

# Drug Benefit Plan Coverage of IV Oncology Drugs

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- Objectives
- Methodology
- Detailed Findings
- Executive Summary & Key Take Aways
- Appendix: Demographics

- Develop an understanding of plan sponsors' strategy and considerations for dealing with financial, moral and ethical challenges regarding the funding of oncology drugs
- Gain insight into comfort with the current system, preferences for future direction and strategies in relation to health benefits and specifically IV oncology drugs

# Methodology

<b>Survey Type</b>	On-line/telephone
<b>Targeted audience</b>	Plan sponsors with decision-making influence over their organization's group drug benefit plan
<b>Fielding dates</b>	July-August 2009
<b># of Completes</b>	276 (122 1-499 Employees, 152 500+ Employees)
<b>Margin of Error</b>	± 4.8%, 19 times out of 20

# Detailed Findings

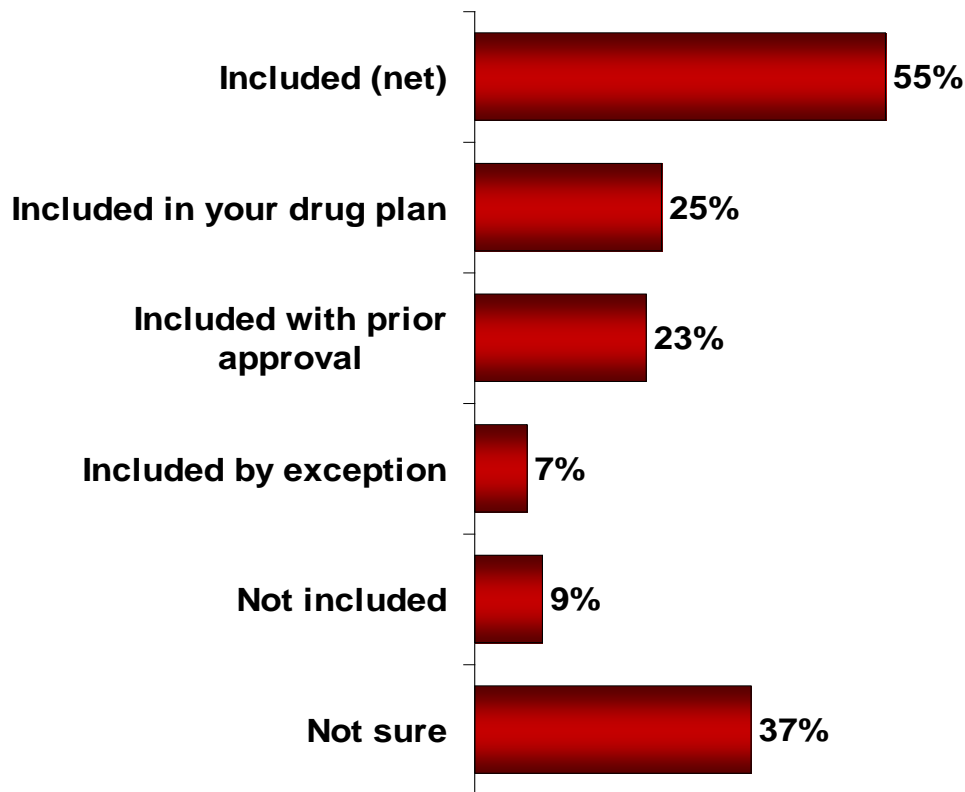
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# **Current Understanding of the Employee Health Benefit Plan and Oncology Drug Coverage**

