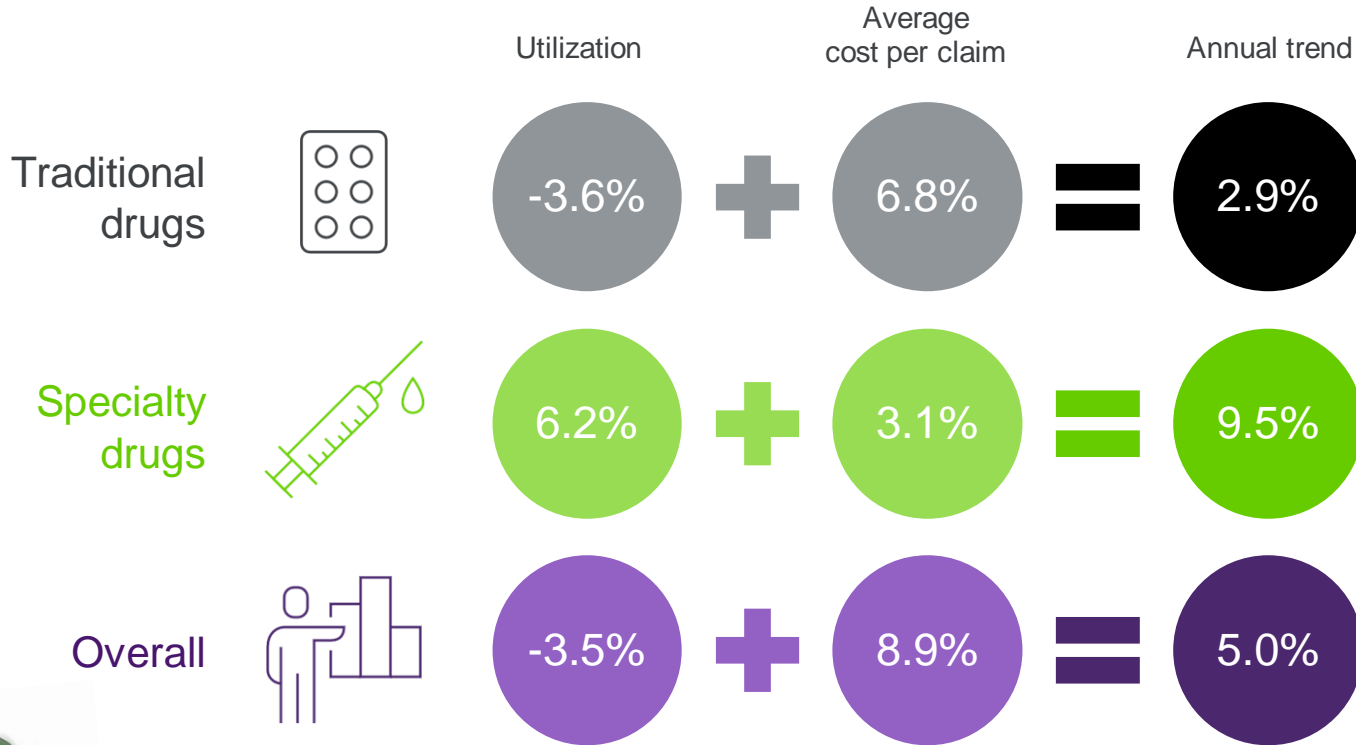
Annual trend components – insureds

2020 to 2021



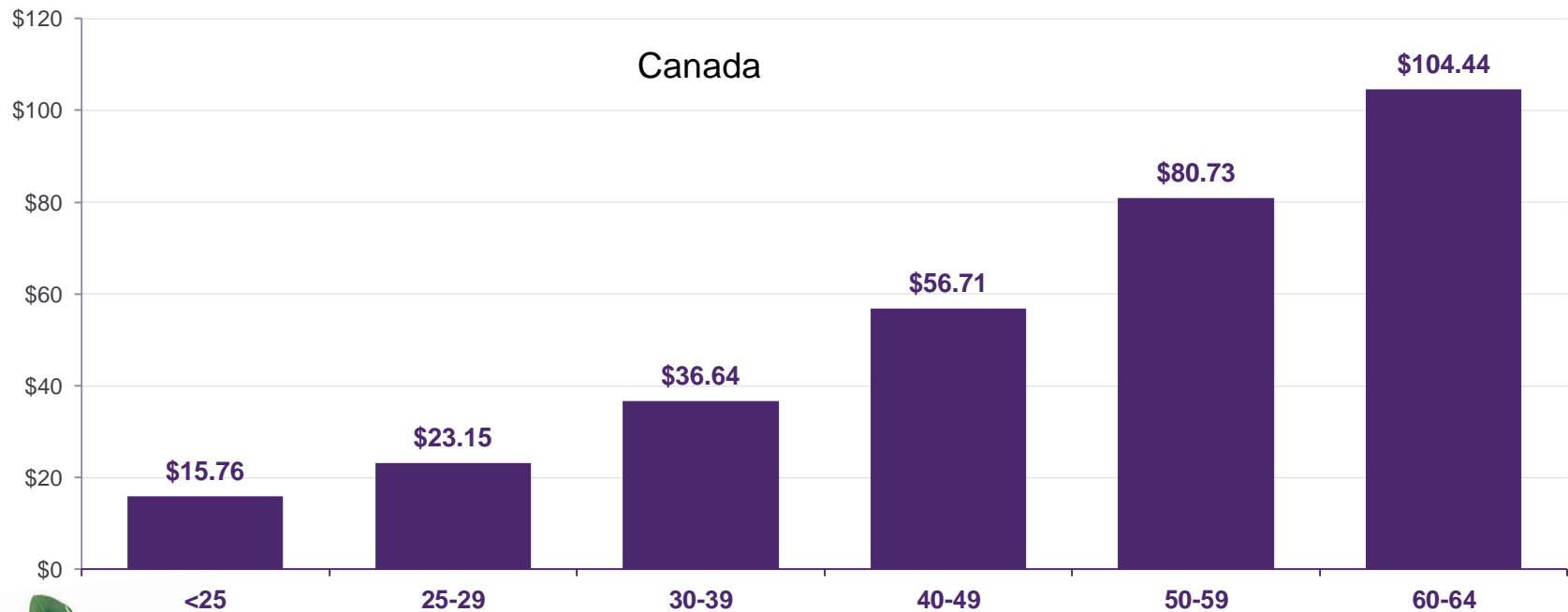
Annual trend components – insureds

2020 to 2021



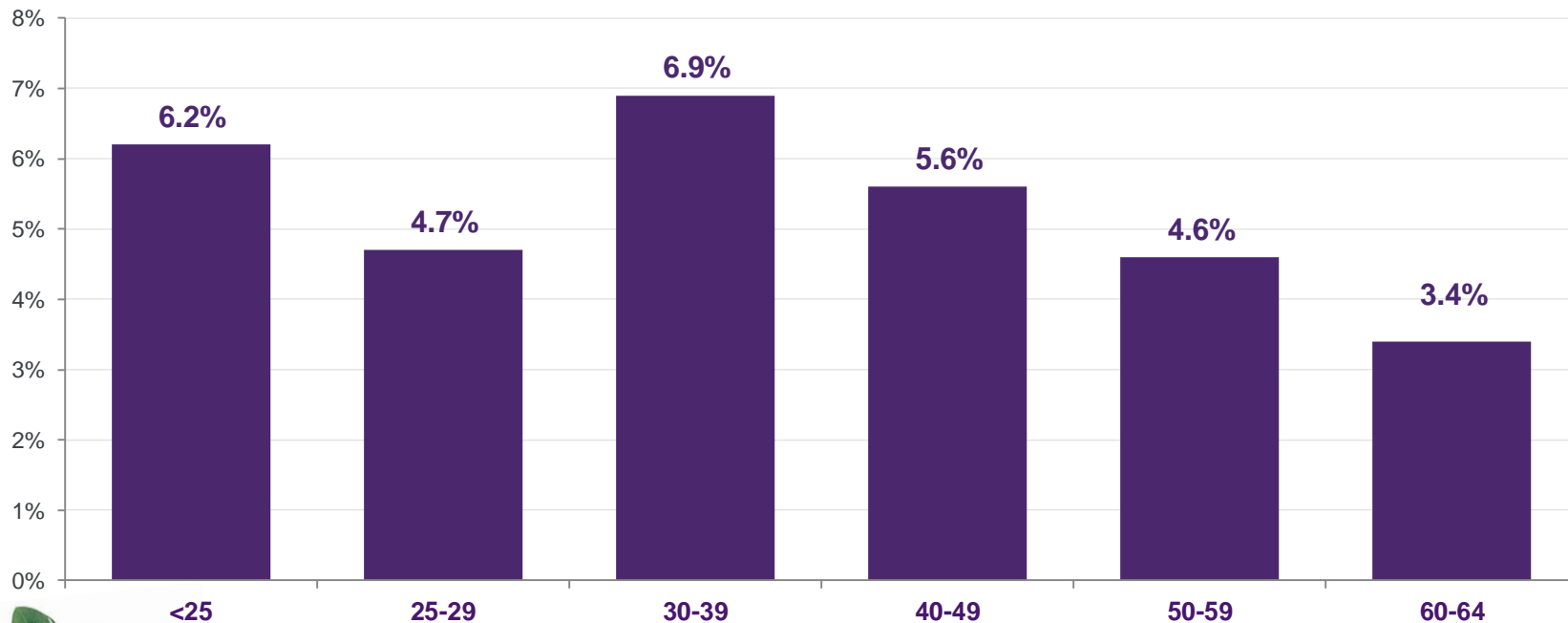
Monthly eligible amount per insureds by age band

