Express Scripts®

2026

EXPRESS SCRIPTS CANADA DRUG TREND REPORT

Contents

Foreword

Canada's drug landscape continues to evolve, shaped by rising trends, ongoing innovation, and significant policy changes. The *2026 Express Scripts Canada Drug Trend Report* provides a clear view of the trends influencing drug plan sustainability and highlights the areas requiring attention in the year ahead.

This year's report focuses on two topics that continue to shape the health of Canadians and the future of drug plans: GLP-1 drugs and mental health. The data we present reflects the growing role of treatments for chronic conditions, indicating evolving clinical practice and rising demand for therapies that support long-term health outcomes.

These trends are occurring alongside broader shifts in how care is accessed and delivered across Canada. Continued progress in biosimilar adoption illustrates how system-level approaches can support access while helping manage affordability and quality of care over time.

The policy environment advanced rapidly. Developments in National Pharmacare, expansion of pharmacists' scope of practice, and ongoing pricing pressure have introduced new considerations for plan design and long-term sustainability. In this context, informed, evidence-based approaches are essential to navigating change.

This year marks Express Scripts Canada's 30th anniversary, reflecting three decades of supporting carriers, plan sponsors, providers, and patients through an evolving healthcare landscape. We remain focused on helping stakeholders interpret complexity and make confident, sustainable decisions.

We hope this report provides practical insight and clarity as you navigate the year ahead.

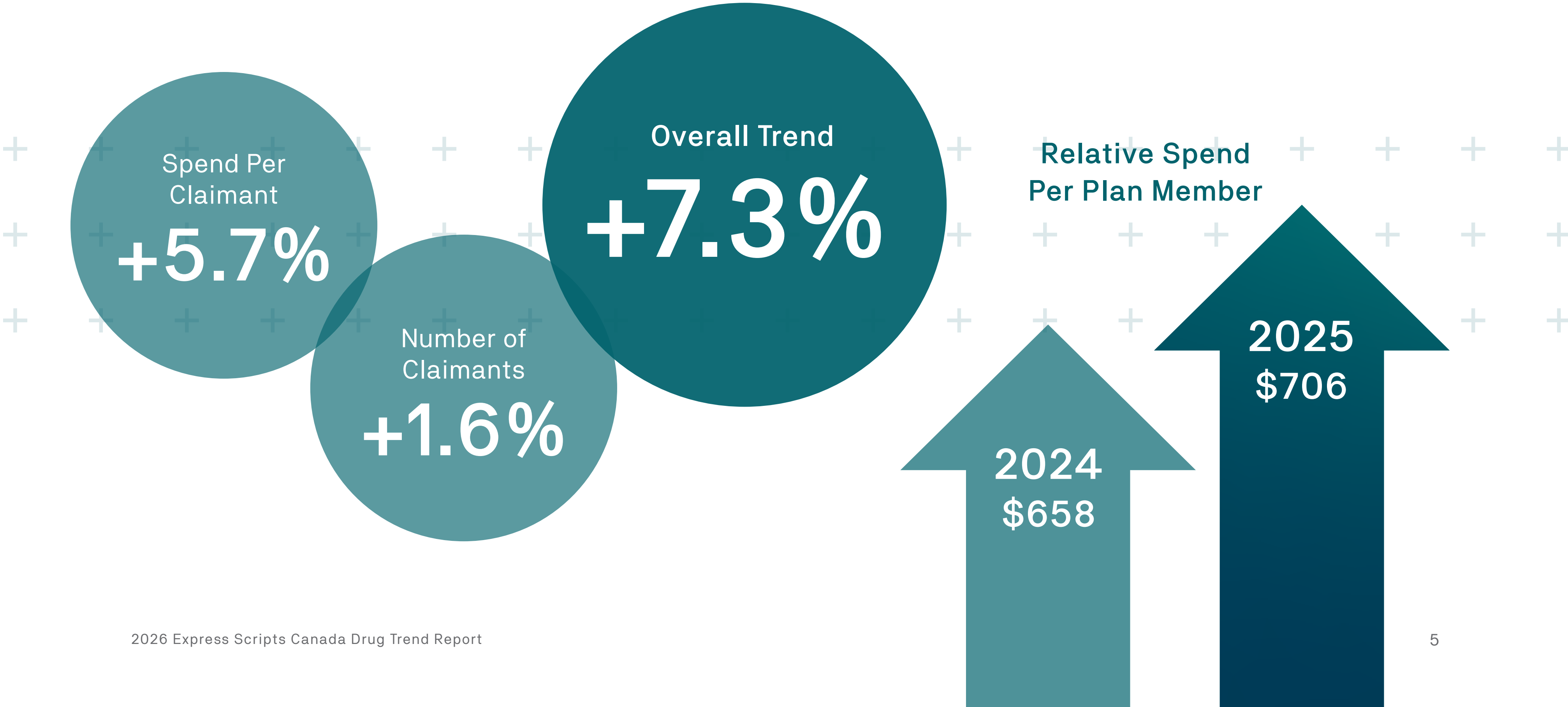
Mike Roszak
President

Drug Trend and Utilization

Overall Drug Trend

The overall drug trend is the year-over-year change in the relative annual drug spend per plan member.

In 2025, the overall drug trend, presented as a percentage, increased by 7.3%. This trend was driven by a 1.6% increase in the number of claimants, combined with a 5.7% increase in spend per claimant, indicating that both higher utilization and higher cost contributed to the overall increase.



Traditional *vs.* Specialty Drug Trend

In 2025, the trend for specialty drugs increased at a faster pace than for traditional drugs across all metrics, reinforcing their expanding influence on overall drug spend. Spend increased by 12.5%, claims by 15.7% and claimants by 19.7%. By contrast, the increase in trend for traditional drugs was more modest. Spend increased by 5.2%, which was primarily utilization driven, with claims increasing by 4.2% and claimants by only 1.5%.

TRADITIONAL *vs.* SPECIALTY DRUG TREND IN 2025

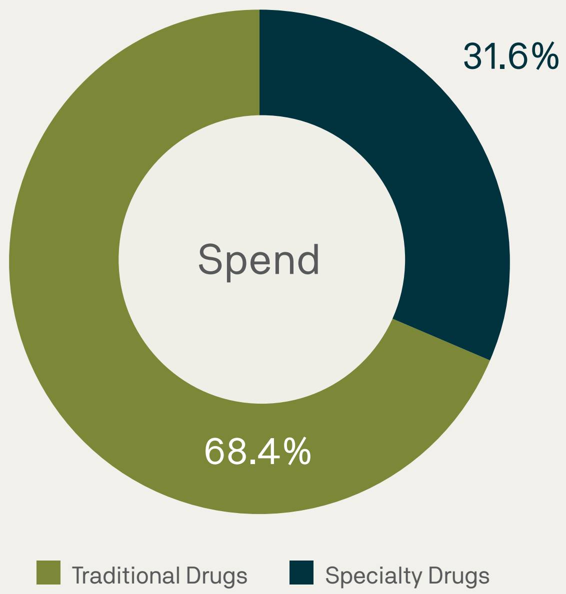
	Estimated Annual Spend Per Claimant	Spend	Claims	Claimants
Traditional Drugs	< $10,000	+5.2%	+4.2%	+1.5%
Specialty Drugs	≥ $10,000	+12.5%	+15.7%	+19.7%

Traditional *vs.* Specialty Drug Trend

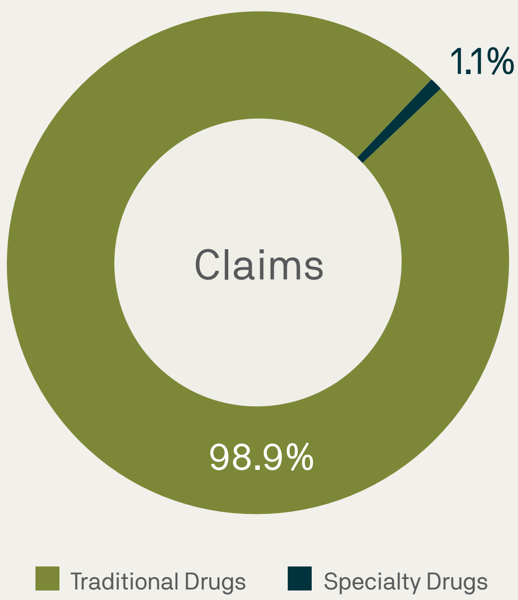
Overall, traditional drugs made up 68.4% of total drug spend, while specialty drugs accounted for 31.6%. In contrast, traditional drugs represented 98.9% of overall claims, with specialty making up the remaining 1.1%.

This underscores the continued shift towards the use of specialty drugs. Although they represent a small proportion of overall claim volume, specialty drugs continue to represent a significant proportion of spend, creating an ongoing pressure point on drug plan sustainability. The proportion of overall spend on specialty drugs increased by 4.7% in 2025.

PROPORTION OF TRADITIONAL AND SPECIALTY DRUG SPEND IN 2025



PROPORTION OF TRADITIONAL AND SPECIALTY DRUG CLAIMS IN 2025



Traditional *vs.* Specialty Drug Trend

TOP 10 DRUGS BY OVERALL SPEND

2024			2025	
Chemical Name (BRAND)	**Therapeutic Class**	**Rank by Overall Spend**	**Chemical Name** (BRAND)	**Therapeutic Class**
Semaglutide (OZEMPIC®, RYBELSUS®, WEGOVY®)	Diabetes, Weight Management	1	**Semaglutide** (OZEMPIC®, RYBELSUS®, WEGOVY®)	Diabetes, Weight Management
Adalimumab* (HUMIRA®)	Inflammatory Conditions	2	**Adalimumab*** (HUMIRA®)	Inflammatory Conditions
Infliximab* (REMICADE®)	Inflammatory Conditions	3	**Flash Glucose Sensors** (FREESTYLE LIBRE®)	Diabetic Supplies
Flash Glucose Sensors (FREESTYLE LIBRE®)	Diabetic Supplies	4	**Infliximab*** (REMICADE®)	Inflammatory Conditions
Lisdexamfetamine* (VYVANSE®)	ADHD	5	**Elexacaftor-tezacaftor-ivacaftor** (TRIKAFTA®)	Cystic Fibrosis
Elexacaftor-tezacaftor-ivacaftor (TRIKAFTA®)	Cystic Fibrosis	6	**Dupilumab** (DUPIXENT®)	Skin Conditions
Ustekinumab* (STELARA®)	Inflammatory Conditions	7	**Risankizumab** (SKYRIZI®)	Inflammatory Conditions
Methylphenidate* (RITALIN®, CONCERTA®, BIPHENTIN®, FOQUEST®, QUILLIVANT ER®, JORNAY PM®)	ADHD	8	**Methylphenidate*** (RITALIN®, CONCERTA®, BIPHENTIN®, FOQUEST®, QUILLIVANT ER®, JORNAY PM®)	ADHD
Dupilumab (DUPIXENT®)	Skin Conditions	9	**Empagliflozin** (JARDIANCE®)	Diabetes
Empagliflozin (JARDIANCE®)	Diabetes	10	**Ustekinumab*** (STELARA®)	Inflammatory Conditions

*Biosimilar(s) or generic(s) available

Traditional *vs.* Specialty Drug Trend

In 2025, semaglutide (OZEMPIC®, RYBELSUS®, WEGOVY®) was, once again, the number one product by overall spend with a 17.7% increase. High-cost biologics for inflammatory conditions such as adalimumab (HUMIRA®) and infliximab (REMICADE®) still rank high in 2025 despite the availability of biosimilars, underscoring their sustained budget impact. Increased popularity of FREESTYLE LIBRE® (flash glucose sensors) pushed the device from 4th to 3rd place. A similar improvement in rank by one position was also observed for JARDIANCE® (empagliflozin); however, this remains a drug to watch due to the potential of market entry by generics. Additionally, dupilumab (DUPIXENT®) jumped from 9th to 6th place due to increases in both spend (41.3%) and claimants (43.2%). Elexacaftor-tezacaftor-ivacaftor (TRIKAFTA®), has also continued its increase in rank due to a 4.9% increase in claimants and 5.6% increase in spend. Notably, risankizumab (SKYRIZI®) entered the top 10 in 7th place in 2025, in part due to a 43% increase in claimants and 47% increase in spend.

Traditional *vs.* Specialty Drug Trend

TOP 10 TRADITIONAL DRUGS BY OVERALL SPEND

2024			2025	
Chemical Name (BRAND)	**Therapeutic Class**	**Rank by Overall Spend**	**Chemical Name** (BRAND)	**Therapeutic Class**
Semaglutide (OZEMPIC®, RYBELSUS®, WEGOVY®)	Diabetes, Weight Management	1	**Semaglutide** (OZEMPIC®, RYBELSUS®, WEGOVY®)	Diabetes, Weight Management
Flash Glucose Sensors (FREESTYLE LIBRE®)	Diabetic Supplies	2	**Flash Glucose Sensors** (FREESTYLE LIBRE®)	Diabetic Supplies
Lisdexamfetamine* (VYVANSE®)	ADHD	3	**Methylphenidate*** (RITALIN®, CONCERTA®, BIPHENTIN®, FOQUEST®, QUILLIVANT ER®, JORNAY PM®)	ADHD
Methylphenidate* (RITALIN®, CONCERTA®, BIPHENTIN®, FOQUEST®, QUILLIVANT ER®, JORNAY PM®)	ADHD	4	**Empagliflozin** (JARDIANCE®)	Diabetes
Empagliflozin (JARDIANCE®)	Diabetes	5	**Lisdexamfetamine*** (VYVANSE®)	ADHD
Budesonide-Formoterol (SYMBICORT®)	Asthma/COPD	6	**Rosuvastatin*** (CRESTOR®)	High Cholesterol
Rosuvastatin* (CRESTOR®)	High Cholesterol	7	**Budesonide-Formoterol** (SYMBICORT®)	Asthma/COPD
Onabotulinumtoxin-A (BOTOX®, XEOMIN®)	Muscle Relaxant	8	**Estradiol*** (various brands)	Hormone Replacement
Estradiol* (various brands)	Hormone Replacement	9	**Onabotulinumtoxin-A** (BOTOX®, XEOMIN®)	Muscle Relaxant
Blood Glucose Test Strip (various brands)	Diabetic Supplies	10	**Progesterone*** (PROMETRIUM®)	Hormone Replacement

*Generic(s) available

Traditional *vs.* Specialty Drug Trend

In 2025, semaglutide (OZEMPIC®, RYBELSUS®, WEGOVY®) and flash glucose sensors (FREESTYLE LIBRE®) remained in 1st and 2nd place of the top 10 traditional drugs by overall spend.

Attention Deficit Hyperactivity Disorder (ADHD) drugs shifted slightly in the top 10. Lisdexamfetamine (VYVANSE®) dropped from 3rd to 5th place, largely due to its genericization in mid-2024. In contrast, methylphenidate (RITALIN®, CONCERTA®, BIPHENTIN®, FOQUEST®, QUILLIVANT ER®, JORNAY PM®) jumped from 4th to 3rd place, driven by the recent commercialization of new formulations, including QUILLIVANT ER® (2024) and JORNAY PM® (2025). This likely reflects increased use of specialized extended release methylphenidate formulations addressing administration and early morning symptom needs, rather than a change in ADHD treatment paradigms.

Additionally, hormone replacement therapies, both estradiol (various brands) and progesterone (PROMETRIUM®), moved up in rank. This likely reflects population aging, increased menopause care seeking, and likely clearer guidelines to support hormone replacement therapy. Current provincial plan initiatives have not yet materially reduced private plan spend in this category.

Traditional *vs.* Specialty Drug Trend

TOP 10 SPECIALTY DRUGS BY OVERALL SPEND

2024		Rank by Overall Spend	2025	
Chemical Name (BRAND)	**Therapeutic Class**		**Chemical Name** (BRAND)	**Therapeutic Class**
Adalimumab* (HUMIRA®)	Inflammatory Conditions	1	**Adalimumab*** (HUMIRA®)	Inflammatory Conditions
Infliximab* (REMICADE®)	Inflammatory Conditions	2	**Infliximab*** (REMICADE®)	Inflammatory Conditions
Elexacaftor-tezacaftor-ivacaftor (TRIKAFTA®)	Cystic Fibrosis	3	**Elexacaftor-tezacaftor-ivacaftor** (TRIKAFTA®)	Cystic Fibrosis
Ustekinumab* (STELARA®)	Inflammatory Conditions	4	**Dupilumab** (DUPIXENT®)	Skin Conditions
Dupilumab (DUPIXENT®)	Skin Conditions	5	**Risankizumab** (SKYRIZI®)	Inflammatory Conditions
Risankizumab (SKYRIZI®)	Inflammatory Conditions	6	**Ustekinumab*** (STELARA®)	Inflammatory Conditions
Vedolizumab (ENTYVIO®)	Inflammatory Bowel Disease	7	**Vedolizumab** (ENTYVIO®)	Inflammatory Bowel Disease
Ocrelizumab (OCREVUS®)	Multiple Sclerosis	8	**Upadacitinib** (RINVOQ®)	Inflammatory Conditions
Upadacitinib (RINVOQ®)	Inflammatory Conditions	9	**Ocrelizumab** (OCREVUS®)	Multiple Sclerosis
Aflibercept* (EYLEA®)	Eye Disease (Macular Degeneration)	10	**Ofatumumab** (KESIMPTA®)	Multiple Sclerosis

*Biosimilar(s) available

Traditional *vs.* Specialty Drug Trend

Inflammatory Conditions continued to dominate the top 10 specialty drugs ranking, consistent with trends observed in prior years.

The top three drugs remained unchanged from 2024, with adalimumab (HUMIRA®) and infliximab (REMICADE®) continuing to lead overall specialty drug spend, followed by the cystic fibrosis therapy Elexacaftor-tezacaftor-ivacaftor (TRIKAFTA®). Dupilumab (DUPIXENT®), upadacitinib (RINVOQ®), and risankizumab (SKYRIZI®) each moved up one position. In contrast, ustekinumab (STELARA®) dropped by two places, and vedolizumab (ENTYVIO®) maintained the same ranking year over year.

Aflibercept (EYLEA®), which entered the top 10 in 2024, dropped out in 2025; although the number of claimants increased, spend remained comparable, largely impacted by the launch of multiple biosimilars and the inclusion of EYLEA® in provincial biosimilar initiatives. Ofatumumab (KESIMPTA®) used to treat multiple sclerosis was new to the top 10 in 2025, entering in 10th place.

Top 10 Therapeutic Classes

The top 10 therapeutic classes remained the same in 2025 compared to 2024, with Skin Conditions and High Cholesterol moving up while ADHD, Depression, and Diabetic Supplies moving down in ranks.