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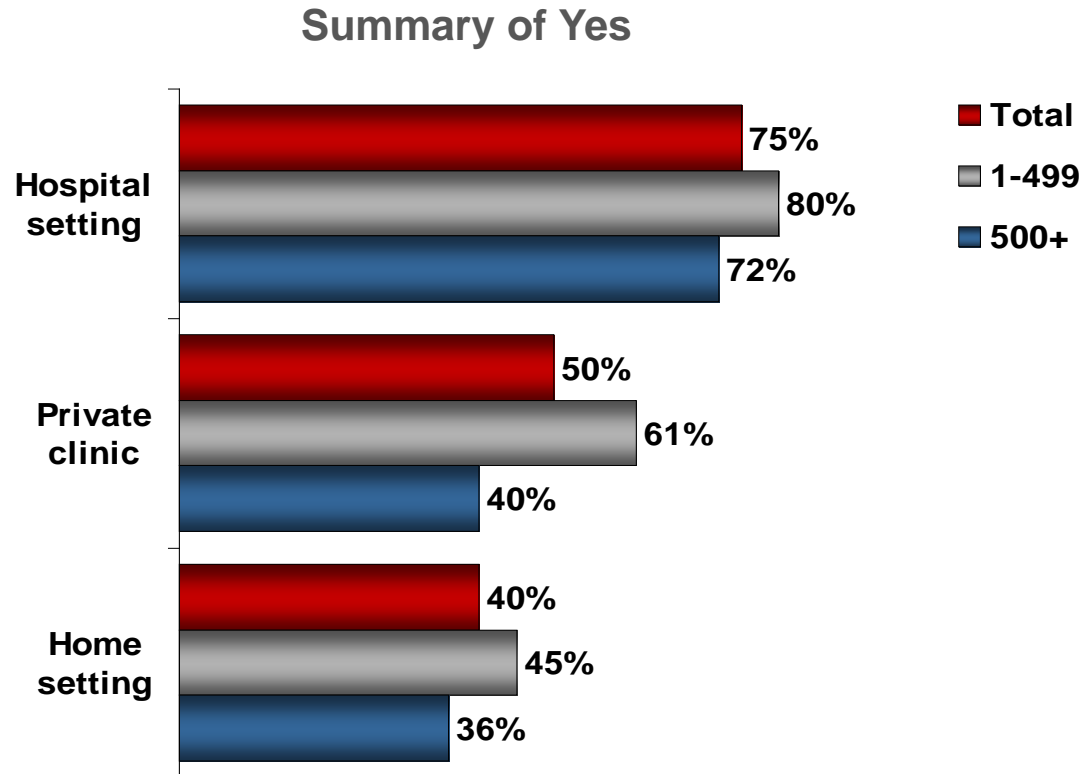
# Majority Say IV Cancer Drugs are Included to Some Extent Under Plans

4. As far as you know are IV (drugs administered intravenously) Cancer Drugs such as Torisel, Abraxane, Rituxan, Avastin, Herceptin, Erbitux



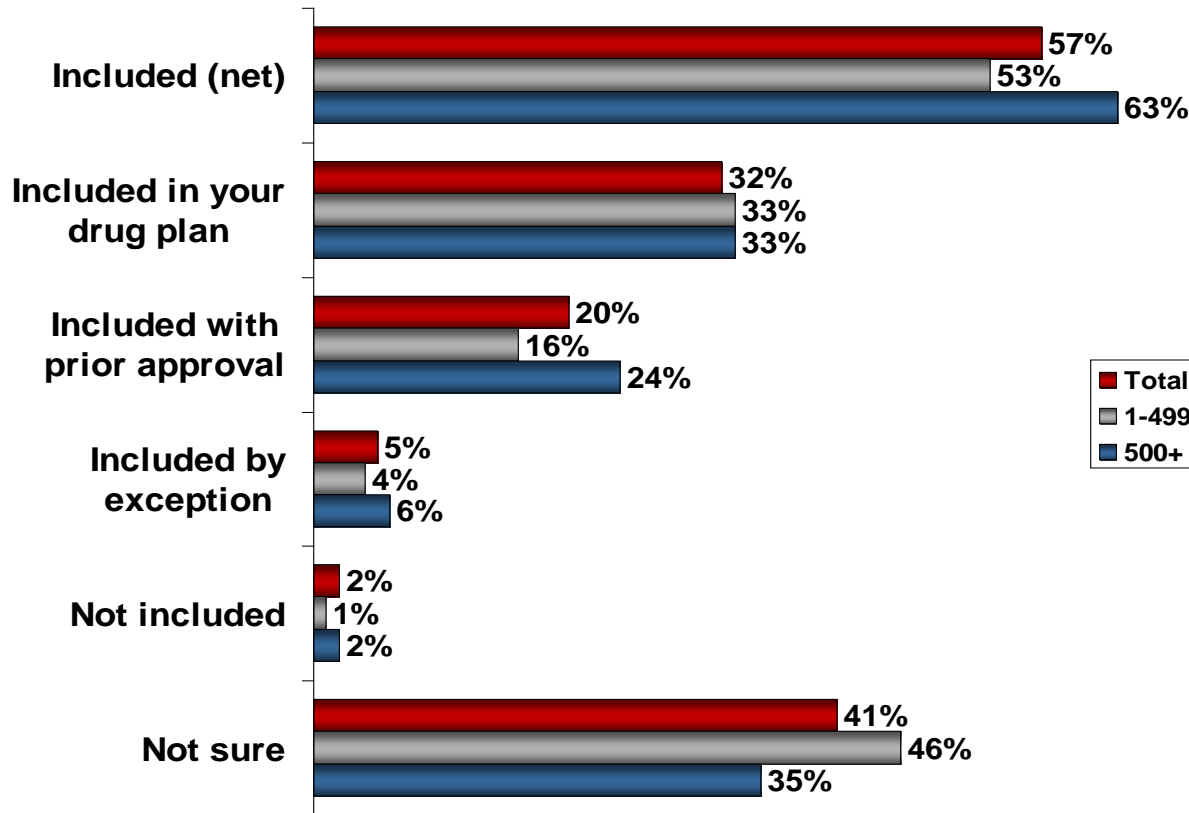
# Majority Believe IV Oncology Drugs Covered by Plan in Hospital Setting