2021



Monthly eligible amount per insureds growth by age band 2021

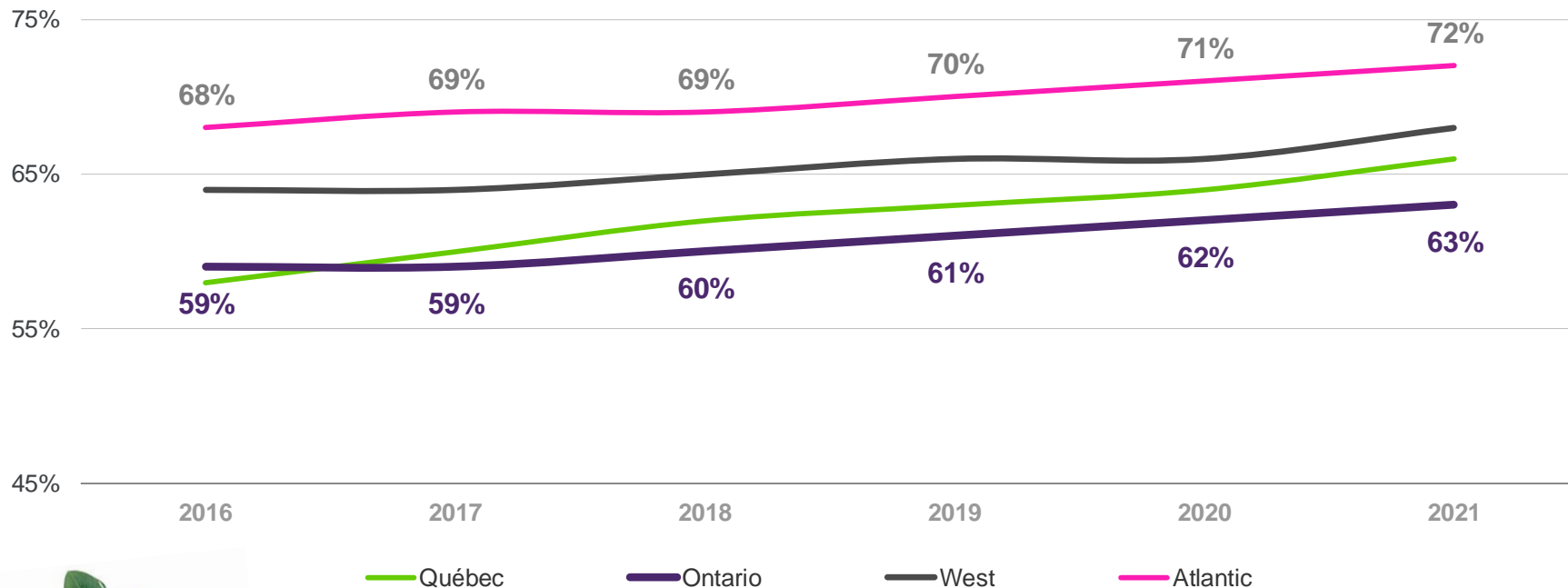
Canada



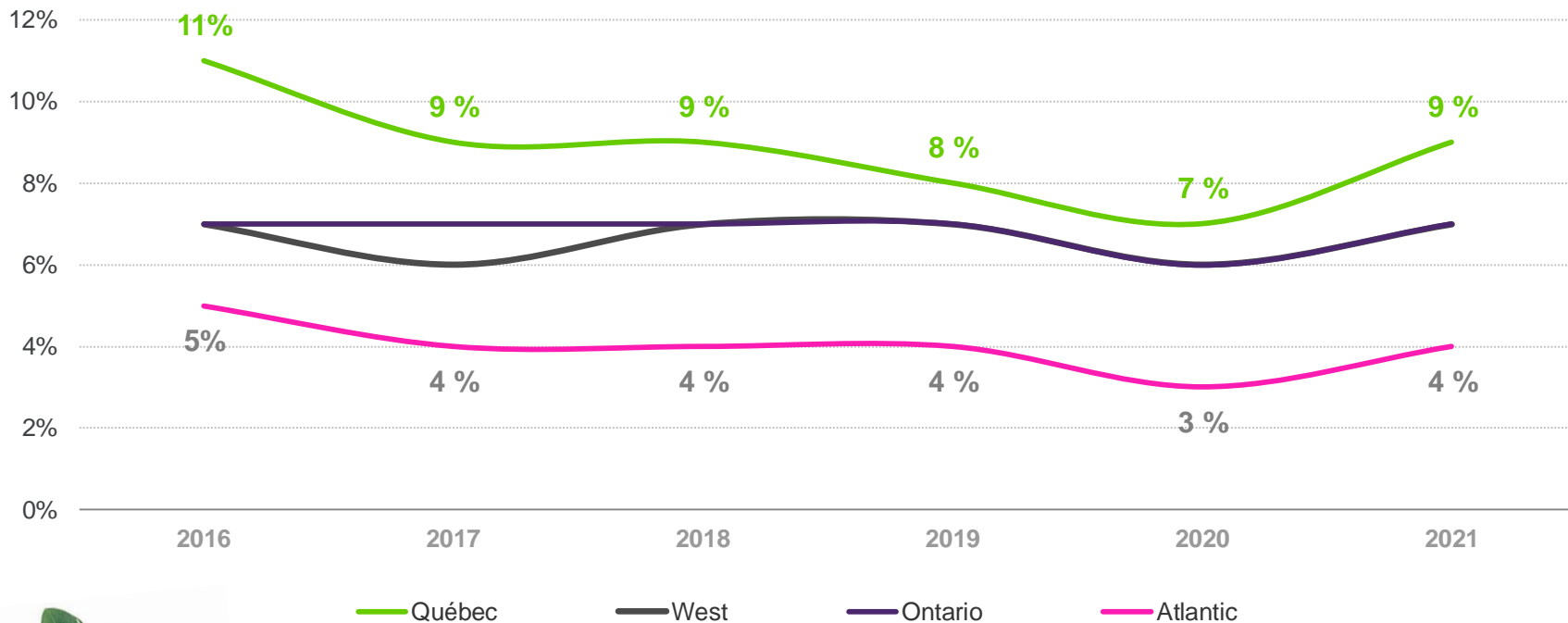


Drug type utilization

Generic utilization | Per region – as % of claims

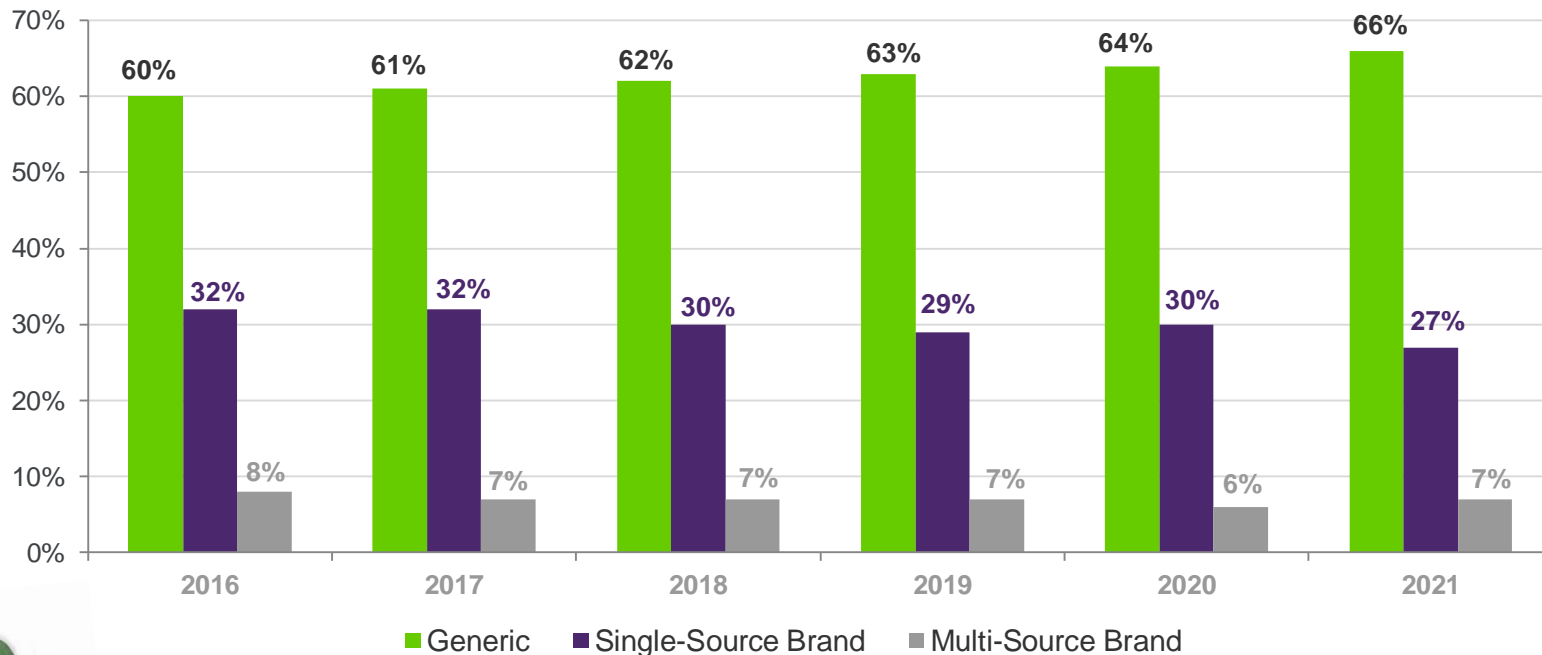


Multi-source brand utilization | Per region – as % of claims



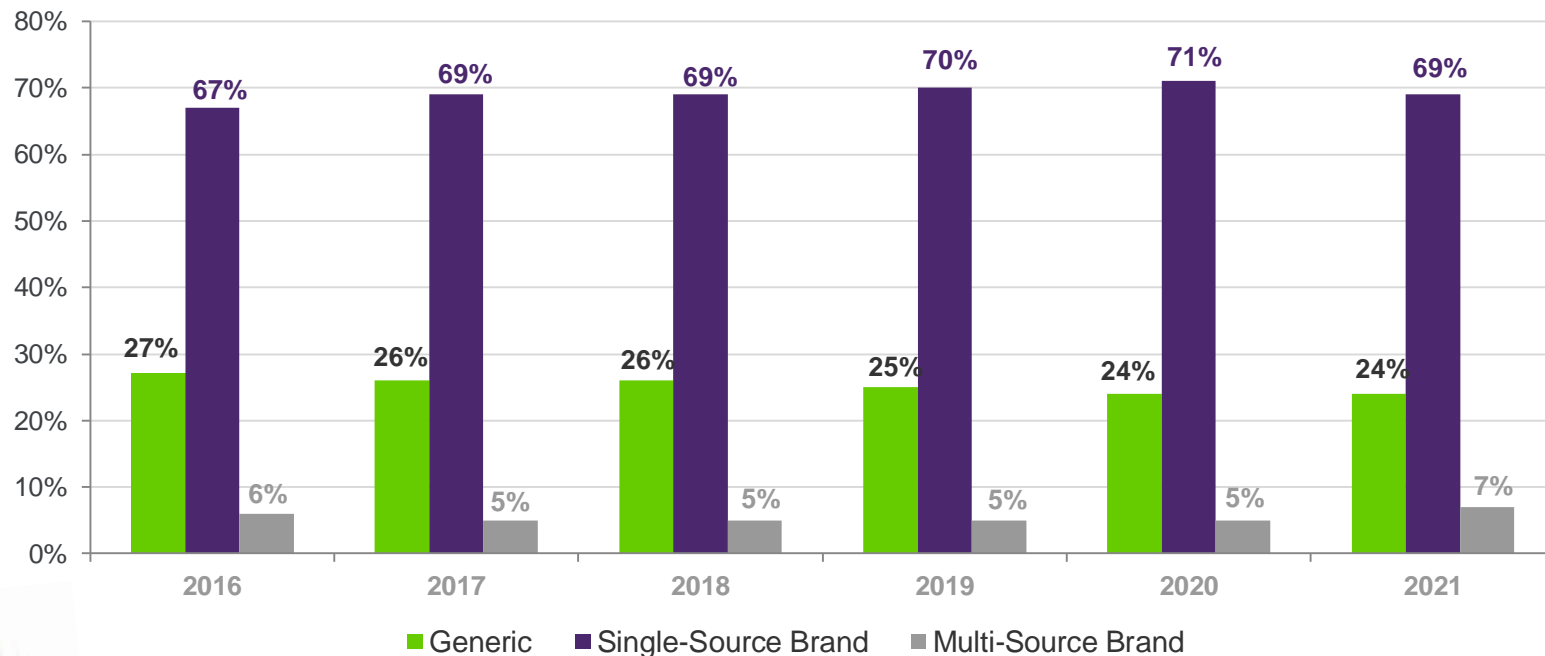
Utilization percentage by type of drug | % of claims

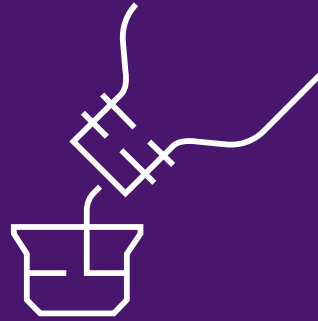
Canada



Paid percentage by type of drug | Eligible amount

Canada





Specialty and biosimilar drugs

Specialty drug definitions

A TELUS Health specialty drug is a drug that has a high cost based on a potential per patient amount exceeding **\$10,000 per year**.

Further characteristics of these drugs may include but are not limited to:

- Requires special medication delivery (e.g. special handling, preparation, administration, storage, or distribution)
- Requires complex treatment maintenance (e.g. complex disease, complex dosing, intensive monitoring & clinical management etc.)

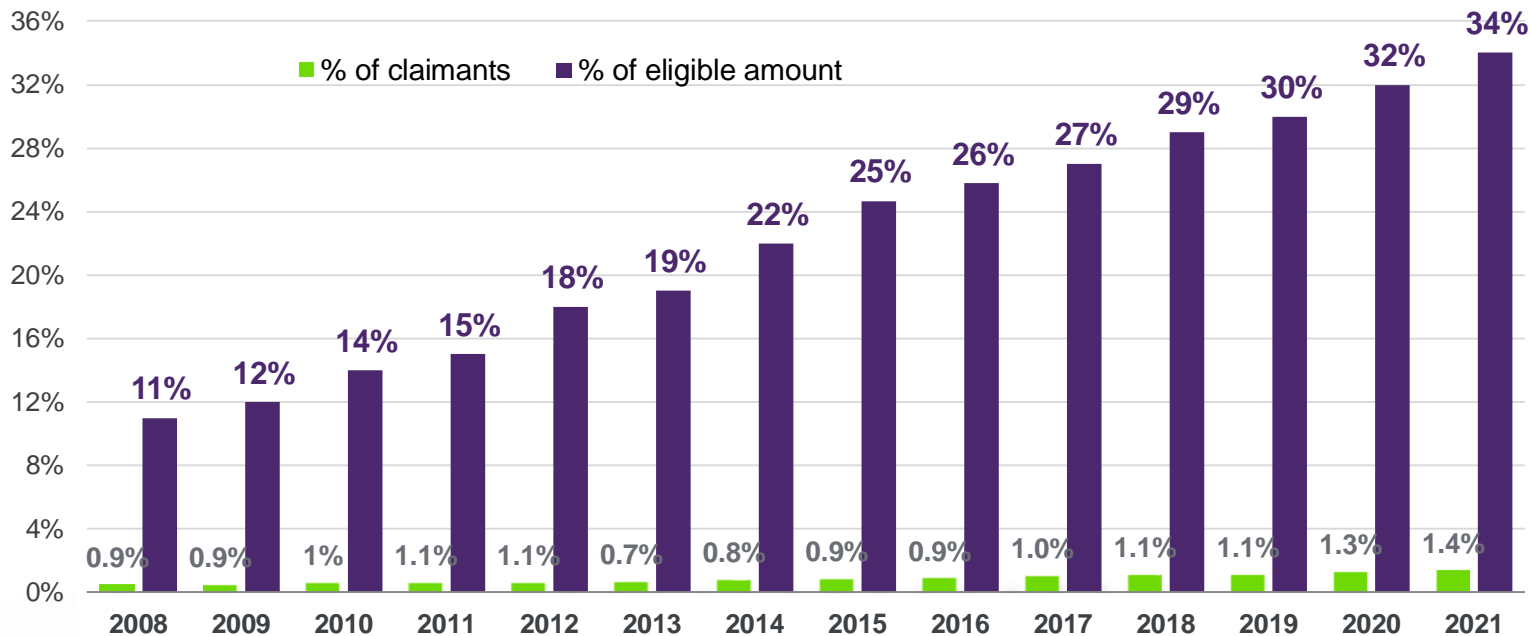
Biologic - First-on-market, large molecule specialty drug that contains living organisms, also referred to as “originator” or “innovator” biologic.

Biosimilar - a biologic drug that is highly similar to a biologic drug that was already authorized for sale. The biosimilar is produced after patent expiry of the reference biologic drug.

