



NEWS RELEASE

For Immediate Release

CDIPC'S POOLING FRAMEWORK HELPS TO MAINTAIN AFFORDABILITY OF INSURANCE PLANS, DESPITE HIGH-COST DRUGS FOR RARE DISEASES

(Toronto – January 26, 2023) – The Canadian Drug Insurance Pooling Corporation's (CDIPC) high-cost drug framework provided coverage to almost 13,800 Canadian employers and over 29,700 individuals and families whose annual drug costs exceeded \$10,000 in 2021. Collectively, individuals and families benefiting from high-cost drugs represented only 1.6% of insured persons but a whopping 37% of all drugs paid.

CDIPC analyzed data from its member insurance companies for 2017-2021. It determined that 21% of high-cost drug claim expenses paid were associated with new drugs for persons suffering from so-called orphan or rare diseases.

CDIPC's Executive Director Dan Berty noted: "Despite some stating otherwise, the cost impact of rare disease drugs on the affordability of drug insurance in Canada has become quite material. I expect that 2022 data will reflect further substantial cost growth. While governments have attempted to address the burden of high-cost drugs on employers' health insurance plans, delays in implementing PMPRB reforms and the lack of a national strategy for rare disease drugs have resulted in ongoing and material insurance premium increases for employers and others."

CDIPC's pooling framework ensures that employers are shielded from direct premium increases resulting from an employee claiming a high-cost or rare disease drug treatment.

"To ensure insurance plans remain viable, member company insurers pool the costs of these claims across employers through annual premium increases," Berty added. "Each year, more and more high-cost drugs are approved for use in Canada. While new treatments are obviously welcome, ever-increasing costs add stress to insurance plan affordability, especially for smaller employers."

Additional information about CDIPC's drug cost expense & pooling in 2021 is available on the [pooling results data section](#) of our website.

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.

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