TOP 10 THERAPEUTIC CLASSES BY OVERALL SPEND

Rank 2025	Rank 2024		Therapeutic Class	% of Overall Spend 2025	% of Overall Claims 2025	Relative Trend (% Change from 2024)	
						Spend	Claims
1	1		Inflammatory Conditions	11.5%	0.5%	+5.0%	+7.3%
2	2		Diabetes	11.4%	7.2%	+6.8%	+4.9%
3	3		Asthma/COPD*	4.9%	3.6%	+4.5%	-3.3%
4	4		Cancer	4.5%	0.6%	+8.4%	+4.1%
5	8	+3	Skin Conditions	4.5%	2.8%	+24.9%	+3.8%
6	5	-1	Depression	4.1%	8.6%	+0.2%	+4.0%
7	7		High Blood Pressure	3.8%	13.1%	+4.1%	+4.2%
8	6	-2	ADHD**	3.4%	3.2%	-10.4%	+13.9%
9	10	+1	High Cholesterol	2.9%	7.3%	+10.4%	+7.3%
10	9	-1	Diabetic Supplies	2.9%	1.3%	+5.8%	+0.5%

***COPD**: Chronic Obstructive Pulmonary Disease
****ADHD**: Attention Deficit Hyperactivity Disorder

Top 10 Therapeutic Classes

#1 – INFLAMMATORY CONDITIONS

Inflammatory conditions remained the leading cost driver in 2025, accounting for 11.5% of overall spend while representing only 0.5% of overall claims. This is the result of continued dominance of high cost specialty biologics in this class.

Adalimumab and infliximab remain the two dominant agents in this category. While their spend declined in 2025 (-3.8% and -6.8%, respectively), both drugs continue to be widely used and are considered first-line biologic options for many inflammatory conditions, resulting in persistently high spend within the category despite longstanding biosimilar availability and policy initiatives.

SKYRIZI® (risankizumab) also remained a key contributor to the overall increase for Inflammatory Conditions, with both spend and claimants increasing by 47% and 43% in 2025. Its approval for moderate to severe active ulcerative colitis in late 2024 likely contributed to this growth. This drug is typically indicated for patients who have failed first line treatments with adalimumab biosimilars and is approximately 50% more expensive than adalimumab and infliximab biosimilars, depending on indication and dosage.

#2 – DIABETES AND #10 – DIABETIC SUPPLIES

Diabetes remains in 2nd place, accounting for 11.4% of overall spend and 7.2% of overall claims. Spend in this class is driven primarily by the Glucagon-Like Peptide-1 receptor agonist (GLP-1) semaglutide (OZEMPIC® and RYBELSUS®). Semaglutide generics coming to the market for OZEMPIC® in the upcoming months may lead to movement in the top 10.

JARDIANCE® (empagliflozin) continued to be the second drug in spend within the diabetes class. In 2025, there was an increase in claimants of 6.7% and spend of 7.3%. There are now multiple generic submissions for empagliflozin from various manufacturers under review by Health Canada. Patent protection for JARDIANCE® is linked to individual Drug Identification Numbers (DINs), which differ by strength. Since patents associated with these DINs expire at different times, generic empagliflozin is expected to enter the Canadian market in a staggered manner rather than all at once. As a result, savings from generic competition are expected to emerge gradually over multiple years.

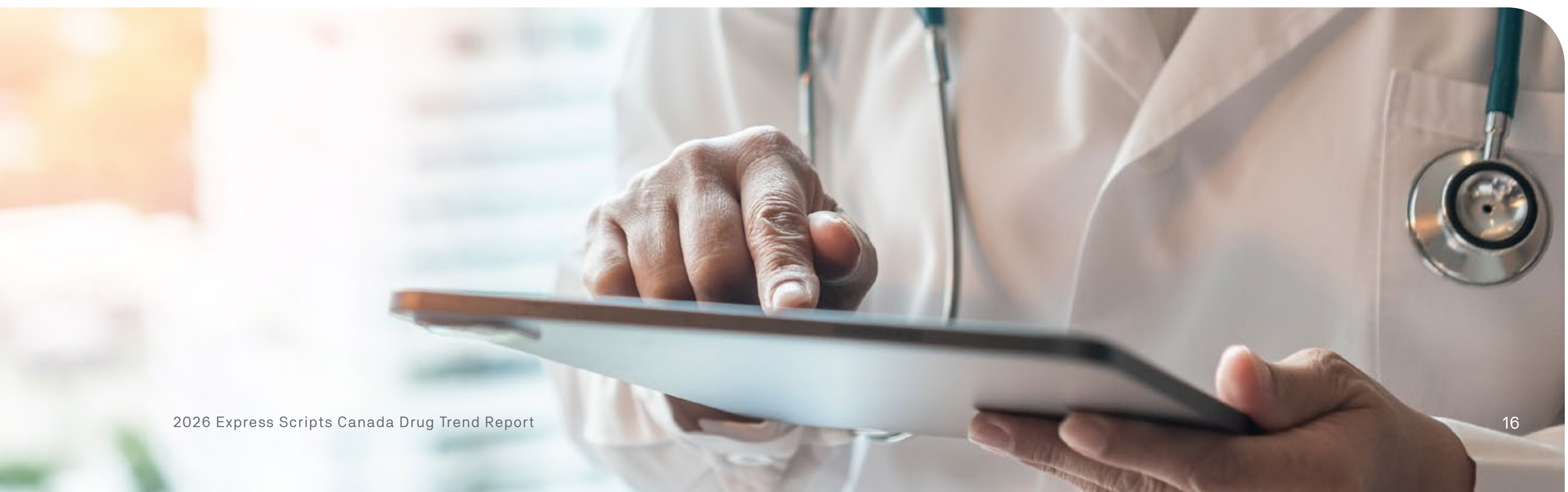
Top 10 Therapeutic Classes

MOUNJARO® (tirzepatide), a dual GLP-1 and GIP receptor agonist, was another major contributor to growth within this category. In 2025, spend increased more than 13-fold, while the number of claimants rose by nearly 16-fold.

This growth was supported by emerging clinical evidence demonstrating greater HbA1c reduction with tirzepatide compared to semaglutide (OZEMPIC®) in patients with type 2 diabetes, which may have influenced prescribing decisions. Uptake was further facilitated by the availability of the KWIKPEN® formulation, approved in late 2024, offering a more convenient administration option for patients and supporting broader utilization. Finally, growing evidence suggests that tirzepatide is also extremely effective at achieving weight loss outcomes. According to the SURMOUNT-5 trial, when compared head-to-head at weight management doses, tirzepatide produced greater mean weight loss and higher achievement of clinically meaningful weight loss than semaglutide.

Diabetic supplies represented 2.9% of overall spend and 1.3% of overall claims in 2025, consistent with 2024. The category experienced 5.8% increase in spend, while claims remained relatively stable (+0.5%), a trend consistent with the increasing adoption of flash glucose monitoring systems.

Flash glucose sensors accounted for the largest proportion of spend in this category, at 73.3%. While they improve convenience and adherence by eliminating routine finger sticks, their substantially higher cost relative to traditional test strips suggests a need for cost containment. These devices are generally appropriate for patients on intensive treatments such as insulin pump users or those requiring three or more daily injections, who need frequent monitoring due to higher hypoglycemia risk.



Top 10 Therapeutic Classes

#3 – ASTHMA/CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD)

The asthma/COPD category accounted for 4.9% of overall spend and 3.6% of overall claims. Spend increased by 4.5%, while claims declined by 3.3%, suggesting a shift toward higher cost inhaled therapies. Several inhalers continued to rank among the top drugs by total spend within this therapeutic class. SYMBICORT® (budesonide/formoterol) remained the leading cost driver, representing the highest level of spend in the category (21.1%), with no approved generic alternative currently available.

TRELEGY ELLIPTA® (fluticasone/umeclidinium/vilanterol) also saw an increase in spend of 9.8% in 2025 compared with 2024, primarily driven by a 5.4% increase in claimants. This triple therapy inhaler is indicated for both COPD and asthma in patients inadequately controlled on dual therapy and offers the advantage of once daily dosing in a single inhaler, improving convenience and adherence.

XOLAIR® (omalizumab) and NUCALA® (mepolizumab) were also significant contributors, with spend increases largely attributable to rising claimant volumes of 6.1% and 14.6% respectively.

#4 – CANCER

Remaining in fourth place, cancer therapies accounted for 4.5% of overall spend but only 0.6% of overall claims, reflecting the high treatment costs and low utilization, typical of oncology treatments. In 2025, spend increased significantly by 8.4%, and claims by 4.1%, indicating expanding use of advanced oncology therapies.

National cancer projections published by the Canadian Medical Association Journal (CMAJ)[1] indicate that observed increases in cancer case counts are consistent with the effects of population growth and aging, rather than increases in age standardized cancer risk. In line with these national trends, increases in cancer drug spend and claims observed in 2025 may reflect higher numbers of patients diagnosed with cancer and a growing population living with cancer due to improved survival. Increased use and longer treatment durations associated with high cost oncology treatments, including targeted therapies and immunotherapies, may have further contributed to higher utilization and overall spend.

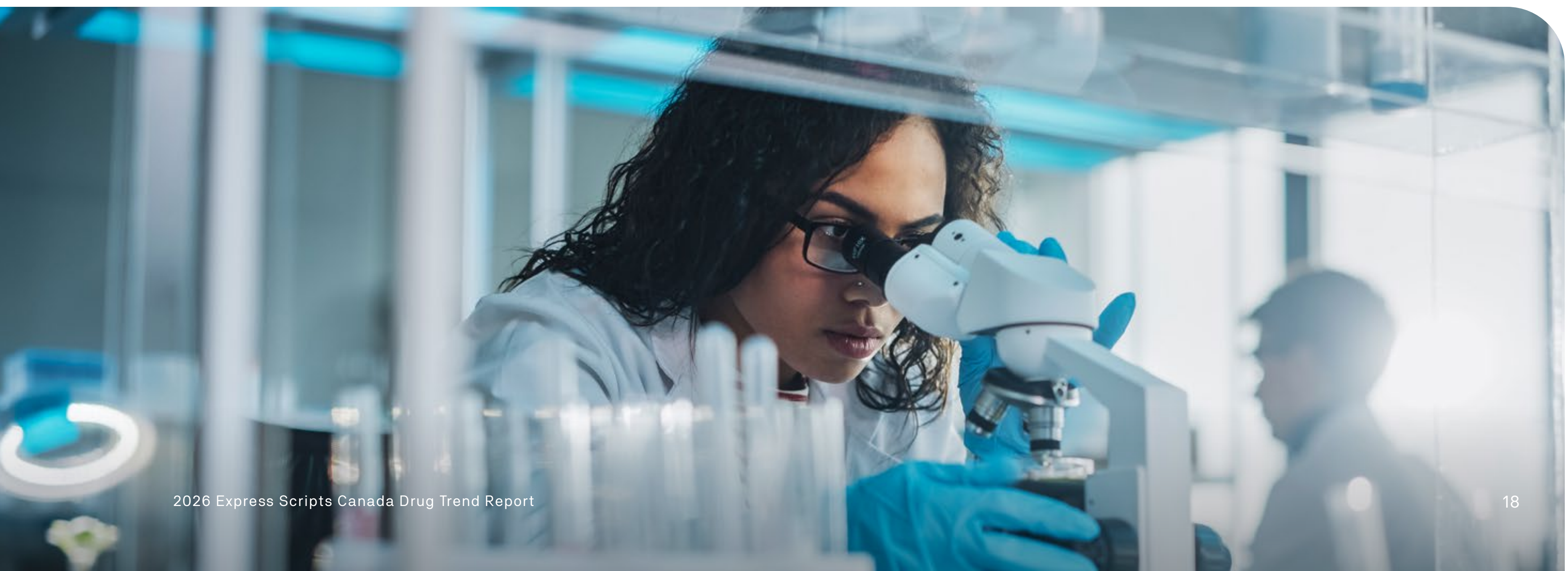
[1] Brenner DR, Gillis J, Demers AA, et al. *Projected estimates of cancer in Canada in 2024*. Canadian Medical Association Journal (CMAJ). 2024;196(18):E615–E623. DOI: 10.1503/cmaj.240095

Top 10 Therapeutic Classes

The primary cost driver within this therapeutic class remains VERZENIO® (abemaciclib), indicated for both early and advanced/metastatic breast cancer. Increase of 48.5% in spend was driven by a substantial jump in the number of claimants (+41%) compared with 2024. The second largest contributor was KISQALI® (ribociclib), for which spend increased by 32.7% in 2025 due to a 31.7% increase in claimants. Ribociclib received approval for use in early breast cancer in mid-2025, further broadening the eligible patient population. As anticipated, the introduction of generic IBRANCE® (palbociclib) in late 2024 contributed to a decrease in spend and claimants in 2025. Breast cancer remains the most prevalent cancer among women in Canada, with approximately 1 in 8 women expected to be diagnosed over their lifetime[2], underscoring the ongoing impact of this disease on oncology drug utilization and spend.

TAGRISSO® (osimertinib), a targeted therapy used to treat specific forms of lung cancer has also contributed to the trend in this class. Lung cancer represents a significant disease burden in Canada, accounting for an estimated 13% of all new cancer cases in 2025.[3] TAGRISSO® received approval for the treatment of locally advanced, unresectable non small cell lung cancer with specific characteristics, thereby expanding the eligible patient population. This expanded indication likely contributed to the increases in spend (+7.4%) and claimants (+26.9%) for this drug in 2025.

[2] Canadian Cancer Society. Breast cancer statistics (Canada). Last medical review: November 2025
[3] Canadian Cancer Society. Lung and bronchus cancer statistics (2025 estimates). Last medical review: April 2026



Top 10 Therapeutic Classes

#5 – SKIN CONDITIONS

Skin conditions climbed from 8th to 5th place, representing 4.5% of overall spend and 2.8% of overall claims in 2025. This category saw the largest spend increase (+24.9%), driven by high cost biologics for severe dermatologic diseases, while claims increased only at 3.8%.

DUPIXENT® (dupilumab) drove the most spend in this class in 2025, with a 41% increase in spend and 43% increase in claimants. Initially approved for atopic dermatitis and chronic spontaneous urticaria (CSU), it is now indicated for various conditions such as asthma, chronic rhinosinusitis with nasal polyposis (CRSwNP), eosinophilic oesophagitis (EoE), and prurigo nodularis. Lately, DUPIXENT® was indicated as an add-on maintenance treatment in adult patients with chronic obstructive pulmonary disease (COPD).

ZORYVE® (roflumilast), a topical treatment available in both cream and foam formulations, has once again been a major cost driver in 2025, and spend more than doubled (+114.1%) once again compared to 2024. The annual price of this newer therapy can be 8 times higher than topical corticosteroids. Already indicated for plaque psoriasis and seborrheic dermatitis, ZORYVE® received approval for atopic dermatitis in 2025, which may have contributed to the increase in utilization of over 50% in the number of claimants.

Another noteworthy drug in this class is OPZELURA® (ruxolitinib), a topical JAK inhibitor indicated for mild to moderate atopic dermatitis and non segmental vitiligo, which was launched in late 2024. Its indications expanded further in 2025 to include pediatric patients aged 2 years and older for atopic dermatitis. The cost of OPZELURA® is substantially higher than that of topical corticosteroids or topical calcineurin inhibitors, and it is generally positioned as a second line treatment option. In 2025, OPZELURA® accounted for 0.70% of total spend on skin conditions. It will be an important drug to monitor in the next report, as utilization may continue to increase.

#6 – DEPRESSION

Following 2024's trend, Depression dropped one rank. Drugs in this class accounted for 4.1% of overall spend and 8.6% of overall claims in 2025. Spend in this class remained almost flat (+0.2%), while claims increased by 4.0%, indicating stable costs but rising treatment prevalence.

For more information, please see section on mental health.

Top 10 Therapeutic Classes

#7 – HIGH BLOOD PRESSURE

This class contributed to 13.1% of overall claims. There have been no significant developments.

#8 – ATTENTION DEFICIT HYPERACTIVITY DISORDER

Attention Deficit Hyperactivity Disorder (ADHD) dropped from 6th place to 8th place and accounted for 3.4% of overall spend and 3.2% of overall claims in 2025. Despite a 13.9% increase in claims, drug spend in this class decreased by 10.4%, suggesting a growing use of generic drugs within this therapeutic class. In 2025, methylphenidate, marketed under different formulations (RITALIN®, CONCERTA®, BIPHENTIN®, FOQUEST®, QUILLIVANT ER®, JORNAY PM®) accounted for highest proportion of spend (43.3%) in this category, which is contrary to previous years where VYVANSE® (lisdexamfetamine) was the highest contributor. This change follows the introduction of a generic version of VYVANSE® on the market in 2024, which decreased lisdexamfetamine spend by 34.3% in 2025 despite an increase in claimants (+18.6%).

#9 – HIGH CHOLESTEROL

High cholesterol contributed to 2.9% of overall drug spend and 7.3% of overall claims in 2025. Spend in this class increased by 10.4% and claims increased by 7.3%. This class continues to expand, potentially reflecting increased statin utilization along with the uptake of newer therapies.

As in prior years, rosuvastatin and atorvastatin were the top chemicals accounting for 38.3% and 22.4% of the proportion of spend in this category respectively. VASCEPA® (icosapent ethyl) was another key contributor with increases in both spend (+16.8%) and claimants (+9.8%) among statin treated patients with elevated triglycerides.

Proprotein Convertase Subtilisin/Kexin type 9 (PCSK-9) inhibitors PRALUENT® (alirocumab) spend increased by 8.2% with a 20.3% increase in claimants. REPATHA® (evolocumab) spend increased by 22.4% with a 25.1% increase in claimants. LEQVIO® (inclisiran) also continued to show increases in spend (+49.7%), and in the number of claimants (+43%).

In addition, EVKEEZA® (evinacumab), indicated for homozygous familial hypercholesterolemia, experienced a more than 20-fold increase in spend in 2025, with the number of overall claimants being low. This drug will be important to monitor in 2026, following the recent expansion of its indication to include pediatric patients aged 6 months and older.

Future of GLP-1 Drugs

Diabetes Control to Multiple Indications

Glucagon-Like Peptide-1 receptor agonists (GLP-1) continued to reshape the Canadian drug landscape, driven by rising utilization, expanding indications, and growing interest in next generation incretin treatments. Data showed that semaglutide and tirzepatide remained major contributors to increasing drug spend in the Diabetes class. At the same time, evolving insurer strategies, including stricter cost management measures and emerging questions about the impact of upcoming generic semaglutide, reflects a market in transition.

GLP-1 Receptor Agonists: How do they work?

GLP-1 receptor agonist drugs improve blood glucose levels and support weight reduction by mimicking the body's natural incretin response: they stimulate glucose-dependent insulin secretion, suppress post-meal glucagon, slow gastric emptying, and reduce food intake, mechanisms that together enhance glycemic control and promote significant weight loss. These combined effects explain why GLP-1, and GLP-1/glucose-dependent insulinotropic polypeptide (GIP) receptor agonists address both hyperglycemia and excess fat tissue through the same physiological pathways.

