



2025 COST DRIVERS REPORT

Analysis of Private Drug Plan Claim Trends in Canada





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KEY FINDINGS

Total Cost and Utilization

- Total private drug plan costs increased by 7.3% from 2023 to 2024.
- Utilization grew by 4.4% and accounted for 60% of cost growth.
- Growth in utilization was driven by a 3.5% increase in the number of claimants and a 0.9% growth in claims per claimant.
- Cost per claim contributed 2.8% to private drug plan cost growth.

Chronic vs. Non-Chronic vs. Cancer

- Chronic therapies made up 72% of total costs and 68% of cost growth.
- Non-chronic drugs saw an increased share of cost growth (27.8%) due to the emergence of new weight-loss treatments.
- Cancer therapies remained a smaller share of total claimants at 1.0% but accounted for 4.9% of costs.

Impact of Treatment Costs

- Drugs under \$10,000 annually made up 69.1% of total costs and 66% of cost growth.
- Drugs between \$10,000–\$25,000 annually accounted for 33.2% of cost growth, up from previous years, largely due to obesity treatments.
- High-cost drugs (>\$100,000) had a minimal impact on overall cost growth (1.8%), though they remain a concern for smaller plans.

Therapeutic Classes

- Top four therapeutic classes by cost:
 1. Biologic disease modifiers
 2. Antidiabetics
 3. Antidepressants, antipsychotics, and ADHD medications
 4. Bronchopulmonary therapies
- Emerging categories like obesity and other immunomodulators moved into the top contributors to cost growth.
- Antidiabetics saw a decline in growth (-3.7%), partly due to stricter prior authorization criteria and a switch to weight-loss alternatives.

Age-Related Trends

- Working-age groups (25–64) accounted for 76.3% of total costs and 76.5% of cost growth.
- Claimant growth was highest in the under-25 age group (5.3%), though they had the lowest rate of cost growth (6.5%).
- The 65-plus group saw 4.8% claimant growth and 7.9% cost growth.



ABOUT

Canada's private drug insurance system plays a foundational role in supporting the health and productivity of Canadians and their families. As part of Canada's dual public-private system, private drug plans give people faster and broader access to medicines than public plans, helping members manage chronic and acute health needs while remaining at work. By enabling timely and diverse treatment options, private drug benefits contribute to better health outcomes, reduced delays in care, and can help lower long-term costs for individuals, employers, and the broader healthcare system.

Far more than a supplement to public coverage, private drug plans remain a vital pillar of Canada's overall healthcare landscape, which makes their sustainability all the more important.

Since 2018, Innovative Medicines Canada (IMC) has published the annual national private market Cost Drivers Report in collaboration with IQVIA, a global leader in healthcare market insights. The report comprehensively analyzes the factors contributing to the cost growth of private drug plan claims and offers valuable insights into overall trends reflective of prevailing market conditions.

This analysis does not fully account for potential savings resulting from negotiated product listing agreements (PLAs) with manufacturers and may therefore overstate growth and cost estimates. Given significant changes to insurer coverage in 2023, this year's research is based on claims data representing 65% of total Canadian private market claims. References to changes from previous years are based on this updated database.

Additionally, this analysis measures growth based only on submitted claims and claimant activity and does not include the broader insured population that may not have submitted a claim. Readers are encouraged to compare their own experience to the broader market trends being reported.



EXECUTIVE SUMMARY

The private drug insurance market in Canada saw a 7.3% total cost growth in 2023-2024, primarily driven by increased utilization which accounted for 60% of total cost growth. The number of claimants rose by 3.5%, with claimants making 0.9% more claims.

Importantly, cost per claim grew by only 2.8%, a rate consistent with historical trends and indicative of a market stabilizing after the disruptions of the COVID-19 pandemic.

Chronic therapies accounted for roughly two-thirds of both total costs and the contribution to cost growth, underscoring the importance of ongoing treatment for long-term conditions that affect quality of life and productivity. Emerging treatments for conditions prevalent in the workforce, such as migraine and atopic dermatitis, are increasingly contributing to this growth.

Cost growth is largely concentrated among drugs costing less than \$10,000 per year, while costs for treatments priced over \$25,000 annually have remained essentially flat. Shifts in therapeutic treatment areas, such as the transition from diabetes to obesity medications, and the impact of patent expirations reflect insurers' appropriate use strategies and evolving drug innovation patterns.

By age, the under-25 population experienced the fastest growth in the number of claimants, while the 25-44 group saw the highest rate of cost growth. The 45-64 group continues to represent the largest share of total drug plan costs.

The top four therapeutic classes contributing to private drug plan costs include:

1. Biologic disease modifiers (e.g., for rheumatoid arthritis, psoriasis, inflammatory bowel disease, and age-related macular degeneration)
2. Antidiabetics
3. Antidepressants, antipsychotics, and ADHD treatments
4. Bronchopulmonary therapies

Notably, fast-growing classes feature new treatments for conditions not previously categorized—clear signs of innovation steadily reaching and being adopted by Canadian patients.

The 2.8% cost-per-claim growth supports a sustainable and balanced ecosystem that allows the timely adoption of innovative medicines and preserves the value of the private market for the benefit of Canadians and their families. Over time, as new innovative products are introduced to the market, product listing agreements, patent expirations and increased competition exert a downward price pressure on medicines, enabling the private market to offer further innovation.

Investing in new treatments today means better health outcomes tomorrow, along with the potential to reduce more costly and disruptive consequences like disease progression, increasing comorbidities, and short- and long-term disability. This cycle demonstrates how supporting innovation ultimately benefits both patients and payers, strengthening the value proposition of Canada's private drug insurance system.

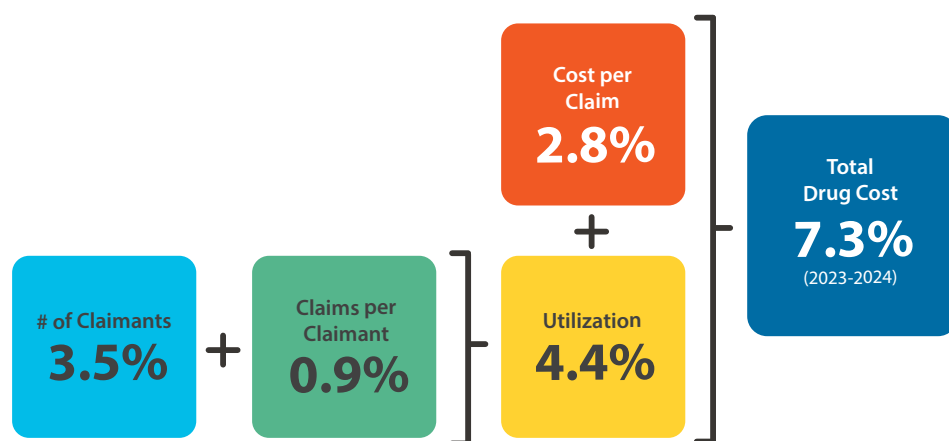


OVERALL PRIVATE DRUG PLAN CLAIMS COST GROWTH

Private drug plan cost growth comes from three factors: the number of people making claims, how many claims each person makes, and the cost of each claim. (See Figure 1) The first two are grouped as Utilization, which shows how often the plan is used. The cost per claim reflects the reimbursement cost, which is influenced by changes in the drugs used (drug mix), manufacturer pricing, dispensing fees, and pharmacy markups. Separating these factors helps show whether costs are rising because more people are using the plan or because each claim is more expensive.