5-5a. As far as you know, are the IV Cancer drugs included in your organization's drug plan if they are administered in a hospital setting/regional cancer centre, in a private clinic or in a home setting



# The Majority Say Oral and Injectable Cancer Drugs are Included in Drug Plan

7. Are Oral (drugs administered in pill or capsule) and/or Injectable Cancer Drugs included in your organization's drug plan? Drugs such as Tarceva, Xeloda, Gleevec, Lupron



# Verbatim: Oral and Injectable Cancer Drugs Included in Your Organization's Drug Plan

Q8. Please comment. How does this work? (verbatim)

Must be approved by Health Canada dispensed by a licensed pharmacist and not administered in a Hospital must be a private clinic....injection fees not covered.

All prescribed drugs covered on the provincial formulary. Some new medications not on formulary can be included by exception.

Self administered plan so all drugs are covered to a maximum

Prescribed by doctor and member uses drug card to cover a portion of the cost

Almost all drugs requiring a prescription are included in our plan. Exception would be drugs intended to be administered in hospital (on in-patient or out-patient basis).

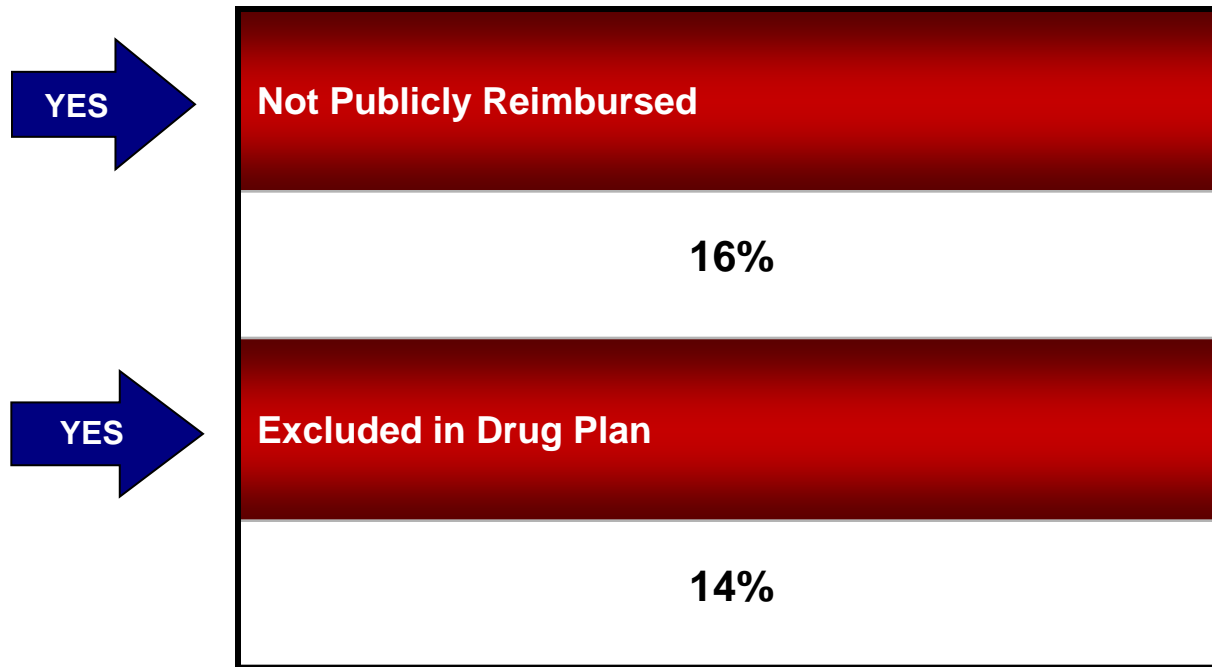
To be eligible, drugs must be prescribed by a doctor, dentist or other qualified health professional if the applicable provincial/territorial legislation permits them to prescribe the drugs. Medication must be dispensed by a pharmacist or doctor.

