



## Biosimilars Hold Great Promise For Healthcare Sustainability

**RESEARCH AND INNOVATIONS** The efficiency of the healthcare system is a growing concern in this country.



A growing number of health care providers are pointing to biosimilar drugs as a safe treatment option.

Those worried about rising healthcare costs may have been heartened by recent news that, while Canadians are spending more on prescription drugs now than a few decades ago, the rate of growth of prescription drug spending has been getting incrementally smaller in recent years.

Last month, the Canadian Institute for Health Information (CIHI) reported that public and private spending on prescription drugs grew less than a percentage point between 2013 and 2014, the smallest increase since spending was first tracked 40 years ago. Analysts attribute that development to the fact that drug patents have been expiring, paving the way for cheaper generic versions.

But analysts also say it's too soon to pop the cork on the champagne bottle. The cost of a certain class of prescription medication is soaring, threatening to drive overall spending on prescription drugs.

Biologics have grown in popularity since entering the market about 14 years ago thanks to the results seen with treating conditions such as rheumatoid arthritis, anemia, low white blood cell counts, inflammatory bowel disease, skin conditions such as psoriasis and some forms of cancer.

*"There is no doubt that biosimilars are on the right side of the healthcare cost equation."*

But  
because  
they're  
developed

out of living organisms, they are more expensive than conventional drugs and data shows they constitute 14 percent of drug spending in Canada at a cost of \$3 billion per year. Between 2008 and 2013, public drug program spending on one class of biologics (anti-TNF drugs) used to treat rheumatoid arthritis and Crohn's disease increased by \$233.8 million in Canada.

### Biosimilars on 'right side' of the healthcare equation

A growing number of health care providers are pointing to a possible solution to these high costs — biosimilar drugs. Relatively new to Canada, they are similar to specific biologic drugs already on the market. Biosimilars can differ slightly in structure from their reference biologic products, but demonstrate no clinically meaningful differences and provide a safe treatment option for patients.

Because the reference biologic has already been developed, the corresponding biosimilar doesn't require the same level of intensive research and development. As a result, biosimilars are priced competitively — in some cases costing more than a third less. It has been estimated that biosimilars have the potential to generate about \$740-million in savings per year for Canadian healthcare systems by 202.

"There is no doubt that biosimilars are on the right side of the healthcare cost equation," says Gerry Stefanatos, Corporate Vice President and President, Canada, Australia and New Zealand, Hospira.

He is encouraged by developments overseas. Biosimilars have been on the market for almost a decade in Europe, and have significantly decreased the cost of treatment.

Biosimilars have only recently entered the market in Canada and the United States. To date, Health Canada has approved three. For their usage to grow, there must first and foremost be strong uptake among healthcare providers.

Dr. Arthur Karasik, President of the Ontario Rheumatology Association, says he is "cautiously optimistic" about the future of biosimilars. He predicts the use of biosimilars will increase as they get positive results in additional clinical trials. Karasik adds that the majority of patients have little knowledge about biosimilars and he emphasizes the importance of educating them.

At least one Canadian physician says it's not a matter of "if" but "when" biosimilars are widely used in this country. "Unless a problem arises with biosimilars, these drugs will change the landscape," says Ed Keystone, a professor of medicine at the University of Toronto and a rheumatology consultant at Mount Sinai Hospital in Toronto.

With less money spent on prescription drugs, more could be spent in other areas of health care, making the entire system more sustainable. When it comes to biosimilars the future seems bright, says Keystone. "I'm excited about it."

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