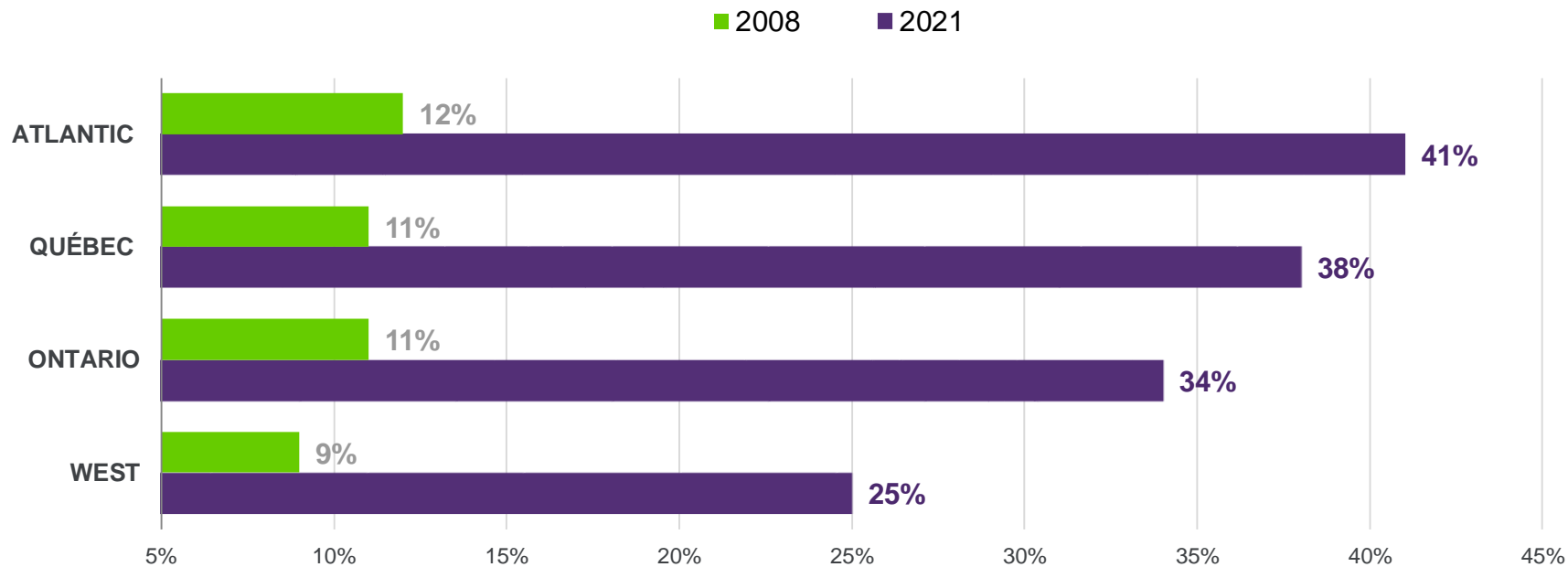


Specialty drugs | Less than 65

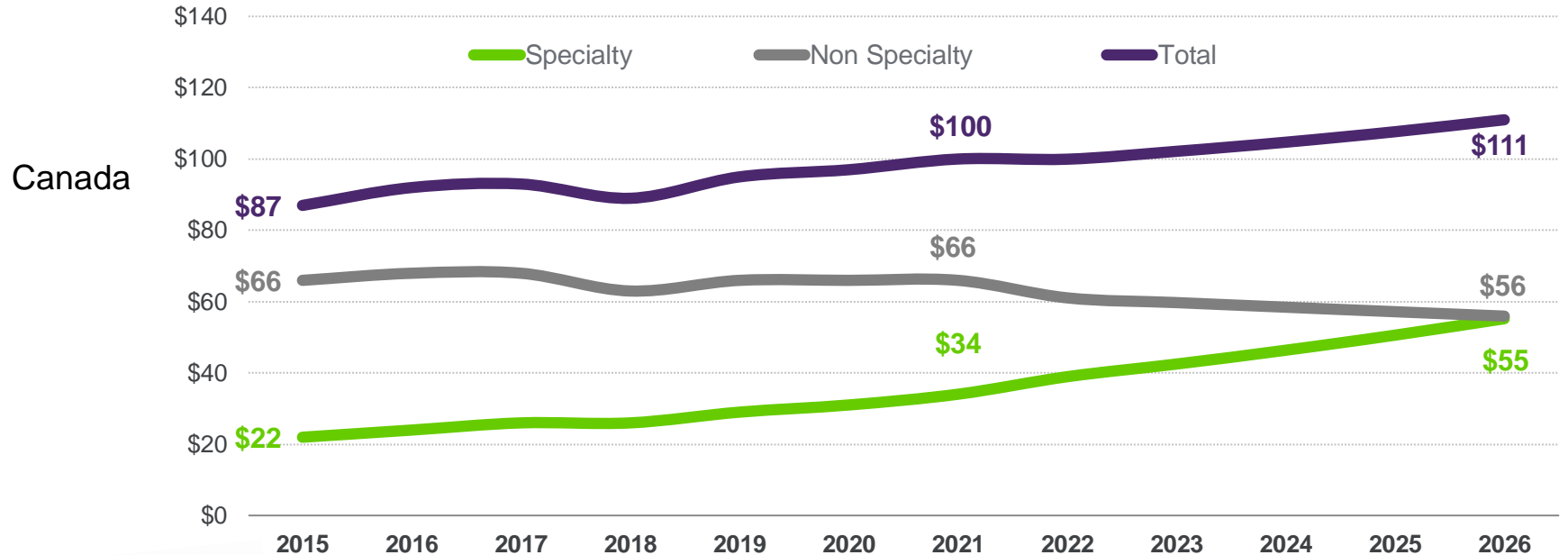
Canada



Specialty drugs | Less than 65

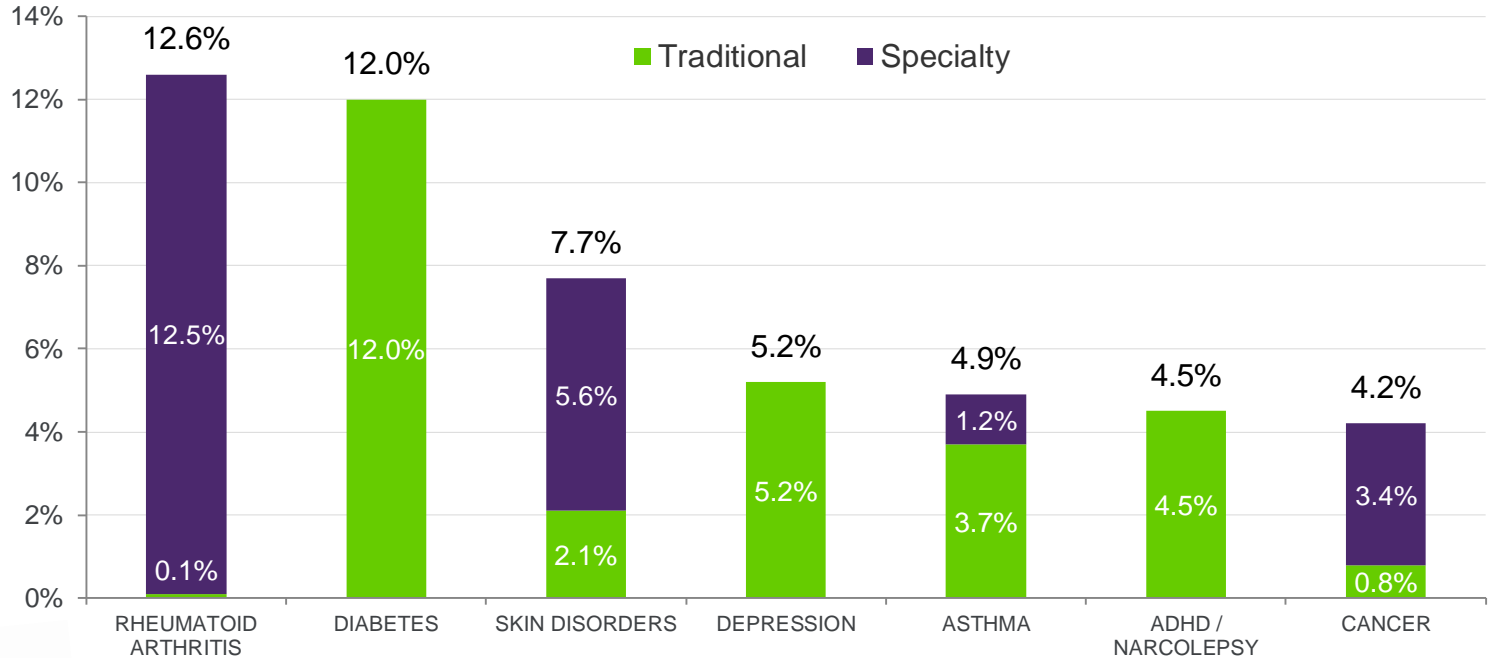


Specialty drugs | Less than 65 – monthly cost per certificate



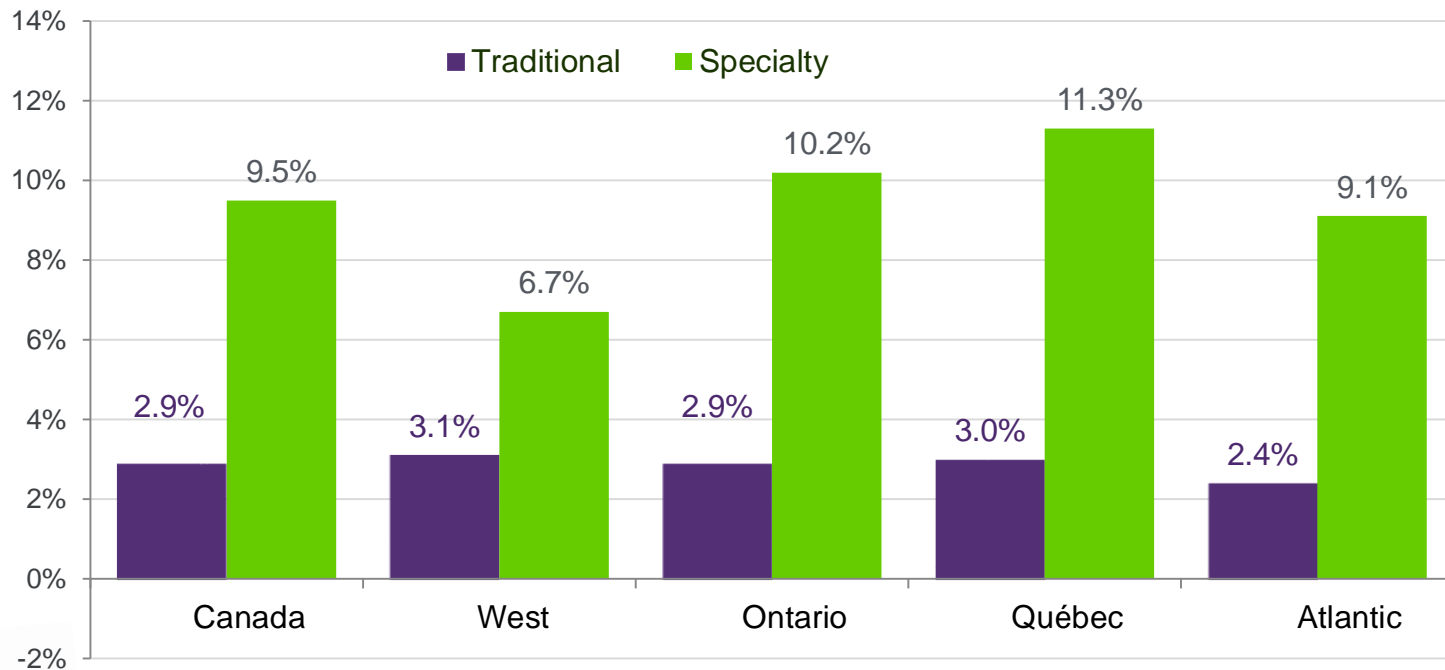
Specialty vs traditional drug split | % of eligible amount

Canada



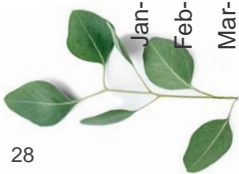
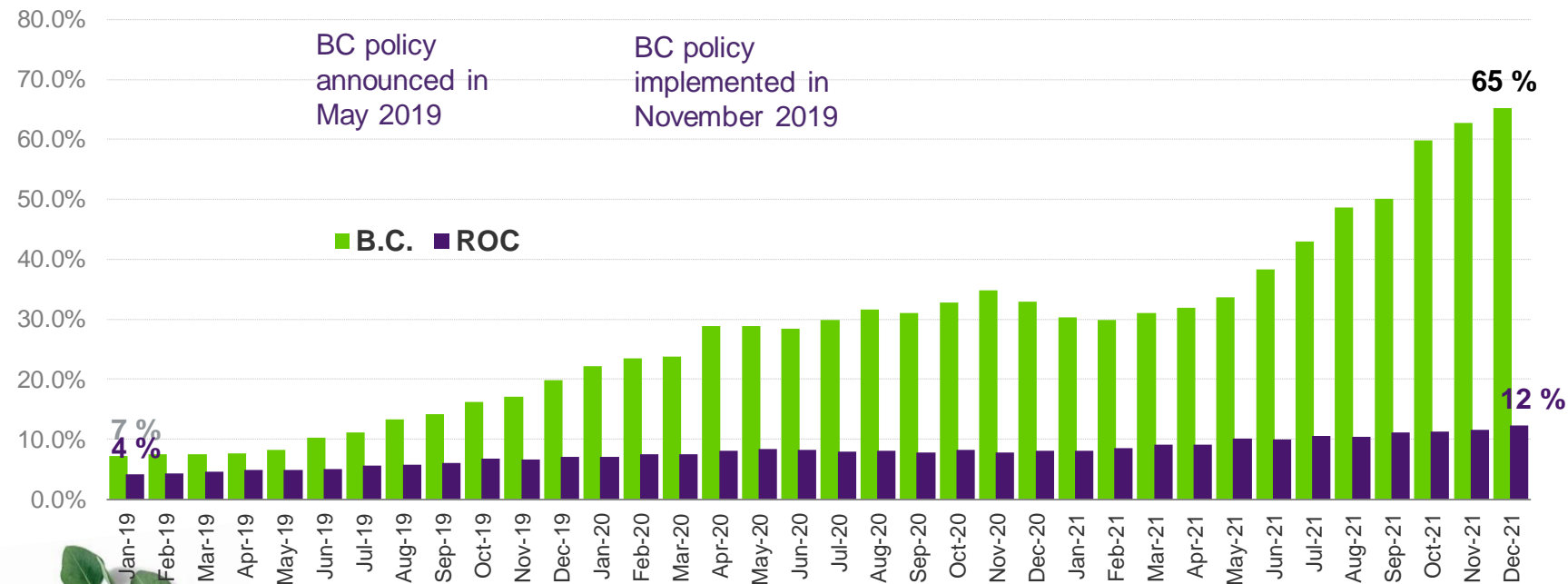
Change in eligible monthly amount – insureds

2020 to 2021



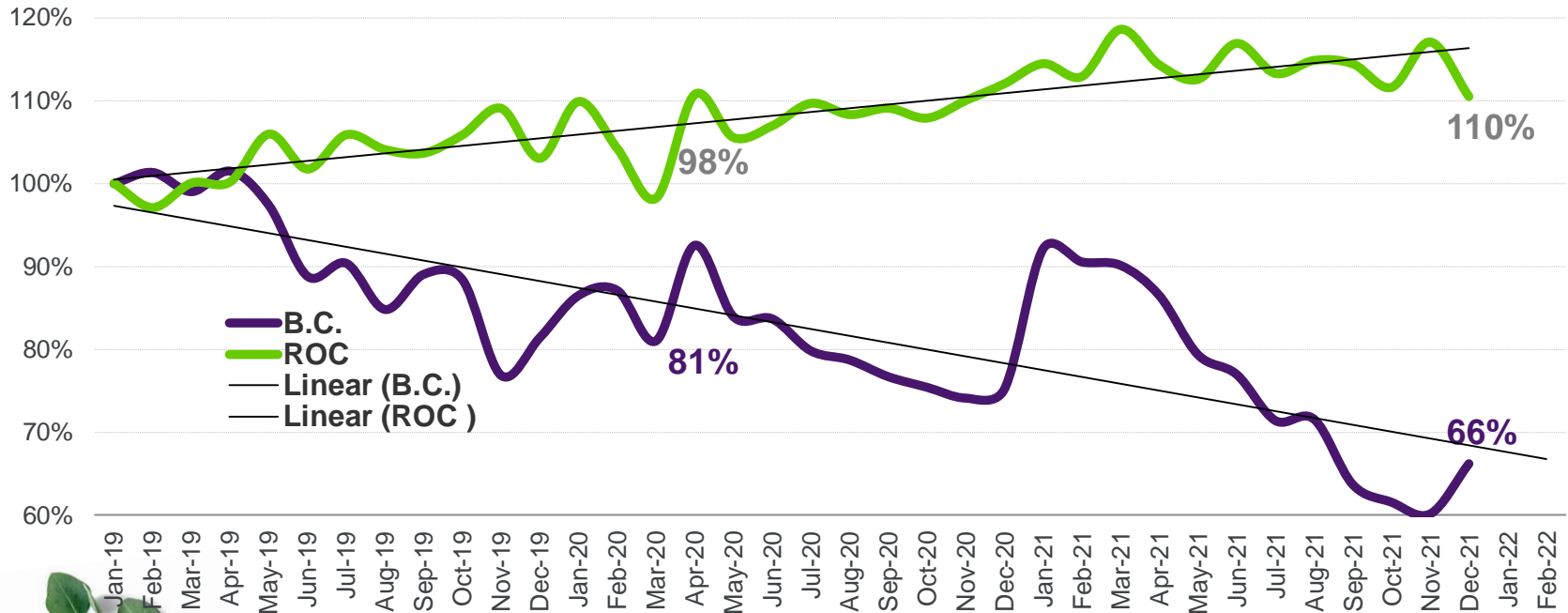
Biosimilar cost distribution – BC vs Rest of Canada

