



PRIVATE MARKET POLICY SUMMIT

AN IMC REPORT



CONTENTS

- 3 | **Executive Summary**
- 4 | **What's Fueling Growth in Private Drug Plans?
The Answers Might Surprise You**
Brad Millson, General Manager of Real World Solutions, IQVIA
- 5 | **Advisors at the Front Lines: How Benefits Experts Are Shaping
the Future of Drug Coverage**
Carolyn Eagan, President, Benefits Alliance & Founding Member,
Smart Health Benefits Association; Chris Zelasko, President, PPF
Benefits and Retirement Inc.; and Mike McClenahan, Managing Partner,
Benefits by Design Inc.
- 7 | **Why Patients Like John Adams Are Fighting to Preserve
Canada's Private Drug Coverage**
John Adams, Chair, Best Medicines Coalition and President & CEO,
CanPKU and Allied Disorders Inc.
- 8 | **Pharmacare at the Crossroads: What the Private Market
Stands to Lose**
Joan Weir, Vice President, Group Benefits, Canadian Life and Health
Insurance Association (CLHIA)
- 9 | **Canada's Pharma Future Depends on a Strong Private Market**
Vince Lamanna, President, Novo Nordisk Canada
- 11 | **From Data to Decisions: Building a Smarter Private Healthcare
Future for Canada**
Vince Lamanna, President, Novo Nordisk Canada; Brad Millson, General
Manager of Real World Solutions, IQVIA; Chris Zelasko, President,
PPF Benefits and Retirement Inc.; John Adams, Chair, Best Medicines
Coalition and President & CEO, CanPKU and Allied Disorders Inc.; and
Joan Weir, Vice President, Group Benefits, Canadian Life and Health
Insurance Association (CLHIA)
- 12 | **Conclusion**

EXECUTIVE SUMMARY


COLLABORATION. CLARITY. A CALL TO ACTION.

The 2025 IMC Private Market Policy Summit brought together voices from across Canada's drug benefit landscape: insurers, advisors, drug manufacturers, pharmacists, and patients.

These varied perspectives held a shared recognition that Canada's dual drug coverage model, with both private and public plans, is essential to ensuring timely and broader access to innovative treatments for Canadians. Private plans currently serve more

than 27-million Canadians and are responsible for bringing new treatments to market faster than their public counterparts.

Throughout the day, speakers emphasized the urgent need to preserve what works in the private system while addressing coverage gaps, modernizing outdated policies, and improving how real-world data is collected and applied.



Innovation must be protected, and collaboration across sectors is the path forward.

KEY THEMES OF THE 2025 PRIVATE MARKET POLICY SUMMIT INCLUDED:

- The overall growth in private drug plans in 2024 was primarily driven by utilization, not drug claims costs (which increased by 2.8%).
- Concerns over pharmacare legislation and the erosion of private coverage.
- The rising influence of benefits advisors in shaping plan design and access.
- The critical role of patient advocates in protecting therapeutic choice.
- The growing call for modernization of pooling mechanisms outside of Quebec to reduce cost volatility for small to medium-sized plans.
- Calls for smarter data sharing and more precise, patient-centered insights.

WHAT'S FUELING GROWTH IN PRIVATE DRUG PLANS? THE ANSWERS MIGHT SURPRISE YOU

After years of unpredictability caused by the pandemic and subsequent rebound, growth in private drug plan costs have returned to a more familiar rate. At the 2025 IMC Private Market Policy Summit, Brad Millson, General Manager of Real World Solutions, IQVIA, presented new data showing that costs rose by 7.3% last year, a figure he described as “a reversion to the mean.”

“That 7.3% is almost exactly the average for the last 10 years,” said Millson, noting a return to pre-pandemic patterns following years of disruption and volatility. But while the topline number may appear stable, the forces driving that growth are anything but static.

According to IQVIA's national dataset, which covers nearly 80% of all privately insured, pay-direct drug claims, the biggest cost driver wasn't drug price. It was people.

