Workers' Comp

A Look at the Foundation of Work Comp Pharmacy Trends

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4 MIN READ

We are excited to kick off this blogging effort by discussing the workers' compensation trends we have identified in our 2017 annual Drug Trends Series and to dig into some of the key drivers behind these trends. The first drug trends installment reviews key trends and highlights from the traditional retail and mail-order pharmacy view.

Over the years, PBMs have exclusively focused on this subset of prescriptions for reporting their impact on the client experience through discounts in pricing per script as well as point-of-sale edits for utilization management prior to the prescription being dispensed. That's critical information to have but it doesn't reveal the complete picture. We've seen a shift in medication-dispensing patterns over the last few years in workers' comp, and it has become clear that solely analyzing and reporting on medications dispensed through traditional means is no longer sufficient.

A comprehensive view remains the most effective way to understand the full pharmacy landscape. Taking a more comprehensive approach doesn't diminish the importance of including key trends from the traditional view. We still need the traditional view to compare 2017 results to those in prior years, and to provide a valid market benchmark for the pharmacy experience where the most mature clinical- and cost-management tools are applied.

2017 Traditional View—Key Trends & Highlights In 2017, First Script's "traditional view" accounted for 69.6% of all pharmacy transactions and 71.2% of all pharmacy spend. Accordingly, the remaining prescriptions that were not accounted for in the traditional view represented 30.4% of all pharmacy transactions and 28.8% of all pharmacy spend. We will be discussing the trends associated with these non-traditional prescriptions in part two of our Drug Trends Series. Within the traditional view there are three key metrics that the industry commonly reports:

- • Cost per script • Prescriptions per claim
- Total prescription cost per claim Last year, we experienced a decrease of 0.2% in the overall cost per prescription, which was driven mostly by the drop in average wholesale price (AWP) for brand drugs, and an increased focus on drug-mix management by our clinical team.

Double-digit declines in utilization of key drug classes such as opioids and compounds contributed to a 6.7% drop in overall utilization, or the number of scripts per claim. The decreases in cost per script and utilization

resulted in a 6.8% decrease in overall prescription cost per claim for the traditional view. A 1.6% points decline in opioid prescriptions with Morphine Equivalent Dose (MED) over 100, in addition to a 6.6% decline in overall MED per prescription, represented the largest drop in the last three years; this is great news for clients and patients alike.

This significant decline in opioid utilization relates to a variety of factors. Most important are the strong partnerships being formed between First Script and our clients. First Script has worked diligently to build robust clinical programs to continuously reduce MED over the last seven years through:

- Early-intervention and outreach programs for prescribers and patients
- Education initiatives for physicians, injured workers, and adjusters
- Targeted focus groups to analyze and design strategies that reduce narcotic utilization
- State-based closed formularies, medical guidelines and other recently adopted regulatory measures
- National emphasis on increasing physician use of Prescription Drug Monitoring Programs (PDMPs)

Compounds were another key drug class that experienced compelling trend changes in the traditional view. We saw a 60% plunge in cost per claim and a 52.7% drop in utilization. In the last few years, the number of compound medications prescribed for injured workers had overshadowed the growth of nearly every drug class with the exception of opioids. There was no single catalyst that touched off this welcome change. Instead, many factors helped restrict the use of compound medications to instances in which injured workers would likely realize medical improvement. These factors included:

- Evaluation of compounds for clinical necessity at the drug-ingredient level
- Network oversight, scrutiny of compound providers and, in some cases, removal of providers from the network where necessary
- Advocacy for continued state-reform measures that require a compound’s medical necessity be demonstrated prior to dispensing
- Education efforts that empower claim evaluators to better make critical decisions around the approval of compound medications

The reversal of cost and utilization trends within the traditional space, are only possible through continued understanding of what occurs in both the managed and unmanaged space and with persistent advocacy by all stakeholders to drive change. That same determination also drives the welcome decreases we’ve seen in the opioid data. In all cases, the health and safety of injured workers should always come before profitability for prescribers and dispensers. We’re eager to report more successes in the coming years.



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