APPROVED INDICATIONS FOR GLP-1 DRUGS IN CANADA*

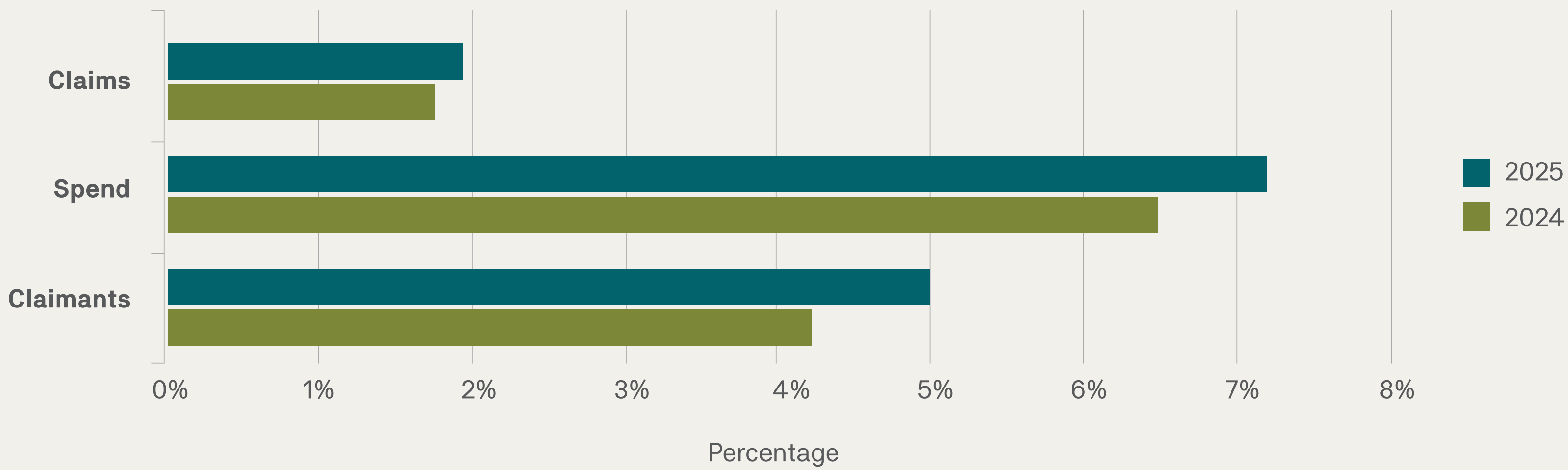
INDICATIONS	APPROVED BRAND (Chemical)
Type 2 diabetes (T2D): adjunct to diet and exercise to improve glycemic control	OZEMPIC® (semaglutide) RYBELSUS® (semaglutide) VICTOZA® (liraglutide) TRULICITY® (dulaglutide) MOUNJARO® (tirzepatide)
Reduction of **kidney disease** progression and **cardiovascular (CV) death** in adults with T2D and chronic kidney disease	OZEMPIC® (semaglutide)
Reduction of **major cardiovascular events** in adults with T2D and established or high risk for **cardiovascular diseases (CVD)**	RYBELSUS® (semaglutide) TRULICITY® (dulaglutide) VICTOZA® (liraglutide) WEGOVY® (semaglutide)
Chronic weight management	SAXENDA® (liraglutide) ZEPBOUND® (tirzepatide) WEGOVY® (semaglutide)
Treatment of **MASH** (metabolic dysfunction-associated steatohepatitis) with moderate to advanced **fibrosis** (non-cirrhotic)	WEGOVY® (semaglutide)

*Accurate as of April 2026

GLP-1 Claimants

Increased use of GLP-1 drugs is driven by several interrelated factors, including growing awareness and adoption among healthcare providers and patients, evolving clinical guidelines, and positive clinical study outcomes. In addition, the expanding patient population is a key contributor. In Canada, diabetes prevalence is estimated at approximately 10% and is projected to increase to 32% by 2034[4], driven by persistently high rates of obesity and an aging population. As the risk of type 2 diabetes increases with age, the number of patients living with diabetes continues to grow; consequently, utilization of GLP-1 drugs is expected to continue increasing.

PERCENTAGE OF CLAIMS, SPEND, AND CLAIMANTS – 2024 *vs.* 2025



[4] Diabetes Canada. Diabetes in Canada. National and provincial backgrounders

OZEMPIC® and Genericization

OZEMPIC® (semaglutide) received its initial Notice of Compliance from Health Canada on January 4, 2018, for the treatment of adults with type 2 diabetes to improve glycemic control, in conjunction with diet, exercise, and other therapies as appropriate. Since its initial approval, OZEMPIC®'s indication has expanded to cardiovascular risk reduction and kidney protection in patients with type 2 diabetes and chronic kidney disease (approved in August 2025).

OZEMPIC® (semaglutide) lost Canadian patent protection on January 4, 2026. As of April 28, 2026, Health Canada has approved generic semaglutide injection making Canada the first G7 country to authorize a generic version of semaglutide. The approved product is indicated for the once-weekly treatment of type 2 diabetes in adults. Health Canada is currently reviewing additional generic semaglutide submissions.[5] Generic competition is expected to introduce downward price pressure over time, with the magnitude of savings dependent on the number of approved entrants and payer reimbursement decisions.

This anticipated entry occurs within a broader market environment that continues to favour generics. Overall generic penetration increased by 1.6% from 70.9% in 2024 to 72.5% in 2025. While the extent of generic semaglutide adoption will depend on regulatory approvals, pricing dynamics, and formulary positioning, generic entry represents a potential moderating influence on long term GLP-1 unit costs.

[5] Health Canada. Canada becomes the first G7 country to approve a generic version of semaglutide. News Release. Published April 28, 2026

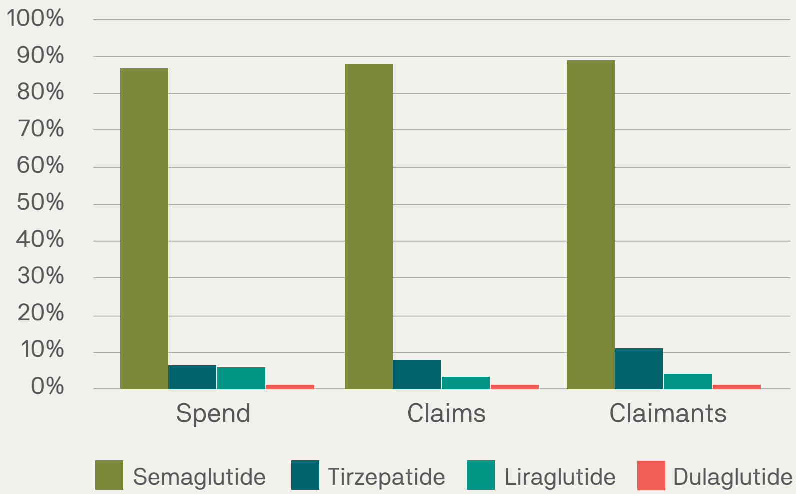
Cost Containment Strategies for GLP-1 Drugs

Multi-layered strategies are being used to manage rising GLP-1 costs. These include stringent prior authorization requirements based on eligibility criteria, renewal criteria tied to documented clinical response, and step therapy approaches where appropriate.

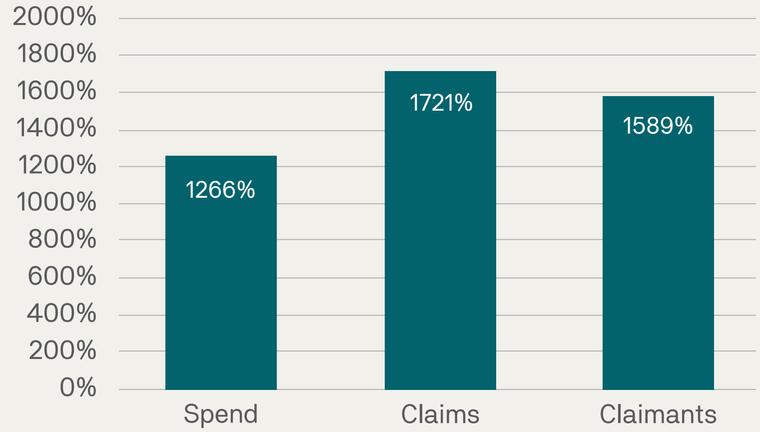
While GLP-1 utilization remains a significant cost driver, several factors may moderate future spend growth. Increased intra-class competition, the emergence of oral GLP-1 formulations, tighter utilization management, and real world discontinuation patterns may place downward pressure on average cost per claim, even as overall demand remains high.

In 2024 and 2025, tirzepatide experienced a significant increase in utilization. Its dual mechanism of action has demonstrated superior efficacy compared to semaglutide in both diabetes management and weight reduction, contributing to its rapid uptake. The availability of multi-dose KWIKPEN® formulations toward the end of 2024 may have further accelerated this growth by improving convenience and accessibility.

PERCENTAGE OF GLP-1 SPEND, CLAIMS, AND CLAIMANTS BY GLP-1 PRODUCT IN 2025



INCREASE IN SPEND, CLAIMS, AND CLAIMANTS FOR TIRZEPATIDE IN 2025



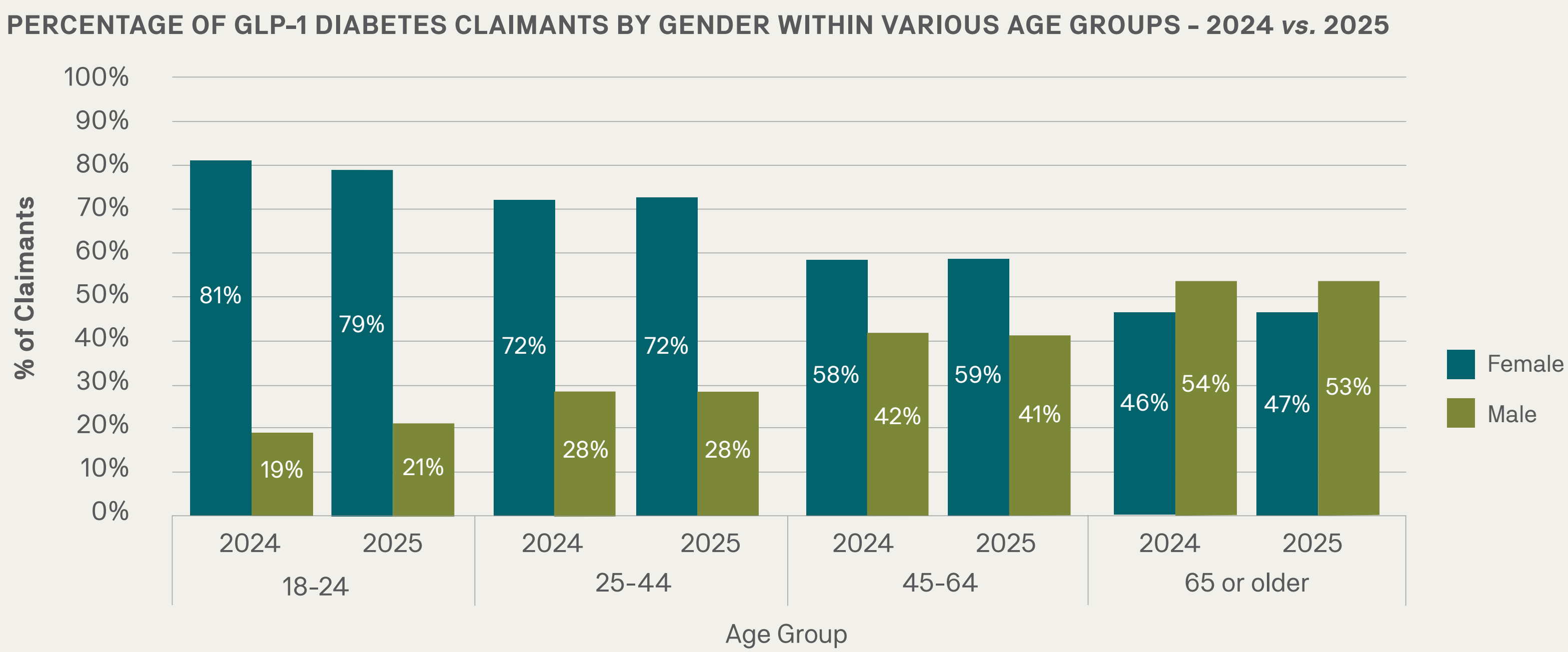
In contrast, more established GLP-1 receptor agonists, including liraglutide and dulaglutide, showed notable decreases in spend of 30% and 23% respectively. These numbers suggest a shift from earlier generation therapies toward newer agents that offer greater efficacy and more convenient dosing schedules, particularly once weekly administration compared with daily dosing.

Semaglutide continued to demonstrate steady, moderate growth across spend (17.7%), claims (11.2%), and claimants (15.5%) in 2025. Within the semaglutide category, WEGOVY® captured a meaningful share of utilization, accounting for 19% of spend, 14% of claims, and 18% of claimants, up from approximately 1% across each measure in the prior year. The rapid increase in WEGOVY®'s share of semaglutide spend, claims, and claimants likely reflects a combination of market entry effects, pent-up demand, and evolving benefit design.

TOP 10 GLP-1 PRODUCTS IN 2025 BY SPEND

Ranking	Chemical Name	Brand Name and Format
1	Semaglutide	OZEMPIC® 1MG/ACT INJ
2	Semaglutide	OZEMPIC® 0.25-0.5MG/ACT INJ
3	Liraglutide	SAXENDA® 6MG/ML INJ
4	Semaglutide	WEGOVY® 9.6MG/3ML INJ
5	Semaglutide	WEGOVY® 4MG/3ML INJ
6	Semaglutide	WEGOVY® 6.8MG/3ML INJ
7	Semaglutide	WEGOVY® 2MG/1.5ML INJ
8	Semaglutide	RYBELSUS® 14MG TAB
9	Tirzepatide	MOUNJARO KWIKPEN® 10MG/0.6ML
10	Semaglutide	WEGOVY® 1MG/1.5ML INJ

Diabetes



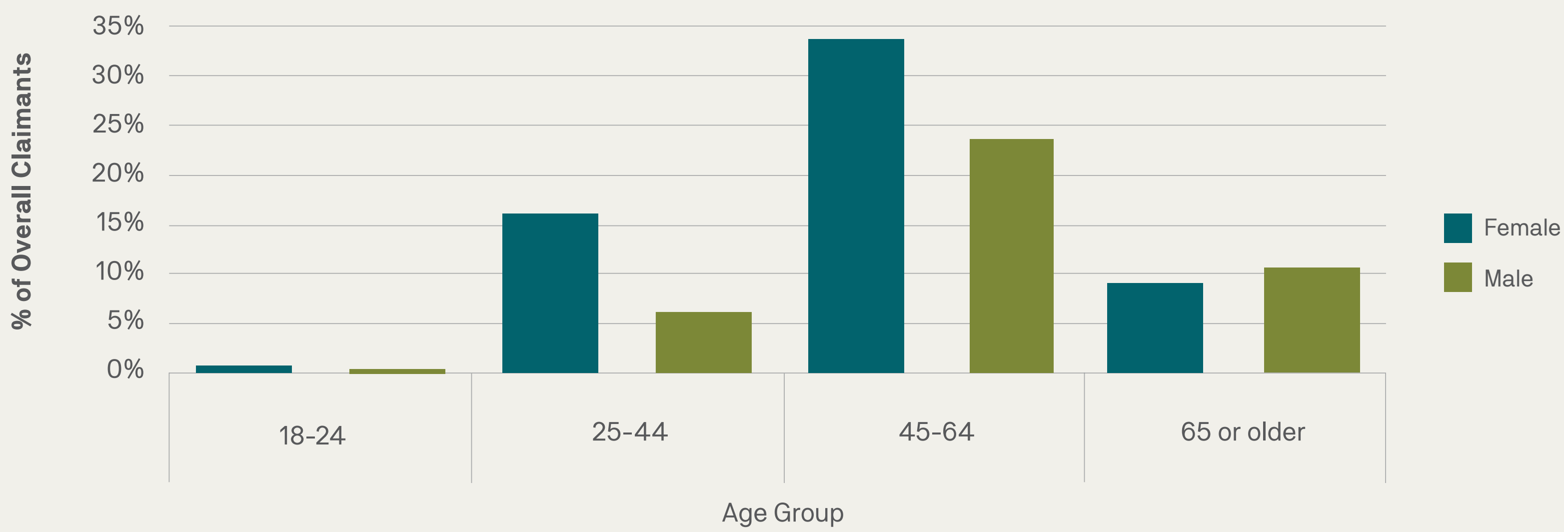
Up to age 65, women consistently represent a higher proportion of GLP-1 claimants for diabetes than men, though the gap gradually narrows with age. Differences in GLP-1 use for diabetes by gender likely reflect differences in how and when treatment is intensified within diabetes care pathways, including follow-up after gestational diabetes and broader care-seeking patterns, with convergence at older ages as disease duration and severity predominate.[6,7] Utilization by women declines as age increases, while utilization by men rises steadily and eventually surpasses female rates in the 65+ group. Between 2024 and 2025, patterns remained largely unchanged. Notably, broader population data generally indicate that adult men have a higher overall risk of developing type 2 diabetes compared with adult women.[8]

[6] American Diabetes Association. Standards of Care in Diabetes

[7] Piccini et al. *Real-world sex differences in type 2 diabetes patients treated with GLP-1 receptor agonists*. Diabetes Research and Clinical Practice. 2024; 212: 111689. DOI: 10.1016/j.diabres.2024.111689

[8] Statistics Canada. Diabetes among Canadian adults. Published November 29, 2023