“We saw a 3.5% increase in the number of claimants in 2024,” Millson noted. “That represented 48% of total plan growth.”

When combined with a modest rise in medication use (claims per claimant rose 0.9%), utilization accounted for over 60% of total growth. The cost per claim, which rose 2.8%, reflected changes in drug mix more than price hikes.

Medications for chronic conditions like hypertension and high cholesterol continued to dominate, accounting for 72% of total spending and 60% of growth.

“If you're looking to move the needle on meaningful change, it's in chronic conditions,” Millson said. “That's where the opportunity lies.”

While high-cost therapies often grab headlines, they weren't the biggest contributors. Drugs under \$10,000 annually accounted for 4.8% of growth, while those between \$10,000 and \$25,000 added another 2.4%. Spending on therapies over \$25,000 was flat, Millson pointed out.

“This is a dynamic moment for benefit planning,” Millson said. “Innovation is shifting the landscape and with it, both challenge and opportunity.”

ADVISORS AT THE FRONT LINES: HOW BENEFITS EXPERTS ARE SHAPING THE FUTURE OF DRUG COVERAGE

Panelists: Carolyn Eagan, President, Benefits Alliance & Founding Member, Smart Health Benefits Association; Chris Zelasko, President, PPF Benefits and Retirement Inc.; and Mike McClenahan, Managing Partner, Benefits by Design Inc.

A “boots on the ground” panel discussion revealed the realities employers, plan members, and benefits professionals face every day, and why advisors are becoming an essential voice in policy and plan design.

The Smart Health Benefits Association (SHBA), launched in early 2024, now represents more than 65,000 plan sponsors, including 4,800 union plans. As Carolyn Eagan explained, SHBA was born out of necessity during the emergence of national pharmacare discussions.

“Pharmacare was a freight train coming,” said Eagan. “We needed to come together fast, and loudly.”

EMPLOYERS WANT TO SUPPORT EMPLOYEES, BUT THEY NEED GUIDANCE

Advisors are no longer just intermediaries in drug benefit coverage decisions; they are educators, strategists, and frontline advocates.

“Employers don’t always understand the system,” said Chris Zelasko. “Their job is to build a widget or run a company, not navigate every line of a drug formulary.”

Advisors help clients understand not just the cost of benefits, but their value: healthier teams, fewer disability claims, and better productivity.

PHARMACARE: SUPPORT ACCESS, DON'T UNDERMINE WHAT WORKS

While panelists supported the goal of equitable access to medications, they warned against dismantling a system that already serves millions effectively.

“Why take money away from something that’s already working?” Eagan asked. “Let’s help those with no coverage, or those struggling with co-pays, without tearing down private coverage.”

Examples shared included a Quebec employer considering buying a home in Ontario for an employee to access cancer treatments, and growing confusion around insulin access since public coverage was introduced. Quality, not just quantity, was the message.

“Just because a drug is listed doesn’t mean a patient can get it,” said Mike McClenahan, an SHBA Board Member, “Private plans often cover twice as many therapies, and with fewer restrictions.”

“ Why take money away from something that’s already working? Let’s help those with no coverage, or those struggling with co-pays, without tearing down private coverage.”

POOLING: THE CRACKS IN THE SAFETY NET

Pooling outside of Quebec, which is meant to protect small employers from catastrophic drug claims, was described as outdated and increasingly ineffective. The consequence? More employers capping coverage or excluding high-cost drugs altogether.

“When small employers don’t trust the safety net, they start cutting back,” said one attendee. “That leaves people exposed and creates pressure for a single-payer solution.”

SHBA is tackling the issue head-on. “The chair of our board is Gary Walters, the father of the Canadian Drug Insurance Pooling Corporation,” said Eagan. “We’re working on a version two. But it needs everyone at the table.”

THE BOTTOM LINE

The panel’s message was clear: protect what’s working, and fix what’s failing. The private market delivers choice, speed, and quality, but it must evolve to stay viable.