In 2024, total private drug plan costs increased by 7.3%, with increased utilization (4.4%) accounting for 60% of the total cost growth. (See Figures 1 & 2)

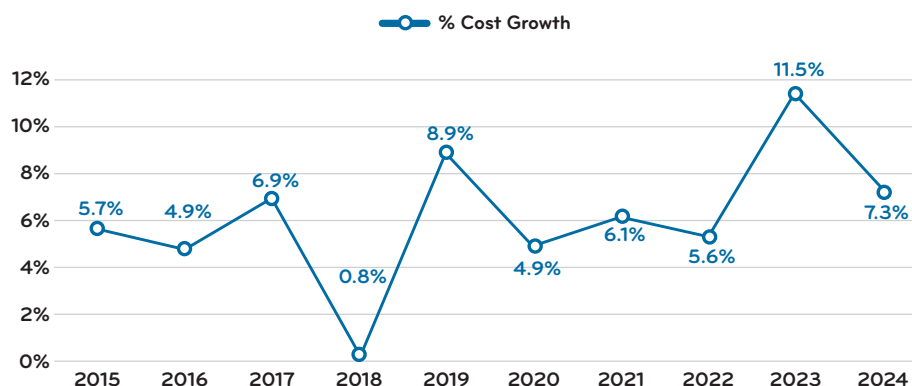
FIGURE 1: **Private Market Cost Drivers, 2023-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

* The 2.8% growth in cost per claim reflects the year-over-year increase in the average cost of individual claims.

FIGURE 2: **Private Drug Plan Cost Growth, 2015-2024**

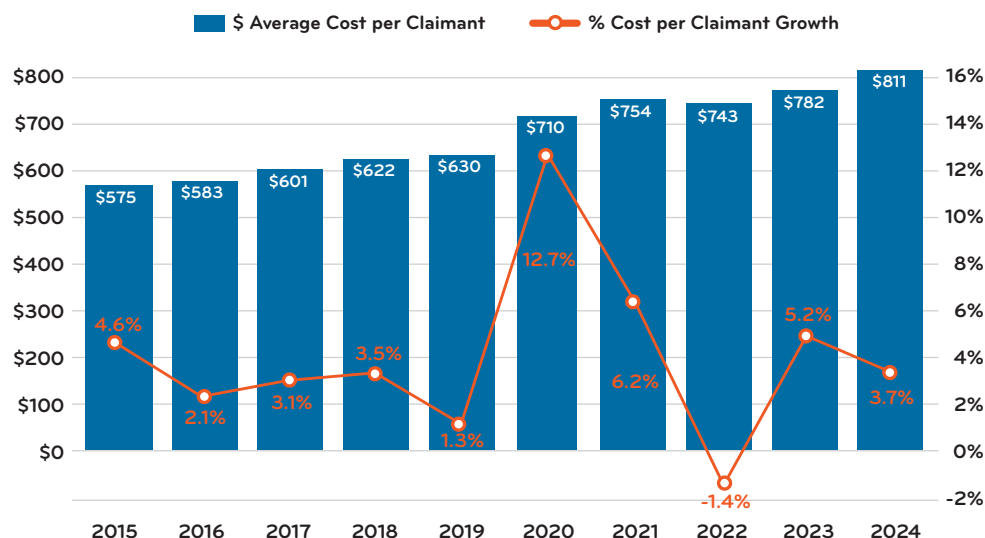


Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



The growth in average cost per claimant in 2024 was 3.7%, roughly in line with the 2024 inflation rate of 3.2% for health and personal care products.¹ This increase was also comparable to typical pre-pandemic growth levels, excluding the OHIP+-related lower growth rate in 2019. The 3.7% increase equated to an additional \$29.07 per claimant. (See Figure 3)

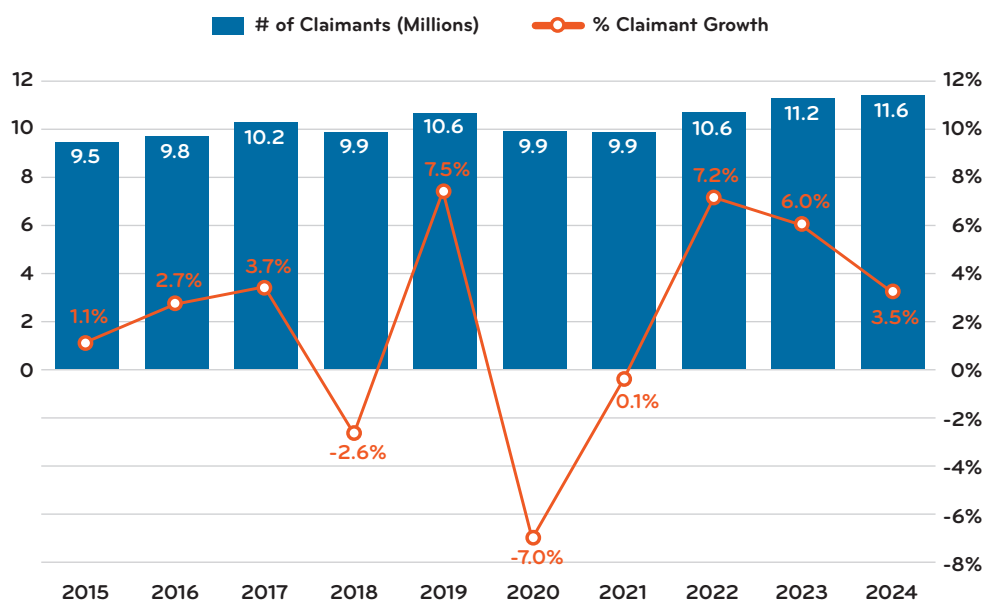
FIGURE 3: **Total Private Drug Plan Average Cost per Claimant, 2015-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

The number of claimants increased by 3.5% in 2024, marking an important deceleration after two years of elevated growth, driven by unprecedented population growth and recovery from the pandemic. (See Figure 4)

FIGURE 4: **Total Private Drug Plan Claimants, 2015-2024**



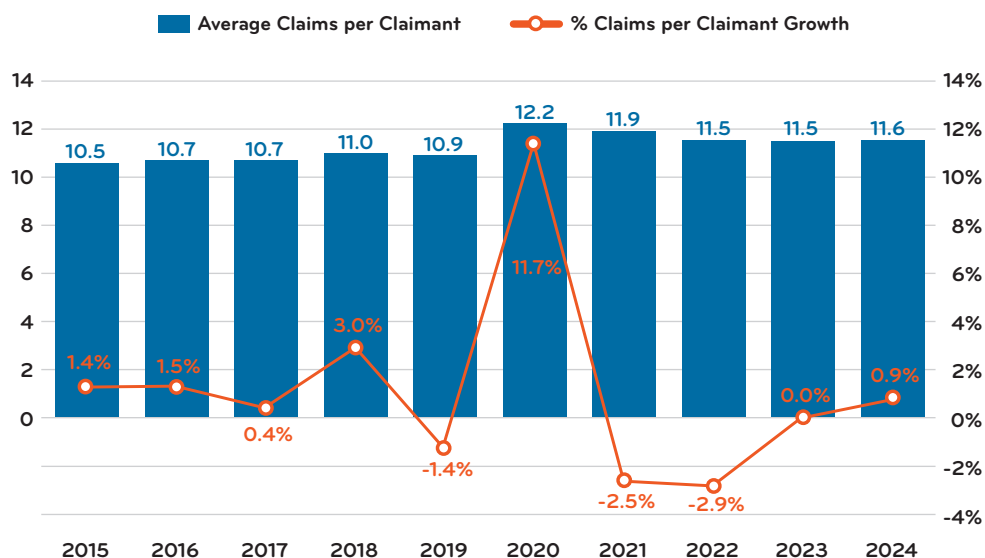
Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

¹ Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted.