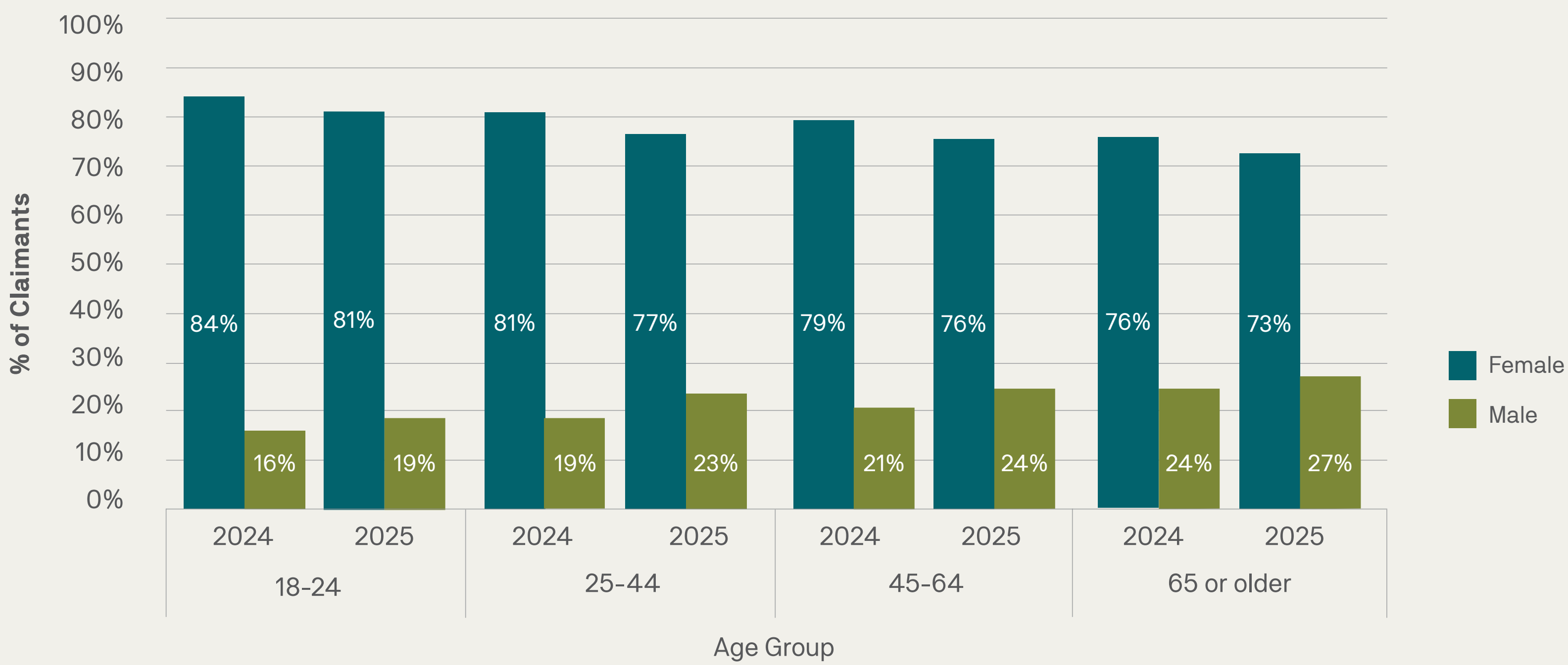
OVERALL PERCENTAGE OF GLP-1 DIABETES CLAIMANTS SPLIT BY GENDER AND AGE GROUP IN 2025



The 45–64 age group shows the highest overall proportion of GLP-1 diabetes claimants. Within this segment, women represent the largest proportion of claimants, roughly one third. The increase is substantial from the 25–44 group to the 45–64 group for both genders, but the increase is notably sharper among women. Among women aged 45–64, increased GLP-1 utilization for diabetes may coincide with the perimenopausal and menopausal transition, a life stage associated with worsening cardiometabolic risk profiles. These changes may contribute to greater clinical emphasis on treatment intensification in women with type 2 diabetes during midlife.

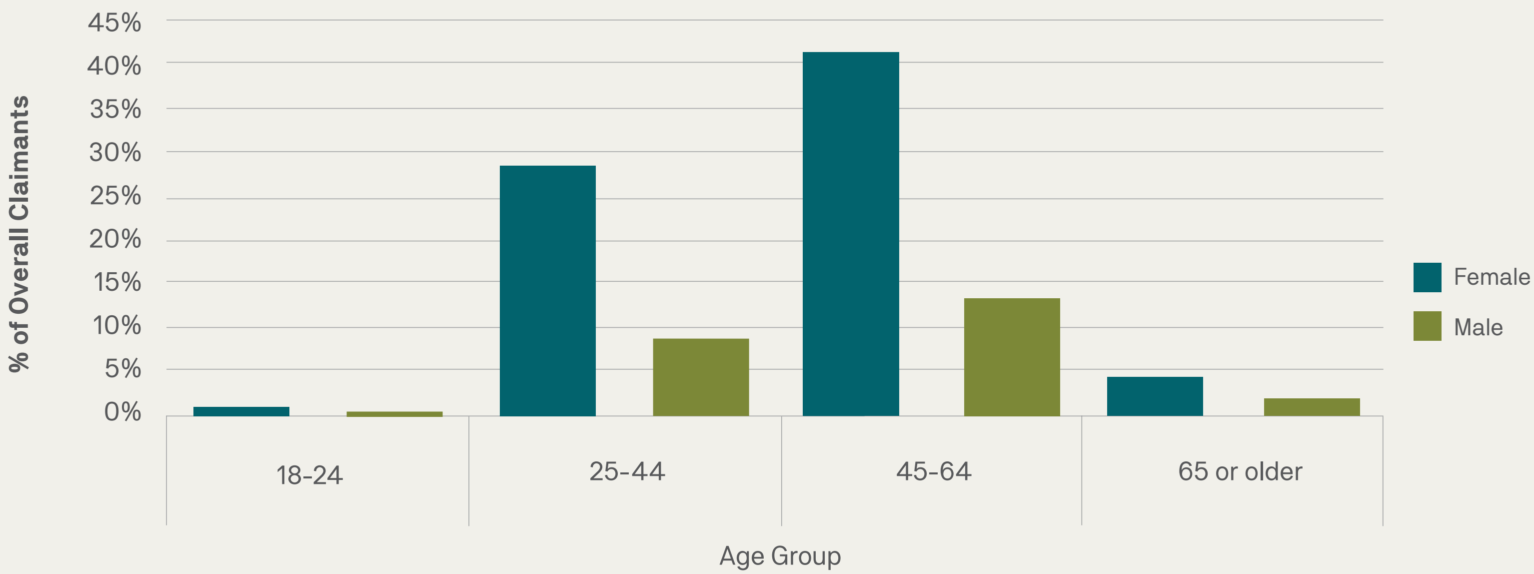
Weight Management

PERCENTAGE OF GLP-1 WEIGHT MANAGEMENT CLAIMANTS BY GENDER WITHIN VARIOUS AGE GROUPS - 2024 *vs.* 2025



The chart shows that across all age groups in both 2024 and 2025, women make up a large majority of GLP-1 claimants for weight management, consistently representing around 70–85% of users, while men remain at a lower proportion, roughly 15–30%. Percentage of men claimants increased slightly between 2024 and 2025 across every age group.

OVERALL PERCENTAGE OF GLP-1 WEIGHT MANAGEMENT CLAIMANTS SPLIT BY GENDER AND AGE GROUP IN 2025



According to this chart, overall, GLP-1 weight management claimants in 2025 are driven primarily by middle-aged women, with a noticeably lower uptake among men and younger adults. According to Statistics Canada, during 2022 to 2024, more than two-thirds (68%) of Canadian adults had a body mass index (BMI) classified as overweight or having obesity.[9] Men were more likely than women to have a BMI in the overweight range. Despite that, women consistently represent a much larger number of claimants across all age groups. Overall, this indicates that women are more inclined to seek pharmacologic support for obesity and weight management compared to men.

[9] Statistics Canada. The prevalence of overweight and obesity is on the rise in Canada: New results from the Canadian Health Measures Survey, 2022 to 2024. The Daily. Published October 2, 2025

Obesity as a Chronic Condition

Obesity is a chronic medical condition, and most individuals require ongoing, lifelong therapy to maintain their weight. As with any chronic condition, payers should anticipate continued therapy rather than short term use. Newer GLP-1 have demonstrated greater efficacy than older options, and are more convenient to use, making them the first-line therapeutic option for weight management.

Coverage for obesity and weight management treatments varies widely across private plans. Our findings indicate that only about one in three individuals has access to weight management treatments through their benefit plans.[10] Among insurers that do offer coverage, many apply restrictions such as annual reimbursement caps to help manage overall costs. This creates tension: on one hand, private plans aim to maintain affordability and remain sustainable, while on the other, a growing number of individuals living with obesity or who are overweight are seeking access to treatments. Discontinuing treatment is frequently associated with weight regain, underscoring the World Health Organization's position that long-term pharmacotherapy is essential to sustain clinical benefits.[11]

To manage costs and support appropriate care, private payers can apply clear eligibility criteria, require documented clinical response for renewals, and encourage adherence through medication review and participation in supportive lifestyle programs. In contrast, annual reimbursement caps risk creating mid-year treatment interruptions that weaken the clinical impact, reduce long-term success, and ultimately diminish the value of therapy.

[10] McMullin C. GLP-1 Drug Coverage in Canada. Word on Benefits (IFEBP). Published on February 21, 2024

[11] World Health Organization (WHO), 2025. WHO guideline on the use of GLP-1 therapies for the treatment of obesity in adults.

GLP-1 Pipeline

The GLP-1 pipeline remains a significant area of interest for plan sponsors, reflecting its potential to expand eligible populations and accelerate cost and utilization pressures in the coming years.

Several next-generation agents, including retatrutide and orforglipron, are expected to reach regulatory review in the coming years for weight management. The development of oral GLP-1 drugs such as orforglipron is particularly noteworthy, as oral formulations may offer lower manufacturing, distribution, and administration costs relative to injectables, potentially improving affordability and access over time, depending on pricing and reimbursement decisions.

Another product to watch is CagriSema (cagrilintide plus semaglutide), a fixed-dose combination of a GLP-1 receptor agonist and an amylin analogue administered once weekly by subcutaneous injection. CagriSema, currently under evaluation in the U.S., has a dual-mechanism approach, which has demonstrated enhanced weight-loss efficacy in late-stage trials and may further raise patient and prescriber expectations for treatment outcomes in the weight-management category.

Beyond obesity and diabetes, the GLP-1 pipeline includes a growing number of investigational indications across metabolic and non-metabolic conditions. A summary of key indications currently under investigation is presented in the chart below, underscoring the potential for continued expansion in GLP-1 utilization over the medium to long term.

THE GLP-1 DRUG PIPELINE

Chemical Name	Mechanism of action	Indications under review
Semaglutide	GLP-1 receptor agonist	- Type 2 diabetes (T2D) and peripheral artery disease (PAD) - Alcohol use disorder - Early Alzheimer's disease - Polycystic Ovary Syndrome (PCOS) - Osteoarthritis in patients that are overweight or obese
Tirzepatide	Dual GIP and GLP-1 receptor agonist	- Risk reduction of major adverse cardiovascular events - Metabolic dysfunction-associated steatohepatitis (MASH) - Type 1 diabetes and obesity or weight management - Chronic kidney disease in people with obesity with or without type 2 diabetes (T2D)

Mental Health

MENTAL HEALTH

Health Canada defines mental health as a state of psychological and emotional well-being, while the World Health Organization emphasizes its functional role in helping individuals cope with stress, realize their abilities, and contribute to society. Together, these perspectives highlight that mental health is more than the absence of illness – it is a core component of overall health, quality of life, and a fundamental human right.

Mental health challenges are common, and most individuals experience fluctuations in their mental well-being over the course of their lives. For some, symptoms become more severe, long lasting, and interfere with daily functioning, meeting the criteria for a mental disorder. Mental disorders involve disruptions in thinking, mood, or behaviour and include a wide range of conditions such as mood and anxiety disorders, post traumatic stress disorder, schizophrenia, eating disorders, and substance use disorders.

DETERMINANTS OF MENTAL HEALTH

+ Individual attributes:
  - Self-regulation
  - Social-emotional competence
+ External attributes:
  - Social factors
  - Cultural factors
  - Economic factors
  - Political factors
  - Environmental factors

For example: National policies, social protection, living standards, working conditions, and community social supports

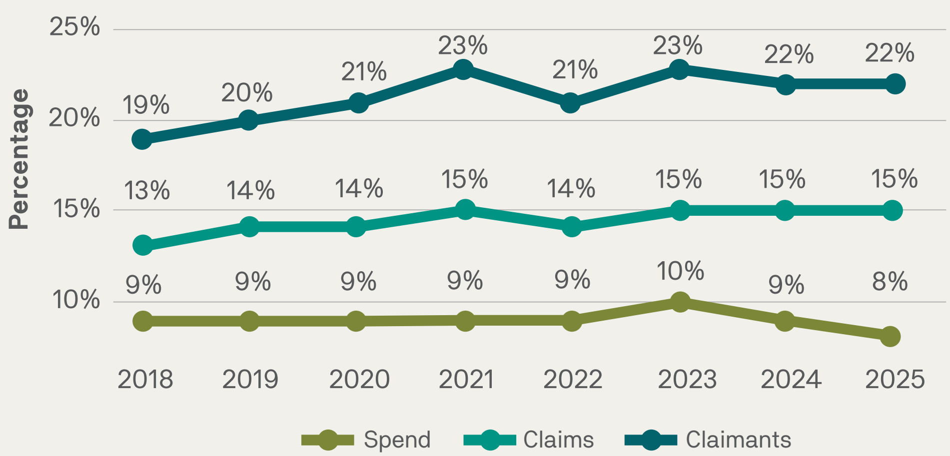
CONSEQUENCES OF ALTERED MENTAL HEALTH

+ Increased disability and mortality
+ Higher risks of poverty, discrimination and exclusion

KEY DETERMINANTS OF MENTAL WELL-BEING

Trends In Mental Health

PERCENTAGE OF TOTAL SPEND, CLAIMS, AND CLAIMANTS ON MENTAL HEALTH DRUGS - 2018 TO 2025



19% - 23% Percentage of claimants increased

13% - 15% Percentage of claims increased

8% in 2025 Spend remained relatively stable

Overall, mental health medications account for a steadily growing and consistently meaningful proportion of plan utilization over the period shown.

Over the course of the last eight years:

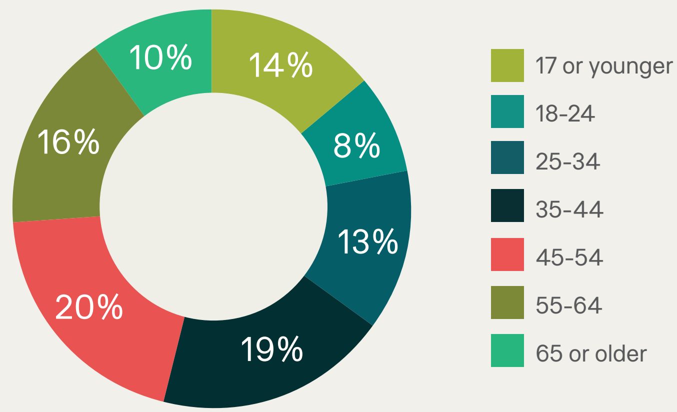
+ Spend remained relatively stable, accounting for the lowest percentage at 8% in 2025
+ The percentage of claims increased steadily from 13% to 15%
+ The percentage of claimants fluctuated between 19% and 23%

Taken together, these trends indicate a broader uptake of mental health treatments as time has progressed. This reflects steady growth through 2020, followed by a peak in 2021, aligned with broader antidepressant use following COVID-19 pandemic-related mental health pressures. While more members are accessing mental health medications and generating claims, overall costs have remained relatively controlled, likely reflecting a predominance of lower-cost therapies or effective cost management over time.

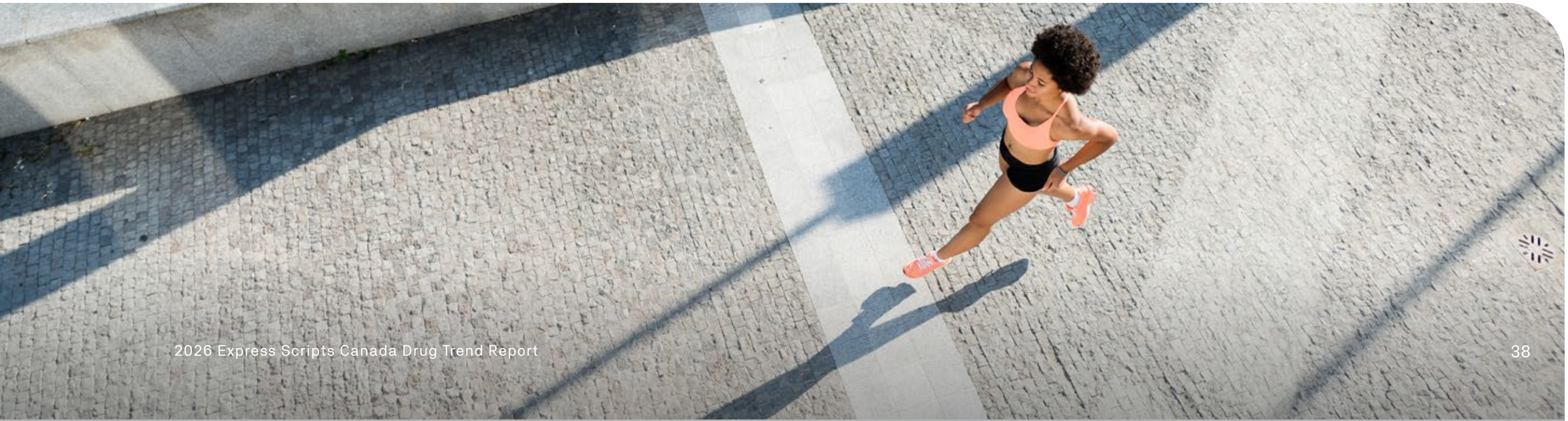
Mental Health in the Workplace

Our data highlights workplace mental health as a key area of focus since most claimants for mental health medications fall within the working age population. Mental health conditions can significantly affect workplace functioning by increasing absenteeism and presenteeism, which in turn reduce productivity, contribute to higher employee turnover, and lead to increased number of disability claims. It is estimated that approximately 30% of disability claims are related to mental health problems.[12] In recent years, growing awareness of these impacts has prompted many employers to strengthen workplace well-being initiatives. In this context, Quebec's Law 27, which came into force in October 2025, represents a major policy shift by requiring employers to identify, assess, and prevent psychosocial risks such as harassment, violence, and excessive workload, thereby placing psychological health on the same legal footing as physical safety across all workplaces in the province.

PERCENTAGE OF SPEND ON MENTAL HEALTH DRUGS BY AGE GROUP IN 2025



[12] Government of Canada. Mental health in the workplace. Employment and Social Development Canada



Current Mental Health Drivers

Social media exposure, economic uncertainty, and the COVID-19 pandemic have significantly affected mental health. Heavy social media use is linked to greater psychological distress through negative content, social comparison, and reduced meaningful interaction.[13]

Economic pressures such as job insecurity, financial strain, and rising living costs have further contributed to chronic stress and anxiety. These challenges were intensified by the COVID-19 pandemic, which brought prolonged isolation, disrupted routines, and widespread health concerns, leading to increased psychological distress and mental health disorders across populations.

[13] Mougharbel F, Chaput JP, Sampasa-Kanyinga H, et al. Heavy social media use and psychological distress among adolescents. Frontiers in Public Health. 2023. Jun 15;11:1190390. DOI: https://www.frontiersin.org/journals/public-health/articles/10.3389/fpubh.2023.1190390/full

In 2025, multi-drug use is concentrated among middle-aged adults, particularly those aged 35 to 54. These groups accounted for the largest shares of claimants using four or five drug categories. Overall, the pattern highlights greater treatment complexity among the core working-age population.