% Biosimilar eligible amount compared to total biologic/biosimilar eligible amount



Biosimilar – Evolution BC vs Rest of Canada

Relative cost per claimant

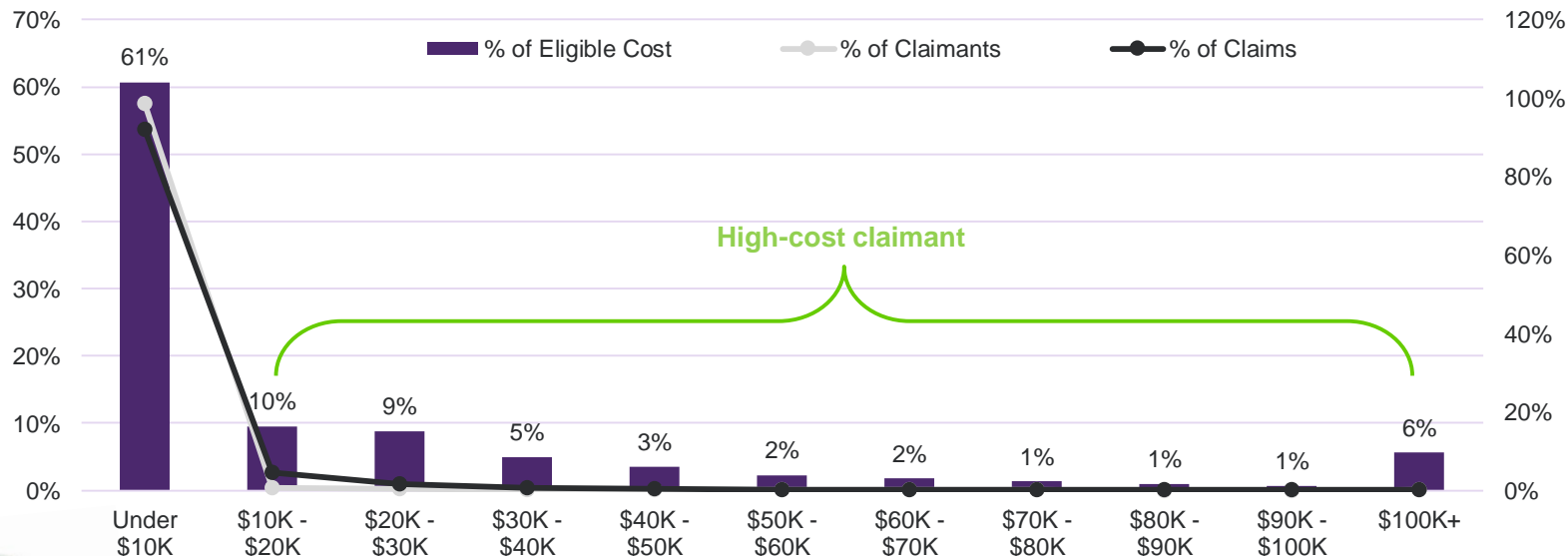




High-cost claimant analysis

High-cost claimant

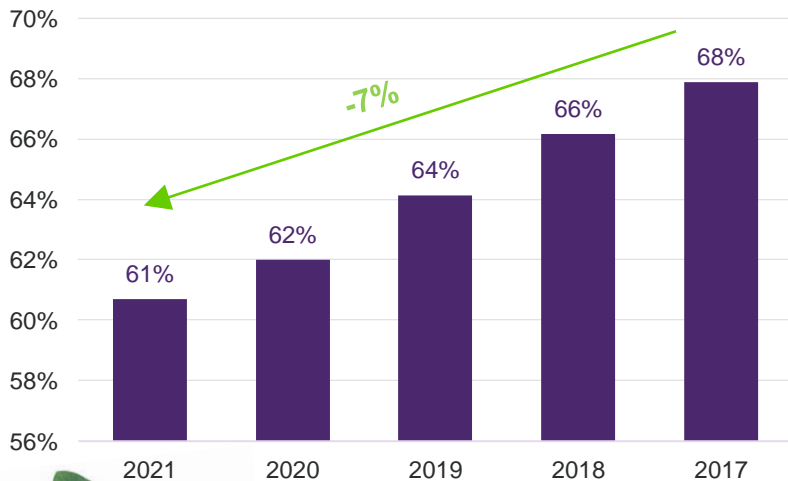
- 98% of claimants annual eligible amount under \$10K accounting for 61% of total eligible amount
- Less than 2% of claimants with annual eligible amount more than \$10K drives nearly 40% of total eligible amount



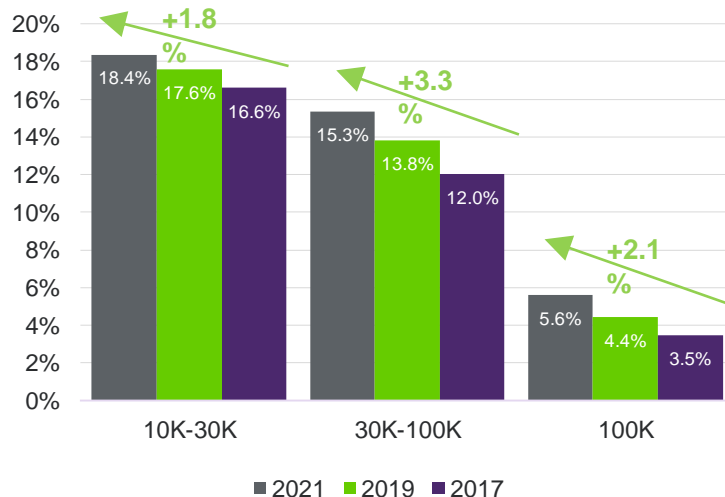
High-cost claimant trend

- From 2017-2021, there was a 7% reduction the percentage of total claimants with annual eligible amount less than \$10K
- However, the proportion of claimants with greater than \$10K in annual eligible amount is increasing between 1.8% and 3.3% over the same five-year period

Claimants with annual eligible amount under \$10K

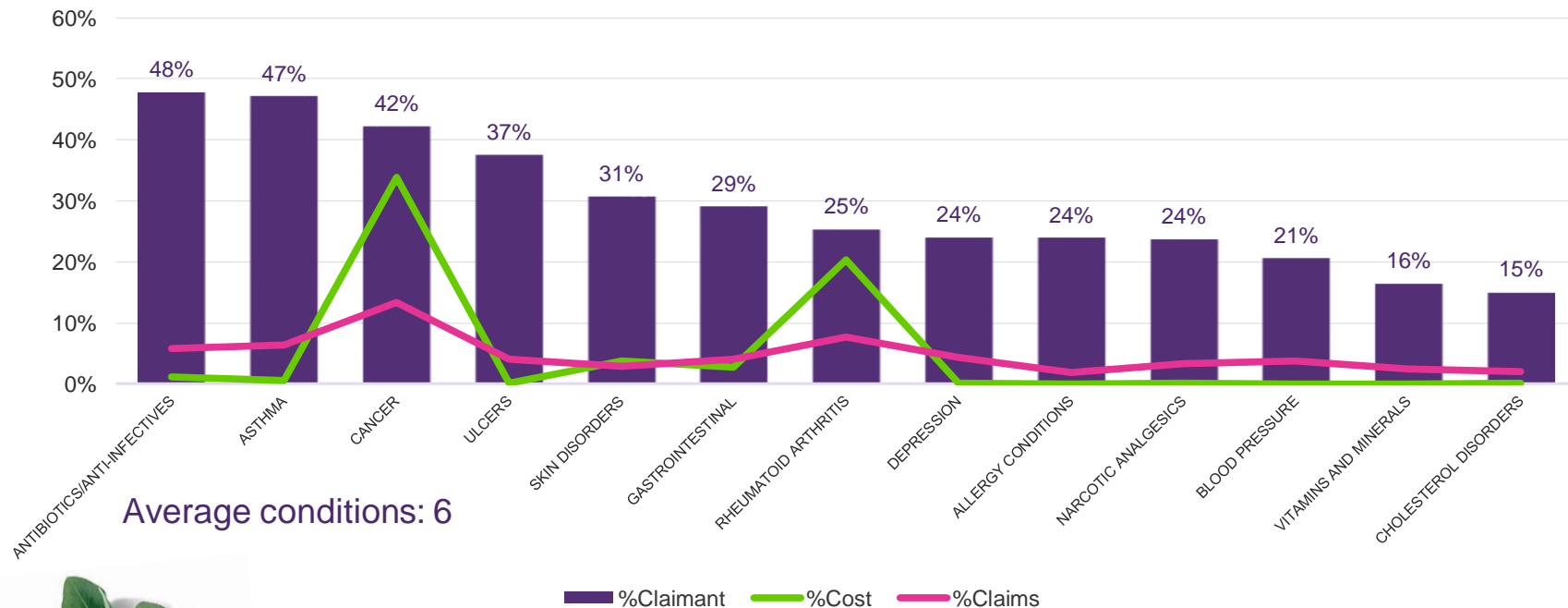


Claimants with annual eligible amount over \$10K



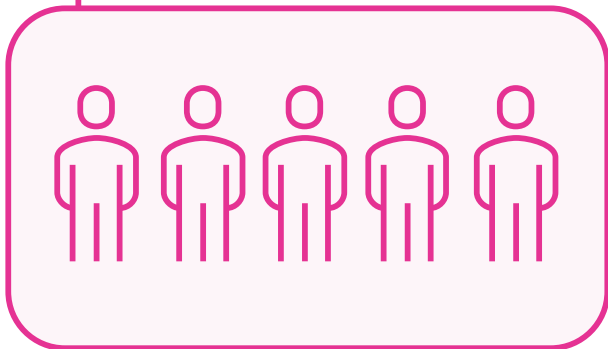
High-cost claimant disease profile

2021 claimants \$100K+

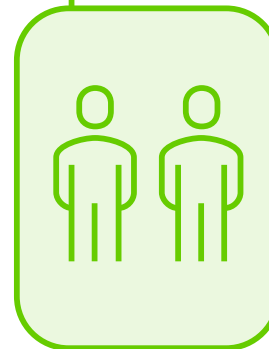


High-cost claimant migration 2020 to 2021

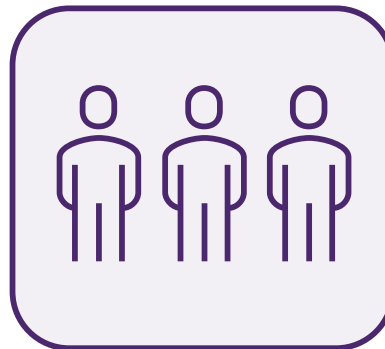
50% from 2020 claimants with annual eligible amount **>\$100K.**



20% from 2020 claimants with annual eligible amount **<\$10K.**



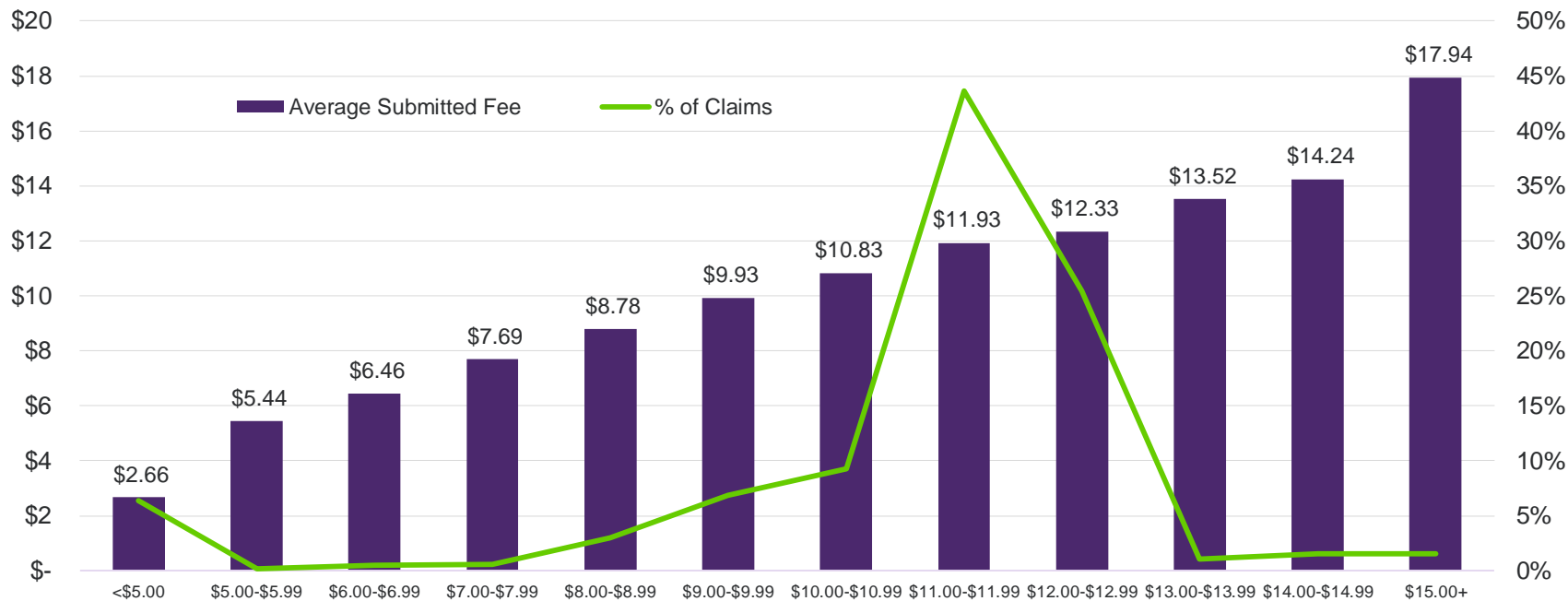
30% from 2020 claimants with annual eligible amount between **\$10K-\$100K.**