After a sharp increase in 2020 due to days' supply restrictions implemented during the pandemic to mitigate the risk of drug shortages, claims per claimant steadily decreased until 2022 and have since stabilized at approximately 11.5 claims per person. (See Figure 5)

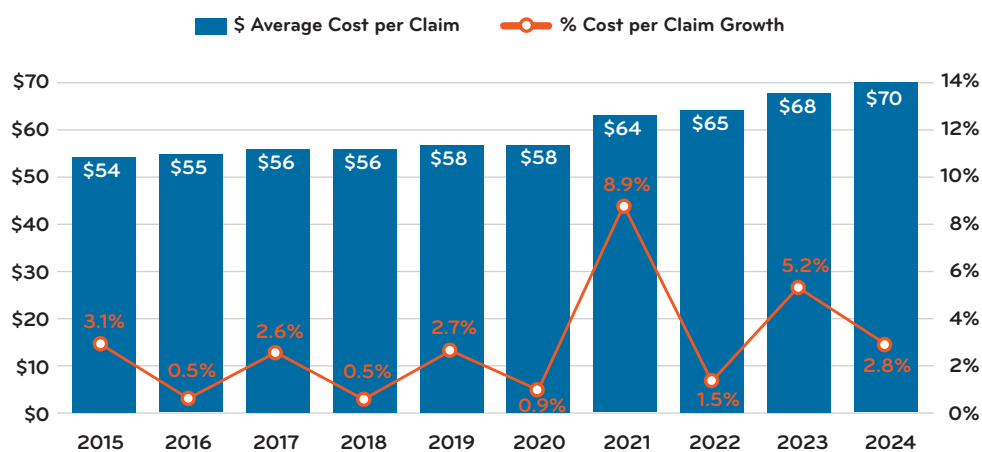
FIGURE 5: **Total Private Drug Plan Average Claims per Claimant, 2015-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

Average cost per claim rose by 2.8% (+\$1.90 per claim). This does not necessarily indicate that the same drugs became more expensive compared to the previous year, but rather reflects changes in drug mix, i.e., increased use of higher-cost therapies or newer products entering the market.(See Figure 6)

FIGURE 6: **Total Private Drug Plan Average Cost per Claim, 2015-2024**

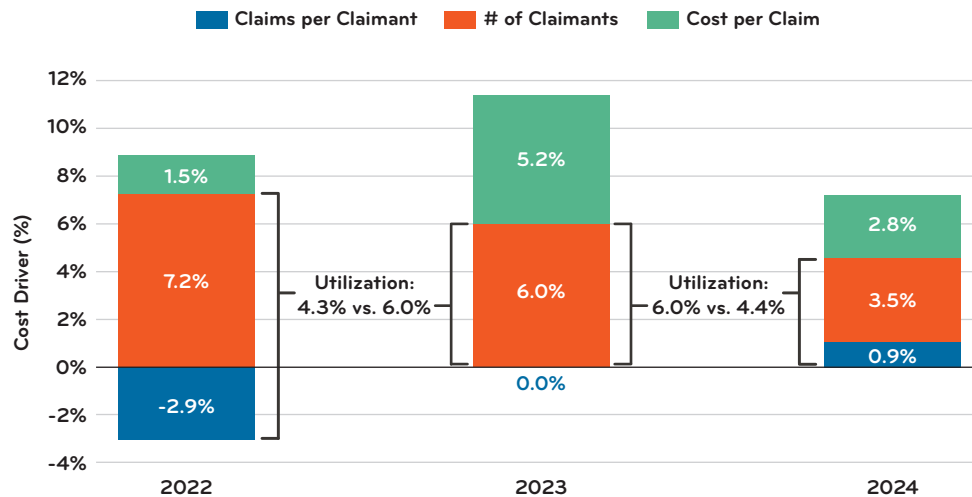


Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



In 2024, the number of claimants remained the largest contributor to overall cost growth, accounting for 48% of total growth. Claims per claimant had a modest impact with a +0.9% increase. Together, these utilization effects accounted for 60% of total cost growth, up from 52% in 2023. Cost per claim grew by 2.8%, accounting for the remaining 40% of total growth. (See Figure 7)

FIGURE 7: **Cost Growth Drivers by Year, 2022-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.





IMPACT OF CHRONIC DISEASE

To better understand growth trends within treatment categories, this analysis segments by chronic, non-chronic, and cancer therapies. Chronic medications are used on an ongoing basis to treat long-term conditions such as diabetes or hypertension and typically involve predictable, stable usage across a large claimant base. In contrast, non-chronic medicines treat short-term or acute conditions and have significantly lower claimant persistence. Cancer therapies are treated as a distinct group, as their duration and intensity can vary significantly by cancer type and diagnosis. Understanding these distinctions helps provide a clearer picture of treatment patterns, what types of conditions are most prevalent in the working population, and where private drug benefits are most heavily used.

In 2024, chronic therapies continued to dominate private drug plan spending, accounting for 72% of total costs and 68% of cost growth. Non-chronic therapies accounted for 23.1% of total costs and 27.8% of cost growth—up significantly from 17.2% in 2023—driven largely by the adoption of new weight-loss treatments launched in 2024. (See Figures 8 and 9)

Weight Loss Treatments

Weight loss medications were categorized as non-chronic in this report. Although obesity is considered a chronic condition, traditional weight-loss medications were typically prescribed for short-term use² and not considered chronic medications. However, newly approved medications can be prescribed for obesity management for durations of a year or more.³

FIGURE 8:
Share of 2024 Private Drug Plan Costs, by Chronic, Non-Chronic, and Cancer Therapy

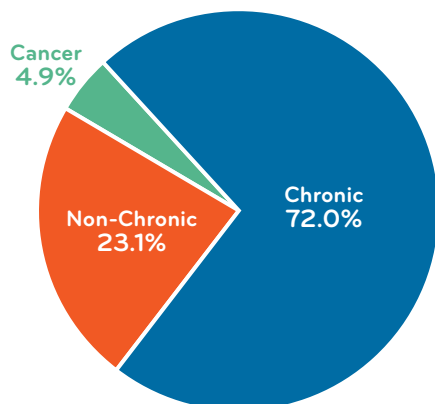
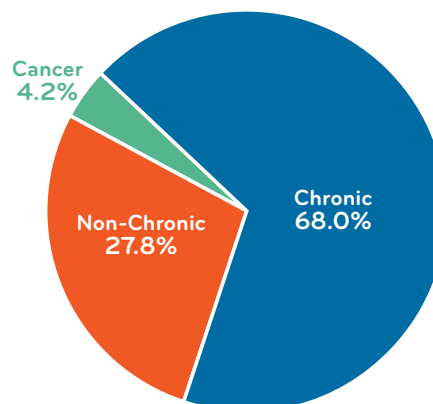


FIGURE 9:
Contribution to 2023-2024 Cost Growth, by Chronic, Non-Chronic, and Cancer Therapy



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

² Mayo Clinic, 2022. Prescription weight-loss drugs.

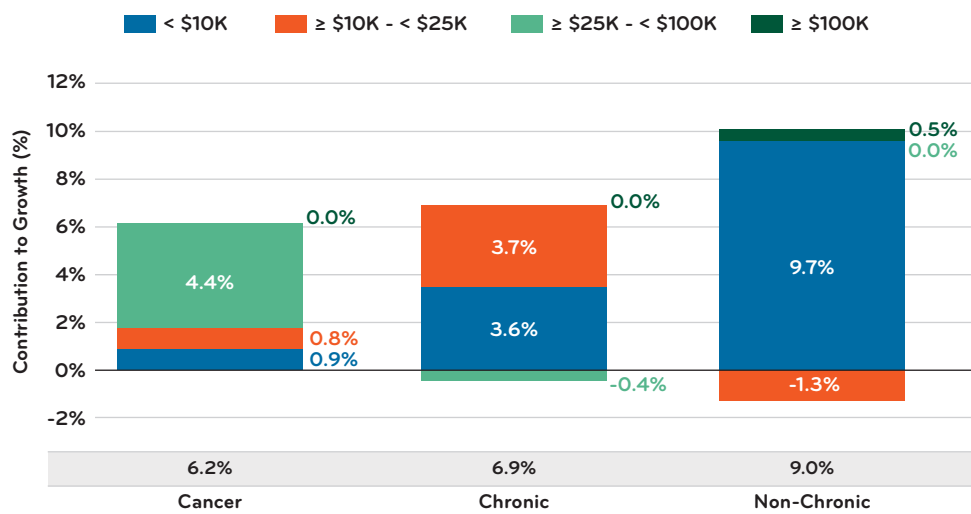
³ Pedersen SD, Manjoo P, Wharton S. Canadian Adult Obesity Clinical Practice Guidelines: Pharmacotherapy for Obesity Management. Available from: <https://obesitycanada.ca/guidelines/pharmacotherapy>. Accessed June 25, 2025.