While polypharmacy is often clinically indicated in mental health care, higher medication counts are associated with increased regimen complexity and elevated risk, including adverse drug events, drug interactions, nonadherence, and downstream health system utilization. As treatment intensity increases, ensuring that each medication has a clear indication, is effectively monitored, and remains appropriate over time becomes increasingly important.

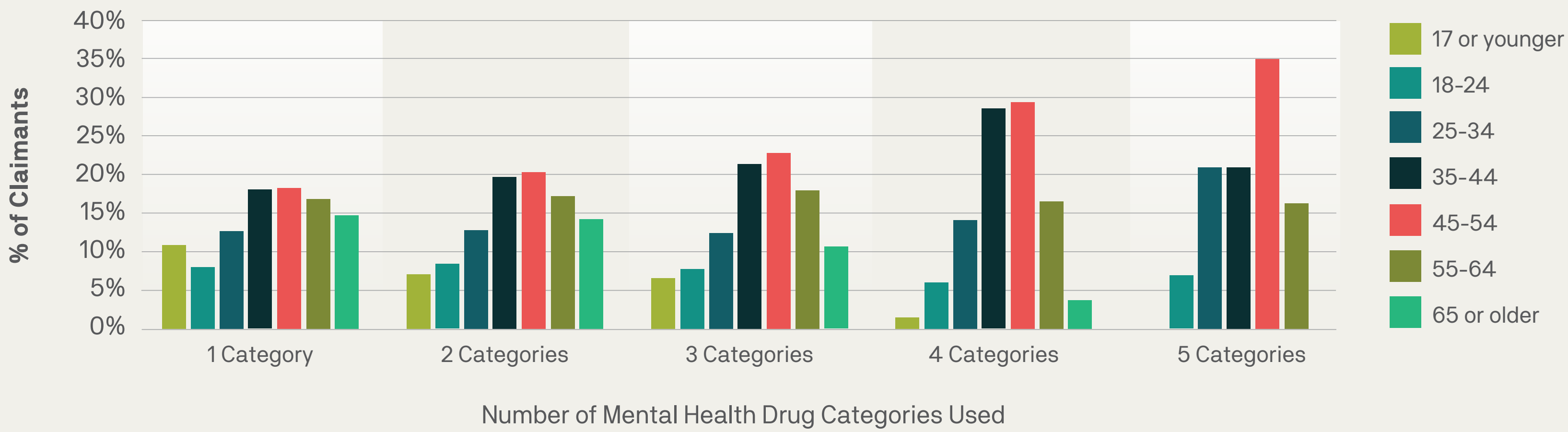
Evidence underscores the value practices that strengthen medication oversight, adherence support, and care coordination such as:

+ regular reconciliation of all prescription and non-prescription products
+ clear communication across healthcare professionals
+ shared decision-making around deprescribing where appropriate

Such practices can help optimize patient outcomes while reducing avoidable risk.

Among medications primarily used to treat depression, the top three agents in 2025 by proportion of claims were, in descending order, escitalopram (5.9%), sertraline (5.3%), and vortioxetine (5.3%). Escitalopram and sertraline are both selective serotonin reuptake inhibitors (SSRIs), for which multiple generic formulations are widely available on the Canadian market. Vortioxetine is a multimodal serotonin modulator for which only one generic has been available since April 2025. For major depressive disorder, initial pharmacological treatment typically involves an SSRI, with the specific agent selected based on individual patient characteristics and other clinical considerations.

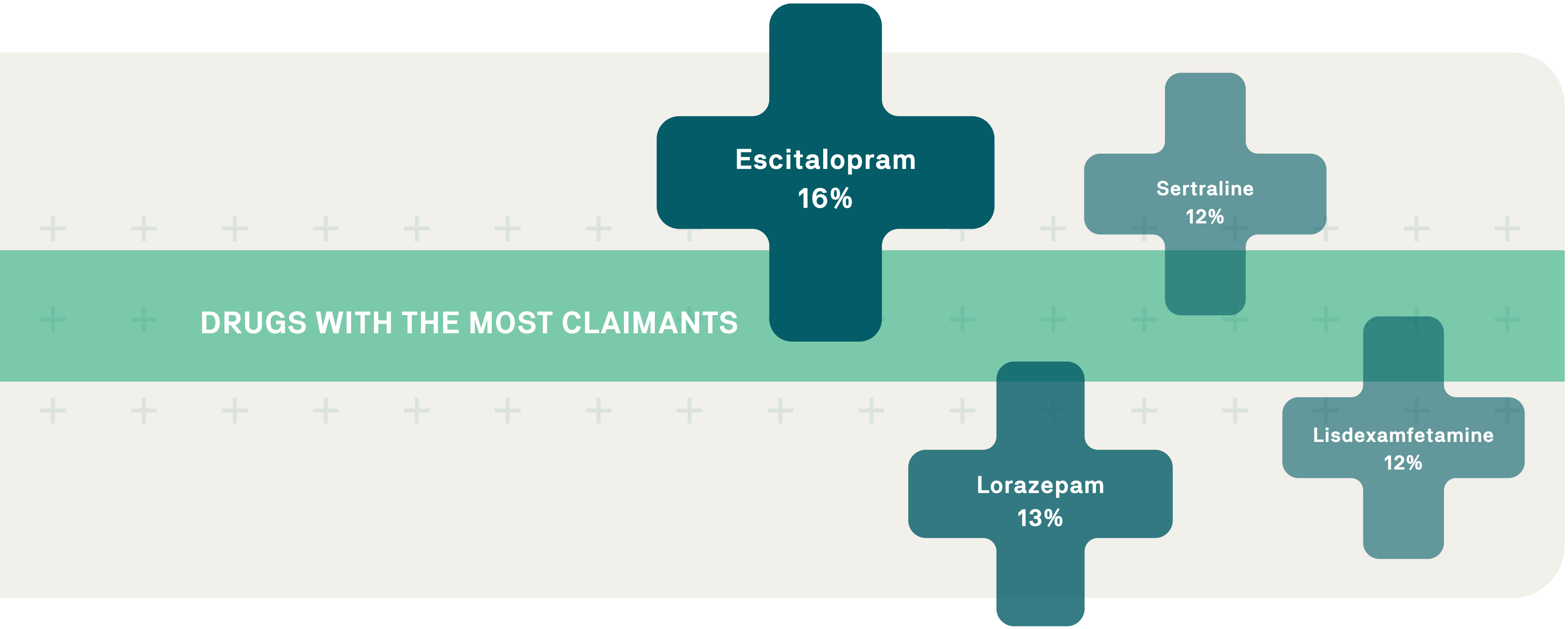
PERCENTAGE OF CLAIMANTS SPLIT BY AGE GROUP AND NUMBER OF MENTAL HEALTH DRUG CATEGORIES USED



Five mental health drug categories that were analyzed: Antipsychotics, Antidepressants, Sedative/Hypnotics, ADHD Treatments, Addiction Treatments. The claimants were grouped according to the number of drug categories used.

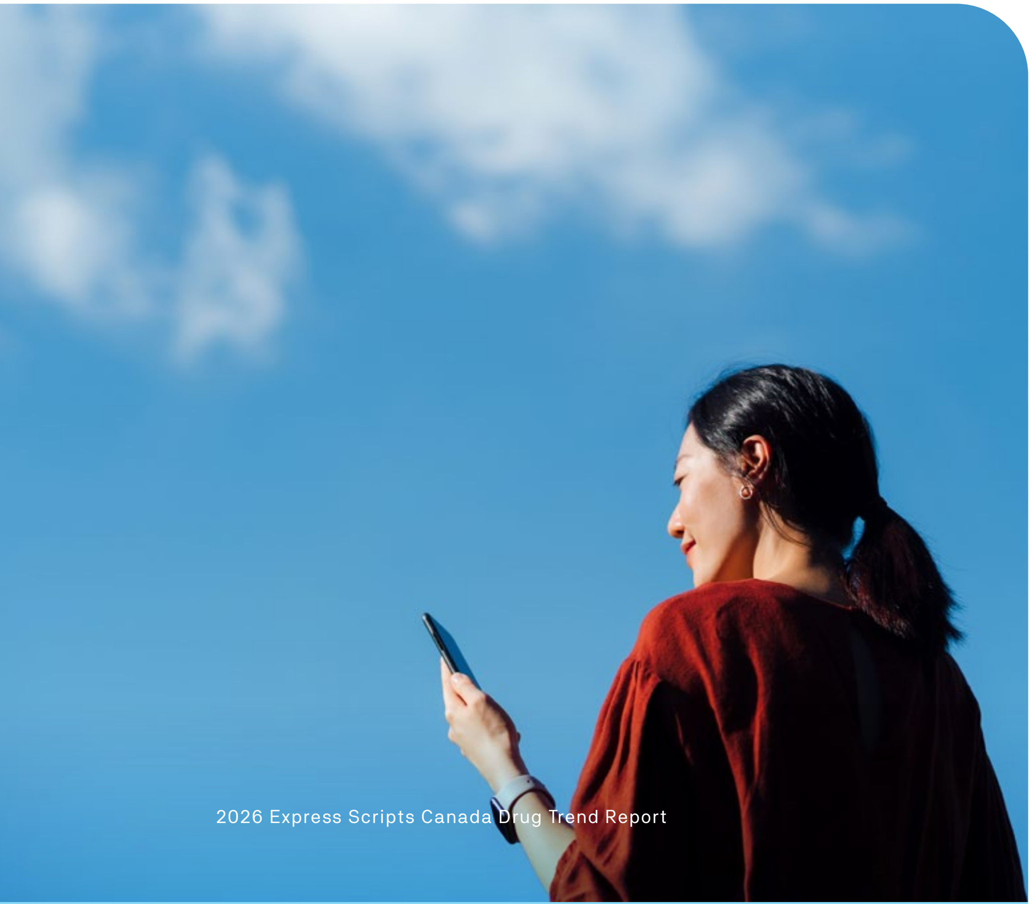
In 2025, the top three antipsychotic medications by proportion of overall drug spend were, in descending order, aripiprazole (3.0%), brexpiprazole (2.0%), and quetiapine (1.9%). While antipsychotics are primarily indicated for the treatment of schizophrenia, they are also approved for use as adjunctive therapy to antidepressants in major depressive disorder and for the management of bipolar disorder. In addition, antipsychotics are widely prescribed for off-label indications, including anxiety, insomnia, and the management of behavioural disturbances.

In 2025, the four drugs with the most claimants in this area were, in descending order, escitalopram (16%), lorazepam (13%), sertraline (12%), and lisdexamfetamine (12%).



Use of Technology in Mental Health Care

Psychotherapy is underutilized across Canada. National data consistently show that many people with mood and anxiety disorders report needing counselling or psychotherapy but receive only partial care or none at all.[14] Cost and coverage gaps are major barriers; as a result, individuals often receive medication or brief physician-based care in place of psychotherapy, even when counselling is preferred or clinically appropriate. This mismatch between need and access is most pronounced among young adults and other vulnerable populations, with Canadian Institute for Health Information (CIHI) reporting that more than half of Canadians aged 18-34 with a diagnosed mental health disorder have partially met or unmet needs, and Statistics Canada identifying persistent shortfalls in access to counselling and psychotherapy among youth and those with mood and anxiety disorders.[15,16,17]



Against this backdrop, virtual care expanded rapidly across Canada during the pandemic and remains embedded in mental health service delivery. By reducing access barriers, virtual care enables earlier assessment and treatment initiation. CIHI analysis shows that virtual visits did not simply replace in person care; overall physician mental health service volumes increased during the early pandemic period, indicating expanded system utilization.[18]

In parallel, the Mental Health Commission of Canada (MHCC) defines e-mental health as the delivery of mental health services through digital tools such as teletherapy, guided cognitive behavioural therapy (CBT), mental health apps, and messaging based supports.[19] MHCC reports that e-mental health tools can be as effective as in person treatment for some conditions and improve access,

[14] Stephenson E. Mental disorders and access to mental health care. Statistics Canada. 2023
[15] CIHI: Canadian Institute for Health Information. Many Canadians with mental health disorders are not having their needs met. CIHI, 2025
[16] Stephenson E. Mental disorders and access to mental health care. Statistics Canada, 2023
[17] Statistics Canada, Mental disorders in Canada, 2022
[18] Canadian Institute for Health Information. Virtual care: Use of physician mental health services in Canada. CIHI; 2022
[19] Mental Health Commission of Canada. e-Mental Health. MHCC

especially in rural and underserved populations. In 2023, MHCC launched Canada's first national assessment framework for mental health apps to address safety and effectiveness concerns. To date, nearly 20 apps have been assessed under this framework, with those meeting the standards receiving an MHCC badge, signalling high quality digital mental health support. App-supported interventions may also improve engagement and adherence, potentially extending the duration of pharmacotherapy.

Looking ahead, artificial intelligence (AI) is increasingly embedded within virtual and digital mental health tools in Canada, including applications for symptom screening, triage, service navigation, clinical documentation support, and patient engagement. MHCC, working with the Canadian Centre on Substance Use and Addiction, is developing Canada's first national guidance on the use of AI in mental health and substance use care, expected in 2026.[20] Early findings highlight key risk areas to monitor, including trust and explainability, human-centred care, equity, privacy, and data governance.

While both virtual care and AI-enabled tools have expanded access to mental health support, they have tended to influence care pathways in different ways. Virtual mental health care has primarily scaled access to physician-based assessment and follow up, enabling earlier diagnosis and treatment initiation and, in practice, often reinforcing medication led management where psychotherapy capacity remains constrained. By contrast, AI-enabled mental health tools are more closely aligned with psychotherapy adjacent functions, such as structured skills practice, guided CBT techniques, psychoeducation, and ongoing engagement support. These tools do not prescribe medication and are generally positioned as adjuncts rather than replacements for clinical care. As a result, virtual care has predominantly expanded clinical contact and treatment initiation, while AI-enabled tools have the potential to extend and reinforce therapeutic support without resolving the underlying structural limitations in access to regulated psychotherapy.

Emerging evidence highlights the need for caution as AI-enabled tools become more embedded in mental health screening and triage pathways. A 2026 *Nature Medicine* study found that a consumer-facing AI triage system performed well for moderate acuity presentations but showed weaker performance at clinical extremes, including frequent under triage of high-risk emergencies and inconsistent activation of suicide crisis safeguards.[21] Triage recommendations were influenced by reassurance or symptom minimization, which tended to shift decisions toward less urgent care in edge-case or presentations, including those involving mental health. As AI models continue to improve and move earlier into care seeking pathways, triage performance in high-risk mental health contexts remains an important area to monitor, reinforcing the need to position AI tools as adjunctive supports with clear guardrails, human oversight, and fail-safe escalation mechanisms.

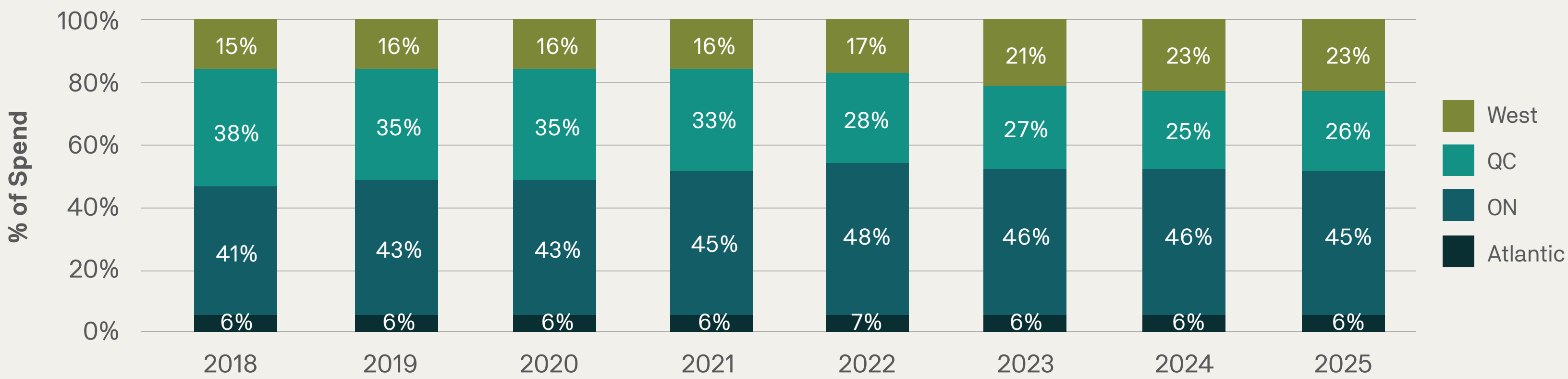
[20] Mental Health Commission of Canada. AI in Mental Health
[21] Ramaswamy A, Tyagi A, Hugo H, et al. ChatGPT Health performance in a structured test of triage recommendations. Nature Medicine. Published online February 23, 2026. DOI: 10.1038/s41591-026-04297-7

Trends Around Depression

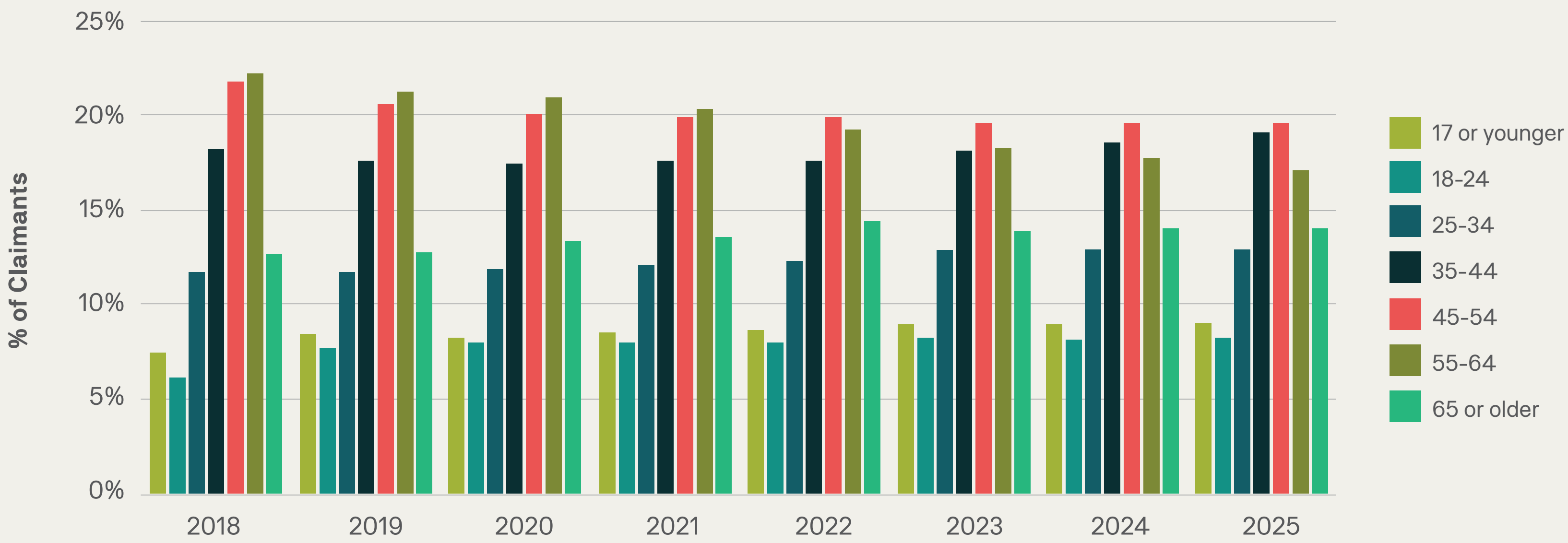
Since 2018, Ontario has consistently held the largest share of depression drug spending between 41 and 48%, while Quebec's share has steadily declined from 38% to 25%. Over the same period, the Western provinces increased their share from 15% to 23%, while depression spend in the Atlantic region has remained stable at 6%. Importantly, these shifts are relative shares: Quebec's decline does not necessarily mean lower absolute spend, but rather slower growth compared to other regions, especially the West.