# Interactions With Plan Members Requiring Treatments

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# Approximately 1 in 6 Have Had Prescribed Cancer Drug Not Publicly Reimbursed

Q9. *Have you ever encountered a situation where an employee at your company was prescribed a drug for Cancer that was approved by Health Canada and...*



# Actual and Ideal Solutions

Q10. And in that case, was the drug reimbursed by your organization's drug plan..

Q11. How would you like the system to handle a situation where an employee at your company was prescribed a drug for cancer that was approved by Health Canada but not publicly reimbursed and/or included in your organization's drug benefit plan?

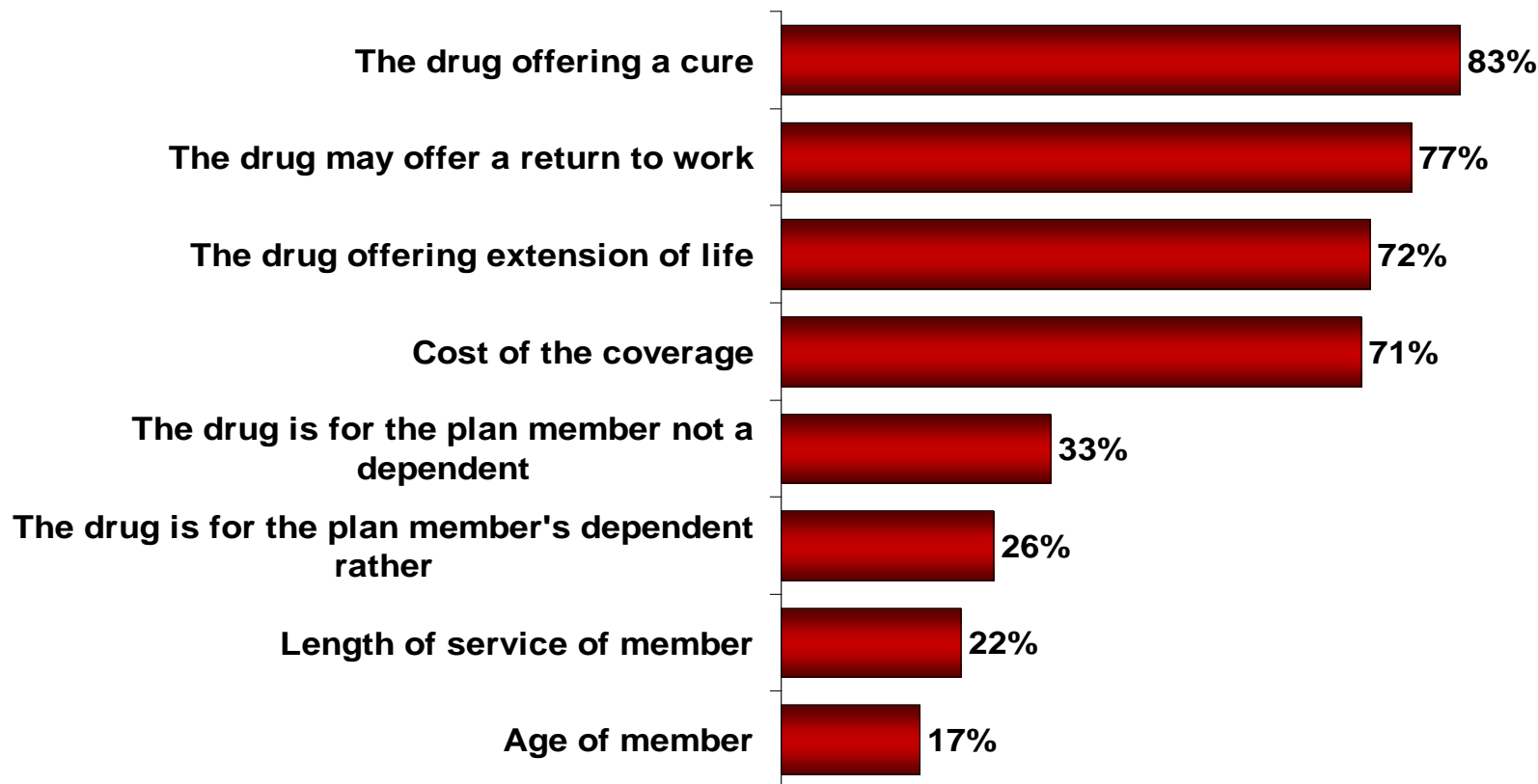
	Actual Results (n=51) Drug Reimbursed
Included (Net)	64%
Included in your drug plan	12%
Included with prior approval	28%
Included by exception	24%
Not included	32%
Not sure	4%
	Ideal Solution (n=275)
Included (Net)	85%
Included in your drug plan	28%
Included with prior approval	36%
Included by exception	21%
Not included	6%
Not sure	8%