“We’re not fighting against public healthcare,” said McClenahan. “We’re fighting for flexibility and faster access. Let’s make the system better, not smaller.”



WHY PATIENTS LIKE JOHN ADAMS ARE FIGHTING TO PRESERVE CANADA'S PRIVATE DRUG COVERAGE

Speaker: John Adams, Chair, Best Medicines Coalition and President & CEO, CanPKU and Allied Disorders Inc.

As a long-time patient advocate and father to a son with a rare disease, John Adams spoke candidly about the private market's critical role in preserving access to innovative therapies in Canada.

Adams described the positive impact innovative medicines and private drug coverage have made on his and his family members' complex healthcare journeys that include coronary disease, cancer and a rare metabolic disease.

But, for Adams, gaining access wasn't always easy, and the story isn't just personal, it's systemic.

"We need to overcome Canada's deficit in ambition," he said. "We don't carry our weight in the world of innovation."

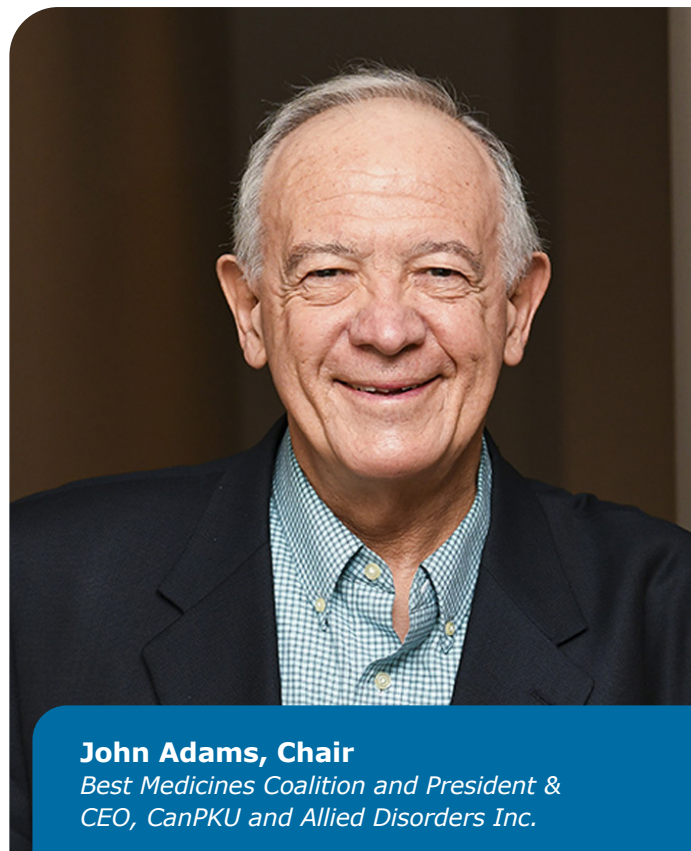
He pointed to the government's rollout of national pharmacare, where only older, cheaper drugs are often covered.

Private plans, by contrast, were instrumental in giving him access to newer, more effective GLP-1 medications albeit after navigating frustrating prior authorizations and formulary reversals. Adams added a private plan also gave his son, who has a rare disease, access to an orphan drug necessary to improve and extend his life.

"In trying to save money, my insurer actually cut me off one drug and ended up approving a more expensive drug," Adams noted wryly. "That's the kind of short-sighted policy we need to fix."

Adams warned that Canada risks stifling innovation if it sidelines private insurers. Without competition or complementary funding models, he argued, new therapies won't arrive in Canada or will arrive far too slowly.

"Private drug coverage isn't a luxury, it's a lifeline," he said.



John Adams, Chair
Best Medicines Coalition and President & CEO, CanPKU and Allied Disorders Inc.

"We need to overcome Canada's deficit in ambition. We don't carry our weight in the world of innovation."