To further analyze growth, the three therapy types were segmented by annual treatment cost. Among chronic therapies, all cost growth was concentrated in drugs under \$10,000 and between \$10,000–\$25,000 per year. While most chronic diseases are managed with low-cost generic medications, some chronic autoimmune diseases such as colitis, psoriasis, rheumatoid arthritis, and type I diabetes, are often managed with innovative biologic drugs which fall within the higher end of this cost range. Costs in the \$25,000–\$100,000 category declined by 4.3% contributing -0.4% to cost growth due to downward price pressure from increased biosimilar use. There was no cost growth for chronic drugs over \$100,000.

Cost growth distribution varied across the other therapy types, with distinct trends observed in non-chronic and cancer treatments. Growth within the non-chronic drugs category came almost entirely from therapies costing under \$10,000 annually, with a decrease in growth in the \$10,000–\$25,000 range. For cancer treatments, the majority of cost growth occurred in the \$25,000–\$100,000 range. One consistent trend across all categories was that drugs over \$100,000 had little to no impact on growth across the board. (See Figure 10)

FIGURE 10: **Contribution to 2023-2024 Cost, by Cost Categories within Chronic, Non-Chronic and Cancer Therapy**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



IMPACT OF TREATMENT COSTS

When analyzed by annual treatment cost alone, drugs costing under \$10,000 annually accounted for 69.1% of total claims costs and 66.0% of cost growth in 2024, driven in large part by new obesity medicines. Drugs in the \$10,000–\$25,000 annually range made up 18.2% of claims costs and 33.2% of cost growth — nearly triple their share of contribution to cost growth compared to the previous year. The most popular treatments in this category were for autoimmune diseases, serious skin disorders, and inflammatory conditions.

The two most expensive categories made up the lowest share of private drug plan claims costs. Drugs costing between \$25,000–\$100,000 annually accounted for 9.8% of total costs but contributed -0.8% in total costs from 2023. Drugs exceeding \$100,000 annually represented just 2.9% of total costs and 1.8% of 2024 cost growth. (See Figures 11 & 12)

While high-cost drug claims are uncommon and account for a small share of total costs, they continue to be a sustainability concern for smaller plans. As highlighted in the 2023 IMC Cost Drivers Report Volatility Analysis, the median cost per claimant for small plan sponsors who experienced a claim over \$50,000 was up to 20 times higher compared to those without. Modernizing pooling mechanisms outside of Quebec is critical to preserving access while managing risk.

FIGURE 11:
Share of 2024 Private Drug Plan Costs, by Treatment Cost Category

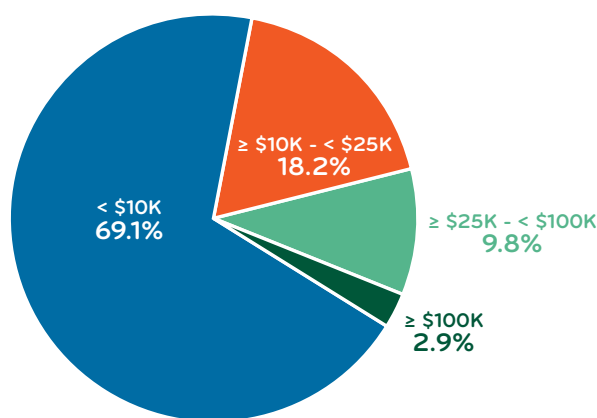
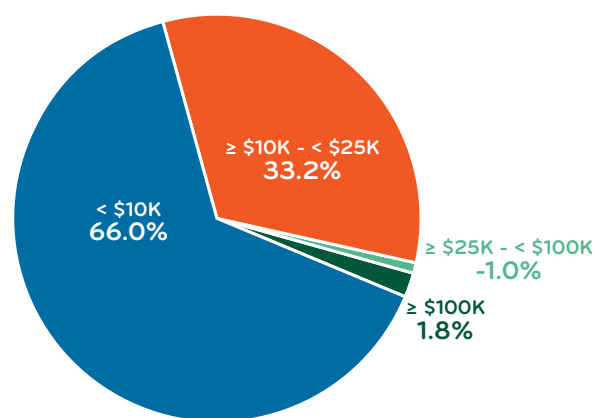


FIGURE 12:
Contribution to 2023-2024 Cost Growth, by Treatment Cost Category



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

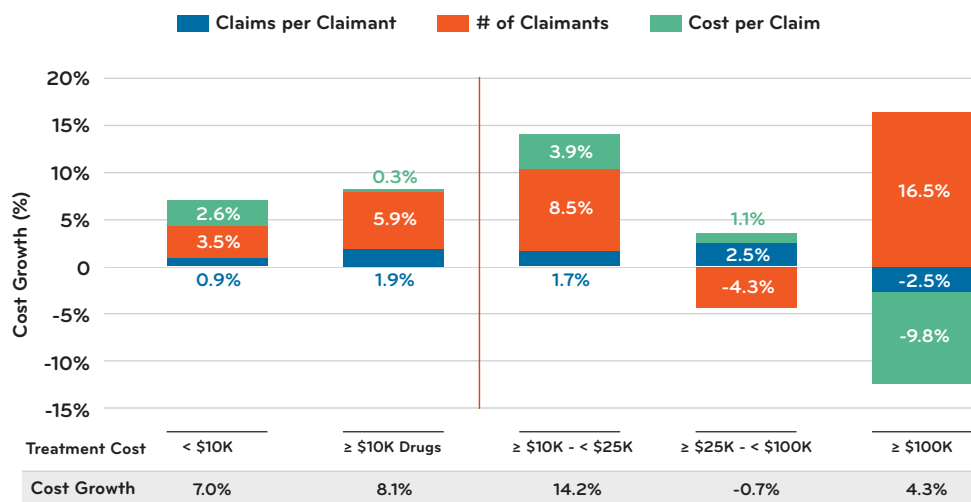


Risk Management and Pooling in Quebec

In Quebec, mandatory drug cost pooling overseen by the Quebec Drug Insurance Pooling Corporation (QDIPC) plays a vital role in stabilizing medication costs. By spreading high drug costs across a larger insured population through mandatory pooling for high-cost claims, employers and insurers can mitigate the financial impact of rare but expensive treatments. This reduces premium volatility, ensures more predictable drug plan costs, and supports continued access to innovative therapies without placing an undue burden on individual plan sponsors.

Growth in the \$100,000+ drug category was driven entirely by new claimants initiating therapy (+16.5%). However, the cost per claim in this category decreased by 9.8%. Its contribution to overall cost growth declined from 7.6% in 2023 to 1.8% in 2024. (See Figure 13)

FIGURE 13: **Cost Growth Drivers by Treatment Cost Category, 2023-2024**



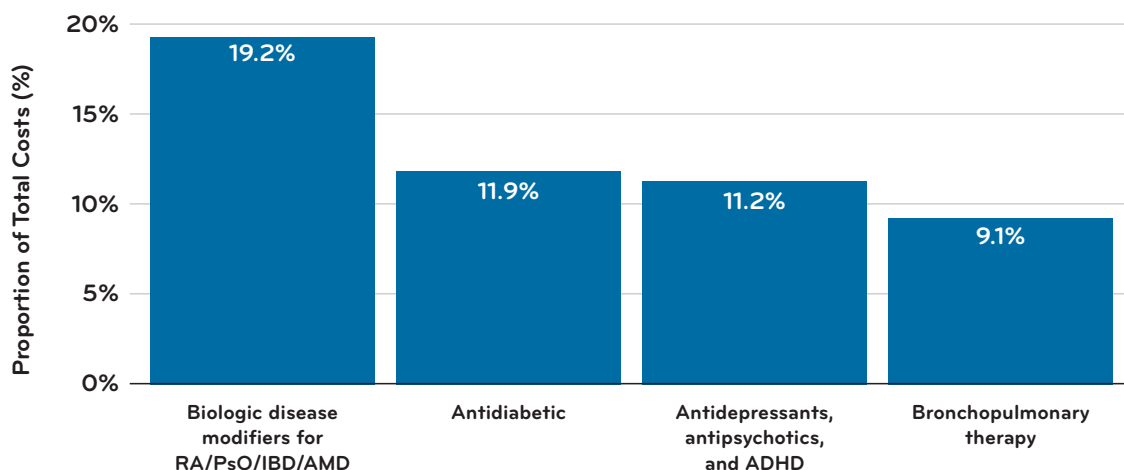
Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