# Factors in Including IV Cancer Drugs in Group Benefit Coverage

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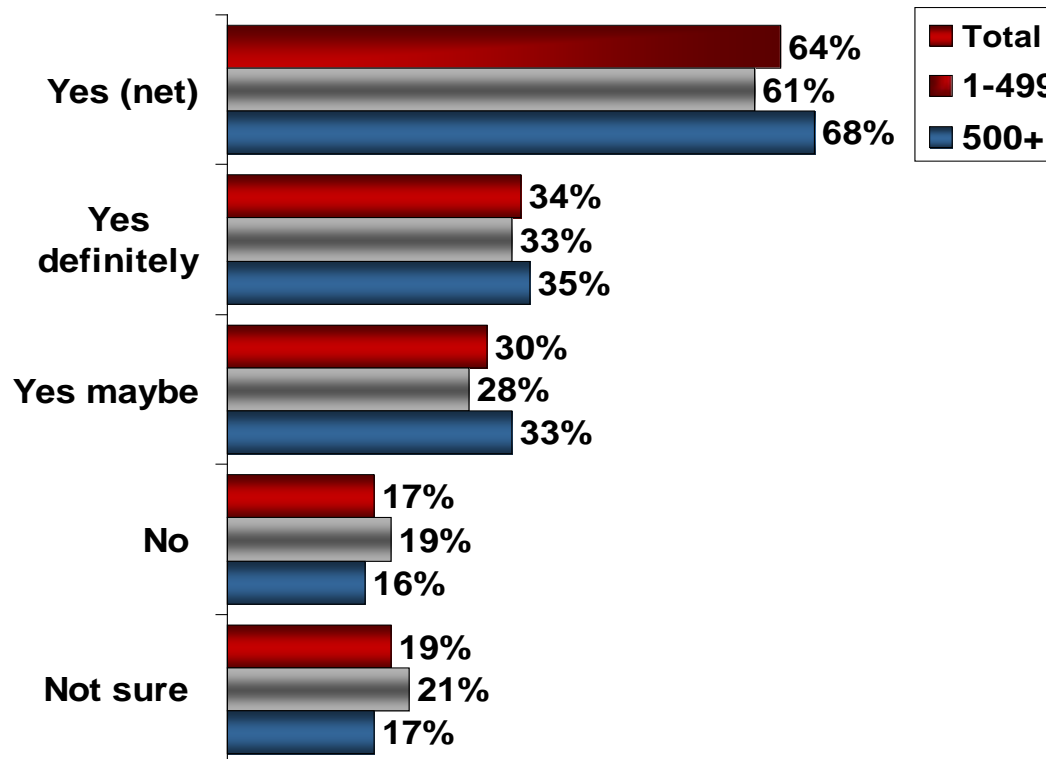
# Offering a Cure Top Factor in Coverage Decision for IV Oncology Drugs

12. Which of the following factors would be taken into account in your organization's decision to cover IV Cancer Drugs for an individual employee.