Dispensing fee analysis

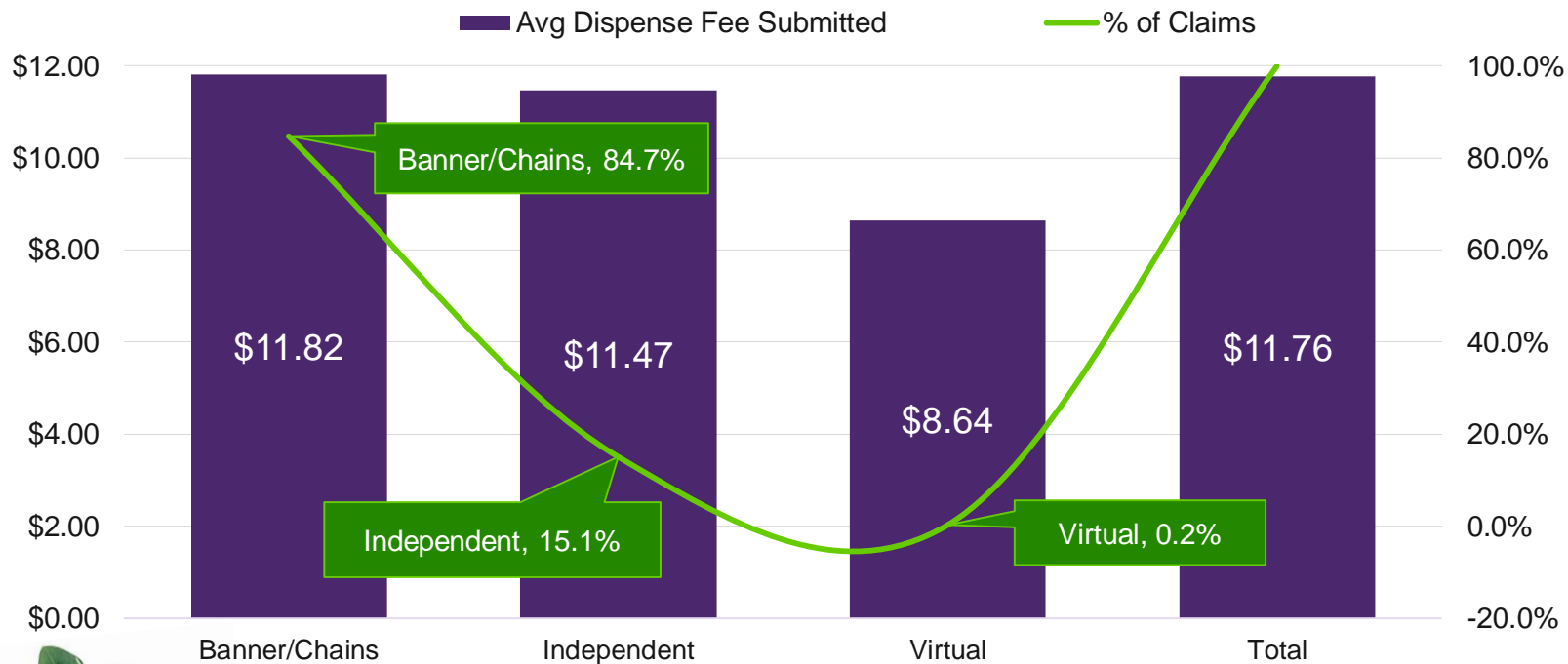
Submitted dispensing fee bands



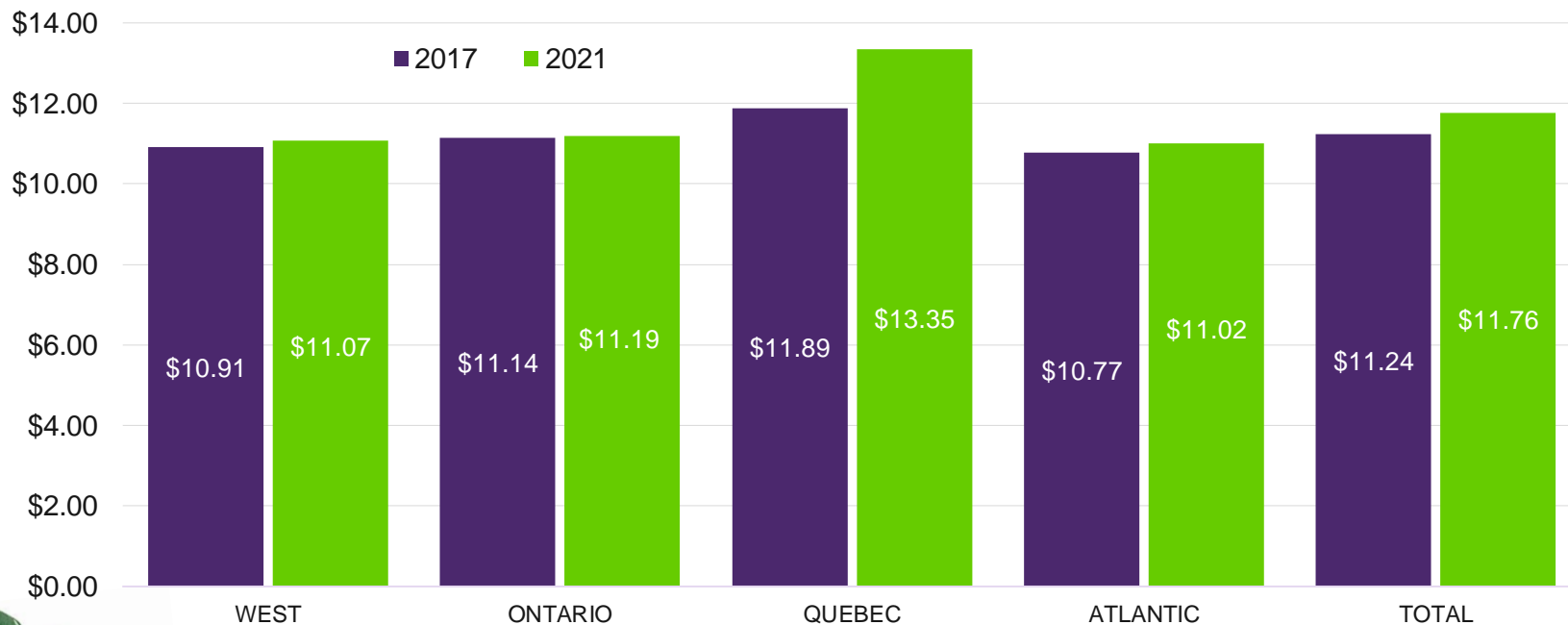
* Excludes Quebec given dispensing fee is not submitted separately.

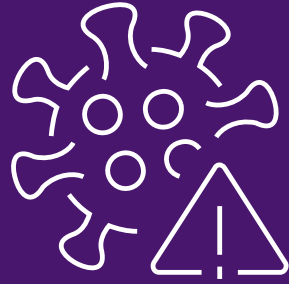


Dispensing fee average by pharmacy type



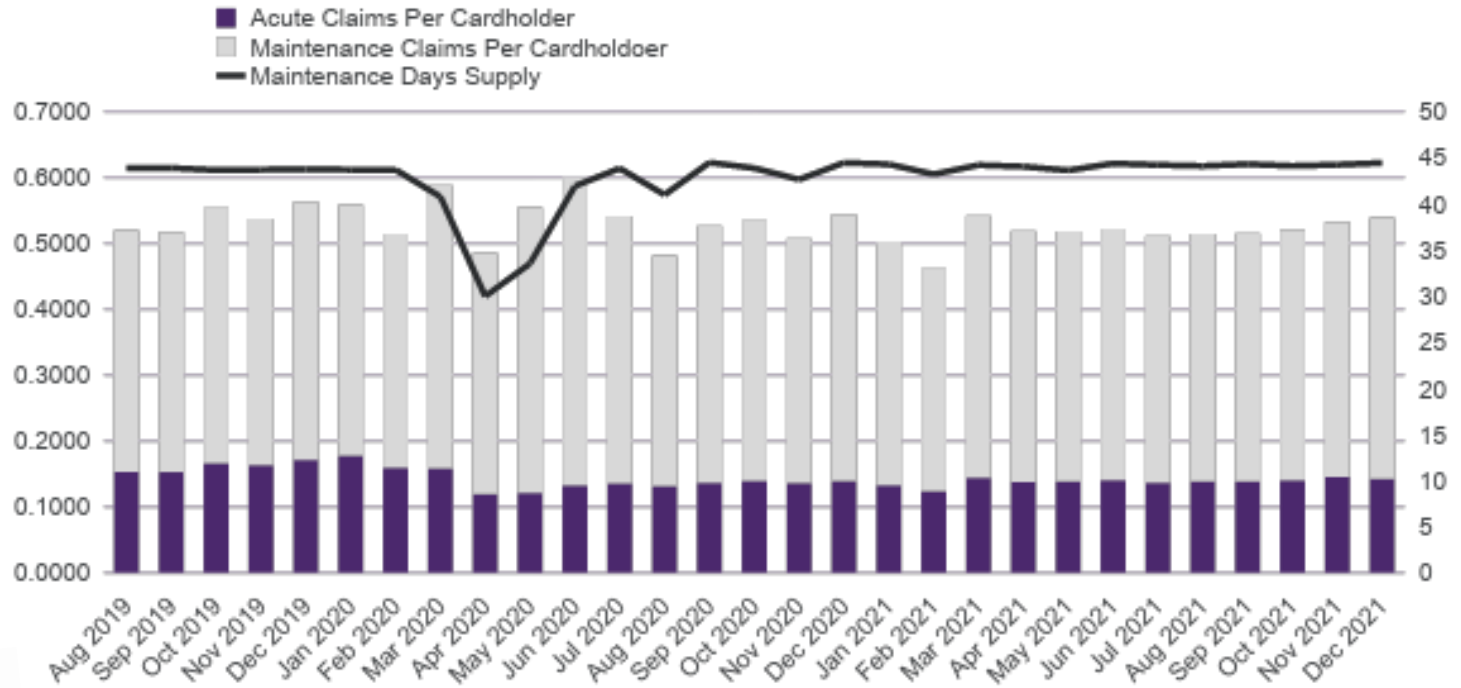
Dispensing fee average by region





COVID-19 impact

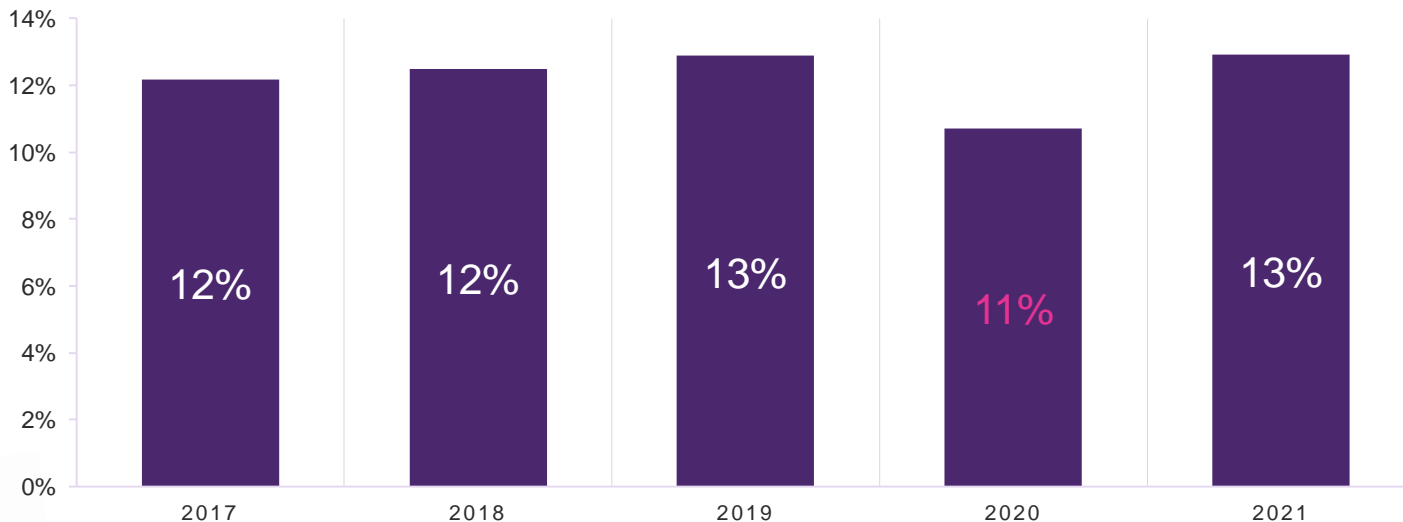
COVID impact – utilization



COVID impact – depression

- Prior to COVID, average monthly new claimant percentage ranged from 12% - 13%
- In 2020, potentially due to lack of diagnosis opportunity due to the COVID, the average monthly new claimants dropped to 11%