GROWTH BY THERAPEUTIC CLASS

Biologics for autoimmune diseases continued to lead claims costs in 2024, accounting for 19.2% of total costs. Antidiabetics, while declining in growth, were the second-largest category in claims costs at 11.9%, followed by antidepressants, antipsychotics, and ADHD drugs (11.2%), and bronchopulmonary therapies (9.1%). (See Figure 14)

FIGURE 14: **Top 4 Therapeutic Classes in Private Drug Costs, 2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

Compared to 2023, there were notable shifts in the top growth-contributing therapeutic classes. The most prominent was seen in the antidiabetics class, which led cost growth in 2022 and 2023, but saw a decline of 3.7% in 2024.

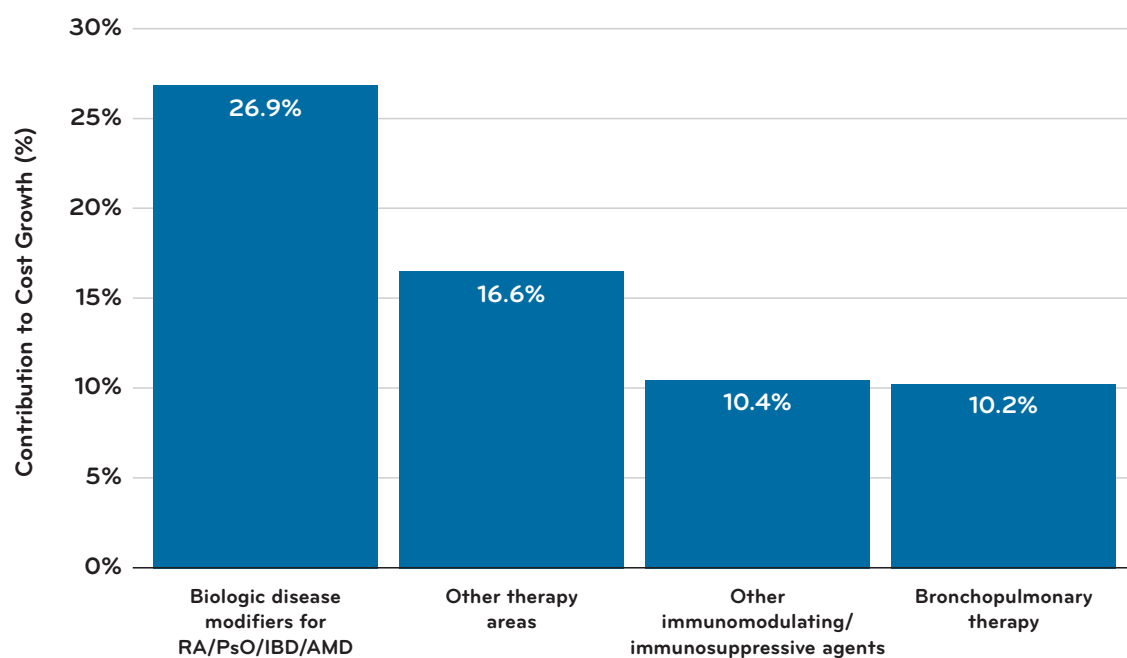
Biologic disease modifiers contributed the most to cost growth at 26.9%. Drugs in “Other therapy areas”, which includes anti-obesity drugs and some drugs for rare diseases contributed 16.6% to cost growth, saw a 24% year-over-year in-class cost increase, and accounted for 5.9% of total private drug plan claims costs. Similarly, drugs in the “Other immunomodulators/immunosuppressive agents” category, which includes JAK inhibitors, added another 10.4% to growth, saw a 15.4% total-over-total in-class increase in costs and accounted for 5.3% of total costs in 2024. Bronchopulmonary therapies remained the fourth-largest contributor to cost growth at 10.2%.

These top four classes made up 51.4% of total plan costs and 64.1% of total growth.

The emergence of the two new “other” classes that joined the top four highlights growing innovation in treatments reaching plan members. Over time, as usage increases, these newer modalities are expected to receive updated classification. (See Figure 15)



FIGURE 15: **Top 4 Therapeutic Classes by Contribution to Cost Growth, 2023-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.





IMPACT OF AGE

Age has a significant impact on utilization, as the likelihood of making a claim and the volume of claims typically increase with age. The findings of this year's report are consistent with those from previous Cost Driver Reports.

As Canada's population and workforce evolve, so does the age profile of private plan claimants. In 2024, all age groups saw increases in the number of claimants. Most drug plan costs came from working-age Canadians (25–64), who also represented the bulk of claimants and claim activity. The data also revealed increased utilization in the 65+ age group. This trend points to the reality of more Canadians choosing to remain in the workforce longer.

Unsurprisingly, the 25–44 and 45–64 age groups, which make up the majority of Canada's workforce, remained the largest contributors to claims cost growth, together accounting for 76.3% of total costs and 76.5% of total cost growth. (See Figures 16 & 17)

FIGURE 16:
Share of 2024 Private Drug Plan Costs, by Age Group

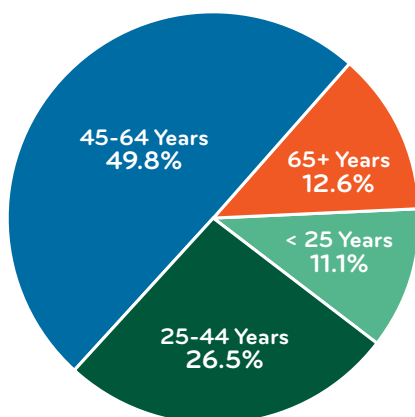
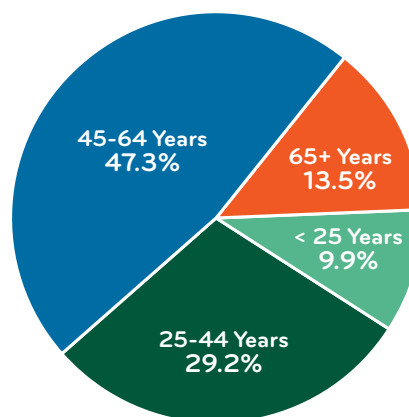