# Two-Thirds Say Coverage of IV Oncology Drugs Depends on Availability of Public Coverage

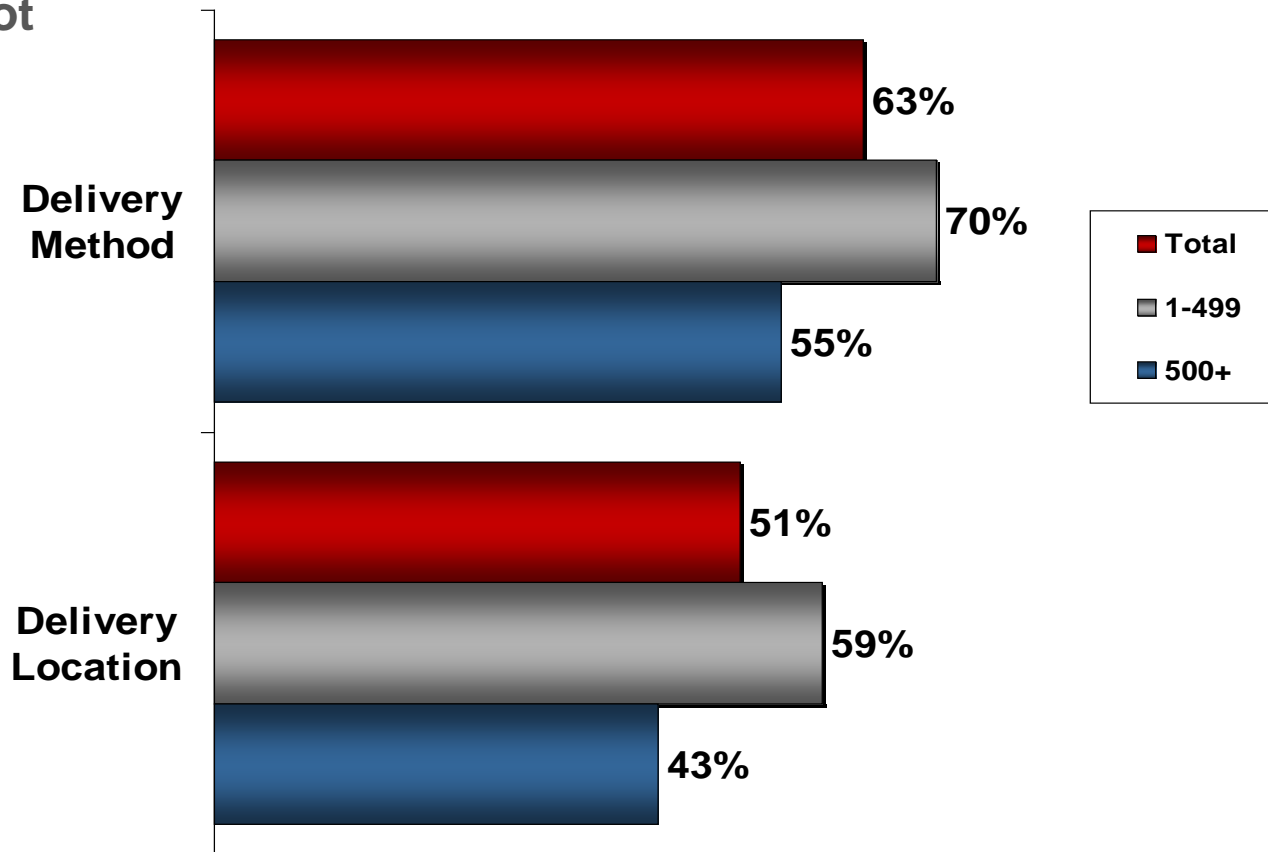
Q6. Does your decision to include or not include IV Cancer Drugs in your organisation's drug plan depend on the availability of public coverage?



# Delivery Method Should NOT be a Factor in Drug Coverage Decision

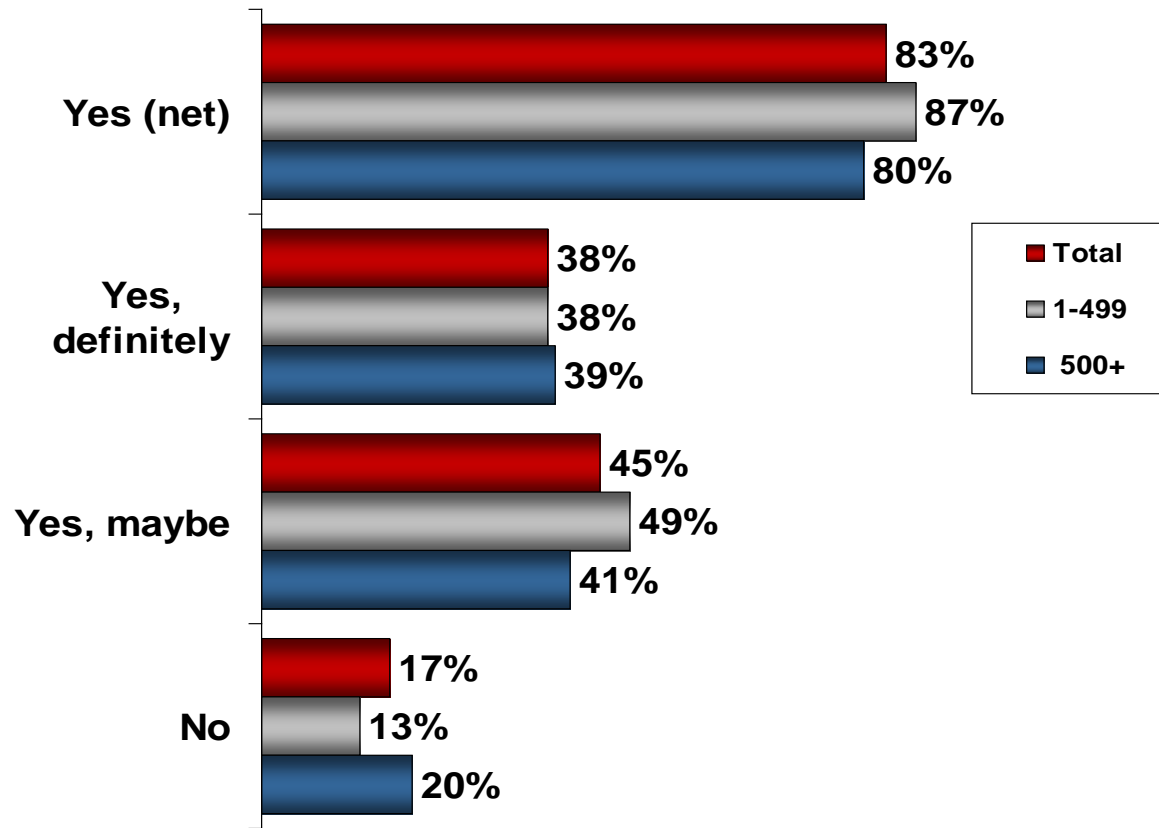
Q15-Q16. Some plans include cancer drugs only if they are administered orally, in a private clinic or by injection. In your opinion should the delivery method make a difference with regard to whether the drug is included in your organization's group drug plan or not?