PHARMACARE AT THE CROSSROADS: WHAT THE PRIVATE MARKET STANDS TO LOSE

Speaker: Joan Weir, Vice President, Group Benefits, Canadian Life and Health Insurance Association (CLHIA)

"If left unchecked, Canada's newly introduced Pharmacare Act could erode the country's dual drug coverage model, and with it, much of what makes the private system effective," explained Joan Weir at the 2025 Private Market Policy Summit.

"While we heard the words 'single' and 'universal' used repeatedly, there was hope that private payers would have a role to play in national pharmacare," Weir said. "When the Health Minister submitted a letter to the Senate, it was clear: there would be no role for private payers in the categories covered by the new act."

That clarity came late. It was just three days before Manitoba signed on as the first province under the new federal framework.

"If drug and dental benefits are eroded to the point of being mostly publicly delivered, the market for supplementary health coverage could disappear."

"And it raised red flags," Weir said. Health Canada's formulary for diabetes and contraceptive drugs is far narrower than what's offered in private plans. According to IQVIA data, 52% of claimants wouldn't have their current medications covered under the new public model.

The concern isn't only about coverage gaps, it's about what's at stake if those gaps expand.

"If drug and dental benefits are eroded to the point of being mostly publicly delivered," said Weir, "the market for supplementary health coverage could disappear."

Weir made the case for "right-sizing" existing agreements and building a sustainable multi-payer model, one where public and private systems work in tandem, not opposition. That includes making public coverage a payer of last resort, preserving employer-sponsored benefits while expanding access where gaps exist.

She also emphasized the importance of data collaboration. The private sector holds valuable insights on disability, adherence, absenteeism, and mental health that could complement public data to improve outcomes. But breaking down silos remains a challenge.

"There are hoops to jump through," she acknowledged. "But our data is only valuable if it's used together."

With major federal initiatives on the horizon, including a bulk purchasing plan and a common formulary, Weir urged stakeholders to speak with a united voice. Otherwise, the national conversation may shift decisively toward a single-payer future.

"We agree with the government's desire to extend drug coverage to more Canadians," she said. "But we must protect what works. If we don't advocate now, we may not get the chance later."

CANADA'S PHARMA FUTURE DEPENDS ON A STRONG PRIVATE MARKET

Speaker: Vince Lamanna, President, Novo Nordisk Canada

Vince Lamanna highlighted the increasingly precarious position Canada holds in the eyes of multinational pharmaceutical firms.

"We compete in a local market with other companies, but we also compete internally within our company for global resources, including investment and launch prioritization," he said.

Attracting investment from his global headquarters relies partly on the strength and speed of Canada's private payer market, a market that currently provides coverage for twice as many medicines almost three times faster than the public market.

Lamanna presented data showing that Canada ranks dead last among G7 countries in time to public reimbursement, and 19th out of 20 in the OECD.

Moreover, only 1 in 5 globally launched medications make it to the Canadian market. Without the private payer system, Canada's pharmaceutical investment attractiveness would plummet resulting in fewer innovative medicines available for Canadians who need them.

"The private market is integral not just to our company, but to the health of the system, and the health of Canadians," he said.

Market barriers, he warned, are contributing to a growing hesitancy among global firms to prioritize Canada for clinical trials and product launches.

A stark example was Novo Nordisk's once-weekly insulin, launched in Canada before anywhere else in the world.

"We made a case not only to study this product here in Canada, but to be the first country in the world to launch it. Insulin has a lot of heritage in Canada. This is where it was discovered."



Vince Lamanna, President
Novo Nordisk Canada

"The private market is integral not just to our company, but to the health of the system, and the health of Canadians."

Despite offering improved convenience for patients, it still hasn't been listed on any public formularies and has seen only limited private uptake.

"Other countries launched after us and have already achieved full reimbursement," Lamanna said. "What does that say to investors?"

There needs to be a reduction in red tape, he explained.

The federal government is making high-level commitments, Lamanna acknowledged. "From a provincial perspective, we've heard Ontario Premier Ford go on record about the importance of speed to access and making that a commitment."

Focussing on reducing red tape will be an investment driver for the life sciences sector, he predicted.