FIGURE 17:
Contribution to 2023-2024 Cost Growth, by Age Group



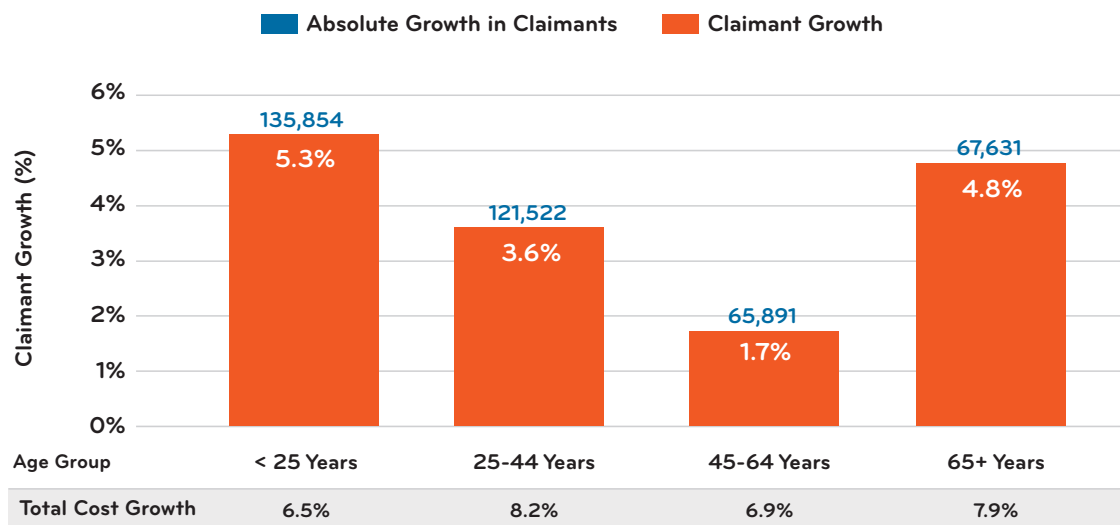
Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

The under-25 group saw the largest growth in the number of claimants (+5.3%) but had the lowest cost growth (+6.5%). The 25–44 and 45–64 age groups saw more modest percentage increases in claimants (3.6% and 1.7% respectively) but together made up 64.2% of all claimants and 47.9% of claimant growth.



The 65+ age group experienced 4.8% growth in claimants and 7.9% growth in total costs between 2023 and 2024, highlighting the rising presence of older workers in private drug plan utilization. (See Figure 18)

FIGURE 18: **Claimant Growth by Age Group, 2023-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.





IMPACT OF DAYS' SUPPLY

While drug price is often the primary focus in efforts to reduce claims costs, there are other opportunities to achieve savings that avoid undermining two primary strengths of private drug plans: breadth and speed of access. One such opportunity is to look beyond simply the price of the drug itself and consider how the other elements of a claim impact overall claims costs.

Canada's Dual Drug Market System

Compared to public coverage, private drug insurance gives millions of working Canadians and their families faster access to almost twice as many innovative medicines, delivered about three times faster for the benefit of millions of working Canadians and their families. At the individual employer level, drug benefits have been a critical tool for supporting plan member health and attracting and retaining employees. At the national level, this investment in innovation improves Canada as a launch destination for newer therapies, research, and clinical trials. Over the past decade, an increasing number of cost containment processes have been introduced, such as product listing agreements and prior authorization, that often result in slowing and limiting access to these medicines. Now more than ever, speed and broad access are key for the private market to stand apart from the public system, especially as federal discussions around single-payer, universal pharmacare continue.

Three components make up the cost per claim: drug ingredient, markup, and dispensing fee. As efforts are being made to achieve savings to support the sustainability of the private market in the short term, extending the number of days' supply where appropriate could generate significant savings without reducing the quality or access to medications.

Prescription drug costs and days' supply were examined across all provinces, excluding Quebec⁴, for three common categories of oral solid drugs which traditionally include high-volume, lower-cost generic medicines

1. Antidepressants, antipsychotics, and ADHD medications
2. Antidiabetic medications
3. Cardiovascular medications

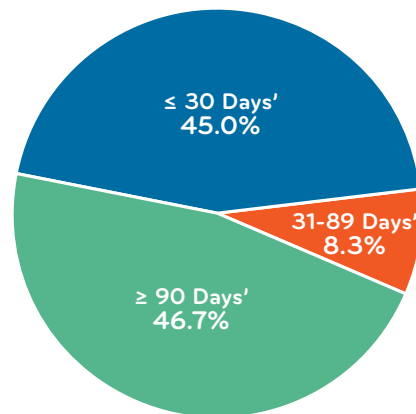
⁴ Dispensing fee data in Quebec were not available and therefore claims in Quebec were excluded from this part of the analysis.



This analysis excluded products with possibly day-supply limits such as anxiolytics, hypnotics, sedatives, and psychostimulants, which are often regulated under controlled substances legislation.

Prescriptions with 30 days' supply or less made up almost half of all private drug plan claims in 2024 for these three categories. Although policies and plans are increasingly being designed to encourage longer days' supply, there appears to be unrealized opportunity to further apply this approach to drive additional savings, given that the share of drugs with 30 days' supply or less has remained at approximately 45% of all claims in recent years. (See Figure 19)

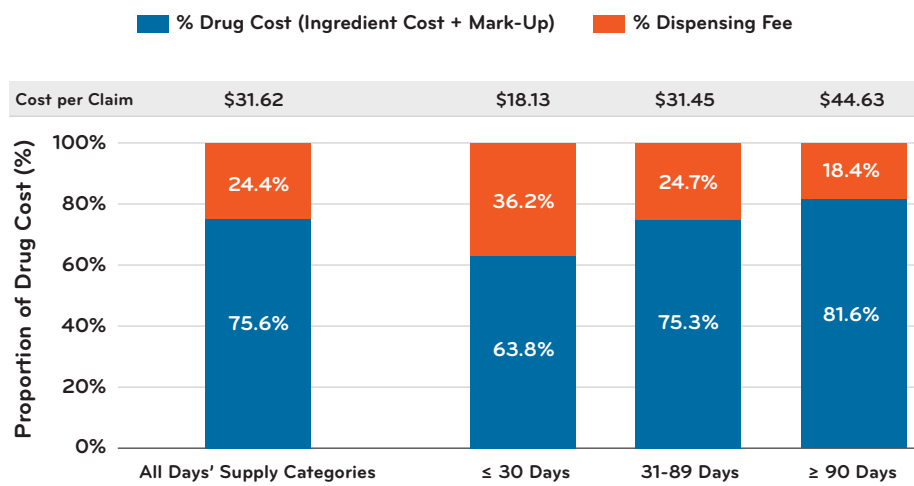
FIGURE 19: **Share of 2024 Claims, by Days' Supply Category**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

In the categories studied, dispensing fees made up 36.2% of the cost of a claim for prescriptions with 30 days' supply or fewer. Moving to 90 days' supply or more lowered the proportion of fees to 18.4% of the cost for prescriptions. (See Figure 20)

FIGURE 20: **Proportion of Drug Cost and Dispensing Fee for Anti-Depressants, Anti-Psychotics, ADHD Drugs, Antidiabetics, and Cardiovascular Drugs, 2024**

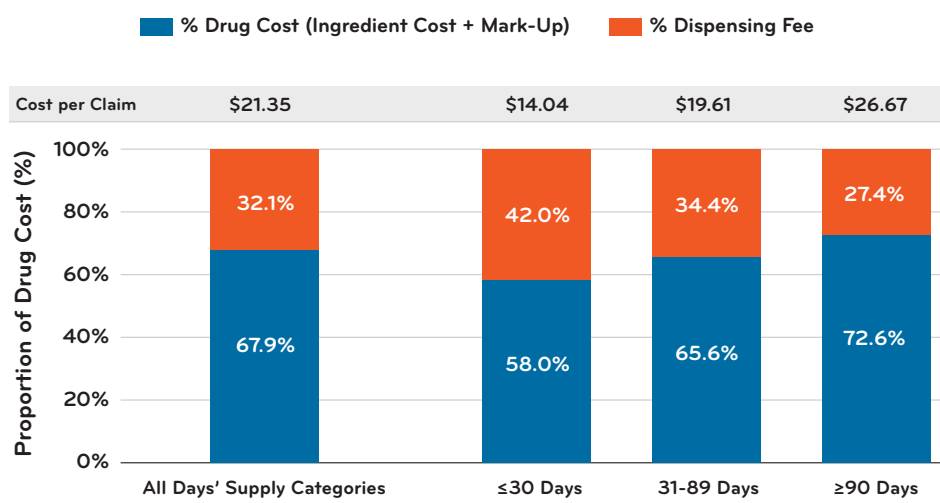


Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



The difference in dispensing fees is most pronounced for cardiovascular oral solids, where dispensing fees represented 32.1% of the cost of a prescription on average across all days' supply categories. This ranged from a high of 42.0% for prescriptions with 30 days' or fewer supply, down to 27.4% for prescriptions with 90 days' or greater supply. (See Figure 21)

FIGURE 21: **Proportion of Drug Cost and Dispensing Fee for Cardiovascular Drugs by Days' Supply Category, 2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

Where appropriate, increasing the number of days' supply for prescriptions for low-cost chronic medications could result in significantly lower prescriptions costs and generate overall drug claims cost savings by reducing the average daily treatment cost by up to 37%. This was estimated by modeling the daily cost (drug cost + dispensing fee) of three 30-day prescription claims compared to one 90-day prescription claim.