Definitely not



# More than 4 in 5 Say IV Oncology Drugs Should be a Standard in their Group Insurance Plan

Q17. In a recent study of Canadian Cancer patients, on average about half with access to group drug plans are eventually reimbursed for IV Cancer drugs. In your opinion should IV Cancer drugs be included in the group insurance plan as a standard inclusion?



# Verbatim: Views Regarding Standard Inclusion of IV Oncology Drugs to Group Plans

Q18. Please comment...(verbatim)

We are not discriminating on other high cost drugs. Why would we discriminate on cancer drugs?

The drug should be covered, irregardless of how it is administered.

Seat belts save lives and used to be considered an option or an upgrade. They are standard now and the use of them is mostly mandatory. If the end result of most of the claims is eventual payment, why make it any more difficult?

If it is the best treatment type that may allow for a return to work why not help the person and treat them.

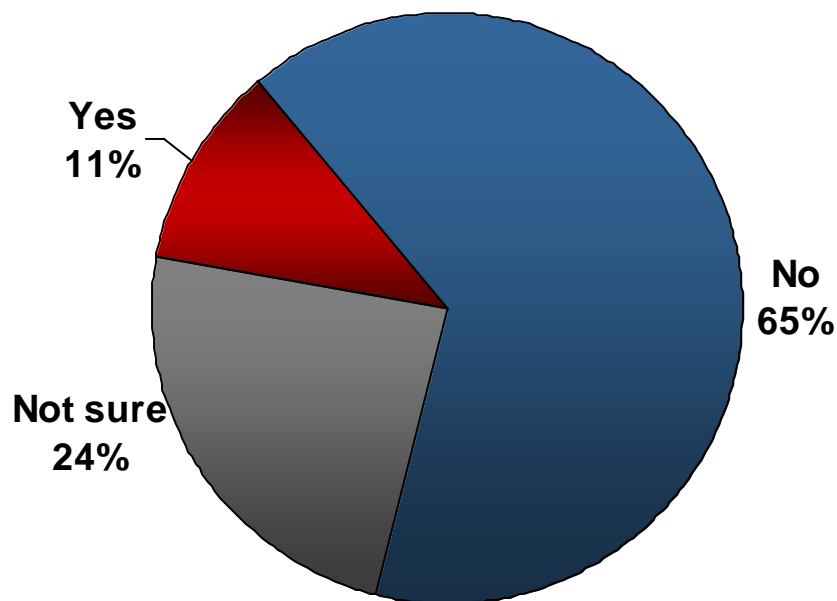
There are some exceptions - experimental drugs where there is no literature or scientific support yet. Some European drugs that have not yet been approved by the FDA (which we follow).

It should still be a public expenditure. If it can't be I support a private plan covering it.

Unfortunately costs may be prohibitive and against the greater coverage

# Companies are Not Currently Discussing IV Oncology Drug Coverage

Q20. Thinking about the future, as far as you know is your company discussing issues around funding IV Cancer drugs?



# Verbatim: Feelings Towards Your Organization's Drug Plan With Regards to IV Oncology Drugs

Q21. How do you feel about your organization's group drug plan with regards to IV Cancer drugs?

Not a great situation...employees getting caught in the middle.

