Workers' Comp

Quarterly Drug Update: Pharmacy Drug Spend

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In this quarter's report, we give you insight into cost efficient medications and what expenses to monitor.

CompPharma's 2018 Annual Survey of Prescription Drug Management in Workers' Comp found that, in the past eight years, drug spend has decreased 31.5% among those surveyed in workers' compensation. Part of this is due to increased focus on dangerous opioid prescribing behaviors and the implementation of state-mandated formularies. Opioid spend has decreased for the same group by around 18.22% in the past year and payers and PBM's have been able to reduce opioid spend by about one third in the last two years. These data points are encouraging for those working in the industry. However, it is still important to ensure that the most effective and cost efficient medications are utilized to support injured workers' recovery. As you implement pharmacy management programs, here are a few areas to focus on:

1. Utilization of generic drugs and requiring written authorization...

by the provider outlining why the brand is required for the claimant. In some cases a brand may be the only option, but where there is a generic available, it is a good option for the patient. The FDA, " conducts rigorous review to make sure generic medicines meet these requirements. In addition, FDA conducts 3,500 inspections of manufacturing plants a year, ensuring compliance with the agency's regulations on good manufacturing practices." (FDA). They also report that generics are approximately 85% less than brand name drugs and have saved the U.S. healthcare system $1.67 trillion from 2007 to 2016 (ibid).

2. Removal of 'me-too' drugs from the formulary

"'Me-too' drugs can be broadly defined as chemically related to the prototype, or other chemical compounds which have an identical mechanism of action." 'Me-Too' drugs are those that are very similar to a previous drug

(usually coming off patent) but have slight modifications or can also be a new combination of drugs that had not previously existed. While neither of these are negative per se, there is an opportunity for payers to look for equally clinically effective medication and or medication combinations that have the same benefit. Recent examples to consider include:

Combination medications

Ex: Duexis® and Vimovo®, which **cost between 3000 and 5000% more** than the generic individual medications. Both are combination drugs containing ingredients that are used to treat excess acid in the stomach and for anti-inflammatory purposes.

- Vimovo® costs close to $3000 for a 30-day supply, while the two individual drugs that are in Vimovo®; naproxen and esomeprazole, are available in generic form.
- These two generic drugs cost approximately $54 for a 30-day supply, a savings of around $2900 per month, per prescription.

Brand name drugs manufactured in different strengths than generic drugs currently available**

Examples include:

- Silenor® (doxepin) 6 mg tablets used for insomnia. Doxepin generic is available in 10, 25, 50, 75, 100, and 150 mg capsules. Silenor® is marketed for sleep uses. Doxepin generic is utilized as an anti-depressant and sometimes for anxiety.
    - Cost of 10 mg doxepin vs. 6 mg Silenor® for 30 days is approximately $15, while Silenor® is close to $500.
- Xtampza ER® (oxycodone extended release) used to treat severe chronic pain. Oxycodone extended release tablets are available in 10, 15, 20, 40, and 80 mg tablets. Xtampza ER® is available in 9, 13.5, 18, 27, and 36 mg capsules.
    - Comparing generic oxycodone ER 20 mg capsules, quantity 60, with Xtampza ER® 18 mg capsules, quantity 60 find that oxycodone is approximately $250, while Xtampza ER® cost is approximately $500, **a savings of 50%** when using the generic oxycodone ER.

As we work to improve the overall outcomes of workers' compensation claims, it is important to keep in mind how pharmaceutical decisions can impact a claim. Better understanding of utilization and "me-too" drugs are two areas for consideration.

Watch for our next quarterly report, where we will cover medications going off their patents. Another avenue for improving outcomes for all stakeholders is the implementation of statewide formularies.



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