

Informulary

Great news about your drug plan!

Counterbalancing the Drug Pricing Crisis

Drug formularies are not a new concept. Most companies in Canada have open formulary drug plans, covering every drug at any price. This concept may have been sustainable for many years; however, drug prices are on the rise and the increases are occurring with greater magnitude than ever before.

Over the past year, we have read numerous stories about pharmaceutical companies increasing the price of certain brand name drugs by excessive amounts.

Martin Shkreli, the former CEO of Turing Pharmaceuticals, became a symbol of the problem when he raised the price of an old drug used to treat HIV patients in the U.S. by 5,000 per cent, from \$13.50 per tablet to \$750.

The latest in the series relates to Valeant Pharmaceuticals International raising the price in the U.S. for a diabetes drug called Glumetza by more than 800 per cent. As a result, one of the largest players in the U.S. has excluded Glumetza from its formulary to protect clients from wasteful, unnecessary drug spend and ensure that they be dispensed clinically similar and more affordable alternatives.

We Are Ahead of the Curve

Back in 2011, our Expert Clinical Committee reviewed the evidence around Glumetza compared to other effective treatments on the market and advised that Glumetza does not provide any added clinical benefit to justify the more expensive price over similarly effective alternatives. The cost difference between Glumetza and the clinically similar alternatives is \$1.17 compared to \$0.276—a 324 per cent difference! As such, Glumetza has been a non-preferred drug on the Reformulary since we launched in the market four years ago.

Aligned With Your Interests

Each drug on our formulary has been reviewed by our Expert Clinical Committee using a rigorous review process—so rigorous in fact that more than 50,000 hours have been spent reviewing national and international clinical and cost-effectiveness data and categorizing each drug as preferred or non-preferred using a tiered co-pay approach.

This type of plan management is critical. Many employers include drug benefits as part of a competitive health plan in order to attract and retain employees, as well as to ensure a healthy and productive workforce. Ultimately, they must bear the costs of drugs with limited resources. Evidence-based formularies, such as our Reformulary, are a crucial strategy in educating consumers to make more informed drug choices, while keeping prescription drugs affordable and health plans sustainable. 

For more information, please visit

Reformulary.com/Resources

