



NEWS RELEASE

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INDUSTRY POOLING HELPS MAINTAIN AFFORDABILITY OF HIGH-COST DRUGS DESPITE SIGNIFICANT INFLATIONARY PRESSURES

(Toronto – January 21, 2021) – In 2019, the Canadian Drug Insurance Pooling Corporation’s (CDIPC) high-cost drug sharing framework provided coverage to 27,000 Canadians whose annual drug costs exceed \$10,000, an increase of 17% over 2018.

Measured as a percentage of overall drug benefits paid by insurers, high-cost drugs (including rare disease drugs) associated with EP3-based insurance plans accounted for less than two per cent of claimants but grew from 35% to 42% of costs in three years leading up to 2019.

Since 2017, there have been 210 new drugs where paid claims per employee exceeded \$10,000. In 2019, employees or their dependents using these new drugs represented 11.3% of the total high-cost drug claims paid.

“The financial impact of high-cost drugs on private insurance plans continues to significantly grow year-over-year adding more financial pressure to these plans. Canadians now pay some of the highest patented drug costs in the world,” CDIPC’s Executive Director Dan Berty said. “The cost-pooling mechanism offered by CDIPC is an important tool to help shelter employers from what would otherwise result in very significant impacts.”

Berty added that implementation of the long-planned reforms to the federal Patent Medicines Prices Review Board would further assist in reducing cost pressures. The reduction in prescription drug prices resulting from the PMPRB changes is expected to save Canadian employers hundreds of millions of dollars per year.

About CDIPC

Established by Canada’s life and health insurers in 2012, the Canadian Drug Insurance Pooling Corporation is a not-for-profit corporation whose mission is help maintain sustainable drug coverage for Canadians and their employers by pooling the claims impacted by recurring high-cost drugs from claimants belonging to fully insured drug plans of Canadian life and health insurance companies.

Additional information about CDIPC’s drug cost pooling in 2019 is available on the [pooling results data section](#) of our website.

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