Quebec shows a declining share of depression-related spend over time, likely driven by strong cost containment measures, and widespread use of generics. Furthermore, the antidepressant market is one that is mature and where growth has stabilized over time. In contrast, the Western provinces exhibit a steady increase in spend share, suggesting expanding utilization and treatment intensity, potentially supported by higher uptake of therapy post-pandemic, demographic factors, and a greater contribution from newer or higher-cost treatments.

ANTIDEPRESSANT MEDICATIONS – PERCENTAGE OF SPEND BY REGION – 2018 TO 2025



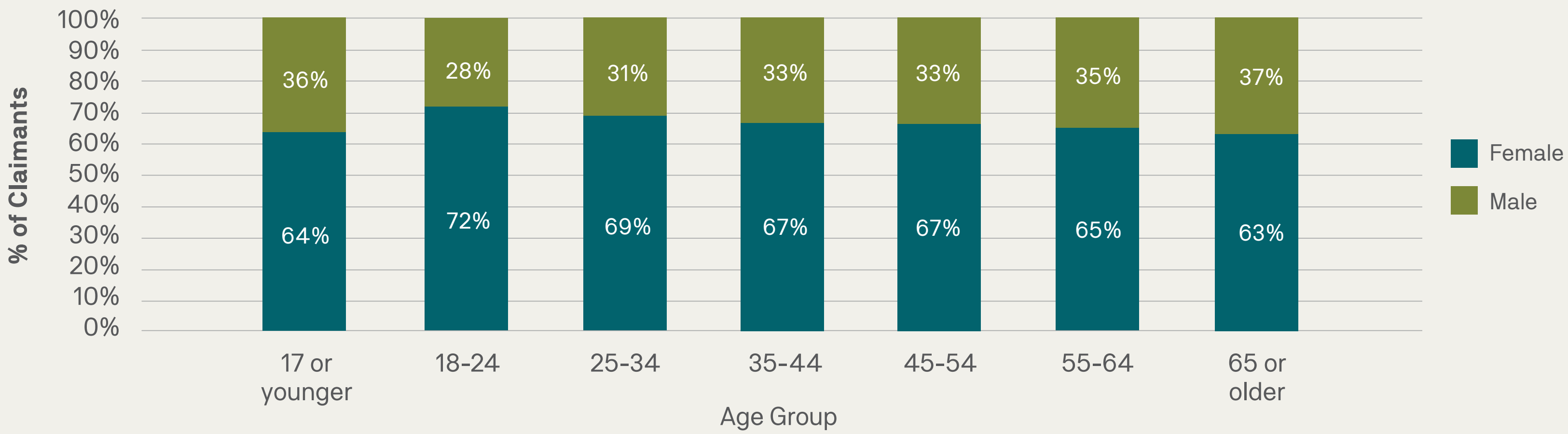
ANTIDEPRESSANT MEDICATIONS - PERCENTAGE OF CLAIMANTS BY AGE GROUP - 2018 TO 2025



When analyzing trends for medications indicated to treat major depressive disorder, it is important to note that many of these medications are also indicated for anxiety-related conditions, including social phobia and panic disorder. Since 2018, claimants have been predominantly concentrated in middle-aged and older working age populations, with individuals aged 45-64 consistently representing the largest claimant groups. Over time, the proportion of claimants aged 35-44 increased steadily, while the 55-64 age group experienced a modest decline. Younger age groups, as well as individuals aged 65 and older, accounted for smaller but gradually increasing shares, suggesting a slow shift toward a broader age distribution.

Depression and the Gender Gap

ANTIDEPRESSANT MEDICATIONS – PERCENTAGE OF CLAIMANTS BY GENDER AND AGE GROUP IN 2025



In 2025, depression claim rates were higher among women than men across all age groups, with the largest gap observed in younger populations, a pattern consistent with findings reported by other sources in Canada.[22,23]

Canadian evidence suggests that, in childhood, males are more likely to enter the mental health system through behavioural or neurodevelopmental presentation (e.g., ADHD, emotional dysregulation), which are frequently accompanied with depressive or anxiety symptoms.[24,25] In these cases, antidepressants may be initiated earlier as part of broader symptom management. As a result, antidepressant dispensing data in younger age groups may reflect treatment pathway effects rather than primary mood disorder epidemiology.

[22] Sun Life, Canadians are prioritizing mental health and seeking support, 2024
[23] Statistics Canada, Mental disorders and access to mental health care, 2023
[24] CIHI, Who is the most affected by mental health disorders? (2025)
[25] Statistics Canada, Mental disorders and access to mental health care (2023)

Claims for women peak in early adulthood (particularly ages 18–24) and then gradually decline and stabilize. In contrast, claims for men are generally lower in younger adults and steadily increase with age, reaching their highest levels among those aged 55 and older. As a result, while women consistently account for a greater proportion of claimants, the gender difference narrows in older age groups.

Many factors can explain this gender gap including biological, psychological, and social factors. Biologically, hormonal fluctuations across the menstrual cycle, pregnancy, postpartum period, and menopause can influence mood regulation and vulnerability to conditions such as depression and anxiety. Psychologically and socially, women are more likely to experience chronic stressors such as caregiving responsibilities, gender-based violence, discrimination, and economic inequality, all of which are associated with poorer mental health. In addition, women tend to be more aware of emotional symptoms and more willing to seek help or report distress, which increases diagnosis and claim rates, whereas men may underreport symptoms due to stigma or different coping styles. Together, these factors contribute to higher observed rates of depression among women.

Targeted, Biology-Driven Therapies: A New Direction in Mental Health Treatment

Biology-driven targeted therapy in mental health focuses on treatments designed to address specific neurobiological mechanisms linked to defined clinical states, rather than broadly treating symptoms across heterogeneous disorders. This approach moves beyond traditional clinical targets such as serotonin or dopamine pathways.

Active areas of exploration include N-methyl-D-aspartate (NMDA) receptor modulation in treatment-resistant depression, neurosteroid-based therapies for mood and stress-related disorders, and emerging treatments aimed at biologically defined subtypes within conditions such as Post Traumatic Stress Disorder (PTSD), bipolar disorder, and insomnia. Together, these efforts reflect a shift toward indication-specific treatment in psychiatry.

Postpartum Depression and the Role of Zuranolone

Postpartum depression is closely associated with abrupt hormonal and neurosteroid changes following childbirth, particularly the rapid decline in allopregnanolone, which disrupts normal inhibitory brain signaling and stress regulation. It is therefore a disease for which biology-driven therapy is particularly well suited.

Zuranolone (ZURZUVAE®), an oral neuroactive steroid and positive allosteric modulator of GABA-A receptors, was approved by Health Canada in December 2025 as the first treatment specifically indicated for moderate to severe postpartum depression. Given as a once-daily, 14-day course, zuranolone provides symptom improvement within days and sustained benefit beyond treatment completion. This translates postpartum-specific neurobiology into a short-course, outpatient therapy that establishes a new benchmark for targeted treatment in maternal mental health.

While these therapies are clinically significant, near-term impact on overall mental health drug spend is likely to be limited by narrow eligible populations, specialist involvement, and coverage decision timelines. Their greater significance lies in the precedent they set for future psychiatric innovation.

Pharmacy Landscape

Biosimilars

REFERENCE TABLE

Chemical Name	Originator Biologic Drug
Adalimumab	HUMIRA®
Aflibercept	EYLEA®
Denosumab	XGEVA®, PROLIA®
Etanercept	ENBREL®
Glatiramer	COPAXONE®
Infliximab	REMICADE®
Insulin aspart	NOVORAPID®
Insulin glargine	LANTUS®
Insulin lispro	HUMALOG®
Natalizumab	TYSABRI®
Omalizumab	XOLAIR®
Ranibizumab	LUCENTIS®
Rituximab	RITUXAN®
Tocilizumab	ACTEMRA®
Ustekinumab	STELARA®

In 2025, many new biosimilars entered the Canadian landscape.

+ OMLYCLO® (omalizumab), the first biosimilar of originator biologic XOLAIR®, was marketed in March 2025. Omalizumab is indicated for respiratory conditions and for chronic urticaria.
+ TYRUKO® (natalizumab), the first biosimilar of originator biologic TYSABRI®, was approved in September 2025, but has not yet entered the market. TYSABRI® is indicated for the treatment of relapsing remitting form of multiple sclerosis (MS).
+ The first biosimilars of originator biologic EYLEA® (aflibercept) were marketed during early Q3 of 2025 and since then, many others have been approved. Aflibercept is an intravitreal injection to treat different eye conditions like neovascular (wet) age-related macular degeneration.

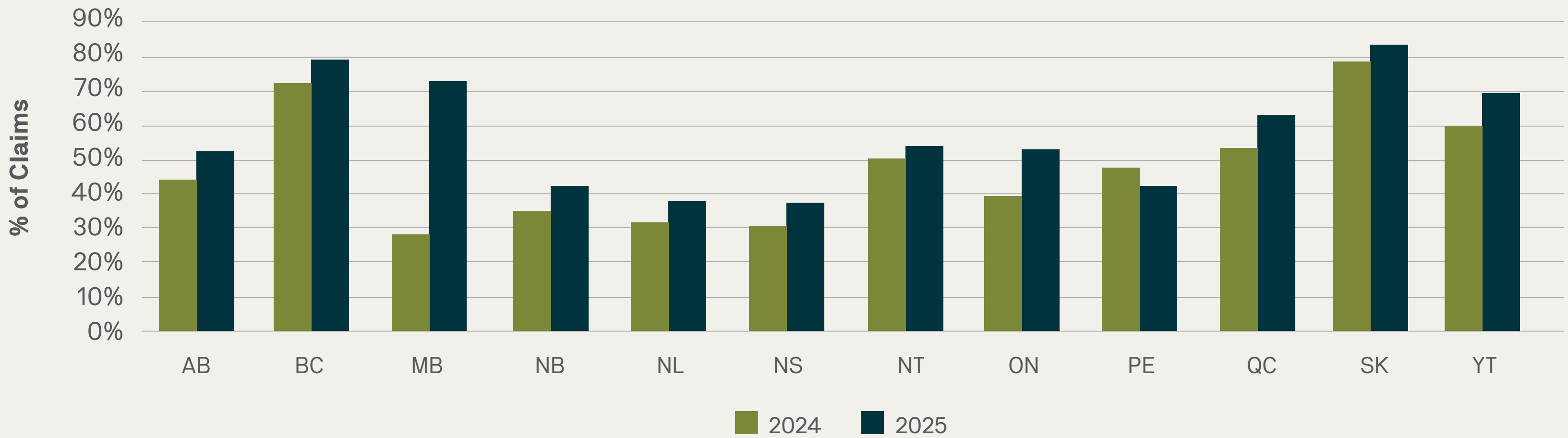
Biosimilars

NATIONAL BIOSIMILAR PENETRATION RATE BASED ON THE PERCENTAGE OF CLAIMS IN 2024 AND 2025

National biosimilar penetration rate increased across most molecules from 2024 to 2025, with already mature categories such as insulin glargine, rituximab, and ranibizumab reaching over 80% adoption levels. Several products show clear acceleration including infliximab, insulin lispro, insulin aspart, etanercept, and adalimumab indicating expanding payer policies, broader availability, and growing confidence in switching. In contrast, some molecules remain at very low biosimilar uptake, such as aflibercept, omalizumab, and tocilizumab, largely due to their more recent introduction to the Canadian market. Ustekinumab biosimilars received their first approvals in 2024 and are starting to demonstrate early, gradual adoption. Denosumab biosimilar penetration rate spiked because most provinces scheduled mandatory transitions periods throughout 2025 for originator biologics PROLIA® and XGEVA®.

Biosimilars

PROVINCIAL BIOSIMILAR PENETRATION RATE BASED ON THE PERCENTAGE OF CLAIMS IN 2024 AND 2025



A broad national increase in biosimilar penetration across nearly all provinces and territories happened in 2024 and 2025, indicating continued alignment with biosimilar transition policies and maturing adoption. Western provinces and the Prairies remained leaders, with British Columbia, Saskatchewan, and increasingly Alberta showing the highest uptake.

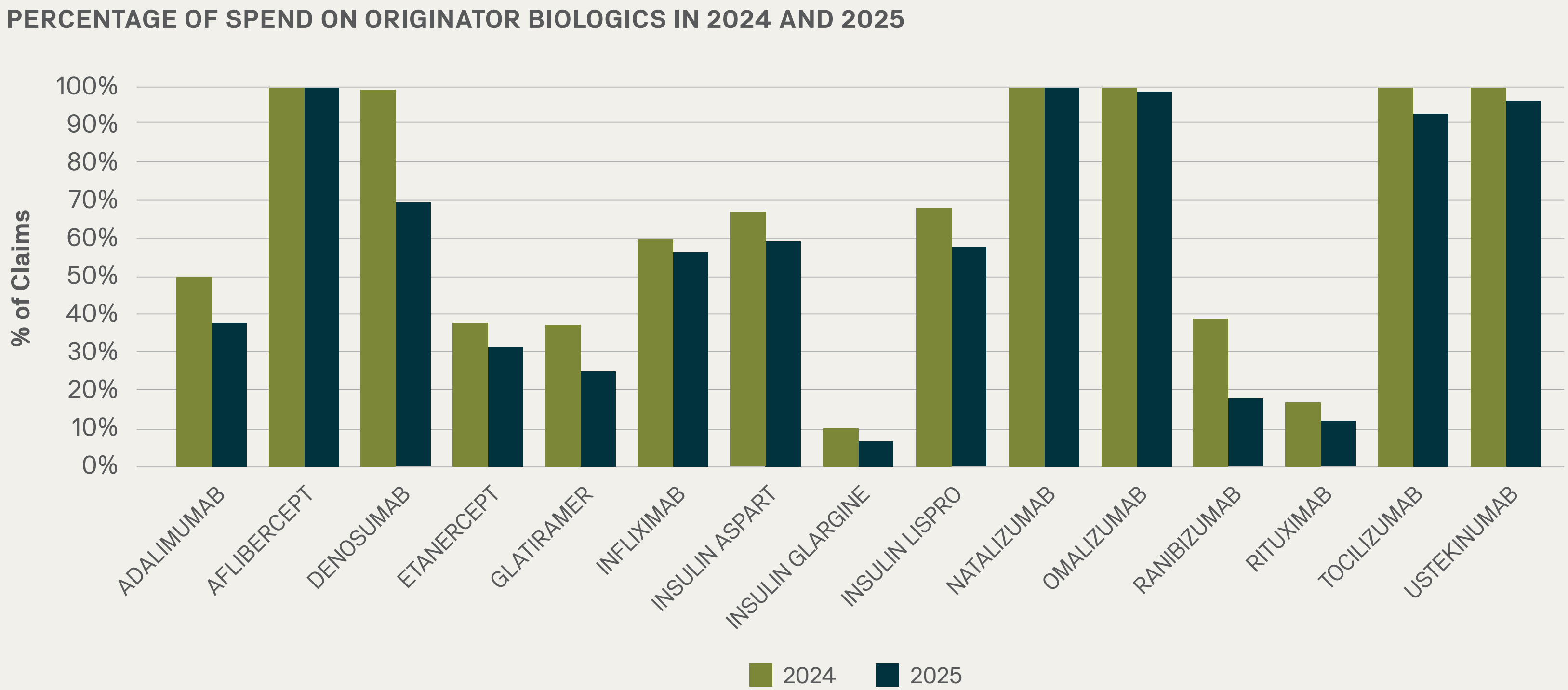
Manitoba, a pharmacare province, stood out with a dramatic rise in 2025 in comparison with 2024, mainly due to the launch of its biosimilar initiative in summer 2024 and the transition deadlines extending into 2025.

Ontario and Quebec demonstrated notable progress, with biosimilar adoption steadily increasing across these large and diverse markets. This trend reflects ongoing policy alignment and growing confidence among prescribers and payers.

New Brunswick, Newfoundland and Labrador, and Nova Scotia displayed moderate increases, and Prince Edward Island showed a slight dip in 2025. This decrease in biosimilar penetration in PEI is likely attributable to insulin claims that previously appeared in private-payer data but are now publicly funded under National Pharmacare, creating the appearance of reduced penetration among private plans.

Northwest Territories and Yukon continued to trend upward, maintaining mid to high adoption levels. Overall, the data highlighted consistent forward momentum, with some jurisdictions nearing saturation and others accelerating rapidly due to policy or payer-driven initiatives.

Biosimilars



A decline was seen in spend on originator biologics across nearly all molecules in 2024 and 2025, reflecting growing biosimilar adoption. Molecules such as aflibercept, omalizumab, and ustekinumab showed minimal change, remaining near 100% originator spend consistent with recent biosimilar launches or limited early uptake. Currently, many provinces have included newly approved biosimilars to their biosimilar transition policies. Omalizumab, tocilizumab, and aflibercept, are gradually added with transition deadlines ending during 2026 or later depending on the jurisdiction.