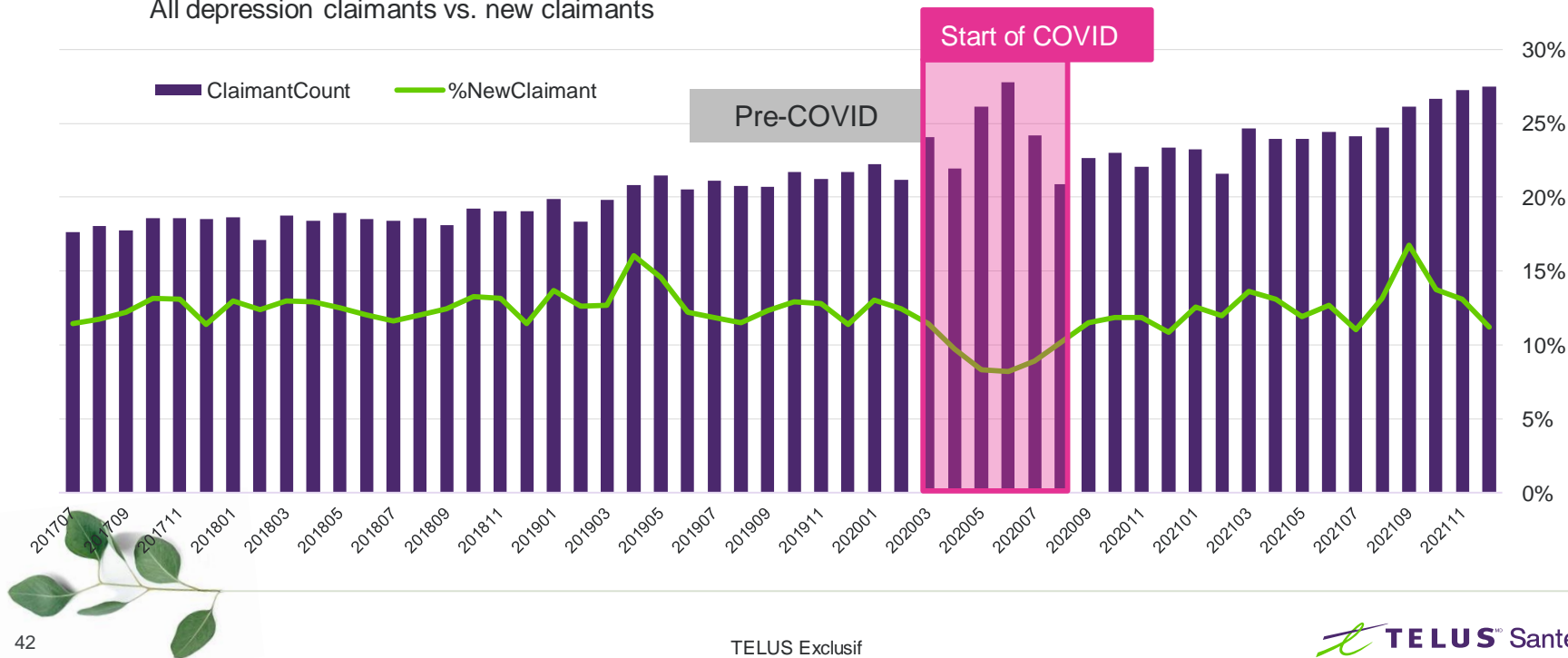
Percentage of new claimants



COVID impact – depression

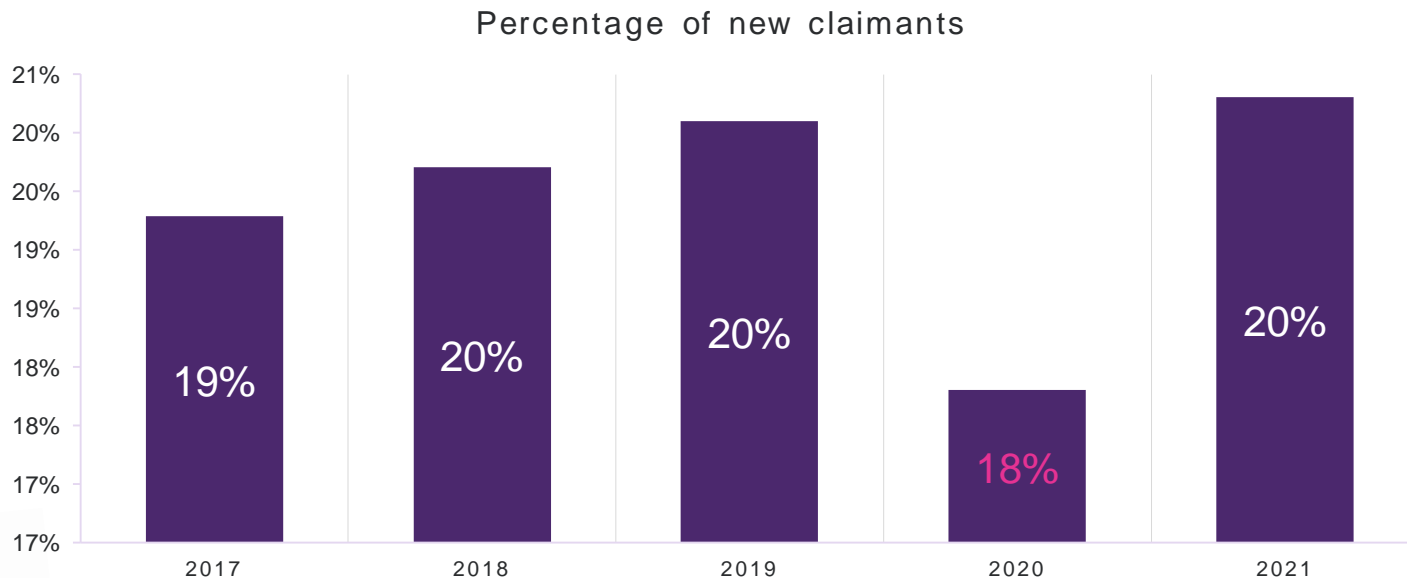
Although overall monthly claimant counts continued to rise during the initial pandemic period, the percentage of new claimants identified dropped, potentially due to lack of diagnosis opportunity.

All depression claimants vs. new claimants



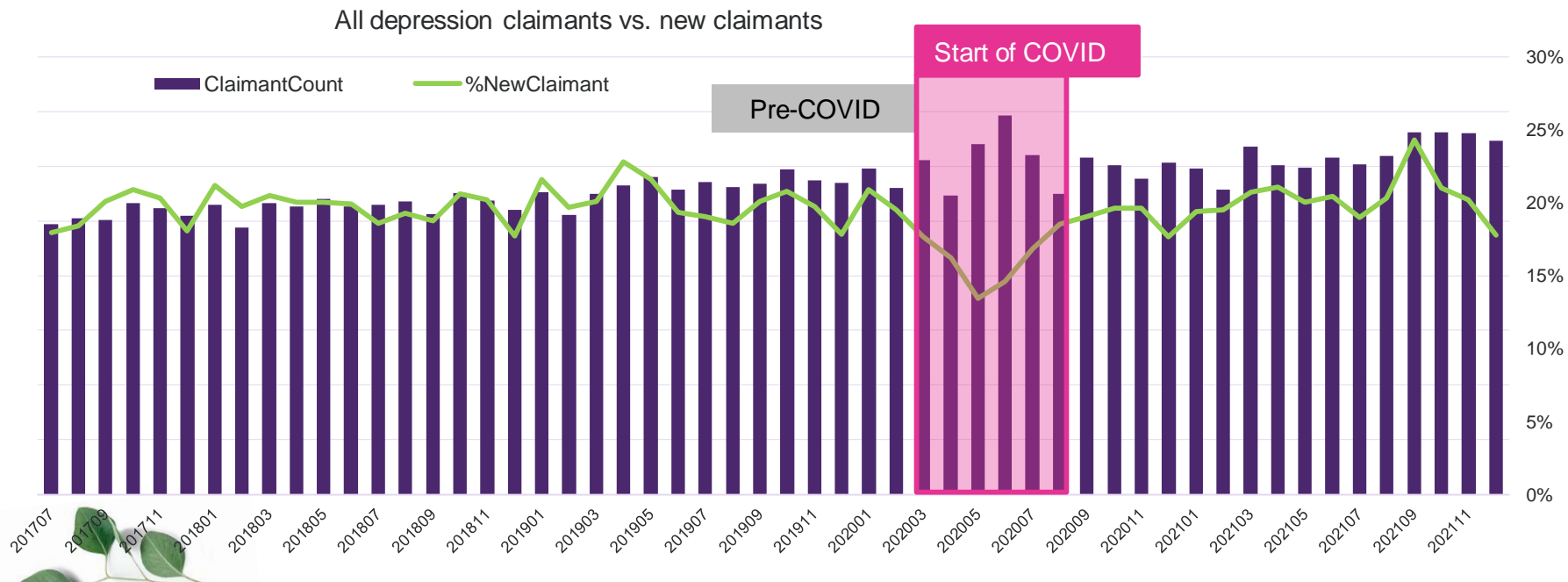
COVID impact – cancer

- Prior to COVID, average monthly new claimant percentage ranged from 19% - 20%
- In 2020, potentially due to lack of diagnosis opportunity due to the COVID, the average monthly new claimants dropped to 18%



COVID impact – Cancer

Similar to depression, although overall monthly claimant counts continued to rise during the initial pandemic period, the percentage of new claimants identified dropped.





Therapeutic category analysis

Top 10 drug classes by eligible amount

Therapeutic class	Rank by total eligible amount			Percent of total eligible amount	
	2021	2020	Change	2021	2020
Rheumatoid Arthritis	1	1	=	12.6%	12.5%
Diabetes	2	2	=	12.0%	11.4%
Skin Disorders	3	3	=	7.7%	6.9%
Depression	4	5	▲	5.2%	5.2%
Asthma	5	4	▼	4.9%	5.6%
ADHD / Narcolepsy	6	7	▲	4.5%	3.9%
Cancer	7	6	▼	4.2%	4.3%
Multiple Sclerosis	8	8	=	3.4%	3.5%
Blood Pressure	9	9	=	2.8%	3.2%
Ulcers	10	10	=	2.6%	2.8%
% of total eligible amount				59.9%	59.3%



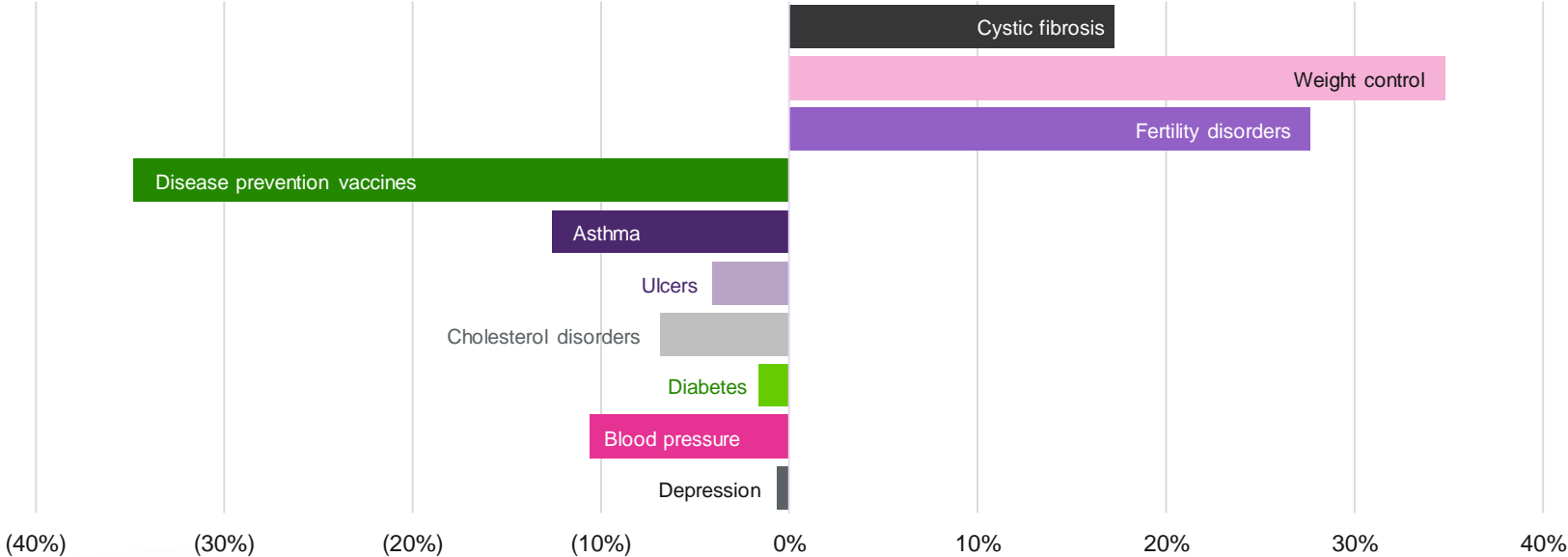
Top 10 products by eligible amount

Drug product	Rank by total eligible amount			Percent of total eligible amount	
	2021	2020	Change	2021	2020
Remicade	1	1	=	4.9%	4.7%
Humira	2	2	=	4.2%	4.6%
Stelara	3	3	=	2.6%	2.2%
Ozempic	4	6	▲	2.2%	1.3%
Vyvanse	5	4	▼	1.7%	1.5%
Freestyle Libre	6	6	=	1.5%	1.5%
Concerta	7	8	▲	1.3%	1.1%
Insulin	8	7	▼	1.1%	1.3%
Jardiance	9	13	▲	1.0%	0.9%
Entyvio	10	12	▲	1.0%	0.9%
% of total eligible amount				21.5%	20.0%



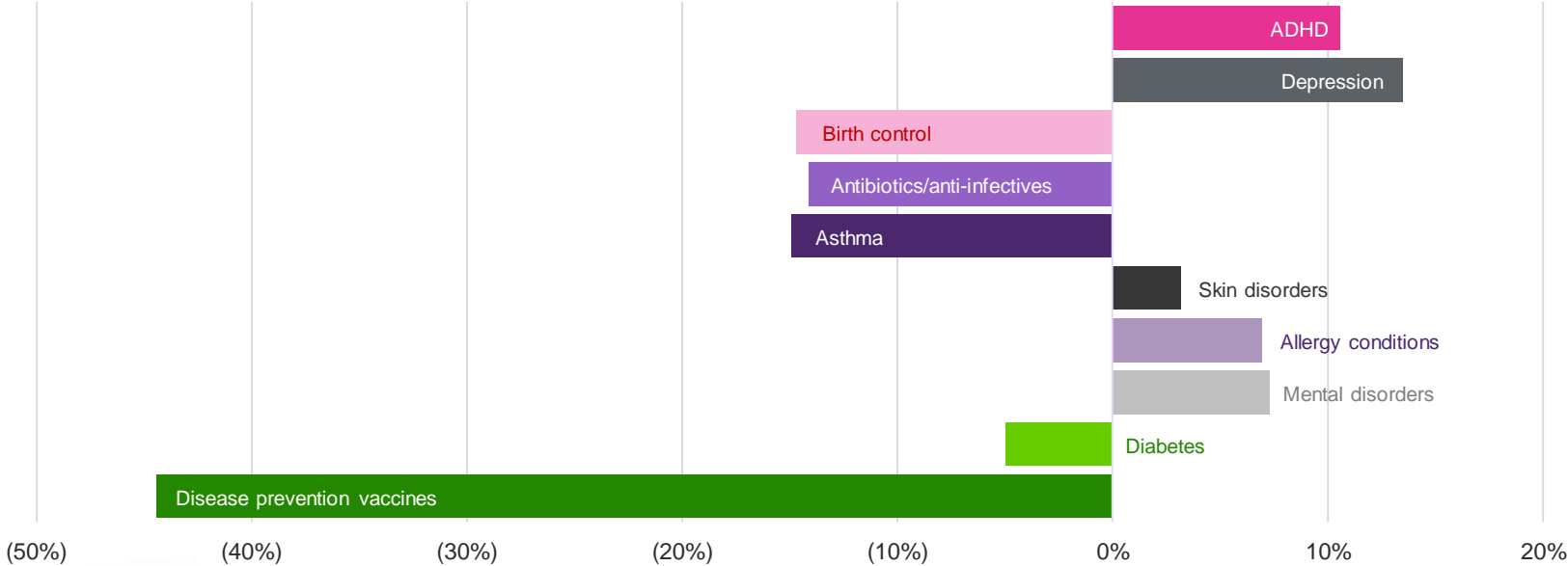
Trend in top categories by number of claims per insured – adults