As pharmacists expand their scope of services across the country, the savings that insurers achieve by increasing days' supply could be reinvested to cover these enhanced pharmacy services for plan members, further increasing the value of employer-paid private health benefits.



SUMMARY

The value of private drug benefits as part of Canada's dual system of public and private drug reimbursement continues to be reflected in more generous and timely access to innovative therapies compared to what's offered in public drug plans. This speed of access for the working population, combined with greater freedom of choice, helps support Canada's workplace productivity. This access to new, innovative medicines is being balanced against rising overall health plan costs.

The annual Cost Driver report provides key research and market trends across the full Canadian private drug market and offers a closer look at what is driving annual private claim cost growth. This knowledge can be leveraged by health benefits advisors and plan sponsors to better articulate and manage plan costs while they strive to deliver high quality access to today's innovation.

In 2024, private drug plan costs in Canada rose by 7.3%, driven primarily by a 4.4% increase in utilization, while cost per claim increased by 2.8%—a rate consistent with pre-pandemic trends. The average cost per claimant rose by 3.7%, in line with health-related product inflation, reinforcing the stability of a system that can effectively balance innovation, access, and affordability.

Chronic therapies made up 72% of total costs and 68% of the cost growth. This includes treatment for conditions like diabetes, autoimmune diseases, and mental health—areas of significant importance to working Canadians and workplace productivity. Cost growth was concentrated in drugs priced under \$10,000 per year, with the most expensive drugs having minimal impact on overall market growth.

Encouragingly, innovation is reaching Canadians, helping to fill long-standing therapeutic gaps. These trends reflect a well-functioning innovation cycle: new therapies are entering the market, being adopted without destabilizing the system, and over time, their costs are moderated through increased competition and the entry of generic or biosimilars.

For years the private market has delivered faster and broader access to innovation for millions of Canadians. This has been a key driver of ensuring the attractiveness of Canada as a launch destination. This value continues to be critical as we continue to see longer delays for new medication to be available on public drug plans.

Working-age Canadians between 25 and 64 remain the primary users of private drug benefits accounting for 76.3% of total drug plan costs and 76.5% of cost growth, underscoring the critical role of drug benefits in supporting the health and productivity of the workforce. While claimant growth was observed across all age groups, the fastest-growing age segment was Canadians under 25, and those over 65 grew by 4.8%—reflecting a trend of Canadians remaining in the workforce longer and continuing to draw on private coverage.



For many years the private market has delivered faster and broader access to innovation for millions of Canadians. This has been a key driver of supporting employee health and improving Canada's attractiveness as a launch destination for innovative medicines, research and clinical trials. As we consider sustainability of the market, the ways in which we achieve savings should complement preserving the quality of private drug access. One way to do this is by extending the number of days' supply where appropriate, which could generate significant savings without reducing quality or access to medications. In the longer term, improving pooling and risk management outside of Quebec, especially for smaller plan sponsors, must continue to evolve to ensure equitable access and plan resilience.

The 2024 research highlights that Canada's private drug insurance system, supported by sustainable cost growth, is evolving in step with innovation and positioned to continue delivering value to plan members, employers, and the broader health system. As part of Canada's dual private-public drug coverage model, private plans can continue to play a critical role in ensuring faster and broader access to a wide range of medicines, a benefit that is invaluable for working-age Canadians and their families. This timely access supports better health outcomes, reduces delays in care, and helps mitigate longer-term costs to individuals, employers, and the public health system. Private drug benefits are not just a complement to public coverage; they are foundational to health and productivity in Canada.





DATA SOURCES AND METHODOLOGY

1. The analysis in this report is based on the IQVIA Private Drug Plan Claims database, the largest pan-Canadian private drug plan claims database. It covers approximately 80% of pay-direct private drug claims nationally, and the subset selected for this study covers approximately 65% of the total private drug claims in Canada. The database includes nine of the top 10 private insurance carriers, third-party administrators, and benefit plan managers, providing insights from more than 11-million active claimants with over 134-million drug claims. Figures in this report have not been adjusted to represent 100% of the market.
2. Due to changes in data collection and reporting, the results disclosed in this report should not be compared with reports from previous years. Private drug plans that underwent changes in data reporting in 2023 were excluded for all years covered by this report (2014-2024). This change led to a reduction of approximately 20% in total costs per year in 2023. All non-drug products, including non-drug diabetic products, were excluded from all analyses. Examples of non-drug products include needles, bandages, cannabis, administrative PINs, and isopropyl alcohol.
3. Drug claims represent only one component of the overall cost of a private drug benefit plan. The actual cost borne by plan sponsors is influenced by various factors, including the insurer's risk management process, premium setting processes, and pooling methodology.
4. Claims costs are based on eligible amounts, including both the plan-paid and the patient-paid portions, and include drug ingredient costs as well as pharmacy and wholesaler markups. Dispensing fees are not included, except in Quebec. Claims in Quebec were excluded from the cost drivers by days' supply analysis.
5. A "claim" in this analysis is defined as one fill for one drug identification number (DIN) at a given time. The cost of each claim may vary depending on the number of days supplied for each claim.
6. This analysis includes only drug pay-direct claims processed through group or individual private drug plans and does not include cash-paying customers with private coverage.

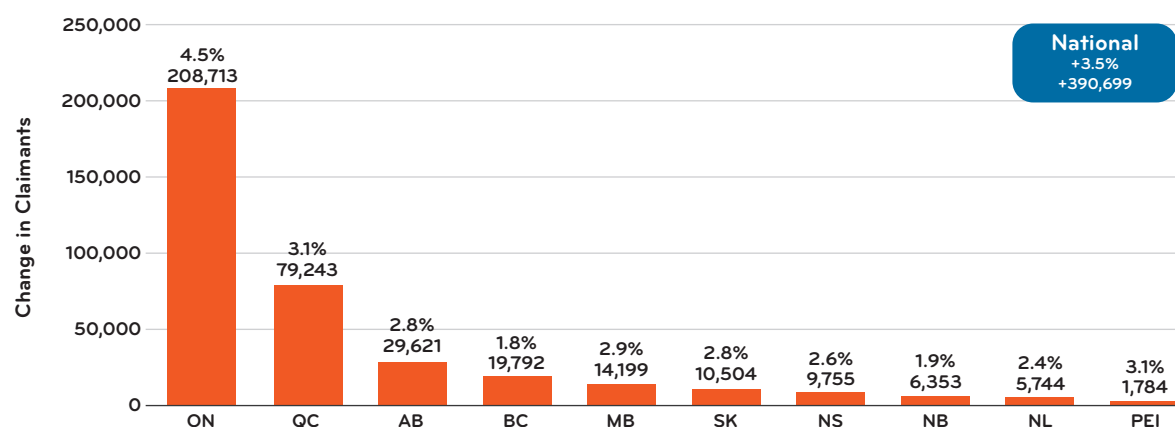
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APPENDIX 1 - GROWTH BY REGION

Increased utilization (growth in number of claimants, and growth in claims per claimant) was the main driver of private drug plan claims cost growth in almost every province (except PEI). Ontario had the highest relative (+4.5%) and absolute (+208K claimants) growth in the number of claimants, while British Columbia and Newfoundland had the lowest growth in claimants at +1.8% and +1.9%, respectively.