Biosimilars

PERCENTAGE OF CLAIMS BY PROVINCE IN 2025 FOR SELECT NEW BIOSIMILARS

	AB	BC	MB	NB	NL	NS	NT	ON	PE	QC	SK	YT
Aflibercept	*	*	*	0.1%	*	*	*	0.3%	1%	2%	*	*
Omalizumab	0%	1%	1%	1%	*	2%	*	3%	*	2%	*	*
Tocilizumab	13%	18%	1%	6%	5%	4%	*	9%	50%	16%	*	*

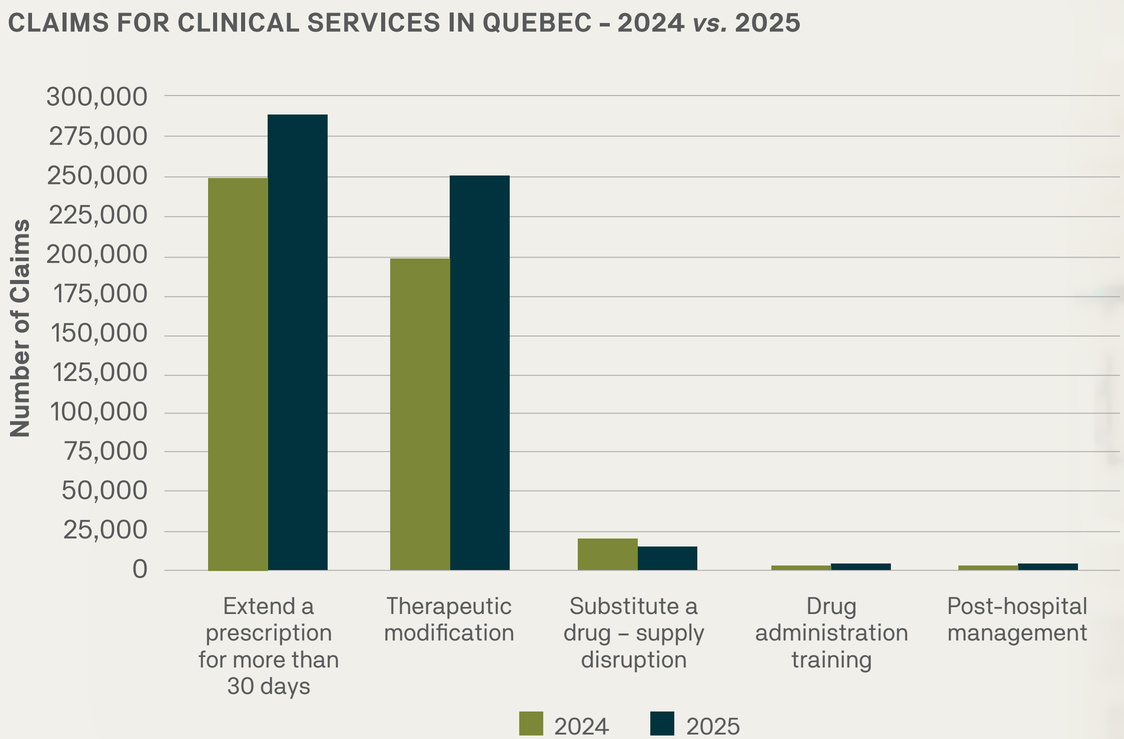
*Insufficient claims

What to watch for in 2026

- **Inclusion of newer biosimilars within provincial biosimilar initiatives, along with increasing uptake among private plans.**
- **Additional new biosimilars coming to the Canadian market. A first biosimilar of SIMPONI® (golimumab) has been approved by Health Canada in April 2026.**

Quebec

Quebec Clinical Services



Clinical service claims in Quebec in 2024 and 2025 showed an overall increase in the use of pharmacist-provided clinical services. The largest growth occurred in therapeutic modifications, which is a continued trend from last year. Extensions of prescriptions for more than 30 days continued to remain the leading clinical service provided in Quebec. Claims related to drug substitution due to supply disruptions decreased slightly and volumes remained modest. Meanwhile, services such as drug administration training and post-hospital management continued to represent a very small share, with little year-to-year variation.

Quebec

Quebec's healthcare system is experiencing significant strain, particularly due to the large number of individuals without access to a family physician. As a result, pharmacists are increasingly called upon to provide front line clinical services to address unmet patient needs. With the adoption of Bill 67 in November 2024, which further expands the scope of practice for pharmacists, the volume of clinical services delivered and consequently the number of reimbursable claims is expected to rise. A draft regulation has been published in December 2025 to define which new activities will be covered by RAMQ once the law is fully implemented. However, it remains unclear which clinical services may fall to private plans for reimbursement.

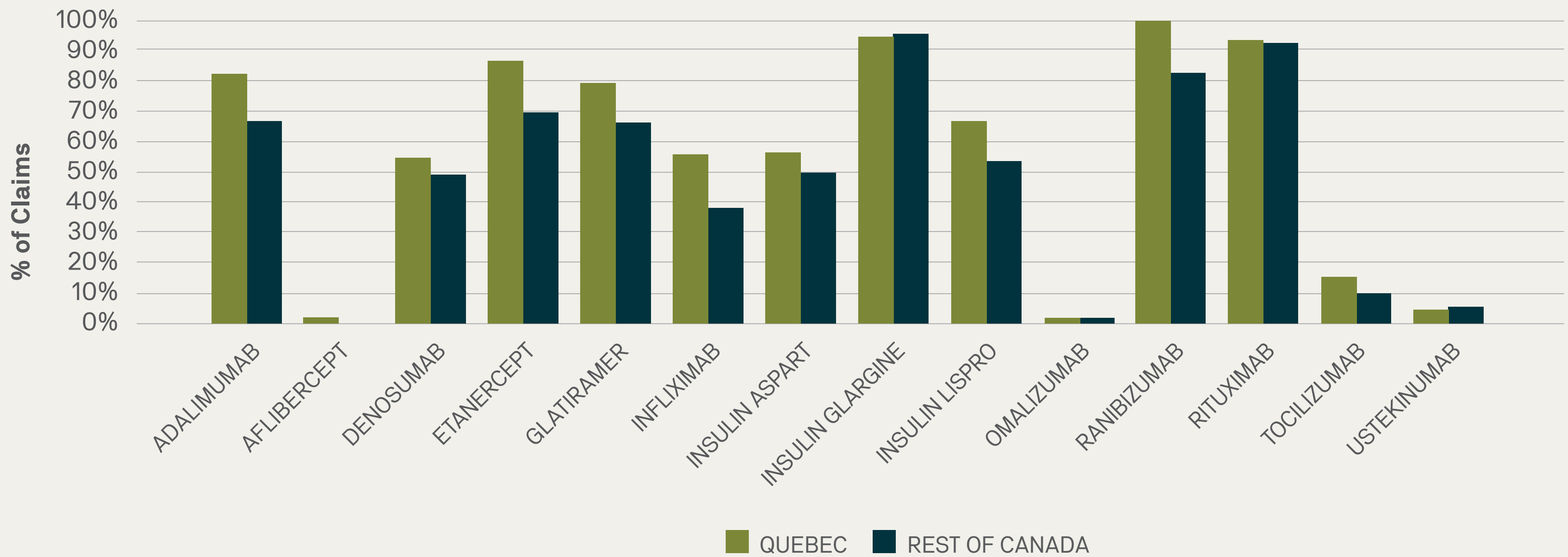
Quebec Overall Trend

2025	QUEBEC	REST OF CANADA
Average days' supply per claim	28.5	40.7
Number of claims per claimant	19.5	12.6
Spend per claimant	$1,290	$943

In 2025, spend per claimant in Quebec was 37% higher than in the rest of Canada, a pattern consistent with what was observed in 2024 (38%). As shown in the table, Quebec has a lower average days' supply per claim, a consequence of more frequent dispensing intervals. The overall number of claims per claimant is also higher in Quebec. Both drove up total spend per claimant in Quebec compared to the rest of Canada.

Quebec

BIOSIMILAR PENETRATION RATE IN 2025 - QUEBEC *vs.* REST OF CANADA



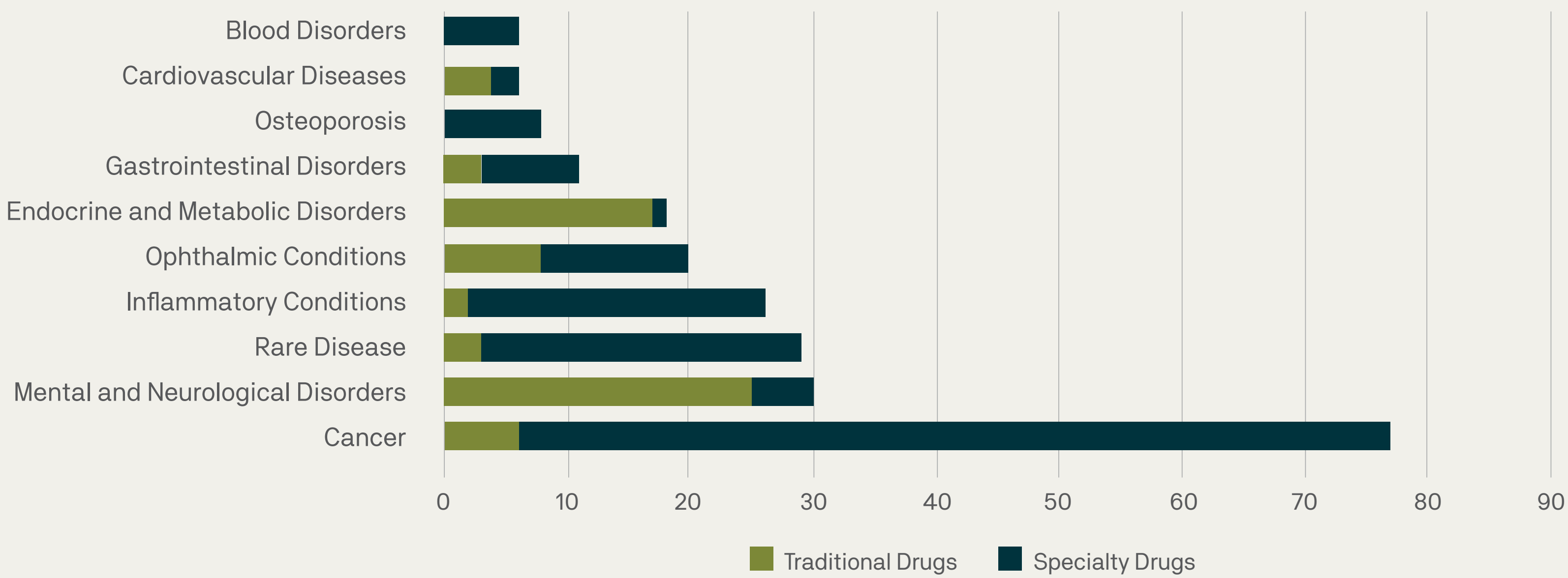
In 2025, biosimilar penetration rates were consistently higher in Quebec than in the rest of Canada across nearly all major biological categories. Quebec achieved penetration levels often exceeding 80–90% for high-cost molecules such as adalimumab, etanercept, and rituximab, while other provinces showed more moderate adoption. This indicates stronger policy direction and more uniform payer strategies in Quebec that have accelerated switching to biosimilars.

Lower penetration rates were observed for aflibercept, omalizumab, tocilizumab, and ustekinumab. Quebec announced its biosimilar policy for tocilizumab in May 2025, with switching periods ending in September 2025, suggesting that adoption will continue to increase. Additional transitions for aflibercept and omalizumab are also underway, with mandated switch periods ending in Q1 2026. Finally, ustekinumab began to show stronger uptake following the end of its transition period in November 2024, although overall penetration remained low.

Drug Pipeline

Significant investment in drug development is driving innovation globally, with late-stage pipelines highlighting breakthrough therapies poised to reshape the industry. In Canada, the drug pipeline is led by advancements in oncology, diabetes, weight management, neurology, and dermatology, with notable activity in rare diseases and expanding biosimilar options.

NEW DRUG SUBMISSIONS



Drug Pipeline

New Drug Submissions

CANCER:

The drug pipeline continues to be dominated by cancer specialty therapies, particularly those targeting specific mutations and biomarkers to improve survival and tolerability. In recent years, a new area of cancer treatment has emerged: therapeutic cancer vaccines. While no therapeutic cancer vaccine is currently approved in Canada, one drug, daznelimgene lisbac, has completed clinical trials and is now awaiting FDA evaluation. This listeria-based vaccine uses the Her2/neu antigen to stimulate an immune response for the treatment of osteosarcoma. Another vaccine in late-stage clinical development for glioblastoma multiforme, which is an aggressive brain tumour, has also demonstrated promising results.

INFLAMMATORY CONDITIONS:

The inflammatory disease pipeline remains centred on treatments for moderate to severe plaque psoriasis, generalized pustular psoriasis, atopic dermatitis, hidradenitis suppurativa, vitiligo, systemic lupus erythematosus, and psoriatic arthritis, reflecting ongoing innovation in areas of unmet clinical need.

Atopic dermatitis continues to rise within this therapeutic class, driven by growing demand for effective options. A new class of therapies targeting OX40 pathways is emerging as a promising approach, offering additional alternatives for patients with moderate to severe atopic dermatitis. Leading late stage drugs include telazorlimab, rocatinlimab, and amlitelimab. Early trial results show durable responses with amlitelimab and rocatinlimab, potentially enabling longer dosing intervals and reducing treatment burden for patients.

Drug Pipeline

ENDOCRINE AND METABOLIC DISORDERS:

Weight Management: It remains an active area of research. One novel late-stage drug is retatrutide, a triple GLP-1/GIP/glucagon agonist administered as a weekly subcutaneous injection for the treatment of obesity. Phase 2 trials have demonstrated substantial weight reduction, with average losses of 17.5% at 24 weeks and 24.4% at 48 weeks.

FOUNDAYO® (orforglipron) was approved by the U.S. FDA in April 2026 for chronic weight management in adults with obesity or those who are overweight with weight-related comorbidities; it is not currently approved in Canada. At present, no oral GLP-1 receptor agonist is approved for weight management in Canada, making this development particularly noteworthy, especially given that FOUNDAYO® is a small-molecule, non-peptide oral GLP-1 agent.

Hypertriglyceridemia: In December 2025, TRYNGOLZA® (olezarsen) was approved in Canada for the treatment of familial chylomicronemia syndrome (FCS), while REDEMPLO® (plozasiran) was approved in January 2026. FCS is a rare condition characterized by severe triglyceridemia. Current management primarily relies on lifestyle changes and off-label use of lipid-lowering agents such as statins, fibrates, niacin, and omega-3 fatty acids. These new drugs, administered via the subcutaneous route, represent a significant shift as they are disease-modifying treatments rather than symptomatic management.

Drug Pipeline

RARE DISEASE:

The rare disease drug pipeline in Canada is highly active, with numerous therapies in development and regulatory reviews. Rare diseases, though individually uncommon, collectively affect hundreds of thousands of Canadians and often lead to severe, life-altering complications. Drug development in this area is critical because these patients typically have limited or no treatment options, resulting in significant unmet medical needs. Advancing therapies for rare diseases not only improves survival and quality of life but also reduces the long-term burden on healthcare systems and families.

Autoimmune Pulmonary Alveolar Proteinosis (aPAP) is a rare lung disorder caused by autoantibodies against GM-CSF, leading to impaired macrophage function and surfactant accumulation. It presents with dyspnea, fatigue, and hypoxemia, with an estimated prevalence of 0.37 per 100,000 persons in Canada. Whole lung lavage remains the only standard treatment, which is an invasive and non-curative procedure, while mild cases may require only monitoring and supportive care such as oxygen therapy. With no competing therapies currently in development, molgramostim represents a promising new option that could offer hope for patients with this rare condition.

The current pipeline also includes masitinib, an oral therapy among several investigational drugs for Amyotrophic Lateral Sclerosis (ALS). In addition, lucerastat, another oral agent, is undergoing phase 3 trials for Fabry Disease, while ianalumab is being investigated for the treatment of Sjögren's Syndrome.

RARE DISEASES DRUGS (HIGHLIGHTS)

Chemical Name	Indication	Route of Administration	Estimated Annual Cost Per Patient (USD)
Molgramostim	Inhaled (via Nebulizer)	Autoimmune Pulmonary Alveolar Proteinosis (aPAP)	$400,000
Ianalumab	Subcutaneous Injection	Sjögren's Syndrome	$100,000
Lucerastat	Oral	Fabry Disease (FD)	N/A
Masitinib	Oral	Amyotrophic Lateral Sclerosis (ALS) or Lou Gehrig's Disease	N/A

Drug Pipeline

MENTAL AND NEUROLOGICAL DISORDERS:
The pipeline for mental health and neurological disorders remains robust, with numerous investigational therapies targeting conditions such as depression, anxiety, schizophrenia, and dementia.

Alzheimer's disease is the most common form of dementia in Canada, profoundly affecting patients and their families. As the disease progresses, individuals lose the ability to perform daily tasks independently, requiring substantial support. In 2025, Health Canada approved LEQEMBI® (lecanemab), a significant milestone for adults diagnosed with mild cognitive impairment or mild dementia due to Alzheimer's disease. Meanwhile, donanemab is still under review by Health Canada. These therapies target amyloid pathology, slowing disease progression in its early stages. Another promising drug, remternetug, is currently in Phase 3 clinical trials and like lecanemab and donanemab, is a monoclonal antibody that inhibits amyloid-beta aggregation. Remternetug offers the potential advantage of subcutaneous administration rather than intravenous infusion. However, all amyloid-targeting therapies, including remternetug, are associated with amyloid-related imaging abnormalities (ARIA), and therefore warrant careful monitoring.

