

# Briefing

Compliance News Affecting Health Plans

February 2023

## News from Ontario



## Ontario Drug Benefit Program Changes Biologics Coverage

Effective December 29, 2023, the [Ontario Drug Benefit Program](#) (ODB) will no longer cover the following biologics:

- Copaxone® (glatiramer)
- Enbrel® (etanercept)
- Humalog® (insulin lispro)
- Humira® (adalimumab)
- Lantus® (insulin glargine)
- NovoRapid® (insulin aspart)
- Remicade® (infliximab)
- Rituxan® (rituximab)

Exemptions will be considered on a case-by-case basis in consultation with healthcare providers.

### Transition period

Beginning March 31, 2023, current recipients of any of the listed drugs will have nine months to transition to a biosimilar drug to maintain coverage by the ODB. Patients currently receiving a listed biologic drug should consult their healthcare providers during the transition period to determine if a switch to a biosimilar is needed and to obtain a prescription, if necessary.

## What are biosimilar drugs?

When a pharmaceutical company develops a biologic drug, it has sole right to produce and sell that drug for a certain period. Once the patents or data-protection rights expire, other companies can produce their own version of the drugs, called biosimilars.

A biosimilar is a biologic that is “similar” to another brand-name biologic medicine. While not identical to their biologic counterparts, biosimilars have the same clinical effect, but may not be effective for everyone.

## Other provinces have expanded the use of biosimilars

Ontario is the eighth jurisdiction to expand the use of biosimilars. The others are Alberta, British Columbia, New Brunswick, Nova Scotia, Northwest Territories, Québec and Saskatchewan.

## How does this change affect your plan?

The ODB is the first payer, so claims are submitted there. Only amounts not settled are claimed from private plans. Once this change is in full effect, we could see a substantial increase in claims paid from private plans, if members do not switch to biosimilars.

We recommend all plans review their arrangements and make changes as necessary to minimize the impact of this change. Options include:

- Stop-loss insurance
- A specific biosimilar policy within your plan
- Caps on drug spending per member

## What should you do now?

We suggest you start discussing your options as noted above. In addition, we recommend you include details of this change in communications with the membership as soon as possible. It is important to make sure that if your plan ends up taking a hard line on these specific biologics, you give members as much time as possible to adjust.

We will be ready to help you decide on the best course of action for your plan.



Segal can be retained to work with plan sponsors and their legal counsel on determining the implications. For assistance or if you have questions about Ontario’s new policy on the use of biosimilars, contact your Segal consultant or [get in touch via our website](#).

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