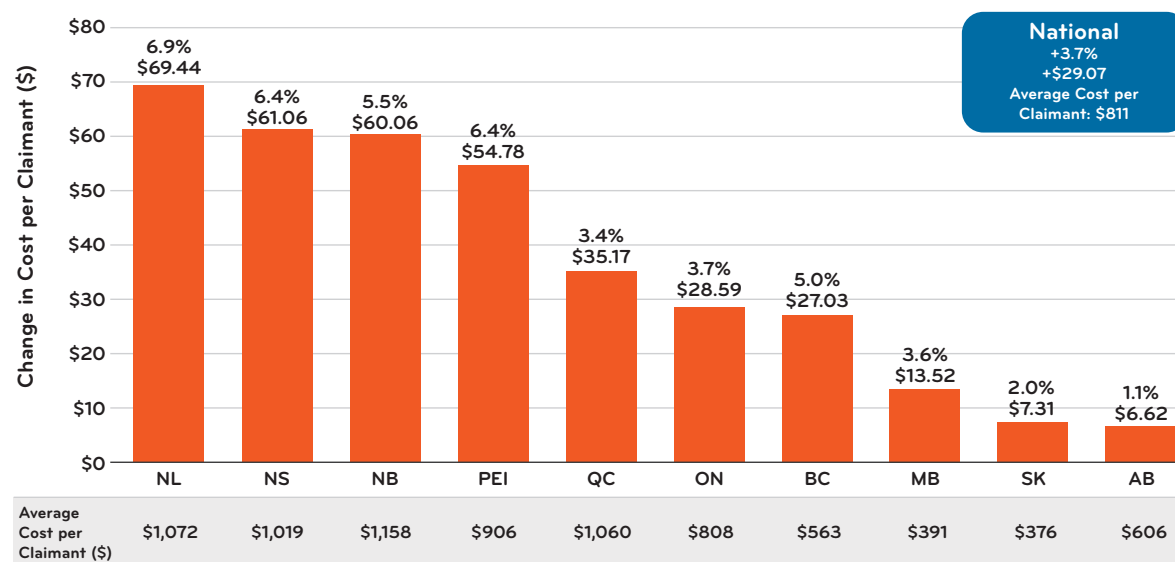
FIGURE 22: **Change in Claimants by Province, 2023-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

The difference in dispensing fees is most pronounced for cardiovascular oral solids, where dispensing fees represented 32.1% of the cost of a prescription on average across all days' supply categories. This ranged from a high of 42.0% for prescriptions with 30 days' or fewer supply, down to 27.4% for prescriptions with 90 days' or greater supply. (See Figure 21)

FIGURE 23: **Change in Cost per Claimant by Province, 2023-2024**

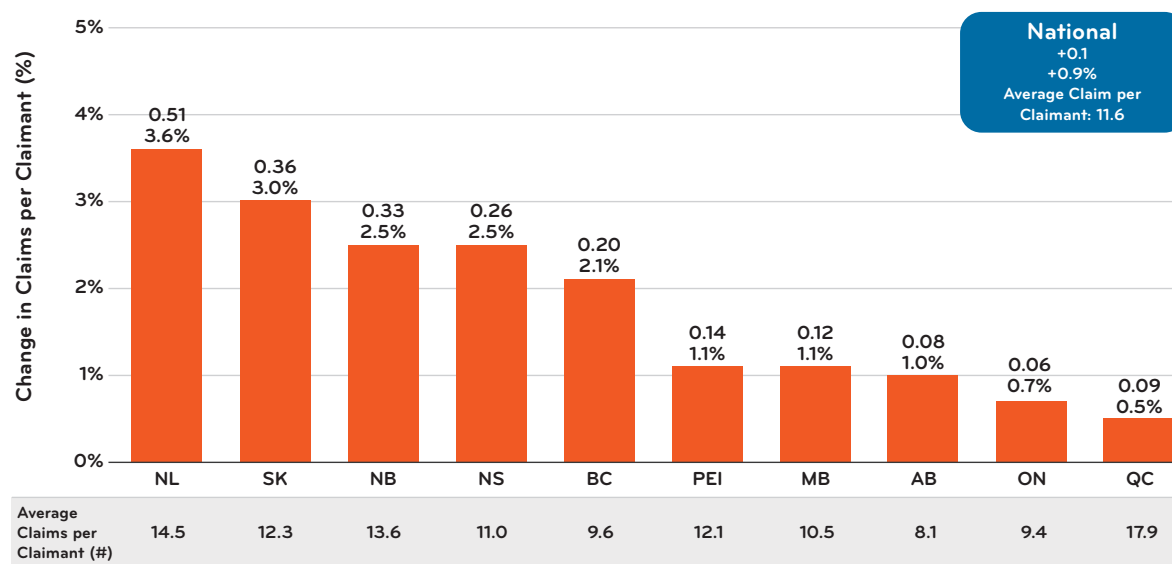


Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



All provinces experienced a mild to moderate increase in the number of claims per claimant from 2024. The Atlantic provinces along with Saskatchewan and BC saw the largest increase, while Ontario and Quebec were the only provinces which increased less than the national average of 0.9%. Quebec's number of claims per claimant is significantly higher than the rest of Canada, due to its unique public/private drug insurance model, which has traditionally involved dispensing shorter durations of supply.

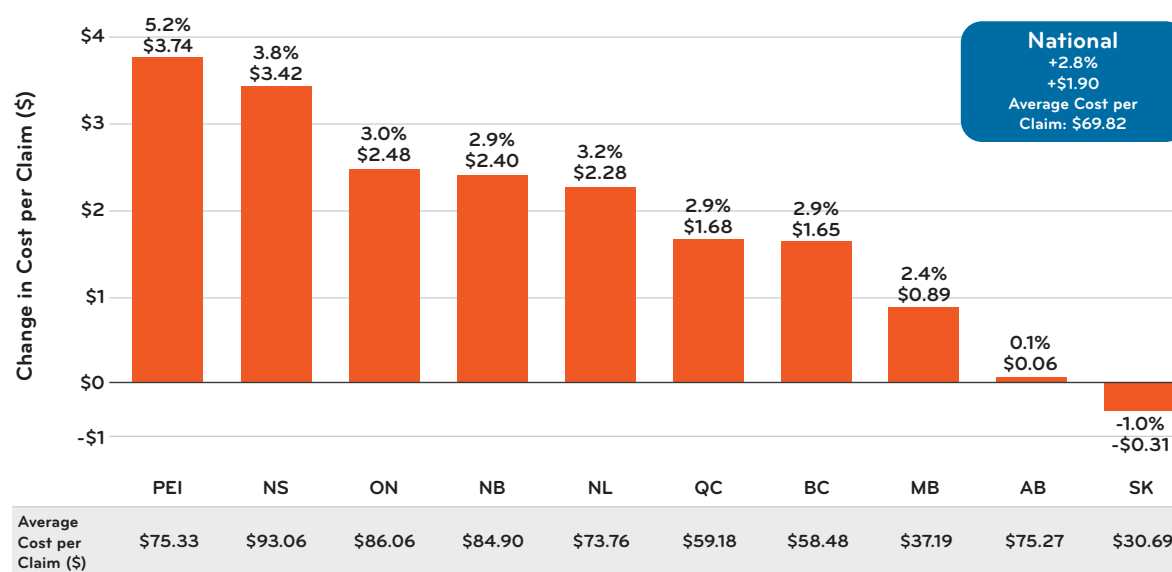
FIGURE 24: **Change in Claims per Claimant by Province, 2023-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.

Changes in cost per claim across the country ranged from -\$0.31 in Saskatchewan to \$3.74 in Prince Edward Island. Most provinces saw a cost per claim increase between 2% and 3%, except for Saskatchewan (-1.0%), Alberta (0.1%), Nova Scotia (3.8%), and Prince Edward Island (5.2%).

FIGURE 25: **Change in Cost per Claim by Province, 2023-2024**



Source: IQVIA Private Drug Plan (PDP) Claims database, 2025.



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