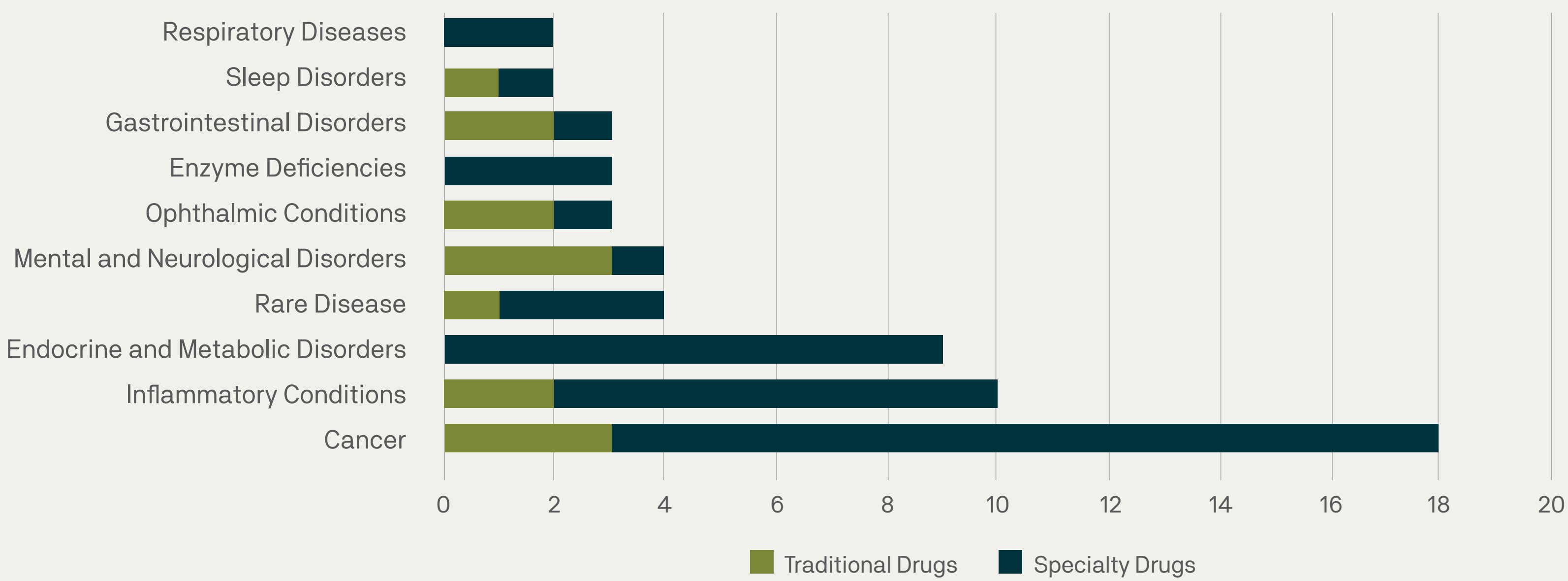
Growing awareness of mental health disorders has encouraged more individuals to seek help and access appropriate treatment in recent years. Continued research in this field remains critical to the advancement of innovative therapeutic strategies, ensuring that emerging interventions are tailored to meet the diverse and evolving needs of patients. One of these agents in the pipeline is fasedienol, an intranasal therapy for Social Anxiety Disorder (SAD), which activates nasal receptors linked to brain regions without entering the bloodstream. Initially granted FDA Fast Track status in 2019, its Phase 3 results failed to show significant improvement over placebo. They have now moved into Phase 4 trials, with results expected by mid-2026.

Drug Pipeline

New Indications

Drug repurposing and new indication pipelines explore existing drugs for additional therapeutic uses, leveraging established safety profiles to accelerate development and reduce costs, thus bringing treatment options to patients more quickly. Although cancer remains the primary focus within the new indications pipeline, recent developments have demonstrated a significant increase in investigations related to GLP-1 agonists as shown in the endocrine/metabolic disorders class. A summary of these is provided in **The Future of GLP-1 Drugs section of the report**.

NEW INDICATIONS



Drug Pipeline

COPD

In 2025, DUPIXENT® (dupilumab) became the first biologic approved by Health Canada for the treatment of Chronic Obstructive Pulmonary Disease (COPD). This approval is anticipated to have a high financial impact as treatment may shift from traditional drugs (i.e., inhalers) to high-cost specialty, biologic drugs.

New biologic treatments are targeting a subgroup of patients with COPD with an eosinophilic type or type 2 inflammation and a higher risk of COPD exacerbation. These biologics under investigation for COPD include NUCALA® (mepolizumab), which received FDA approval in May 2025, and TEZSPIRE® (tezepelumab), currently in late-stage clinical trial.

Legislative Updates

Navigating the New Velocity: 2025 Legislative Updates

The Canadian pharmaceutical landscape underwent a fundamental transformation in 2025, marked by a rapid shift from traditional provincial silos toward a more synchronized national framework. The year 2025 was defined by the operationalization of the first phase of National Pharmacare, the achievement of full provincial participation in the National Strategy for Drugs for Rare Diseases, and a historic expansion of pharmacist scope across nearly every jurisdiction. All of this, coupled with the U.S. Most Favored Nation pricing policy and Patented Medicine Prices Review Board (PMPRB) guideline updates, have introduced a new level of complexity and velocity into the drug pricing and reimbursement landscape. For plan sponsors and insurers, 2025 marked a turning point, with greater responsibility for cost containment and clinical decision-making shifting to private plans, supported by Pharmacy Benefit Managers.

Legislative Updates

Pharmacist Scope of Practice in Canada

Recent regulatory changes across Canadian provinces continue to broaden pharmacists' scope of practice, further expanding services such as minor ailment prescribing, point-of-care testing, and vaccine administration.

SASKATCHEWAN

After a pilot launched in late 2024, the province officially rolled out a reimbursement program on January 22, 2025, enabling pharmacists in selected pharmacies to provide clinical services for minor ailments such as strep throat and ear infections. These services include assessment, rapid testing, and prescribing treatment when appropriate. The services are publicly funded and billed via the Provincial Drug Plan and the Extended Benefits Branch.

In August 2025, the province also introduced training for therapeutic substitution to support continuity of care during shortages.

PRINCE EDWARD ISLAND

Effective April 5, 2025, PEI's updated regulations confirm pharmacists' authority to assess and prescribe for common ailments, including sore throat, and enable capillary blood sampling (finger-prick) for point of care testing. Pharmacy technicians may perform a finger-prick to obtain a blood sample within the framework as well.

NEW BRUNSWICK

As of July 2025, New Brunswick covers pharmacist assessments and prescriptions for seasonal allergies, oral thrush, and common fungal skin infections, bringing the publicly funded list to 15 ailments and administer certain vaccines to help ease the pressure on clinics and emergency room services. The drugs, however, remain patient-paid, and service availability varies by pharmacy.

ONTARIO

The government directed the Ontario College of Pharmacists to pursue regulations to add 14 ailments to the minor-ailments program, expand the list of vaccines pharmacists can administer, and authorize the administration of buprenorphine for opioid use disorder. Draft regulations were submitted to the Minister in December 2025 and are pending final approval.

ALBERTA

In February 2025, the Alberta College of Pharmacy adopted new standards permitting pharmacists to administer vaccines to children as young as two years old, reducing the prior minimum age requirement of five.

SO WHAT?	Plan Members	Private Payers	Pharmacists	Pharmaceutical Manufacturers
	+ Faster access to care	+ Private plans may see changes in drug utilization, care-seeking behaviour, adjudication complexity, and claim volume increases	+ Shift from traditional dispensing to diagnosis + Elevated professional autonomy and job satisfaction	+ Opportunity to develop tailored pharmacy-channel strategies

Legislative Updates

Canada’s Drug Agency

In early 2026, Canada’s Drug Agency (CDA-AMC) sharpened the predictability and transparency of reimbursement reviews through a proposed 180-day pathway, updated clinician and patient input templates aligned with the deliberative framework, and enhanced collaboration with Health Canada via pre-Notice of Compliance (NOC) and Aligned Reviews. At the same time, the agency’s Appropriate Use Strategy moved firmly into implementation, releasing evidence based tools that help improve prescribing quality and medication safety nationwide.

MODERNIZING INPUT PROCESSES & APPLYING THE DELIBERATIVE FRAMEWORK

CDA-AMC advanced its modernization agenda by strengthening how clinician and patient perspectives feed into reimbursement reviews. A new Patient Group Input Template released in January 2026 aligns submissions directly with the five CDA-AMC value domains, making input more actionable during committee deliberations.

The five CDA-AMC value domains are:

+ Clinical value
+ Unmet need
+ Social and ethical considerations
+ Economic factors
+ System impacts

In parallel, the agency launched a national consultation on procedural improvements, including a proposed 180-day streamlined review pathway, updated reconsideration and resubmission processes, and expanded eligibility for assessments of testing procedures tied to precision therapies. These changes aim to improve predictability, transparency, and timeliness for all stakeholders.

Legislative Updates

FORMULARY MANAGEMENT EXPERT COMMITTEE'S EXPANDED ROLE IN SYSTEM MODERNIZATION

Now operating as a permanent committee, the Formulary Management Expert Committee (FMEC) continues to influence system wide modernization. Its approaches of proportionate review principles, structured patient engagement, and new review formats are increasingly being adopted across CDA-AMC's broader expert committees. FMEC's experience is helping inform the procedural changes currently under consultation, positioning it as a core driver in CDA-AMC's evolution.

DATA & ANALYTICS: BASELINE ESTABLISHED, TIMELINESS ACCELERATING

CDA-AMC's updated *By the Numbers* analysis confirms that 155 drugs were submitted to Health Canada in 2024, with oncology accounting for 32% of submissions, figures that now serve as the baseline for 2026 trend monitoring.

The agency's latest annual performance data highlights growing use of pre NOC submissions and Aligned Reviews with Health Canada, both central to accelerating access under the Target Zero initiative. These foundational shifts set the stage for further improvements as 2026 data become available.

APPROPRIATE USE STRATEGY: MOVING FROM PLANNING TO DELIVERY

With the launch of *A Prescription for Action* in late 2025, CDA-AMC's 2026 focus centres on delivering practical tools that advance appropriate prescribing and medication use. New intervention summaries including academic detailing, audit and feedback, clinical decision support, and clinician education translate evidence into actionable best practices.

CDA-AMC also expanded national access to polypharmacy resources for both clinicians and patients, supporting safer medication management. Early evaluation and reporting activities are underway to measure system impact as the strategy scales.

SO WHAT?	Plan Members	Private Payers	Pharmacists	Pharmaceutical Manufacturers
	+ Greater representation of lived experience + Improved medication safety	+ Enhanced predictability in public coverage timelines + Clearer evidence signals	+ Growing role in medication optimization as appropriate-use tools roll out nationally	+ Clearer evidence expectations + Accelerated pathways will require earlier evidence readiness and tighter launch planning

Legislative Updates

National Pharmacare

National Pharmacare continues to advance through bilateral federal–provincial agreements rather than a single universal model. The first phase, launched in 2024–2025, delivers first dollar coverage for contraception and diabetes medications, with some jurisdictions expanding into hormone replacement therapy and diabetes devices. The intent remains to reduce financial barriers, improve equity, and build toward a national essential formulary.

As of early 2026, Manitoba, British Columbia, Prince Edward Island, and Yukon have formal agreements in place. Other provinces remain in negotiation, while Alberta and Quebec have signaled their intent to opt out and apply federal funding to their own drug programs. National participation remains incomplete, reflecting the complexity of aligning provincial systems.

A major development in late 2025 was the final report from the National Pharmacare Committee of Experts, which endorsed a phased approach starting with federally-funded essential medicines. The report affirmed that broader pharmacare could improve equity and optimize public spending but did not commit the federal government to a timeline.

Implementation is most advanced in British Columbia, where coverage will expand significantly in 2026. Effective March 1, 2026, eligible diabetes medications and hormone replacement therapy will receive 100% first payer coverage, followed on April 1, 2026 by continuous glucose monitors, pumps, and supplies through a $37 million Diabetes Device Fund. Special Authority requirements will be removed for select products, and claims adjudication will occur with provincial plans as the first payer and private plans as secondary payers.

Overall, National Pharmacare remains in an incremental, province by province rollout, offering substantial cost relief in participating regions while leaving national expansion timelines uncertain.

SO WHAT?	Plan Members	Private Payers	Pharmacists	Pharmaceutical Manufacturers
	+ Reduced out of pocket spend where applicable + Uneven access across Canada due to partial adoption	+ Potential cost relief via Pharmacare carve-outs + Higher coordination of benefits and formulary-listing demands	+ Increased workflow complexity during coverage transitions	+ Alongside continued formulary negotiations with private payers, emerging federal-provincial pharmacare discussions will add a new dimension influencing market access

Legislative Updates

Pan-Canadian Pharmaceutical Alliance

The Pan-Canadian Pharmaceutical Alliance (pCPA) continued to strengthen its national impact, reporting $4.87 billion in annualized savings for public drug plans as of April 2025, its highest level to date. These savings include $3.94 billion from brand name drugs and $935 million from generics, reflecting expanding negotiation capacity across jurisdictions.

In late 2025, the pCPA formalized two permanent expedited negotiation pathways to accelerate access to new therapies: Early Negotiation Process (ENP) which enables earlier negotiation for eligible Project Orbis oncology drugs, beginning as soon as the CDA-AMC draft review report is released. This can shorten timelines by up to six months compared with the standard pathway. Targeted Negotiation Process (TNP) applies to non-complex therapies, including products reviewed through CDA-AMC's PACES pathway. TNP negotiations conclude 30-45% faster than traditional processes and were made permanent after a successful multi year pilot. Both pathways require simultaneous submissions to CDA-AMC and Quebec's Institut national d'excellence en santé et en services sociaux (INESSS) to keep jurisdictions aligned and ensure synchronized recommendations. Together, ENP and TNP represent a major step forward in reducing negotiation bottlenecks and improving the predictability of public reimbursement timelines.

Entering 2026, pCPA leadership describes 2025 as a year of big progress, with increased negotiation volume, maturing processes, and strengthened collaboration across federal, provincial, and territorial plans.

SO WHAT?	Plan Members	Private Payers	Pharmacists	Pharmaceutical Manufacturers
	+ Improved access to new therapies	+ Quicker formulary alignment to manage costs	+ Operational adaptation related to public formulary updates	+ Accelerated negotiations require earlier evidence, pricing and HTA readiness

Legislative Updates

National Strategy for Drugs for Rare Disease

In 2025, Canada's National Strategy for Drugs for Rare Disease (NSDRD) reached full national participation. Quebec signed its bilateral agreement on March 21, 2025, completing the pan-Canadian set of agreements. This unlocked up to $1.4 billion in federal funding for the 2024–2027 phase. Quebec's agreement advances its provincial Action Plan on Rare Diseases rather than adopting the federal common list model, resulting in jurisdiction specific variation in coverage and elected therapies.

To strengthen the evidence backbone for access decisions, Canada's Drug Agency launched a second funding round in March 2025 to enhance rare disease registries, a critical source of real world evidence used to assess outcomes, inform reimbursement, and support sustainable access.

In parallel, the Canadian Rare Disease Network released its 2025–2030 Strategic Plan (May 2025), establishing a research to care framework with pillars in Diagnostics & Registries, Innovative Therapies, and Care and Support & Empowerment. The goal is to shorten the diagnostic odyssey and accelerating translation of scientific discovery into patient-ready treatment pathways.

SO WHAT?	Plan Members	Private Payers	Pharmacists	Pharmaceutical Manufacturers
	+ Earlier diagnosis, clearer pathways, but access varies by province	+ Growing emphasis on value-based engagement, coupled with ongoing provincial variability in rare disease drug coverage that private payers must navigate	+ Increased need for specialty expertise with a greater role in monitoring and data capture	+ Province specific market strategies will be required

Legislative Updates

Patented Medicine Prices Review Board

The Patented Medicine Prices Review Board (PMPRB) is an independent, quasi judicial federal agency under the *Patent Act* that safeguards consumers by monitoring patented medicine prices and reporting annually to Parliament. On June 30, 2025, it released final Guidelines for PMPRB Staff, effective January 1, 2026, which introduce a streamlined two-step monitoring framework.

- **Step 1 (Screening):** Canadian list prices are compared against the Highest International Price (HIP) across the 11 reference countries (PMPRB11): Australia, Belgium, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, and the United Kingdom, and during annual reviews, assessed for list price increases above Consumer Price Index (CPI). Medicines that exceed HIP or CPI thresholds, or receive an approved complaint, proceed to Step 2.
- **Step 2 (In-Depth Review):** PMPRB evaluates international reference prices, therapeutic class comparators, Canadian pricing, and CPI under *Patent Act* s.85(1) to determine whether to recommend an excessive price hearing.

The Guidelines are non-binding and do not establish price ceilings; only a PMPRB hearing panel can determine whether a price is excessive. Transitional rules defer the first annual review of existing medicines (first sold before July 1, 2022) until January 2028, initially applying HIP screening, with CPI added the following year, while new medicines enter the framework immediately.

Complaints that automatically trigger an in-depth review may only be filed by federal, provincial, or territorial Health Ministers or senior officials of publicly-funded drug programs, as private insurers are not approved complainants.

Legislative Updates

U.S. Most Favored Nation Pricing Policy: How it Affects Canadian Drug Pricing

On May 12, 2025, President Trump signed an Executive Order directing U.S. agencies to pursue a Most Favored Nation (MFN) pricing model, tying U.S. prices for brand drugs without generic or biosimilar competition to the lowest price among select Organisation for Economic Co-operation and Development (OECD) peer countries. As federal departments advance MFN aligned models through 2026–2027, this policy is expected to reshape global pricing strategies. Manufacturers may seek to harmonize international list prices, manage where and when drugs are launched more cautiously, and preserve margins across OECD markets.

For Canada, MFN does not directly affect PMPRB methodologies, but it may indirectly influence price corridors, affect pCPA negotiation dynamics, and create greater sensitivity to cross border price gaps. Canadian payers may gain additional leverage in cost containment discussions, while patients' access to high cost therapies may be shaped by manufacturers' global pricing adjustments and launch decisions.

SO WHAT?	Plan Members	Private Payers	Pharmacists	Pharmaceutical Manufacturers
	+ Potential rise in therapy re-evaluations associated with formulary updates	+ Loss of complaint rights + Increased reliance on utilization management options + Revisit therapeutic classes to adjust formulary listing to balance member access, quality of care, and overall plan sustainability	+ Formulary shifts may drive more counselling moments	+ Clearer rules, but higher scrutiny against HIP/CPI triggers

Pharmacy Benefit Managers (PBMs) act as an early-warning and structural cost-management engine, translating market signals into timely, actionable interventions:

+ In a system where private payers cannot directly engage with PMPRB, PBMs can provide real-time visibility into list-price changes, utilization inflections, and emerging cost pressures.
+ Robust prior authorization, step therapy and criteria-based clinical programs are some of the governance mechanisms ensuring that high-cost therapies are used where evidence supports value, protecting plan sustainability without constraining appropriate access.

Glossary

Biologic Drug: A biologic drug comes from a living organism or from its cells. An **originator biologic drug** is the first version of a biologic drug. A **biosimilar** is a drug demonstrated to be highly similar to an originator biologic drug that was already authorized for sale. Health Canada evaluates all the information provided to confirm that there are no clinically meaningful differences in safety and efficacy between the biosimilar and the reference biologic drug.

Claimant: Any one individual for whom a claim is reimbursed. This may be the primary cardholder or any one of the primary cardholder's dependants.

Member: A unique individual who is eligible for prescription drug coverage through a healthcare benefit plan.

Specialty Drug: A drug that has an estimated cost of $10,000 and over per claimant per year and is typically used to treat chronic, complex conditions. It is an injectable or non-injectable drug that has one or more of the following qualities: frequent dosing adjustments and intensive clinical monitoring, intensive patient training and compliance assistance, limited distribution, and/or the requirement for specialized handling or administration.

Therapeutic Class: A grouping of medications defined by their most common indication (the disease that the drug is most commonly used to treat).

Traditional Drug: A drug that has an estimated cost less than $10,000 per claimant per year. It is a medication that is typically easy to self administer and requires less intensive clinical monitoring, such as those used to treat diabetes and high blood pressure.

Trend: The rate of change in total spend per member, including members who did not make a drug claim. Overall trend is impacted by both how many members make a drug claim and the eligible spend per claim.

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