2020 to 2021



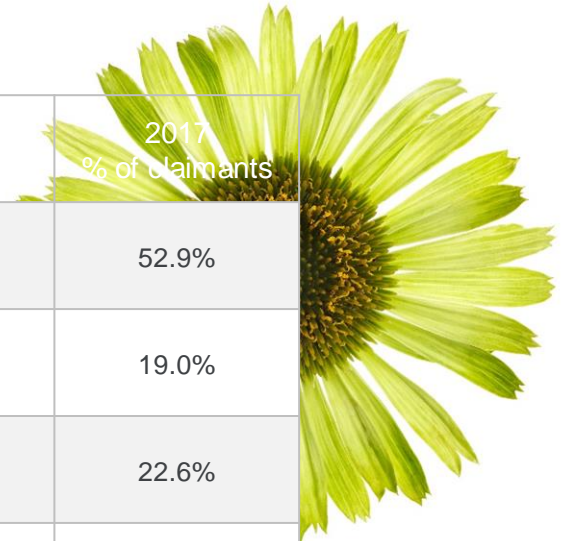
Trend in top categories by number of claims per insured – dependents

2020 to 2021



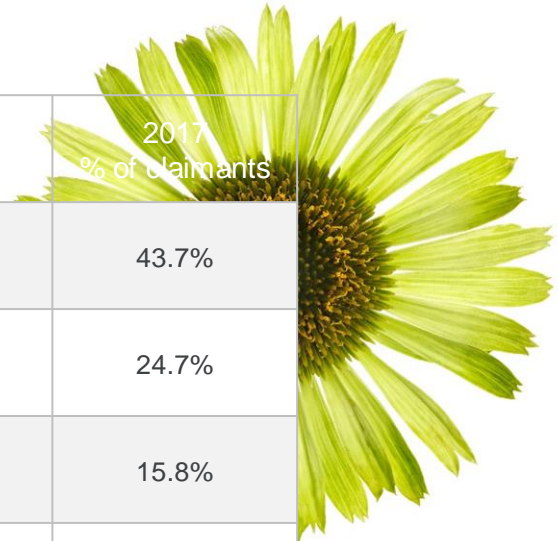
Top drug categories by number of claimants – age 0-19

				2017 % of claimants
Antibiotics/anti-infectives	1	31.7%	1	52.9%
Skin disorders	2	21.6%	3	19.0%
Asthma	3	17.9%	2	22.6%
Allergy conditions	4	17.5%	4	16.2%
Attention deficit hyperactivity disorder	5	13.3%	8	8.0%



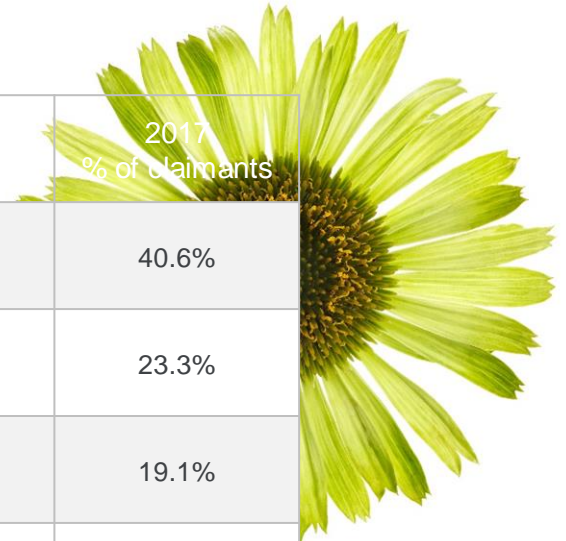
Top drug categories by number of claimants – age 20-39

				2017 % of claimants
Antibiotics/anti-infectives	1	31.8%	1	43.7%
Birth control	2	22.5%	2	24.7%
Depression	3	22.1%	5	15.8%
Skin disorders	4	17.6%	4	16.8%
Anti inflammatory/analgesics	5	16.0%	3	16.8%

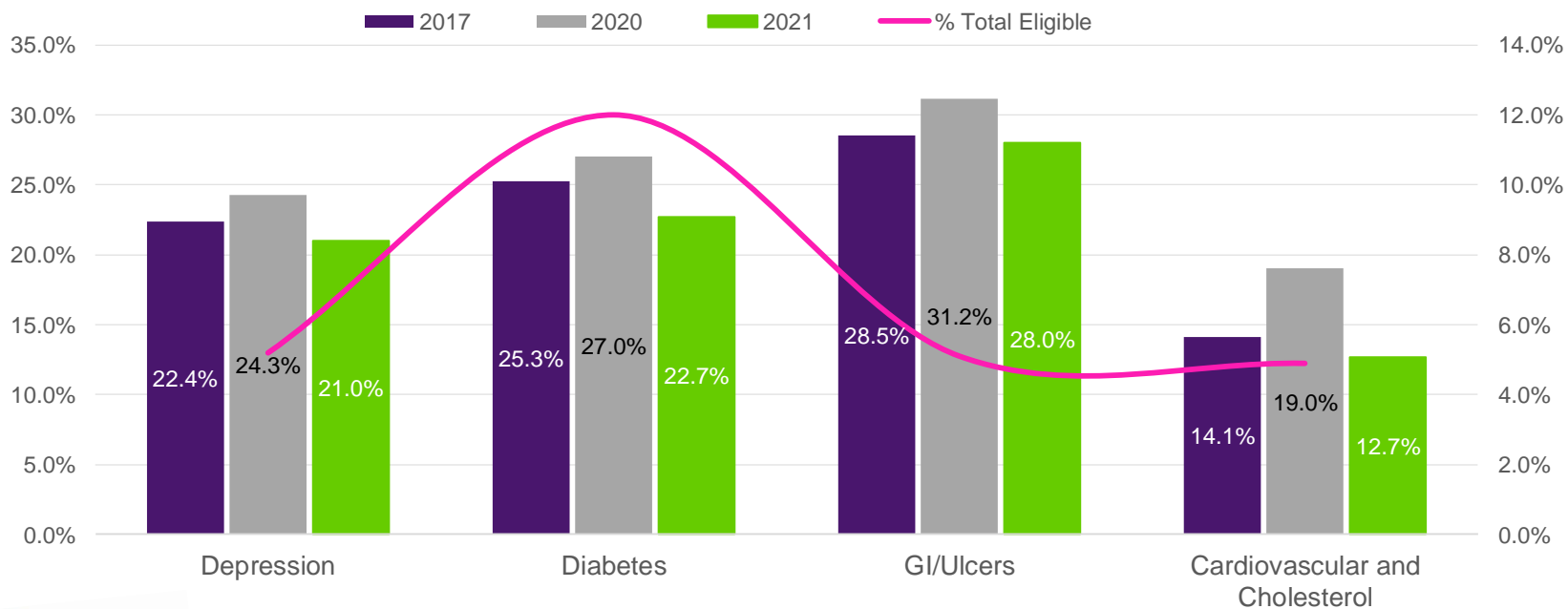


Top drug categories by number of claimants – age 40-59

				2017 % of claimants
Antibiotics/anti-infectives	1	29.3%	1	40.6%
Blood pressure	2	23.8%	2	23.3%
Depression	3	22.7%	5	19.1%
Ulcers	4	20.2%	6	19.0%
Anti inflammatory/analgesics	5	19.3%	3	21.3%



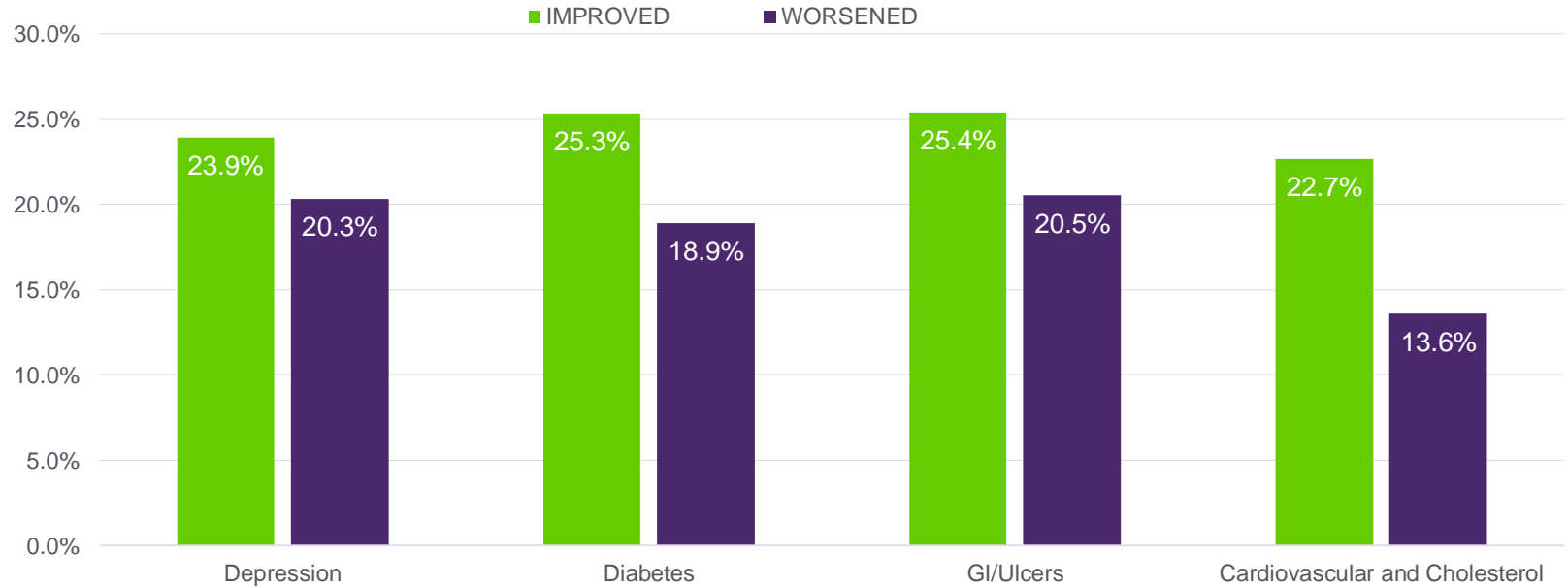
Non-adherence | Canada



* Non-adherent is based on a patient with a Medication Possession Ratio of less than 0.8.



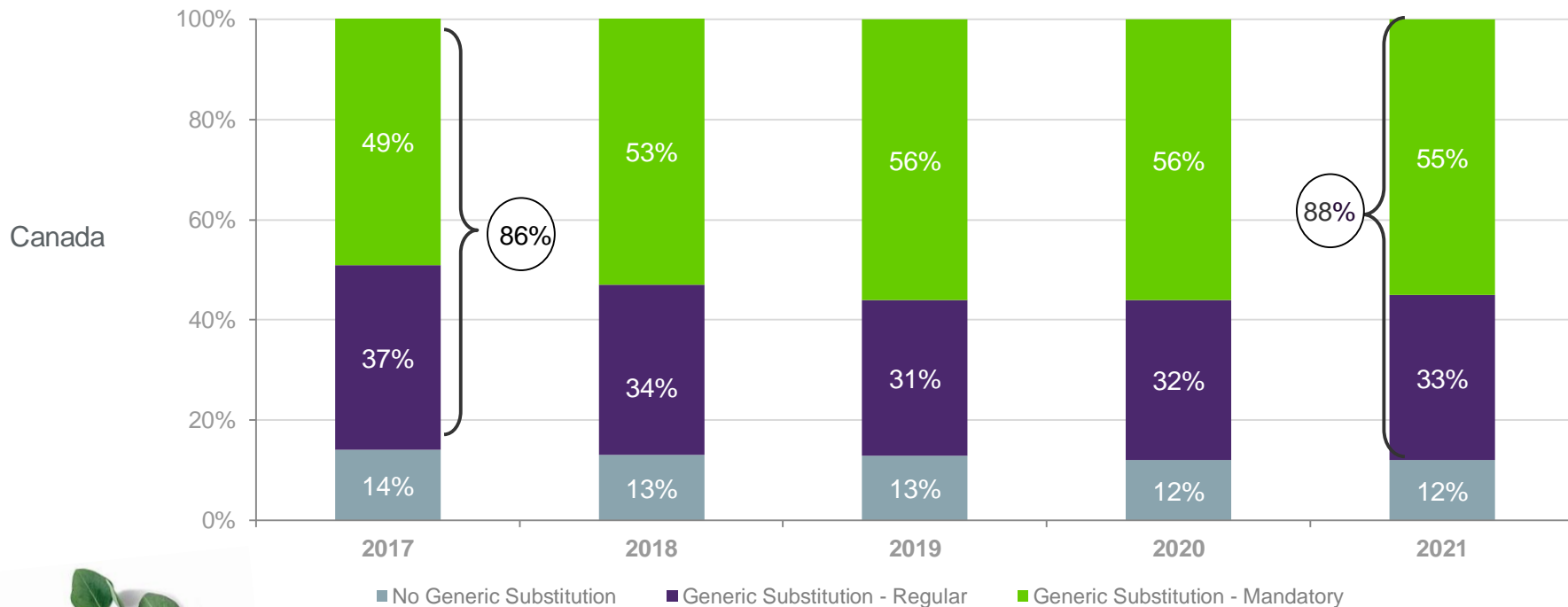
Adherence Change | Canada 2020 - 2021



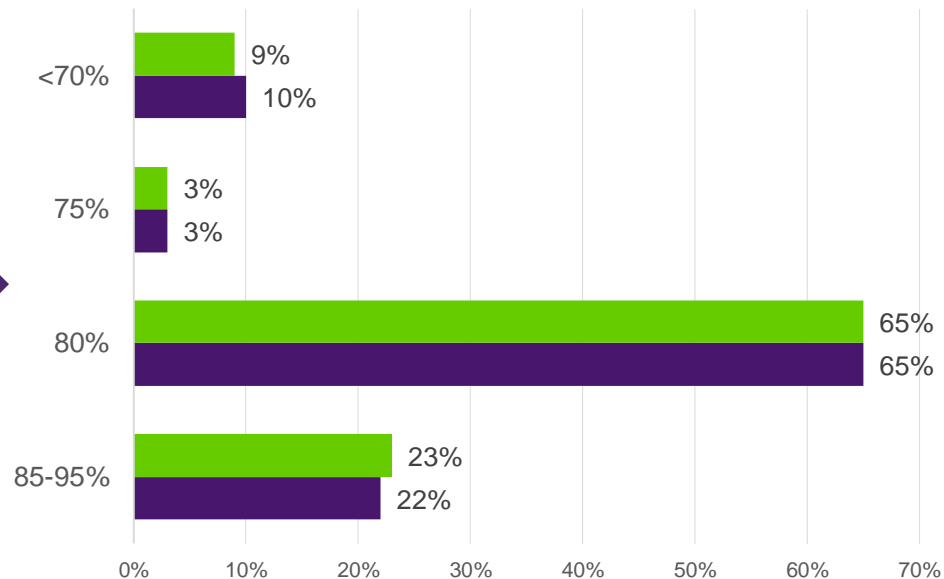
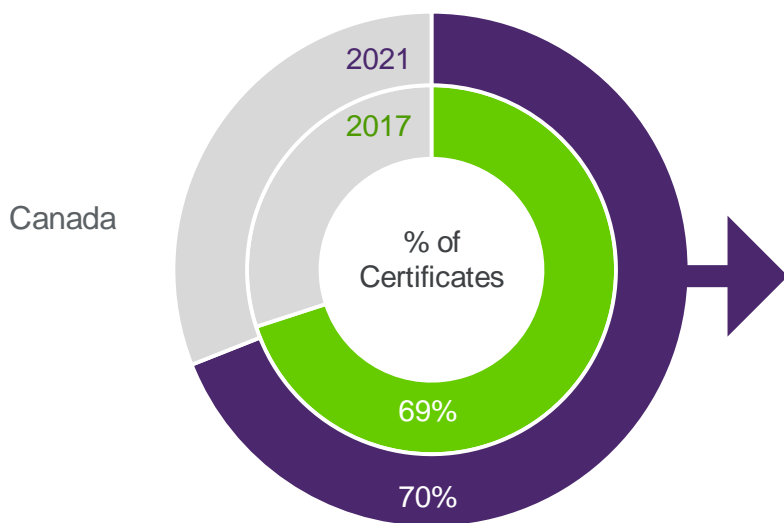