Unfortunately, the cost of most IV Cancer drugs can negatively impact the overall benefit plan funded by a company to the point where it can be cost prohibitive to maintain a drug plan. If all IV Cancer drugs are covered by an employer's plan, other items on the plan will be reduced or eliminated

Hospital and government should pay 100%. Our patient drug plan should pay 100%. If pre-approved by insurance they should be covered.

If the trend in the industry is not to cover IV drugs, I would go with that.  
If the trend changes, I would go with the change.

There is a plan maximum in place, so no concerns with covering these drugs.

There are other ways -through the trillium foundation \$100,000. You pay first \$1000 and they Pay the rest.

# Executive Summary & Key Take Aways

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# Executive Summary

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- About 1 in 6 plan sponsors feel **all** cancer drugs are included in their benefit plan, however 50% say they are not sure.
- Regarding IV Cancer drugs and Oral/Injectable Cancer Drugs specifically, over half feel they are included in their benefit plan (either by standard, exception or prior approval).
- About 1 in 6 plan sponsors have encountered a situation where an employee was prescribed a drug for cancer that was approved but not publicly reimbursed and about 1 in 7 a drug that was not included in the drug plan (in these situations eventually 64% had their plan cover the drug).
- Overall 85% of plan sponsors want their plans to cover drugs approved by Health Canada (either by standard, exception or prior approval).
  - Key factors of importance for inclusion include the drug offering a cure, a return to work, extension of life and the cost of the coverage.
  - Over half feel that the delivery method and location should not be a factor for inclusion in the plan

# Key Take Aways

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- Educational opportunities exist
  - There is some awareness of drugs including IV Cancer drugs that are not covered by health benefit plans, however most feel that they are covered or are unsure
- Key factors for the inclusion of the drugs on the benefit plan include
  - The efficacy of the drug relating to: cure, return to work and extension of life
  - Cost
  - Availability of public coverage
- Plan sponsors do not believe that method and location of delivery should be important factors in deciding whether the benefit plan covers cancer drugs
  - Among Plan sponsors who have dealt with an employee requiring these types of medications, the majority of cases are eventually covered
  - The vast majority of Plan Sponsors feel that ideally plans would cover all IV Cancer drugs

# Appendix: Demographics

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# Demographics

Gender	%
Male	70
Female	27
No answer	3
Province	%
Newfoundland and Labrador	1
Prince Edward Island	1
Nova Scotia	3
New Brunswick	1
Quebec	7
Ontario	59
Manitoba	6
Saskatchewan	3
Alberta	10
British Columbia	10

Company's Insurance Underwriting Arrangement	%
Administrative Services Only - whereby the company assumes the risk for their employees and the insurance company provides only the administration of the benefits]	47
Refund Accounted company pays most of the claims however the insurance company does assume some risk- hybrid system]	12
Insured straight insurance whereby the insurance company assumes the risks of the policy]	41
Is your company	%
Private Sector	82
Public Sector (Government)	18
About what percentage of your employees are	%
Industrial or Manual wage earning workers	32
Office or Professional salary earning workers	65
Other	3

# Demographics

Are the majority of your employees unionized?	%
Yes	30
No	70
Company's Type of Drug Plan	%
Prescription (covers drugs that legally require a prescription)	73
Provincial (duplicates the provincial formulary)	4
Managed Formulary (a select list of drugs managed or recommended by the insurer or pharmacy benefit manager (PBM))	20
Other (please give details)	1
Prescribed (covers all drugs even those not requiring a prescription)	3

Company's Sector	%
Business and Professional Services	19
Manufacturing	16
Finance (Including Finance, Insurance, Real Estate, Leasing)	20
Health Services (Including Health Care and Social Services)	6
Resources (Including Oil and Gas Extraction, Mining, Agriculture, Forestry, Utilities, Fishing/Hunting)	7
Transportation (Including Transportation, Warehousing)	4
Other (Please specify)	27

# Demographics

<b>Which one of the following Categories best describes your job title?</b>	<b>%</b>
General & Corporate Management	11
Financial Management	8
Personnel/HR Management	32
Benefits/Pensions Management	42
Consultants	11
Others	7
<b>What is your level of responsibility with regards to your organization's group benefit plan?</b>	<b>%</b>
Authorize, I am the primary decision maker	19
Recommend, I am part of the decision-making process, but not the final decision maker	61
Consulted, I am consulted on decisions, but not directly involved in the process	20
You are not really involved in these decisions	0

<b>What are the total number of employees at all company locations in Canada?</b>	<b>%</b>
Employees 1 - 499	47
Employees 500 - 999	11
Employees 1,000 - 1,999	8
Employees 2,000 - 2,499	12
Employees 2,500 - 3, 000	3
Employees 3,000 +	19

# Thank You

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