On pharmacare, he acknowledged the political appeal but questioned its real-world effectiveness. One problem, Lamanna noted, is the formulary, or list of drugs covered by the pharmacare plan.

According to Lamanna, the list contains a limited number of innovative drugs and even fewer that correspond with current clinical guidelines or common prescribing practices.

"That tells me we might be missing the patient perspective."

Lamanna urged policymakers to focus on optimizing the existing system, not replacing it entirely.



FROM DATA TO DECISIONS: BUILDING A SMARTER PRIVATE HEALTHCARE FUTURE FOR CANADA

Panelists: Vince Lamanna, President, Novo Nordisk Canada; Brad Millson, General Manager of Real World Solutions, IQVIA; Chris Zelasko, President, PPF Benefits and Retirement Inc.; John Adams, Chair, Best Medicines Coalition and President & CEO, CanPKU and Allied Disorders Inc.; and Joan Weir, Vice President, Group Benefits, Canadian Life and Health Insurance Association (CLHIA)

Canada is rich in data, talent, and infrastructure, but must become far better at turning those assets into actionable insights and clearly defining what value means to plan sponsors, who ultimately foot the bill, concluded a panel at the 2025 IMC Private Market Policy Summit.

Vince Lamanna set the tone early, calling out an issue that would echo throughout the discussion.

"We are data-rich and insights-poor," he said. "We need more robust data to show value—whether that's time to access, adherence, or clinical outcomes."

"We know what we want to measure, but we don't have the industry-wide data to do it."

He emphasized that better integration of private and public data systems could reveal the real impact of timely medication use.

Decisions based on averages often lead to suboptimal outcomes, agreed Brad Millson and Chris Zelasko.

"Patients are not averages," Millson said, urging stakeholders to connect siloed datasets, from disability claims to prescription records, to better match therapies with real-world patient needs.

John Adams, speaking from the patient perspective, added urgency:

"Averages aren't good healthcare," he said. "We need smart analysis that leads to great patient choice."

He described the fragmented nature of Canadian health data across provinces, even joking that he has to "rotate provinces quarterly" just to manage his own COVID-19 vaccination schedule.

"We don't have free trade in health data," he said. "But we need it."

Zelasko pointed to the role of advisors as the conduit between health systems and employers:

"We're their window into healthcare and dental. There's an appetite for information." However, he emphasized that meaningful education must come from across the industry, including manufacturers, insurers, and government.

Joan Weir added that while some silos within insurers are beginning to break down, the industry still lacks a high-level, aggregated view of value across sectors.

"We know what we want to measure," she said, "but we don't have the industry-wide data to do it."

Despite its challenges, the panel agreed that Canada has major strengths to build on.

"We have one of the most diverse populations in the world, incredible scientists, and the infrastructure to run high-quality clinical trials," Lamanna said.

Weir pointed out that over 90% of claims in Canada are paid quickly, and when they aren't, appeal systems are in place. Zelasko also praised the evolution of insurer products that are now accessible to even the smallest employers.

Canada doesn't need to reinvent the wheel, just connect its parts more effectively, the panel concluded.

CONCLUSION

PROTECT WHAT WORKS. BUILD WHAT'S MISSING.

The 2025 Private Market Policy Summit highlighted both the strength and fragility of Canada's private drug market.

It works, but it's at risk.

With pharmacare legislation advancing and new federal frameworks emerging, stakeholders must speak with a united voice.

WHAT'S NEEDED NOW IS ACTION:

- **Protect** the speed, choice, and access the private market delivers.
- **Fix gaps** for the uninsured and under-insured.
- **Collaborate** on industry-wide data strategies to improve pooling and measure true value.
- **Advocate** for a model that builds on Canada's strengths, not one that replaces them.

The private market is not a competitor to public healthcare. It's a critical complement, ensuring millions of Canadians get the medicines they need, when they need them.

Future investment, innovation, and patient health all depend on getting this balance right. Now is the time to engage, align, and lead.

**The opportunity is here.
Let's not waste it.**



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