Plan design trends

Generic substitution | # of certificates

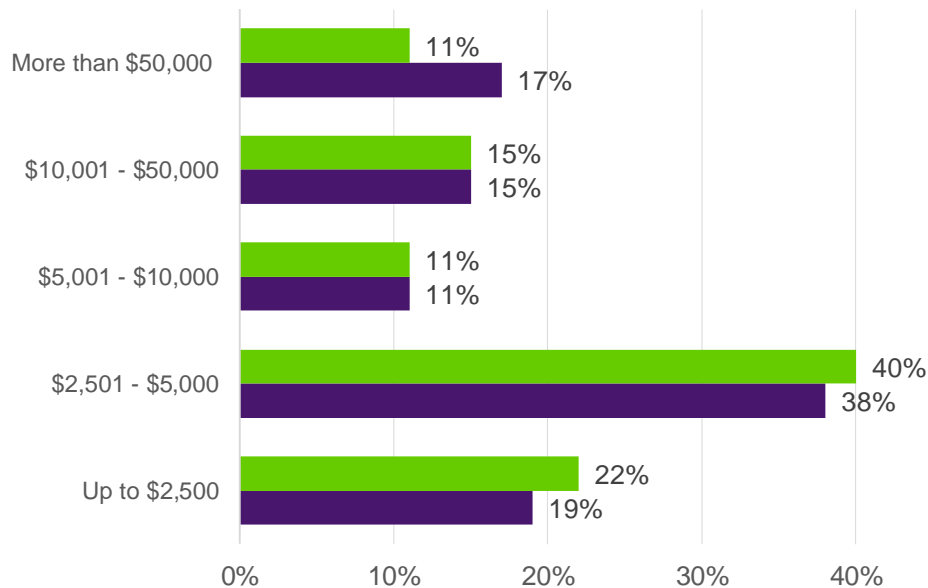
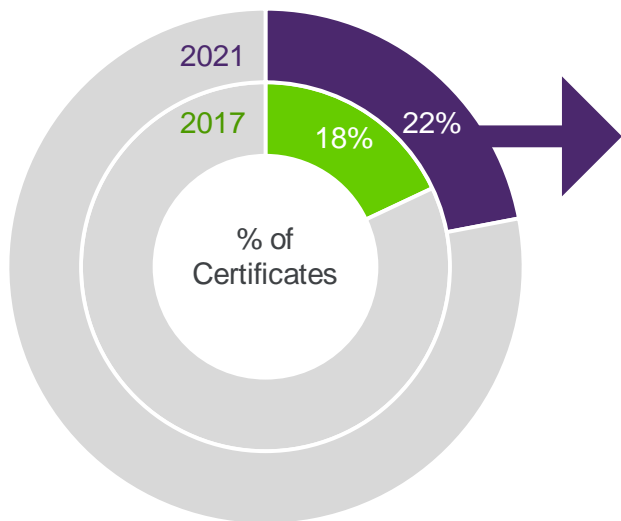


Coinsurance | % of certificates – less than 65

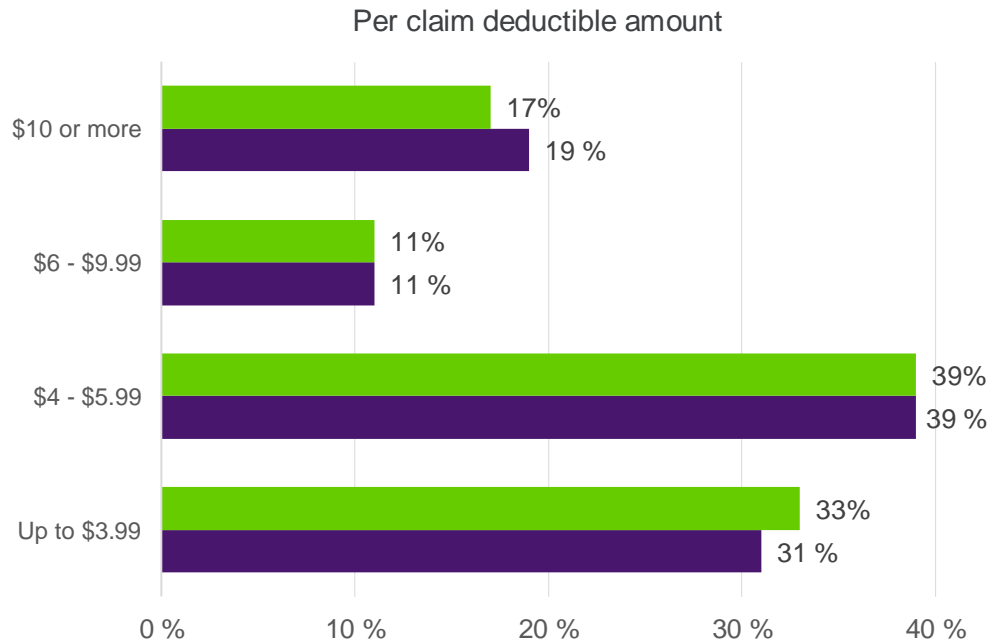
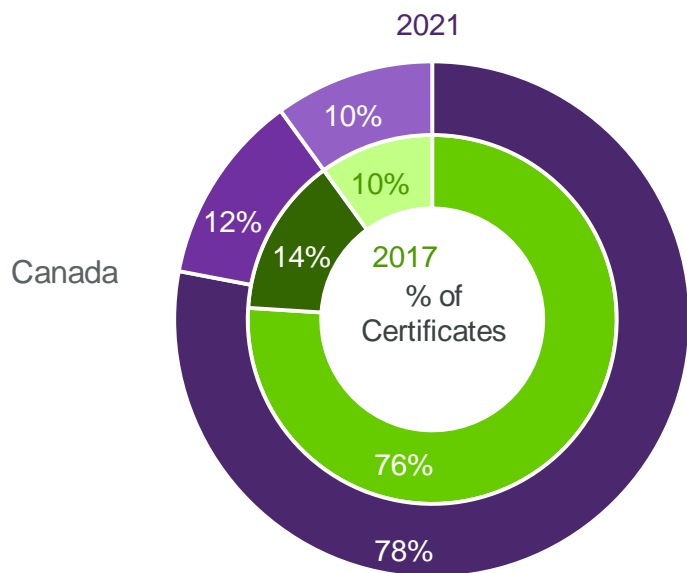


Annual maximums | % of certificates – less than 65

Canada

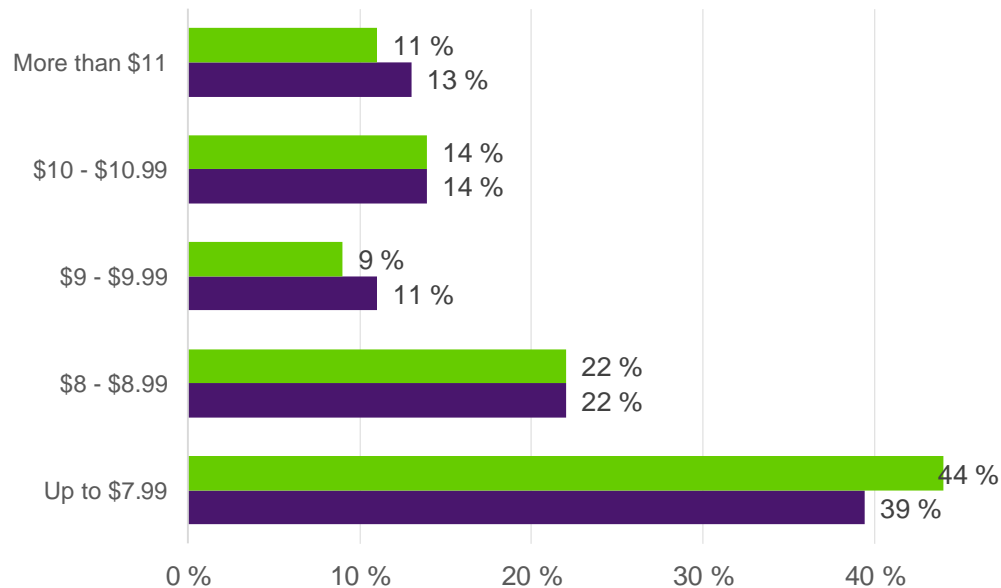
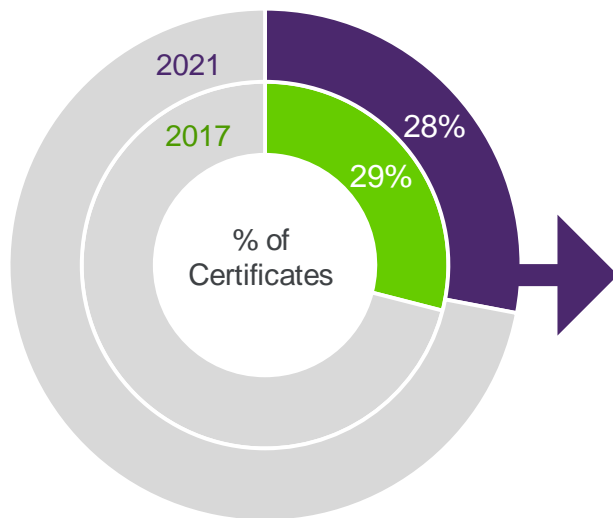


Deductible | % of certificates – less than 65

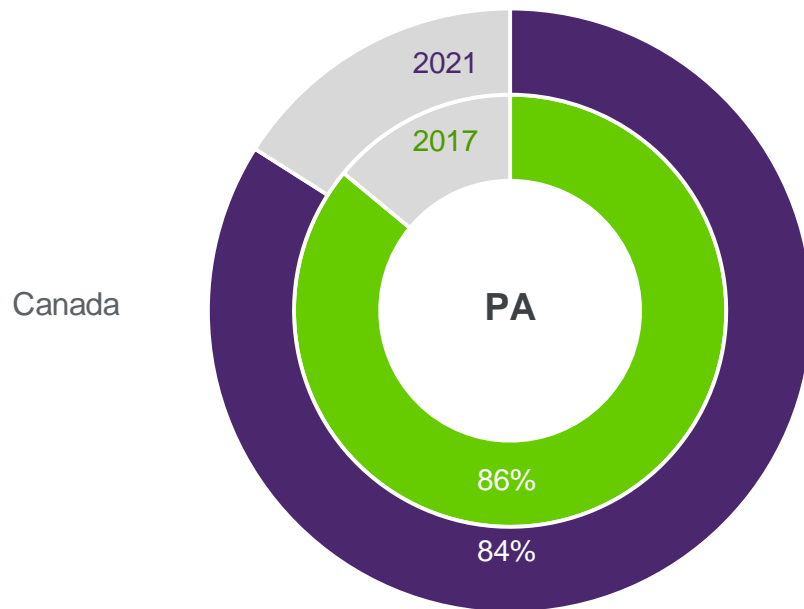


Dispense fee cap | % of certificates – less than 65

Canada



Prior authorization | % of certificates – less than 65



Summary

The overall change in plan costs (based on eligible amount per insured) increased 5%, up from 3.6% in 2020. Overall utilization based on number of claims per insured decreased 3.5% while the average cost per claim rose 8.9%.

The rate of growth year over year for specialty drugs continues to outpace traditional drugs at 9.5% year over year, up from 8.7% in 2020. They now account for 34% of total eligible amounts, but still resulting from just 1.4% of claimants. The growth in percentage of claimants using specialty drugs is becoming a significant factor driving overall costs. The compound annual growth rate (CAGR) of the percentage of claimants utilizing specialty drugs is increasing at a higher rate than the growth in the percentage of specialty costs over the last 5 years. The top drug classes by eligible amount are largely concentrated on specialty therapy.

Biosimilar uptake in British Columbia continues to exceed the rest of Canada, largely as a result of public switching policies that have been in effect since late 2019.



Summary

High-cost claimants with over \$10,000 in annual eligible amounts are diving nearly 40% of the total eligible amount with 6% of total eligible amount fuelled by claimants on ultra high cost drugs (defined as eligible amount above \$100K)

Submitted dispensing fees continue to rise, although moderately since 2017, now averaging \$11.76 per claim. Virtual pharmacies submit much lower dispensing fees, yet adoption is low.

The COVID-19 pandemic resulted in a material reduction in claims and it also appears delayed diagnosis and treatment for conditions such as depression and cancer may have an impact in future years.

Chronic conditions and high-cost treatments of more rare disease dominate the top drug class profile. A mix of higher cost specialty drugs to treat certain therapy classes as well as more widespread utilization of diabetes and mental health are propelling costs upward.



Thank you

 **TELUS**® Health